



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019  
OF THE CONDITION AND AFFAIRS OF THE

Infinity Preferred Insurance Company

NAIC Group Code

0215

(Current)

0215

(Prior)

NAIC Company Code

10195

Employer's ID Number

34-1785809

Organized under the Laws of

Ohio

State of Domicile or Port of Entry

OH

Country of Domicile

United States of America

Incorporated/Organized

11/07/1994

Commenced Business

07/01/1995

Statutory Home Office

1400 Provident Tower, One East Fourth Street

Cincinnati, OH, US 45202

(Street and Number)

(City or Town, State, Country and Zip Code)

Main Administrative Office

2201 4th Avenue North

Birmingham, AL, US 35203-3863

(Street and Number)

(City or Town, State, Country and Zip Code)

205-870-4000

(Area Code) (Telephone Number)

Mail Address

P.O. Box 830189

Birmingham, AL, US 35283-0189

(Street and Number or P.O. Box)

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

2201 4th Avenue North

Birmingham, AL, US 35203-3863

(Street and Number)

(City or Town, State, Country and Zip Code)

205-870-4000

(Area Code) (Telephone Number)

Internet Website Address

www.infinityauto.com

Statutory Statement Contact

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(E-mail Address)

(FAX Number)

OFFICERS

President

Matthew Joseph Varagona #

Vice President & Treasurer/Controller

Amy Kay Jordan

Secretary

James Henry Romaker #

OTHER

DIRECTORS OR TRUSTEES

Amy Kay Jordan

Douglas J. Kerr #

Aditya Mahajan #

Michael A. Marinaccio #

James Henry Romaker

Duane Allen Sanders

Matthew Joseph Varagona #

State of

Alabama

County of

Jefferson

SS:

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.

Matthew Joseph Vargona

James Henry Romaker

Amy Kay Jordan

President

Secretary

Vice President & Treasurer/Controller

Subscribed and sworn to before me this

20th

day of

February, 2020

Barbara H. Mosley

April 15, 2021

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.....

ASSETS

|                                                                                    | Current Year |                         |                                           | Prior Year                  |
|------------------------------------------------------------------------------------|--------------|-------------------------|-------------------------------------------|-----------------------------|
|                                                                                    | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....                                                        | 2,013,927    |                         | 2,013,927                                 | 4,492,698                   |
| 2. Stocks (Schedule D):                                                            |              |                         |                                           |                             |
| 2.1 Preferred stocks .....                                                         |              |                         |                                           |                             |
| 2.2 Common stocks .....                                                            |              |                         |                                           |                             |
| 3. Mortgage loans on real estate (Schedule B):                                     |              |                         |                                           |                             |
| 3.1 First liens .....                                                              |              |                         |                                           |                             |
| 3.2 Other than first liens .....                                                   |              |                         |                                           |                             |
| 4. Real estate (Schedule A):                                                       |              |                         |                                           |                             |
| 4.1 Properties occupied by the company (less \$ .....                              |              |                         |                                           |                             |
| encumbrances) .....                                                                |              |                         |                                           |                             |
| 4.2 Properties held for the production of income (less                             |              |                         |                                           |                             |
| \$ ..... encumbrances) .....                                                       |              |                         |                                           |                             |
| 4.3 Properties held for sale (less \$ .....                                        |              |                         |                                           |                             |
| encumbrances) .....                                                                |              |                         |                                           |                             |
| 5. Cash (\$ ....., Schedule E - Part 1), cash equivalents                          |              |                         |                                           |                             |
| (\$ .....1,145,609 , Schedule E - Part 2) and short-term                           |              |                         |                                           |                             |
| investments (\$ ....., Schedule DA) .....                                          | 1,145,609    |                         | 1,145,609                                 | 208,635                     |
| 6. Contract loans (including \$ ..... premium notes) .....                         |              |                         |                                           |                             |
| 7. Derivatives (Schedule DB) .....                                                 |              |                         |                                           |                             |
| 8. Other invested assets (Schedule BA) .....                                       |              |                         |                                           |                             |
| 9. Receivable for securities .....                                                 |              |                         |                                           |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....            |              |                         |                                           |                             |
| 11. Aggregate write-ins for invested assets .....                                  |              |                         |                                           |                             |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....                      | 3,159,536    |                         | 3,159,536                                 | 4,701,333                   |
| 13. Title plants less \$ ..... charged off (for Title insurers                     |              |                         |                                           |                             |
| only) .....                                                                        |              |                         |                                           |                             |
| 14. Investment income due and accrued .....                                        | 2,652        |                         | 2,652                                     | 13,753                      |
| 15. Premiums and considerations:                                                   |              |                         |                                           |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....   |              |                         |                                           |                             |
| 15.2 Deferred premiums and agents' balances and installments booked but            |              |                         |                                           |                             |
| deferred and not yet due (including \$ .....                                       |              |                         |                                           |                             |
| earned but unbilled premiums) .....                                                |              |                         |                                           |                             |
| 15.3 Accrued retrospective premiums (\$ ..... ) and                                |              |                         |                                           |                             |
| contracts subject to redetermination (\$ ..... ) .....                             |              |                         |                                           |                             |
| 16. Reinsurance:                                                                   |              |                         |                                           |                             |
| 16.1 Amounts recoverable from reinsurers .....                                     |              |                         |                                           |                             |
| 16.2 Funds held by or deposited with reinsured companies .....                     |              |                         |                                           |                             |
| 16.3 Other amounts receivable under reinsurance contracts .....                    |              |                         |                                           |                             |
| 17. Amounts receivable relating to uninsured plans .....                           |              |                         |                                           |                             |
| 18.1 Current federal and foreign income tax recoverable and interest thereon ..... | 31,670       |                         | 31,670                                    | 52,712                      |
| 18.2 Net deferred tax asset .....                                                  |              |                         |                                           |                             |
| 19. Guaranty funds receivable or on deposit .....                                  |              |                         |                                           |                             |
| 20. Electronic data processing equipment and software .....                        |              |                         |                                           |                             |
| 21. Furniture and equipment, including health care delivery assets                 |              |                         |                                           |                             |
| (\$ ..... ) .....                                                                  |              |                         |                                           |                             |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   |              |                         |                                           |                             |
| 23. Receivables from parent, subsidiaries and affiliates .....                     |              |                         |                                           |                             |
| 24. Health care (\$ ..... ) and other amounts receivable .....                     |              |                         |                                           |                             |
| 25. Aggregate write-ins for other than invested assets .....                       |              |                         |                                           |                             |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and              |              |                         |                                           |                             |
| Protected Cell Accounts (Lines 12 to 25) .....                                     | 3,193,858    |                         | 3,193,858                                 | 4,767,798                   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell                 |              |                         |                                           |                             |
| Accounts .....                                                                     |              |                         |                                           |                             |
| 28. Total (Lines 26 and 27) .....                                                  | 3,193,858    |                         | 3,193,858                                 | 4,767,798                   |
| DETAILS OF WRITE-INS                                                               |              |                         |                                           |                             |
| 1101. ....                                                                         |              |                         |                                           |                             |
| 1102. ....                                                                         |              |                         |                                           |                             |
| 1103. ....                                                                         |              |                         |                                           |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....          |              |                         |                                           |                             |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)                       |              |                         |                                           |                             |
| 2501. ....                                                                         |              |                         |                                           |                             |
| 2502. ....                                                                         |              |                         |                                           |                             |
| 2503. ....                                                                         |              |                         |                                           |                             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....          |              |                         |                                           |                             |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)                       |              |                         |                                           |                             |

LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                                                                                                                                                        | 1<br>Current Year | 2<br>Prior Year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) .....                                                                                                                                                                                                                                                                           |                   |                 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....                                                                                                                                                                                                                |                   |                 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....                                                                                                                                                                                                                                                         |                   |                 |
| 4. Commissions payable, contingent commissions and other similar charges .....                                                                                                                                                                                                                                         |                   |                 |
| 5. Other expenses (excluding taxes, licenses and fees) .....                                                                                                                                                                                                                                                           | 623               | 312             |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....                                                                                                                                                                                                                                         |                   |                 |
| 7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....                                                                                                                                                                                                             |                   |                 |
| 7.2 Net deferred tax liability .....                                                                                                                                                                                                                                                                                   | 3,799             | 7,317           |
| 8. Borrowed money \$ ..... and interest thereon \$ .....                                                                                                                                                                                                                                                               |                   |                 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) ..... |                   |                 |
| 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 (Schedule F, Part 3, Column 20) .....                                                                                                                                                                                                                             |                   |                 |
| 14. Amounts withheld or retained by company for account of others .....                                                                                                                                                                                                                                                |                   |                 |
| 15. Remittances and items not allocated .....                                                                                                                                                                                                                                                                          |                   |                 |
| 16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....                                                                                                                                                                                                                     |                   |                 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates .....                                                                                                                                                                                                                                      |                   |                 |
| 18. Drafts outstanding .....                                                                                                                                                                                                                                                                                           |                   |                 |
| 19. Payable to parent, subsidiaries and affiliates .....                                                                                                                                                                                                                                                               | 425               | 1,445,991       |
| 20. Derivatives .....                                                                                                                                                                                                                                                                                                  |                   |                 |
| 21. Payable for securities .....                                                                                                                                                                                                                                                                                       |                   |                 |
| 22. Payable for securities lending .....                                                                                                                                                                                                                                                                               |                   |                 |
| 23. Liability for amounts held under uninsured plans .....                                                                                                                                                                                                                                                             |                   |                 |
| 24. Capital notes \$ ..... and interest thereon \$ .....                                                                                                                                                                                                                                                               |                   |                 |
| 25. Aggregate write-ins for liabilities .....                                                                                                                                                                                                                                                                          |                   |                 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....                                                                                                                                                                                                                                  | 4,847             | 1,453,620       |
| 27. Protected cell liabilities .....                                                                                                                                                                                                                                                                                   |                   |                 |
| 28. Total liabilities (Lines 26 and 27) .....                                                                                                                                                                                                                                                                          | 4,847             | 1,453,620       |
| 29. Aggregate write-ins for special surplus funds .....                                                                                                                                                                                                                                                                |                   |                 |
| 30. Common capital stock .....                                                                                                                                                                                                                                                                                         | 1,500,000         | 1,500,000       |
| 31. Preferred capital stock .....                                                                                                                                                                                                                                                                                      |                   |                 |
| 32. Aggregate write-ins for other than special surplus funds .....                                                                                                                                                                                                                                                     |                   |                 |
| 33. Surplus notes .....                                                                                                                                                                                                                                                                                                |                   |                 |
| 34. Gross paid in and contributed surplus .....                                                                                                                                                                                                                                                                        | 1,500,000         | 1,500,000       |
| 35. Unassigned funds (surplus) .....                                                                                                                                                                                                                                                                                   | 189,011           | 314,178         |
| 36. Less treasury stock, at cost:                                                                                                                                                                                                                                                                                      |                   |                 |
| 36.1 ..... shares common (value included in Line 30 \$ ..... ) .....                                                                                                                                                                                                                                                   |                   |                 |
| 36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....                                                                                                                                                                                                                                                |                   |                 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....                                                                                                                                                                                                                                 | 3,189,011         | 3,314,178       |
| 38. TOTALS (Page 2, Line 28, Col. 3) .....                                                                                                                                                                                                                                                                             | 3,193,858         | 4,767,798       |
| DETAILS OF WRITE-INS                                                                                                                                                                                                                                                                                                   |                   |                 |
| 2501. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2502. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2503. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....                                                                                                                                                                                                                                              |                   |                 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)                                                                                                                                                                                                                                                           |                   |                 |
| 2901. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2902. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2903. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....                                                                                                                                                                                                                                              |                   |                 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)                                                                                                                                                                                                                                                           |                   |                 |
| 3201. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 3202. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 3203. ....                                                                                                                                                                                                                                                                                                             |                   |                 |
| 3298. Summary of remaining write-ins for Line 32 from overflow page .....                                                                                                                                                                                                                                              |                   |                 |
| 3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)                                                                                                                                                                                                                                                           |                   |                 |

STATEMENT OF INCOME

|                                                                                                                                                                   | 1<br>Current Year | 2<br>Prior Year |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| UNDERWRITING INCOME                                                                                                                                               |                   |                 |
| 1.   Premiums earned (Part 1, Line 35, Column 4).....                                                                                                             |                   | 1,336,744       |
| DEDUCTIONS:                                                                                                                                                       |                   |                 |
| 2.   Losses incurred (Part 2, Line 35, Column 7) .....                                                                                                            |                   | 816,775         |
| 3.   Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....                                                                                          |                   | 151,872         |
| 4.   Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....                                                                                       |                   | 333,070         |
| 5.   Aggregate write-ins for underwriting deductions .....                                                                                                        |                   |                 |
| 6.   Total underwriting deductions (Lines 2 through 5) .....                                                                                                      |                   | 1,301,717       |
| 7.   Net income of protected cells .....                                                                                                                          |                   |                 |
| 8.   Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....                                                                                      |                   | 35,027          |
| INVESTMENT INCOME                                                                                                                                                 |                   |                 |
| 9.   Net investment income earned (Exhibit of Net Investment Income, Line 17) .....                                                                               | 77,317            | 59,385          |
| 10.  Net realized capital gains or (losses) less capital gains tax of \$   .....9   (Exhibit of Capital<br>Gains (Losses) ) .....                                 | 31                |                 |
| 11.  Net investment gain (loss) (Lines 9 + 10) .....                                                                                                              | 77,348            | 59,385          |
| OTHER INCOME                                                                                                                                                      |                   |                 |
| 12.  Net gain (loss) from agents' or premium balances charged off (amount recovered<br>\$   ..... amount charged off \$   ..... ) .....                           |                   | ( 17,669)       |
| 13.  Finance and service charges not included in premiums .....                                                                                                   |                   | 58,564          |
| 14.  Aggregate write-ins for miscellaneous income .....                                                                                                           |                   | 25,807          |
| 15.  Total other income (Lines 12 through 14) .....                                                                                                               |                   | 66,702          |
| 16.  Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes<br>(Lines 8 + 11 + 15) .....     | 77,348            | 161,114         |
| 17.  Dividends to policyholders .....                                                                                                                             |                   |                 |
| 18.  Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes<br>(Line 16 minus Line 17) ..... | 77,348            | 161,114         |
| 19.  Federal and foreign income taxes incurred .....                                                                                                              | 21,033            | ( 7,705)        |
| 20.  Net income (Line 18 minus Line 19)(to Line 22) .....                                                                                                         | 56,315            | 168,819         |
| CAPITAL AND SURPLUS ACCOUNT                                                                                                                                       |                   |                 |
| 21.  Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....                                                                   | 3,314,178         | 3,185,310       |
| 22.  Net income (from Line 20) .....                                                                                                                              | 56,315            | 168,819         |
| 23.  Net transfers (to) from Protected Cell accounts .....                                                                                                        |                   |                 |
| 24.  Change in net unrealized capital gains or (losses) less capital gains tax of \$   .....                                                                      |                   |                 |
| 25.  Change in net unrealized foreign exchange capital gain (loss) .....                                                                                          |                   |                 |
| 26.  Change in net deferred income tax .....                                                                                                                      | 3,518             | ( 39,951)       |
| 27.  Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....                                                                          |                   |                 |
| 28.  Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....                                                                         |                   |                 |
| 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 .....                                                                                                                              | ( 185,000)        |                 |
| 36.  Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....                                                                        |                   |                 |
| 37.  Aggregate write-ins for gains and losses in surplus .....                                                                                                    |                   |                 |
| 38.  Change in surplus as regards policyholders for the year (Lines 22 through 37) .....                                                                          | ( 125,167)        | 128,868         |
| 39.  Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....                                                    | 3,189,011         | 3,314,178       |
| DETAILS OF WRITE-INS                                                                                                                                              |                   |                 |
| 0501. ....                                                                                                                                                        |                   |                 |
| 0502. ....                                                                                                                                                        |                   |                 |
| 0503. ....                                                                                                                                                        |                   |                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page .....                                                                                          |                   |                 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above) .....                                                                                                 |                   |                 |
| 1401.   Other fee income .....                                                                                                                                    |                   | 30,437          |
| 1402.   Miscellaneous income or (expense) .....                                                                                                                   |                   | ( 4,630)        |
| 1403. ....                                                                                                                                                        |                   |                 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....                                                                                         |                   |                 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....                                                                                                |                   | 25,807          |
| 3701. ....                                                                                                                                                        |                   |                 |
| 3702. ....                                                                                                                                                        |                   |                 |
| 3703. ....                                                                                                                                                        |                   |                 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page .....                                                                                         |                   |                 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above) .....                                                                                                |                   |                 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

CASH FLOW

|                                                                                                                 | 1            | 2           |
|-----------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                 | Current Year | Prior Year  |
| Cash from Operations                                                                                            |              |             |
| 1. Premiums collected net of reinsurance .....                                                                  |              | 818,033     |
| 2. Net investment income .....                                                                                  | 87,500       | 58,489      |
| 3. Miscellaneous income .....                                                                                   |              | 66,702      |
| 4. Total (Lines 1 through 3) .....                                                                              | 87,500       | 943,224     |
| 5. Benefit and loss related payments .....                                                                      |              | 1,443,587   |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    |              |             |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      |              | 641,199     |
| 8. Dividends paid to policyholders .....                                                                        |              |             |
| 9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....        |              | 48,906      |
| 10. Total (Lines 5 through 9) .....                                                                             |              | 2,133,692   |
| 11. Net cash from operations (Line 4 minus Line 10) .....                                                       | 87,500       | (1,190,468) |
| Cash from Investments                                                                                           |              |             |
| 12. Proceeds from investments sold, matured or repaid:                                                          |              |             |
| 12.1 Bonds .....                                                                                                | 2,480,000    |             |
| 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 .....                           | 40           |             |
| 12.7 Miscellaneous proceeds .....                                                                               |              |             |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....                                                       | 2,480,040    |             |
| 13. Cost of investments acquired (long-term only):                                                              |              |             |
| 13.1 Bonds .....                                                                                                |              | 89,712      |
| 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) .....                                                      |              | 89,712      |
| 14. Net increase (decrease) in contract loans and premium notes .....                                           |              |             |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | 2,480,040    | (89,712)    |
| Cash from Financing and Miscellaneous Sources                                                                   |              |             |
| 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 .....                                                                            | 185,000      |             |
| 16.6 Other cash provided (applied) .....                                                                        | (1,445,566)  | 1,423,949   |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (1,630,566)  | 1,423,949   |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS                                             |              |             |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | 936,974      | 143,769     |
| 19. Cash, cash equivalents and short-term investments:                                                          |              |             |
| 19.1 Beginning of year .....                                                                                    | 208,635      | 64,866      |
| 19.2 End of period (Line 18 plus Line 19.1) .....                                                               | 1,145,609    | 208,635     |

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

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

Underwriting and Investment Exhibit - Part 1 - Premiums Earned

**N O N E**

Underwriting and Investment Exhibit - Part 1A - Recapitulation of all Premiums

**N O N E**

Underwriting and Investment Exhibit - Part 1B - Premiums Written

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

| Line of Business                                                          | Losses Paid Less Salvage |                     |                       |                                | 5                                                 | 6                            | 7                                              | 8                                                                                  |
|---------------------------------------------------------------------------|--------------------------|---------------------|-----------------------|--------------------------------|---------------------------------------------------|------------------------------|------------------------------------------------|------------------------------------------------------------------------------------|
|                                                                           | 1                        | 2                   | 3                     | 4                              |                                                   |                              |                                                |                                                                                    |
|                                                                           | Direct Business          | Reinsurance Assumed | Reinsurance Recovered | Net Payments (Cols. 1 + 2 -3 ) | Net Losses Unpaid Current Year (Part 2A , Col. 8) | Net Losses Unpaid Prior Year | Losses Incurred Current Year (Cols. 4 + 5 - 6) | Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1) |
| 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 (group and individual) .....               |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 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 .....                         | 275                      |                     | 275                   |                                |                                                   |                              |                                                |                                                                                    |
| 19.3, 19.4 Commercial auto liability .....                                |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 21. Auto physical damage .....                                            | (267)                    |                     | (267)                 |                                |                                                   |                              |                                                |                                                                                    |
| 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                      |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                      |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                      |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 34. Aggregate write-ins for other lines of business .....                 |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 35. TOTALS                                                                | 8                        |                     | 8                     |                                |                                                   |                              |                                                |                                                                                    |
| DETAILS OF WRITE-INS                                                      |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3401. ....                                                                |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3402. ....                                                                |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3403. ....                                                                |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)              |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business                                                          | Reported Losses |                     |                                |                                                              | Incurred But Not Reported |                     |                   | 8                                       | 9                                   |
|---------------------------------------------------------------------------|-----------------|---------------------|--------------------------------|--------------------------------------------------------------|---------------------------|---------------------|-------------------|-----------------------------------------|-------------------------------------|
|                                                                           | 1               | 2                   | 3                              | 4                                                            | 5                         | 6                   | 7                 |                                         |                                     |
|                                                                           | Direct          | Reinsurance Assumed | Deduct Reinsurance Recoverable | Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3) | Direct                    | Reinsurance Assumed | Reinsurance Ceded | Net Losses Unpaid (Cols. 4 + 5 + 6 - 7) | Net Unpaid Loss Adjustment Expenses |
| 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 .....                                       |                 |                     |                                |                                                              |                           |                     |                   | (a) .....                               |                                     |
| 14. Credit accident and health (group and individual) .....               |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 15. Other accident and health .....                                       |                 |                     |                                |                                                              |                           |                     |                   | (a) .....                               |                                     |
| 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 .....                         |                 |                     |                                |                                                              | 300                       |                     | 300               |                                         |                                     |
| 19.3, 19.4 Commercial auto liability .....                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 21. Auto physical damage .....                                            | (26)            |                     | (26)                           |                                                              | 1                         |                     | 1                 |                                         |                                     |
| 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                       |                     |                   |                                         |                                     |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX             |                     |                                |                                                              | XXX                       |                     |                   |                                         |                                     |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX             |                     |                                |                                                              | XXX                       |                     |                   |                                         |                                     |
| 34. Aggregate write-ins for other lines of business .....                 |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 35. TOTALS .....                                                          | (26)            |                     | (26)                           |                                                              | 301                       |                     | 301               |                                         |                                     |
| DETAILS OF WRITE-INS                                                      |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3401. ....                                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3402. ....                                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3403. ....                                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)              |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |

(a) Including \$ ..... for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

|                                                                                            | 1                           | 2                              | 3                      | 4     |
|--------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|------------------------|-------|
|                                                                                            | Loss Adjustment<br>Expenses | Other Underwriting<br>Expenses | Investment<br>Expenses | Total |
| 1. Claim adjustment services:                                                              |                             |                                |                        |       |
| 1.1 Direct .....                                                                           | (325)                       |                                |                        | (325) |
| 1.2 Reinsurance assumed .....                                                              |                             |                                |                        |       |
| 1.3 Reinsurance ceded .....                                                                | (325)                       |                                |                        | (325) |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                   |                             |                                |                        |       |
| 2. Commission and brokerage:                                                               |                             |                                |                        |       |
| 2.1 Direct excluding contingent .....                                                      |                             |                                |                        |       |
| 2.2 Reinsurance assumed, excluding contingent .....                                        |                             |                                |                        |       |
| 2.3 Reinsurance ceded, excluding contingent .....                                          |                             |                                |                        |       |
| 2.4 Contingent - direct .....                                                              |                             |                                |                        |       |
| 2.5 Contingent - reinsurance assumed .....                                                 |                             |                                |                        |       |
| 2.6 Contingent - reinsurance ceded .....                                                   |                             |                                |                        |       |
| 2.7 Policy and membership fees .....                                                       |                             |                                |                        |       |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....           |                             |                                |                        |       |
| 3. Allowances to managers and agents .....                                                 |                             |                                |                        |       |
| 4. Advertising .....                                                                       |                             |                                |                        |       |
| 5. Boards, bureaus and associations .....                                                  |                             |                                |                        |       |
| 6. Surveys and underwriting reports .....                                                  |                             |                                |                        |       |
| 7. Audit of assureds' records .....                                                        |                             |                                |                        |       |
| 8. Salary and related items:                                                               |                             |                                |                        |       |
| 8.1 Salaries .....                                                                         |                             |                                |                        |       |
| 8.2 Payroll taxes .....                                                                    |                             |                                |                        |       |
| 9. Employee relations and welfare .....                                                    |                             |                                |                        |       |
| 10. Insurance .....                                                                        |                             |                                |                        |       |
| 11. Directors' fees .....                                                                  |                             |                                |                        |       |
| 12. Travel and travel items .....                                                          |                             |                                |                        |       |
| 13. Rent and rent items .....                                                              |                             |                                |                        |       |
| 14. Equipment .....                                                                        |                             |                                |                        |       |
| 15. Cost or depreciation of EDP equipment and software .....                               |                             |                                |                        |       |
| 16. Printing and stationery .....                                                          |                             |                                |                        |       |
| 17. Postage, telephone and telegraph, exchange and express .....                           |                             |                                |                        |       |
| 18. Legal and auditing .....                                                               |                             |                                |                        |       |
| 19. Totals (Lines 3 to 18) .....                                                           |                             |                                |                        |       |
| 20. Taxes, licenses and fees:                                                              |                             |                                |                        |       |
| 20.1 State and local insurance taxes deducting guaranty association<br>credits of \$ ..... |                             |                                |                        |       |
| 20.2 Insurance department licenses and fees .....                                          |                             |                                |                        |       |
| 20.3 Gross guaranty association assessments .....                                          |                             |                                |                        |       |
| 20.4 All other (excluding federal and foreign income and real estate) .....                |                             |                                |                        |       |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                      |                             |                                |                        |       |
| 21. Real estate expenses .....                                                             |                             |                                |                        |       |
| 22. Real estate taxes .....                                                                |                             |                                |                        |       |
| 23. Reimbursements by uninsured plans .....                                                |                             |                                |                        |       |
| 24. Aggregate write-ins for miscellaneous expenses .....                                   |                             |                                | 4,351                  | 4,351 |
| 25. Total expenses incurred .....                                                          |                             |                                | 4,351 (a)              | 4,351 |
| 26. Less unpaid expenses - current year .....                                              |                             |                                | 623                    | 623   |
| 27. Add unpaid expenses - prior year .....                                                 |                             |                                | 312                    | 312   |
| 28. Amounts receivable relating to uninsured plans, prior year .....                       |                             |                                |                        |       |
| 29. Amounts receivable relating to uninsured plans, current year .....                     |                             |                                |                        |       |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)                                     |                             |                                | 4,040                  | 4,040 |
| DETAILS OF WRITE-INS                                                                       |                             |                                |                        |       |
| 2401. Investment Expense .....                                                             |                             |                                | 4,351                  | 4,351 |
| 2402. ....                                                                                 |                             |                                |                        |       |
| 2403. ....                                                                                 |                             |                                |                        |       |
| 2498. Summary of remaining write-ins for Line 24 from overflow page .....                  |                             |                                |                        |       |
| 2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)                               |                             |                                | 4,351                  | 4,351 |

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE   Infinity Preferred Insurance Company

**EXHIBIT OF NET INVESTMENT INCOME**

|                      |                                                                           | 1                     | 2                  |
|----------------------|---------------------------------------------------------------------------|-----------------------|--------------------|
|                      |                                                                           | Collected During Year | Earned During Year |
| 1.                   | U.S. Government bonds .....                                               | (a) .....55,064       | .....43,962        |
| 1.1                  | Bonds exempt from U.S. tax .....                                          | (a) .....             | .....              |
| 1.2                  | Other bonds (unaffiliated) .....                                          | (a) .....             | .....              |
| 1.3                  | Bonds of affiliates .....                                                 | (a) .....             | .....              |
| 2.1                  | Preferred stocks (unaffiliated) .....                                     | (b) .....             | .....              |
| 2.11                 | Preferred stocks of affiliates .....                                      | (b) .....             | .....              |
| 2.2                  | Common stocks (unaffiliated) .....                                        | .....                 | .....              |
| 2.21                 | Common stocks of affiliates .....                                         | .....                 | .....              |
| 3.                   | Mortgage loans .....                                                      | (c) .....             | .....              |
| 4.                   | Real estate .....                                                         | (d) .....             | .....              |
| 5                    | Contract loans .....                                                      | .....                 | .....              |
| 6                    | Cash, cash equivalents and short-term investments .....                   | (e) .....37,706       | .....37,706        |
| 7                    | Derivative instruments .....                                              | (f) .....             | .....              |
| 8.                   | Other invested assets .....                                               | .....                 | .....              |
| 9.                   | Aggregate write-ins for investment income .....                           | .....                 | .....              |
| 10.                  | Total gross investment income .....                                       | 92,770                | 81,668             |
| 11.                  | Investment expenses .....                                                 |                       | (g) .....4,351     |
| 12.                  | Investment taxes, licenses and fees, excluding federal income taxes ..... |                       | (g) .....          |
| 13.                  | Interest expense .....                                                    |                       | (h) .....          |
| 14.                  | Depreciation on real estate and other invested assets .....               |                       | (i) .....          |
| 15.                  | Aggregate write-ins for deductions from investment income .....           |                       | .....              |
| 16.                  | Total deductions (Lines 11 through 15) .....                              |                       | 4,351              |
| 17.                  | Net investment income (Line 10 minus Line 16)                             |                       | 77,317             |
| DETAILS OF WRITE-INS |                                                                           |                       |                    |
| 0901.                | .....                                                                     |                       |                    |
| 0902.                | .....                                                                     |                       |                    |
| 0903.                | .....                                                                     |                       |                    |
| 0998.                | Summary of remaining write-ins for Line 9 from overflow page .....        |                       |                    |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)                   |                       |                    |
| 1501.                | .....                                                                     |                       |                    |
| 1502.                | .....                                                                     |                       |                    |
| 1503.                | .....                                                                     |                       |                    |
| 1598.                | Summary of remaining write-ins for Line 15 from overflow page .....       |                       |                    |
| 1599.                | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)                  |                       |                    |

- (a) Includes \$ .....1,410 accrual of discount less \$ .....181 amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ .....25,695 accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

|                      |                                                                       | 1                                            | 2                             | 3                                                        | 4                                              | 5                                                               |
|----------------------|-----------------------------------------------------------------------|----------------------------------------------|-------------------------------|----------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|
|                      |                                                                       | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1.                   | U.S. Government bonds .....                                           |                                              |                               |                                                          |                                                |                                                                 |
| 1.1                  | Bonds exempt from U.S. tax .....                                      |                                              |                               |                                                          |                                                |                                                                 |
| 1.2                  | Other bonds (unaffiliated) .....                                      |                                              |                               |                                                          |                                                |                                                                 |
| 1.3                  | Bonds of affiliates .....                                             |                                              |                               |                                                          |                                                |                                                                 |
| 2.1                  | Preferred stocks (unaffiliated) .....                                 |                                              |                               |                                                          |                                                |                                                                 |
| 2.11                 | Preferred stocks of affiliates .....                                  |                                              |                               |                                                          |                                                |                                                                 |
| 2.2                  | Common stocks (unaffiliated) .....                                    |                                              |                               |                                                          |                                                |                                                                 |
| 2.21                 | Common stocks of affiliates .....                                     |                                              |                               |                                                          |                                                |                                                                 |
| 3.                   | Mortgage loans .....                                                  |                                              |                               |                                                          |                                                |                                                                 |
| 4.                   | Real estate .....                                                     |                                              |                               |                                                          |                                                |                                                                 |
| 5.                   | Contract loans .....                                                  |                                              |                               |                                                          |                                                |                                                                 |
| 6.                   | Cash, cash equivalents and short-term investments .....               | 41                                           |                               | 41                                                       |                                                |                                                                 |
| 7.                   | Derivative instruments .....                                          |                                              |                               |                                                          |                                                |                                                                 |
| 8.                   | Other invested assets .....                                           |                                              |                               |                                                          |                                                |                                                                 |
| 9.                   | Aggregate write-ins for capital gains (losses) .....                  |                                              |                               |                                                          |                                                |                                                                 |
| 10.                  | Total capital gains (losses)                                          | 41                                           |                               | 41                                                       |                                                |                                                                 |
| DETAILS OF WRITE-INS |                                                                       |                                              |                               |                                                          |                                                |                                                                 |
| 0901.                | .....                                                                 |                                              |                               |                                                          |                                                |                                                                 |
| 0902.                | .....                                                                 |                                              |                               |                                                          |                                                |                                                                 |
| 0903.                | .....                                                                 |                                              |                               |                                                          |                                                |                                                                 |
| 0998.                | Summary of remaining write-ins for Line 9 from<br>overflow page ..... |                                              |                               |                                                          |                                                |                                                                 |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9,<br>above)            |                                              |                               |                                                          |                                                |                                                                 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE   Infinity Preferred Insurance Company

**EXHIBIT OF NON-ADMITTED ASSETS**

|                                                                                                                         | 1                                        | 2                                      | 3                                                          |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------|
|                                                                                                                         | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) .....                                                                                             |                                          |                                        |                                                            |
| 2. Stocks (Schedule D):                                                                                                 |                                          |                                        |                                                            |
| 2.1 Preferred stocks .....                                                                                              |                                          |                                        |                                                            |
| 2.2 Common stocks .....                                                                                                 |                                          |                                        |                                                            |
| 3. Mortgage loans on real estate (Schedule B):                                                                          |                                          |                                        |                                                            |
| 3.1 First liens .....                                                                                                   |                                          |                                        |                                                            |
| 3.2 Other than first liens.....                                                                                         |                                          |                                        |                                                            |
| 4. Real estate (Schedule A):                                                                                            |                                          |                                        |                                                            |
| 4.1 Properties occupied by the company .....                                                                            |                                          |                                        |                                                            |
| 4.2 Properties held for the production of income.....                                                                   |                                          |                                        |                                                            |
| 4.3 Properties held for sale .....                                                                                      |                                          |                                        |                                                            |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments<br>(Schedule DA) ..... |                                          |                                        |                                                            |
| 6. Contract loans .....                                                                                                 |                                          |                                        |                                                            |
| 7. Derivatives (Schedule DB) .....                                                                                      |                                          |                                        |                                                            |
| 8. Other invested assets (Schedule BA) .....                                                                            |                                          |                                        |                                                            |
| 9. Receivables for securities .....                                                                                     |                                          |                                        |                                                            |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....                                                 |                                          |                                        |                                                            |
| 11. Aggregate write-ins for invested assets .....                                                                       |                                          |                                        |                                                            |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....                                                           |                                          |                                        |                                                            |
| 13. Title plants (for Title insurers only) .....                                                                        |                                          |                                        |                                                            |
| 14. Investment income due and accrued .....                                                                             |                                          |                                        |                                                            |
| 15. Premiums and considerations:                                                                                        |                                          |                                        |                                                            |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....                                        |                                          |                                        |                                                            |
| 15.2 Deferred premiums, agents' balances and installments booked but not yet due .....                                  |                                          |                                        |                                                            |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      |                                          |                                        |                                                            |
| 16. Reinsurance:                                                                                                        |                                          |                                        |                                                            |
| 16.1 Amounts recoverable from reinsurers .....                                                                          |                                          |                                        |                                                            |
| 16.2 Funds held by or deposited with reinsured companies .....                                                          |                                          |                                        |                                                            |
| 16.3 Other amounts receivable under reinsurance contracts .....                                                         |                                          |                                        |                                                            |
| 17. Amounts receivable relating to uninsured plans .....                                                                |                                          |                                        |                                                            |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      |                                          |                                        |                                                            |
| 18.2 Net deferred tax asset .....                                                                                       |                                          |                                        |                                                            |
| 19. Guaranty funds receivable or on deposit .....                                                                       |                                          |                                        |                                                            |
| 20. Electronic data processing equipment and software .....                                                             |                                          |                                        |                                                            |
| 21. Furniture and equipment, including health care delivery assets .....                                                |                                          |                                        |                                                            |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....                                        |                                          |                                        |                                                            |
| 23. Receivables from parent, subsidiaries and affiliates .....                                                          |                                          |                                        |                                                            |
| 24. Health care and other amounts receivable .....                                                                      |                                          |                                        |                                                            |
| 25. Aggregate write-ins for other than invested assets .....                                                            |                                          |                                        |                                                            |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... |                                          |                                        |                                                            |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       |                                          |                                        |                                                            |
| 28. Total (Lines 26 and 27)                                                                                             |                                          |                                        |                                                            |
| <b>DETAILS OF WRITE-INS</b>                                                                                             |                                          |                                        |                                                            |
| 1101. ....                                                                                                              |                                          |                                        |                                                            |
| 1102. ....                                                                                                              |                                          |                                        |                                                            |
| 1103. ....                                                                                                              |                                          |                                        |                                                            |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....                                               |                                          |                                        |                                                            |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)                                                            |                                          |                                        |                                                            |
| 2501. ....                                                                                                              |                                          |                                        |                                                            |
| 2502. ....                                                                                                              |                                          |                                        |                                                            |
| 2503. ....                                                                                                              |                                          |                                        |                                                            |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....                                               |                                          |                                        |                                                            |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)                                                            |                                          |                                        |                                                            |

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

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.

|                                                                              | SSAP<br># | F/S<br>Page | F/S<br>Line # | 2019         | 2018         |
|------------------------------------------------------------------------------|-----------|-------------|---------------|--------------|--------------|
| NET INCOME                                                                   |           |             |               |              |              |
| (1) Company state basis (Page 4, Line 20, Columns 1 & 2)                     | XXX       | XXX         | XXX           | \$ 56,315    | \$ 168,819   |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP |           |             |               |              |              |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP  |           |             |               |              |              |
| (4) NAIC SAP (1 – 2 – 3 = 4)                                                 | XXX       | XXX         | XXX           | \$ 56,315    | \$ 168,819   |
| SURPLUS                                                                      |           |             |               |              |              |
| (5) Company state basis (Page 3, Line 37, Columns 1 & 2)                     | XXX       | XXX         | XXX           | \$ 3,189,011 | \$ 3,314,178 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP |           |             |               |              |              |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP  |           |             |               |              |              |
| (8) NAIC SAP (5 – 6 – 7 = 8)                                                 | XXX       | XXX         | XXX           | \$ 3,189,011 | \$ 3,314,178 |

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and of the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Invested asset values are generally stated as follows:

Bonds are stated at amortized cost using the interest method.

Short-term investments are stated at amortized cost.

Unpaid Losses and Loss Adjustment Expense Reserves - The net liabilities stated for unpaid claims and for expenses of investigation and adjustment of unpaid claims are based upon (a) the accumulation of case estimates for losses reported prior to the close of the accounting period on the direct business written; (b) estimates received from ceding reinsurers and insurance pools and associations; (c) estimates of unreported losses and development on reported losses based on past experience net of salvage and subrogation recoveries; and (d) estimates based on experience of expenses for investigating and adjusting claims. The total of these factors is reduced for portions ceded to other insurers. All such estimates are based on the current state of the law and coverage litigation, which could change substantially by the time claims are settled. These liabilities are subject to the impact of changes in claim amounts, frequency and other factors. In spite of the variability inherent in such estimates, management believes that the liabilities for unpaid losses and loss adjustment expenses ("LAE") are adequate. Changes in estimates of the liabilities for losses and LAE are reflected in the statement of income in the period in which determined.

Premium Deficiency Reserve - The Company uses anticipated investment income as a factor in the premium deficiency calculation.

Premium Recognition - Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Underwriting Expense Recognition - Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

D. Going Concern

Not applicable.

Note 2 – Accounting Changes and Correction of Errors

The Company did not have any material changes in accounting principles and/or corrections of errors during 2019.

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

The Company does not have any unamortized goodwill reported as a component of an investment.

B. Statutory Merger

The Company was not a party to any merger transactions during 2019.

C. Impairment Loss

Not applicable.

Note 4 – Discontinued Operations

The Company did not have any discontinued operations during 2019.

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not have any investment in mortgage loans.

NOTES TO FINANCIAL STATEMENTS

- B.

Debt Restructuring

The Company does not hold any investments involved in debt restructuring.
- C.

Reverse Mortgages

The Company does not invest in reverse mortgages.
- D.

Loan-Backed Securities

The Company does not invest in loan-backed securities.
- E.

Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company does not participate in repurchase agreements or securities lending transactions.
- F.

Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not participate in repurchase agreements or securities lending transactions.
- G.

Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not applicable.
- H.

Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not applicable.
- I.

Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not applicable.
- J.

Real Estate

The Company does not have any real estate investments.
- K.

Low-Income Housing Tax Credits (LIHTC)

The Company does not have investments in low-income housing tax credits.
- L.

Restricted Assets

The Company does not have any restricted assets.
- M.

Working Capital Finance Investments

The Company does not have any working capital finance investments.
- N.

Offsetting and Netting of Assets and Liabilities

Not applicable.
- O.

5GI Securities

None.
- P.

Short Sales

Not applicable.
- Q.

Prepayment Penalty and Acceleration Fees

None.

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

- A.

Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B.

Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

**Note 7 – Investment Income**

The Company did not exclude any due and accrued income from surplus at December 31, 2019.

**Note 8 – Derivative Instruments**

The Company's investment objectives do not include holding or issuing derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

The components of the net deferred tax assets (DTAs) recognized in the Company's Assets, Liabilities, Surplus, and Other Funds are as follows:

1. Components of Net Deferred Tax Asset/(Liability)

|                                                                          | 2019          |              |                         | 2018          |              |                         | Change                     |                           |                         |
|--------------------------------------------------------------------------|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|                                                                          | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Gross deferred tax assets                                             | \$ 0          | \$ 0         | \$ 0                    | \$ 0          | \$ 0         | \$ 0                    | \$ 0                       | \$ 0                      | \$ 0                    |
| b. Statutory valuation allowance adjustment                              | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| c. Adjusted gross deferred tax assets (1a-1b)                            | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| d. Deferred tax assets nonadmitted                                       | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| e. Subtotal net admitted deferred tax asset (1c-1d)                      | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| f. Deferred tax liabilities                                              | 3,451         | 348          | 3,799                   | 7,317         | 0            | 7,317                   | (3,866)                    | 348                       | (3,518)                 |
| g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f) | \$ (3,451)    | \$ (348)     | \$ (3,799)              | \$ (7,317)    | \$ 0         | \$ (7,317)              | \$ 3,866                   | \$ (348)                  | \$ 3,518                |

2. Admission Calculation Components SSAP No. 101

|                                                                                                                                                                                                                  | 2019          |              |                         | 2018          |              |                         | Change                     |                           |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|                                                                                                                                                                                                                  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Federal income taxes paid in prior years recoverable through loss carrybacks                                                                                                                                  | \$ 0          | \$ 0         | \$ 0                    | \$ 0          | \$ 0         | \$ 0                    | \$ 0                       | \$ 0                      | \$ 0                    |
| b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below) | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date                                                                                                                   | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold                                                                                                                                           | XXX           | XXX          | 478,352                 | XXX           | XXX          | 497,127                 | XXX                        | XXX                       | (18,775)                |
| c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities                                                            | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))                                                                                                                 | \$ 0          | \$ 0         | \$ 0                    | \$ 0          | \$ 0         | \$ 0                    | \$ 0                       | \$ 0                      | \$ 0                    |

3. Other Admissibility Criteria

|                                                                                                                     | 2019              | 2018         | Change            |
|---------------------------------------------------------------------------------------------------------------------|-------------------|--------------|-------------------|
| a. Ratio percentage used to determine recovery period and threshold limitation amount                               | 2,277,865,000.0 % | 3,088.0 %    | 2,277,861,912.0 % |
| b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 3,189,011      | \$ 3,314,178 | \$ (125,167)      |

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

|                                                                                                                              | 2019          |              | 2018          |              | Change                     |                           |
|------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|---------------|--------------|----------------------------|---------------------------|
|                                                                                                                              | 1<br>Ordinary | 2<br>Capital | 3<br>Ordinary | 4<br>Capital | 5<br>(Col 1-3)<br>Ordinary | 6<br>(Col 2-4)<br>Capital |
| 1. Adjusted gross DTAs amount from Note 9A1(c)                                                                               | \$ 0          | \$ 0         | \$ 0          | \$ 0         | \$ 0                       | \$ 0                      |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0.0 %         | 0.0 %        | 0.0 %         | 0.0 %        | 0.0 %                      | 0.0 %                     |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)                                                                  | \$ 0          | \$ 0         | \$ 0          | \$ 0         | \$ 0                       | \$ 0                      |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.0 %         | 0.0 %        | 0.0 %         | 0.0 %        | 0.0 %                      | 0.0 %                     |

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

The Company has recognized all deferred tax liabilities.

C. Current and Deferred Income Taxes

1. Current income taxes incurred consist of the following major components:

|                                              | 1<br>2019 | 2<br>2018  | 3<br>(Col 1-2)<br>Change |
|----------------------------------------------|-----------|------------|--------------------------|
| a. Federal                                   | \$ 19,660 | \$ (3,017) | \$ 22,677                |
| b. Foreign                                   | 0         | 0          | 0                        |
| c. Subtotal                                  | 19,660    | (3,017)    | 22,677                   |
| d. Federal income tax on net capital gains   | 9         | 0          | 9                        |
| e. Utilization of capital loss carryforwards | 0         | 0          | 0                        |
| f. Other                                     | 1,373     | (4,688)    | 6,061                    |
| g. Federal and Foreign income taxes incurred | \$ 21,042 | \$ (7,705) | \$ 28,747                |

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

2. Deferred Tax Assets

|                                                                    | 1<br>2019 | 2<br>2018 | 3<br>(Col 1-2)<br>Change |
|--------------------------------------------------------------------|-----------|-----------|--------------------------|
| a. Ordinary:                                                       |           |           |                          |
| 1. Discounting of unpaid losses                                    | \$ 0      | \$ 0      | \$ 0                     |
| 2. Unearned premium reserve                                        | 0         | 0         | 0                        |
| 3. Policyholder reserves                                           | 0         | 0         | 0                        |
| 4. Investments                                                     | 0         | 0         | 0                        |
| 5. Deferred acquisition costs                                      | 0         | 0         | 0                        |
| 6. Policyholder dividends accrual                                  | 0         | 0         | 0                        |
| 7. Fixed assets                                                    | 0         | 0         | 0                        |
| 8. Compensation and benefits accrual                               | 0         | 0         | 0                        |
| 9. Pension accrual                                                 | 0         | 0         | 0                        |
| 10. Receivables - nonadmitted                                      | 0         | 0         | 0                        |
| 11. Net operating loss carry-forward                               | 0         | 0         | 0                        |
| 12. Tax credit carry-forward                                       | 0         | 0         | 0                        |
| 13. Other (items <=5% and >5% of total ordinary tax assets)        | 0         | 0         | 0                        |
| Other (items listed individually >5% of total ordinary tax assets) |           |           |                          |
|                                                                    | 0         | 0         | 0                        |
| 99. Subtotal                                                       | \$ 0      | \$ 0      | \$ 0                     |
| b. Statutory valuation allowance adjustment                        | 0         | 0         | 0                        |
| c. Nonadmitted                                                     | 0         | 0         | 0                        |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c)              | 0         | 0         | 0                        |
| e. Capital:                                                        |           |           |                          |
| 1. Investments                                                     | 0         | 0         | 0                        |
| 2. Net capital loss carry-forward                                  | 0         | 0         | 0                        |
| 3. Real estate                                                     | 0         | 0         | 0                        |
| 4. Other (items <=5% and >5% of total capital tax assets)          | 0         | 0         | 0                        |
| Other (items listed individually >5% of total capital tax assets)  |           |           |                          |
|                                                                    | 0         | 0         | 0                        |
| 99. Subtotal                                                       | \$ 0      | \$ 0      | \$ 0                     |
| f. Statutory valuation allowance adjustment                        | 0         | 0         | 0                        |
| g. Nonadmitted                                                     | 0         | 0         | 0                        |
| h. Admitted capital deferred tax assets (2e99-2f-2g)               | 0         | 0         | 0                        |
| i. Admitted deferred tax assets (2d+2h)                            | \$ 0      | \$ 0      | \$ 0                     |

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities

|                                                                         | 1          | 2          | 3                   |
|-------------------------------------------------------------------------|------------|------------|---------------------|
|                                                                         | 2019       | 2018       | (Col 1-2)<br>Change |
| a. Ordinary:                                                            |            |            |                     |
| 1. Investments                                                          | \$ 0       | \$ 656     | \$ (656)            |
| 2. Fixed assets                                                         | 0          | 0          | 0                   |
| 3. Deferred and uncollected premium                                     | 0          | 0          | 0                   |
| 4. Policyholder reserves                                                | 0          | 0          | 0                   |
| 5. Other (items <=5% and >5% of total ordinary tax liabilities)         | 3,451      | 6,661      | (3,210)             |
| Other (items listed individually >5% of total ordinary tax liabilities) |            |            |                     |
| Unpaid losses - special estimated tax payment                           | 0          | 2,818      | (2,818)             |
| Discount of accrued salvage and subrogation                             | 0          | 0          | 0                   |
| Loss Reserve Discounting Transition Adjustment                          | 2,440      | 3,283      | (843)               |
| RSU Compensation                                                        | 1,011      | 560        | 451                 |
| 99. Subtotal                                                            | \$ 3,451   | \$ 7,317   | \$ (3,866)          |
| b. Capital:                                                             |            |            |                     |
| 1. Investments                                                          | 348        | 0          | 349                 |
| 2. Real estate                                                          | 0          | 0          | 0                   |
| 3. Other (Items <=5% and >5% of total capital tax liabilities)          | 0          | 0          | 0                   |
| Other (items listed individually >5% of total capital tax liabilities)  |            |            |                     |
|                                                                         | 0          | 0          | 0                   |
| 99. Subtotal                                                            | \$ 348     | \$ 0       | \$ 349              |
| c. Deferred tax liabilities (3a99+3b99)                                 | 3,799      | 7,317      | (3,517)             |
| 4. Net Deferred Tax Assets (2i – 3c)                                    | \$ (3,799) | \$ (7,317) | \$ 3,517            |

The change in net deferred income taxes is comprised of the following (the Change in Nonadmitted Assets and Unrealized Gains are reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

|                                           | December 31, 2019 | December 31, 2018 | Change   |
|-------------------------------------------|-------------------|-------------------|----------|
| Adjusted gross deferred tax assets        | \$ 0              | \$ 0              | \$ 0     |
| Total deferred tax liabilities            | 3,799             | 7,317             | (3,518)  |
| Net deferred tax assets (liabilities)     | \$ (3,799)        | \$ (7,317)        | \$ 3,518 |
| Total effect of unrealized gains (losses) |                   |                   | 0        |
| Change in net deferred income tax         |                   |                   | \$ 3,518 |

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

|                                                                | Dec. 31, 2019 | Effective Tax Rate (%) | Dec. 31, 2018 | Effective Tax Rate (%) |
|----------------------------------------------------------------|---------------|------------------------|---------------|------------------------|
| Provision computed at statutory rate                           | \$ 16,245     | 21.00 %                | \$ 33,834     | 21.00 %                |
| (Over) under accrual of prior year tax                         | 1,017         | 1.31 %                 | (1,870)       | (1.20) %               |
| Tax exempt income deduction                                    | 0             | 0.00 %                 | 0             | 0.00 %                 |
| Other                                                          | 262           | 0.35 %                 | 282           | 0.20 %                 |
| Total                                                          | \$ 17,524     | 22.64 %                | \$ 32,246     | 20.00 %                |
| Federal and foreign income taxes incurred                      | \$ 21,042     | 27.20 %                | \$ (7,705)    | (4.80) %               |
| Change in net deferred income taxes                            | (3,518)       | (4.54) %               | 39,951        | 24.80 %                |
| Less: Deferred tax effect on nonadmitted assets included above | 0             | 0.00 %                 | 0             | 0.00 %                 |
| Total statutory income taxes                                   | \$ 17,524     | 22.66 %                | \$ 32,246     | 20.00 %                |

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

1. At December 31, 2019, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
2. At December 31, the Company had federal income taxes incurred that are available for recoupment in the event of future net losses as follows:

| Tax Paid |           |         |           |
|----------|-----------|---------|-----------|
|          | Ordinary  | Capital | Total     |
| 2018     | \$ 0      | \$ 0    | \$ 0      |
| 2019     | \$ 21,033 | \$ 9    | \$ 21,042 |

3. The Company did not have any protective tax deposits admitted under section 6603 of the Internal Revenue Service Code.

NOTES TO FINANCIAL STATEMENTS

- F. Consolidated Federal Income Tax Return
1. The Company's results of operations will be included in a Consolidated (Life/Non-Life) Federal Income Tax ("FIT") return with its ultimate parent, Kemper Corporation (formerly known as "Unitrin, Inc.") and the following eligible subsidiaries:

Alliance United Insurance Company

Alpha Property & Casualty Insurance Company

Casualty Underwriters, Inc.

Charter Indemnity Company

Direct Response Corporation

Family Security Funerals Company

Financial Indemnity Company

Infinity Agency of Texas, Inc.

Infinity Assurance Insurance Company

Infinity Auto Insurance Company

Infinity Casualty Insurance Company

Infinity Group, Inc. (The)

Infinity Indemnity Insurance Company

Infinity Insurance Agency, Inc.

Infinity Insurance Company

Infinity Preferred Insurance Company

Infinity Property and Casualty Corporation

Infinity Property and Casualty Services, Inc.

Infinity Safeguard Insurance Company

Infinity Security Insurance Company

Infinity Select Insurance Company

Infinity Standard Insurance Company

Kemper Corporate Services

Kemper Direct General Agency, Inc.

Kemper Financial Indemnity Company

Kemper General Agency, Inc.

Leader Group, Inc.

Leader Managing General Agency, Inc.

Kemper Independence Insurance Company

Merastar Insurance Company

Mutual Savings Fire Insurance Company

Mutual Savings Life Insurance Company

National Association of Self-Employed Business Owners

NCM Management Corp.

Reserve National Insurance Company

Response Insurance Company

Response Worldwide Direct Auto and Insurance Company

Response Worldwide Insurance Company

Rural American Consumer

Summerset Marketing Company

The Reliable Life Insurance Company

Trinity Universal Insurance Company

Union National Fire Insurance Company

Union National Life Insurance Company

United Casualty Insurance Company of America

United Insurance Company of America

Unitrin Advantage Insurance Company

Unitrin Auto & Home Insurance Company

Unitrin Direct Insurance Company

Unitrin Direct Property & Casualty Company

Unitrin Preferred Insurance Company

Unitrin Safeguard Insurance Company

Valley Property & Casualty Insurance Company

Warner Insurance Company
2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The method of allocation among the affiliated companies is subject to a written agreement that covers all periods in which the companies are included in the consolidated FIT return filed by Kemper Corporation. The agreement states that each subsidiary agrees to pay Kemper Corporation the amount of FIT liability no greater than or less than the FIT liability would be if the subsidiary had filed a separate tax return based upon the rules provided by the Internal Revenue Code of 1986, as amended. Kemper Corporation agrees to pay each subsidiary for the tax benefit, if any, of losses that are utilized in determining the consolidated FIT return liability.
- G. Federal or Foreign Federal Income Tax Loss Contingencies:
- The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
- H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA
- Not applicable.
- I. Alternative Minimum Tax (AMT Credit)
- The Company does not have any alternative minimum tax credits.
- Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
- A. Nature of the Relationship Involved
- The Company is an indirect wholly owned subsidiary of Kemper Corporation; 100% of the outstanding stock of the Company is directly owned by Infinity Insurance Company ("Infinity"). See Schedule Y, Part 1, Organizational Chart.
- B. Transactions
- The Company paid an ordinary dividend in the amount of \$185,000 to Infinity in cash on December 30, 2019. The Company did not pay a dividend during 2018.
- C. Dollar Amounts of Transactions
- None.
- D. Amounts Due From or To Related Parties
- At December 31, 2019 and December 31, 2018, the Company had payables due to Infinity Insurance Company of \$0 and \$1,445,991, respectively. Each balance was as a result of the intercompany reinsurance pooling agreement described in Note 26.

At December 31, 2019, the Company had payable dues to Kemper Corporation and Kemper Corporate Services of \$250 and \$175, respectively.
- E. Guarantees or Undertakings
- The Company has not made any guarantees or undertakings for the benefit of an affiliate or related party that result in a material contingent exposure of the Company's or any related party's assets or liabilities.
- F. Material Management or Service Contracts and Cost-Sharing Arrangements
- Certain administrative, management, accounting, data processing, underwriting, claim and collection services are provided under agreements between the Company and affiliates at charges not unfavorable to the Company or its affiliates.
- G. Nature of the Control Relationship
- All outstanding shares of the Company are owned by Infinity.
- H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned
- The Company owns no shares, either directly or indirectly, of an upstream intermediate or ultimate parent.
- I. Investments in SCA that Exceed 10% of Admitted Assets
- The Company has no investment in a subsidiary, controlled or affiliated company.

NOTES TO FINANCIAL STATEMENTS

- J. Investments in Impaired SCAs
- Not applicable.
- K. Investment in Foreign Insurance Subsidiary
- Not applicable.
- L. Investment in Downstream Noninsurance Holding Company
- Not applicable.
- M. All SCA Investments
- Not applicable.
- N. Investment in Insurance SCAs
- Not applicable.
- O. SCA Loss Tracking
- Not applicable.

Note 11 – Debt

- A. Debt, Including Capital Notes
- The Company does not have any debt.
- B. FHLB (Federal Home Loan Bank) Agreements
- The Company does not have any Federal Home Loan Bank agreements.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan

(1) Change in Benefit Obligation

|     |                                                                                                 | Overfunded |      | Underfunded |          |
|-----|-------------------------------------------------------------------------------------------------|------------|------|-------------|----------|
|     |                                                                                                 | 2019       | 2018 | 2019        | 2018     |
| a.  | Pension Benefits                                                                                |            |      |             |          |
| 1.  | Benefit obligation at beginning of year                                                         | \$ 0       | \$ 0 | \$ 0        | \$ 0     |
| 2.  | Service cost                                                                                    | 0          | 0    | 0           | 0        |
| 3.  | Interest cost                                                                                   | 0          | 0    | 0           | 0        |
| 4.  | Contribution by plan participants                                                               | 0          | 0    | 0           | 0        |
| 5.  | Actuarial gain (loss)                                                                           | 0          | 0    | 0           | 0        |
| 6.  | Foreign currency exchange rate changes                                                          | 0          | 0    | 0           | 0        |
| 7.  | Benefits paid                                                                                   | 0          | 0    | 0           | 0        |
| 8.  | Plan amendments                                                                                 | 0          | 0    | 0           | 0        |
| 9.  | Business combinations, divestitures, curtailments, settlements and special termination benefits | 0          | 0    | 0           | 0        |
| 10. | Benefit obligation at end of year                                                               | \$ 0       | \$ 0 | \$ 0        | \$ 0     |
| b.  | Postretirement Benefits                                                                         |            |      |             |          |
| 1.  | Benefit obligation at beginning of year                                                         | \$ 0       | \$ 0 | \$ (3,029)  | \$ 3,769 |
| 2.  | Service cost                                                                                    | 0          | 0    | 0           | 202      |
| 3.  | Interest cost                                                                                   | 0          | 0    | 0           | 116      |
| 4.  | Contribution by plan participants                                                               | 0          | 0    | 0           | 28       |
| 5.  | Actuarial gain (loss)                                                                           | 0          | 0    | 0           | (547)    |
| 6.  | Foreign currency exchange rate changes                                                          | 0          | 0    | 0           | 0        |
| 7.  | Benefits paid                                                                                   | 0          | 0    | 0           | (294)    |
| 8.  | Plan amendments                                                                                 | 0          | 0    | 0           | (245)    |
| 9.  | Business combinations, divestitures, curtailments, settlements and special termination benefits | 0          | 0    | (3,029)     | 0        |
| 10. | Benefit obligation at end of year                                                               | \$ 0       | \$ 0 | \$ 0        | \$ 3,029 |
| c.  | Special or Contractual Benefits per SSAP No. 11                                                 |            |      |             |          |
| 1.  | Benefit obligation at beginning of year                                                         | \$ 0       | \$ 0 | \$ 0        | \$ 0     |
| 2.  | Service cost                                                                                    | 0          | 0    | 0           | 0        |
| 3.  | Interest cost                                                                                   | 0          | 0    | 0           | 0        |
| 4.  | Contribution by plan participants                                                               | 0          | 0    | 0           | 0        |
| 5.  | Actuarial gain (loss)                                                                           | 0          | 0    | 0           | 0        |
| 6.  | Foreign currency exchange rate changes                                                          | 0          | 0    | 0           | 0        |
| 7.  | Benefits paid                                                                                   | 0          | 0    | 0           | 0        |
| 8.  | Plan amendments                                                                                 | 0          | 0    | 0           | 0        |
| 9.  | Business combinations, divestitures, curtailments, settlements and special termination benefits | 0          | 0    | 0           | 0        |
| 10. | Benefit obligation at end of year                                                               | \$ 0       | \$ 0 | \$ 0        | \$ 0     |

NOTES TO FINANCIAL STATEMENTS

(2) Change in Plan Assets

|                                                        | Pension Benefits |      | Postretirement Benefits |       | Special or Contractual Benefits per SSAP No. 11 |      |
|--------------------------------------------------------|------------------|------|-------------------------|-------|-------------------------------------------------|------|
|                                                        | 2019             | 2018 | 2019                    | 2018  | 2019                                            | 2018 |
| a. Fair value of plan assets at beginning of year      | \$ 0             | \$ 0 | \$ 0                    | \$ 0  | \$ 0                                            | \$ 0 |
| b. Actual return on plan assets                        | 0                | 0    | 0                       | 0     | 0                                               | 0    |
| c. Foreign currency exchange rate changes              | 0                | 0    | 0                       | 0     | 0                                               | 0    |
| d. Reporting entity contribution                       | 0                | 0    | 0                       | 266   | 0                                               | 0    |
| e. Plan participants' contributions                    | 0                | 0    | 0                       | 28    | 0                                               | 0    |
| f. Benefits paid                                       | 0                | 0    | 0                       | (294) | 0                                               | 0    |
| g. Business combinations, divestitures and settlements | 0                | 0    | 0                       | 0     | 0                                               | 0    |
| h. Fair value of plan assets at end of year            | \$ 0             | \$ 0 | \$ 0                    | \$ 0  | \$ 0                                            | \$ 0 |

(3) Funded Status

|                                      | Pension Benefits |      | Postretirement Benefits |      |
|--------------------------------------|------------------|------|-------------------------|------|
|                                      | 2019             | 2018 | 2019                    | 2018 |
| a. Components                        |                  |      |                         |      |
| 1. Prepaid benefit costs             | \$ 0             | \$ 0 | \$ 0                    | \$ 0 |
| 2. Overfunded plans assets           | 0                | 0    | 0                       | 0    |
| 3. Accrued benefit costs             | 0                | 0    | 0                       | 0    |
| 4. Liability for pension benefits    | 0                | 0    | 0                       | 0    |
| b. Assets and liabilities recognized |                  |      |                         |      |
| 1. Assets (nonadmitted)              | 0                | 0    | 0                       | 0    |
| 2. Liabilities recognized            | 0                | 0    | 0                       | 0    |
| c. Unrecognized liabilities          | \$ 0             | \$ 0 | \$ 0                    | \$ 0 |

(4) Components of Net Periodic Benefit Cost

|                                                            | Pension Benefits |      | Postretirement Benefits |        | Special or Contractual Benefits per SSAP No. 11 |      |
|------------------------------------------------------------|------------------|------|-------------------------|--------|-------------------------------------------------|------|
|                                                            | 2019             | 2018 | 2019                    | 2018   | 2019                                            | 2018 |
| a. Service cost                                            | \$ 0             | \$ 0 | \$ 0                    | \$ 202 | \$ 0                                            | \$ 0 |
| b. Interest cost                                           | 0                | 0    | 0                       | 116    | 0                                               | 0    |
| c. Expected return on plan assets                          | 0                | 0    | 0                       | 0      | 0                                               | 0    |
| d. Transition asset or obligation                          | 0                | 0    | 0                       | 0      | 0                                               | 0    |
| e. Gains and losses                                        | 0                | 0    | 0                       | (77)   | 0                                               | 0    |
| f. Prior service cost or credit                            | 0                | 0    | 0                       | 71     | 0                                               | 0    |
| g. Gain or loss recognized due to a settlement curtailment | 0                | 0    | 0                       | 0      | 0                                               | 0    |
| h. Total net periodic benefit cost                         | \$ 0             | \$ 0 | \$ 0                    | \$ 312 | \$ 0                                            | \$ 0 |

(5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost

|                                                                                  | Pension Benefits |      | Postretirement Benefits |      |
|----------------------------------------------------------------------------------|------------------|------|-------------------------|------|
|                                                                                  | 2019             | 2018 | 2019                    | 2018 |
| a. Items not yet recognized as a component of net periodic cost – prior year     | \$ 0             | \$ 0 | \$ 0                    | \$ 0 |
| b. Net transition asset or obligation recognized                                 | 0                | 0    | 0                       | 0    |
| c. Net prior service cost or credit arising during the period                    | 0                | 0    | 0                       | 0    |
| d. Net prior service cost or credit recognized                                   | 0                | 0    | 0                       | 0    |
| e. Net gain and loss arising during the period                                   | 0                | 0    | 0                       | 0    |
| f. Net gain and loss recognized                                                  | 0                | 0    | 0                       | 0    |
| g. Items not yet recognized as a component of net periodic cost – current period | \$ 0             | \$ 0 | \$ 0                    | \$ 0 |

(6) Amounts in Unassigned Funds (Surplus) that have not yet been Recognized as Components of Net Periodic Benefit Cost

|                                        | Pension Benefits |      | Postretirement Benefits |      |
|----------------------------------------|------------------|------|-------------------------|------|
|                                        | 2019             | 2018 | 2019                    | 2018 |
| a. Net transition asset or obligations | \$ 0             | \$ 0 | \$ 0                    | \$ 0 |
| b. Net prior service cost or credit    | 0                | 0    | 0                       | 0    |
| c. Net recognized gains and losses     | \$ 0             | \$ 0 | \$ 0                    | \$ 0 |

(7) Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31

|                                                                                                | 2019  | 2018  |
|------------------------------------------------------------------------------------------------|-------|-------|
| a. Weighted-average discount rate                                                              | 4.0 % | 3.2 % |
| b. Expected long-term rate of return on plan assets                                            | 0.0 % | 0.0 % |
| c. Rate of compensation increase                                                               | 0.0 % | 0.0 % |
| Weighted-average assumptions used to determine projected benefit obligations as of December 31 |       |       |
| d. Weighted-average discount rate                                                              | 3.0 % | 3.2 % |
| e. Rate of compensation increase                                                               | 0.0 % | 0.0 % |

(8) Accumulated Benefit Obligation for Defined Benefit Pension Plans

The Company does not have any defined benefit pension plans.

NOTES TO FINANCIAL STATEMENTS

(9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)

For measurement purposes, health care trend rates are assumed to increase at a rate of 7.0% for 2020, 6.75% for 2021, 6.5% for 2022 followed by a declining rate of increase.

(10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

| Year(s)              | Amount |
|----------------------|--------|
| a. 2020              | \$ 0   |
| b. 2021              | 0      |
| c. 2022              | 0      |
| d. 2023              | 0      |
| e. 2024              | 0      |
| f. 2025 through 2029 | \$ 0   |

(11) Estimate of Contributions Expected to be Paid to the Plan

The Company's best estimate of contributions expected to be paid to the plan during the fiscal year beginning January 1, 2020 is \$0.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis Used to Determine Expected Long-Term Rate-of-Return

Not applicable.

E. Defined Contribution Plans

The Company does not have any defined contribution plans.

F. Multiemployer Plans

The Company does not have any multiemployer plans.

G. Consolidated/Holding Company Plans

Employee Retirement Plan

All employees meeting minimum requirements regarding service are eligible to participate in the Infinity Property and Casualty Corporation's ("Parent") 401(k) Retirement Plan ("the Plan") for the benefit of employees of the Parent and its participating subsidiaries. The Plan is a defined contribution plan in which participating employees are entitled to share in contributions made by the Company on their behalf. The Plan has two types of contributions, including 401(k) Contributions made by participating employees and Contributions made by the Company. Participating employees are permitted to make 401(k) Contributions to the Plan. Matching Contributions may be made by the Company based on the amount of 401(k) Contributions made by the participating employees. The Parent also has a Supplemental Executive Retirement Plan ("SERP") for a select group of management or highly compensated employees. The SERP enables eligible employees to receive additional retirement contributions from the Company that are precluded by law due to limitations of a qualified retirement plan. SERP costs are funded as they accrue and vested benefits are fully funded. Matching Contributions to the SERP are subject to the discretion of the Parent, and the Company has no liability for future contributions to the SERP. The Company's share of the expense for the Plan and the SERP during 2019 was \$0.

Postretirement Benefit Plan

The Company provides postretirement benefits to employees based on date of retirement, age, and service requirements. The retiree medical care plan is a contributory plan. Some employees pay the full cost of retiree medical coverage as outlined by the plan. The Company paid the full cost of life insurance coverage in 2019 for retirees eligible for this coverage. The Company has the right to modify or terminate either of these plans in the future.

H. Postemployment Benefits and Compensated Absences

The Company has accrued for postemployment benefits and compensated absences in accordance with SSAP No. 11.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

IPCC has determined that the benefits provided under the plan described in Note 12G are actuarially equivalent to those benefits provided by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("MMA"). IPCC did not reflect the government subsidy provided by the MMA in the calculation of the APBO as of December 31, 2019 other than as reflected in the insured over 65 rates going forward.

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

(1) Number of Share and Par or State Value of Each Class

The Company has 25,000 shares of common stock authorized, of which 12,000 are issued and outstanding with a par value of \$125 per share.

(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

The Company has no preferred stock outstanding.

(3) Dividend Restrictions

The maximum amount of dividends or distributions which may be paid to stockholders by property/casualty insurance companies domiciled in the state of Ohio without (i) prior approval or (ii) expiration of a 30 day waiting period without disapproval of the Commissioner of Insurance, is the greater of net income or 10% of policyholders' surplus as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of ordinary dividends or distributions which may be paid in 2020 based on earned surplus is \$189,011.

(4) Dates and Amounts of Dividends Paid

The Company paid an ordinary dividend in the amount of \$185,000 to Infinity in cash on December 30, 2019. The Company did not pay a dividend during 2018.

(5) Profits that may be Paid as Ordinary Dividends to Stockholders

Within the limitations of (3) above, there are no specific restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

NOTES TO FINANCIAL STATEMENTS

- (6) Restrictions Plans on Unassigned Funds (Surplus)

There are no restrictions on the unassigned funds of the Company other than those described above in paragraphs (3) and (5). These unassigned funds are held for the benefit of the owner and policyholders.
- (7) Amount of Advances to Surplus not Repaid

Not applicable.
- (8) Amount of Stock Held for Special Purposes

No stock of the Company or its affiliates is held by the Company for special purposes.
- (9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period

The Company does not have any special surplus funds as of December 31, 2019.
- (10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$0.
- (11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

The Company does not have any surplus debentures or similar obligations.
- (12) The impact of any restatement due to prior quasi-reorganizations is as follows

Not applicable.
- (13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization

Not applicable.

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

- (1) The Company does not have any contingent commissions.
- (2) Detail of other contingent commitments

| Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement | Liability Recognition of Guarantee, (Including Amount Recognized at Inception. If no Initial Recognition, Document Exception Allowed Under SSAP No. 5R) | Ultimate Financial Statement Impact if Action under the Guarantee is Required | Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor could be Required to make under the Guarantee. If unable to Develop an Estimate, this Should be Specifically Noted | Current Status of Payment or Performance Risk of Guarantee. Also Provide Additional Discussion as Warranted |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|                                                                                                    |                                                                                                                                                         | NONE                                                                          |                                                                                                                                                                                             |                                                                                                             |
| Total                                                                                              |                                                                                                                                                         | XXX                                                                           |                                                                                                                                                                                             | XXX                                                                                                         |

(3) Guarantee Obligations

|    |                                                                                                                                                                                               |    |   |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| a. | Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal the total of column 4 for (2) above.) | \$ | 0 |
| b. | Current liability recognized in F/S                                                                                                                                                           |    |   |
|    | 1. Noncontingent liabilities                                                                                                                                                                  | \$ | 0 |
|    | 2. Contingent liabilities                                                                                                                                                                     | \$ | 0 |
| c. | Ultimate financial statement impact if action under the guarantee is required                                                                                                                 |    |   |
|    | 1. Investments in SCA                                                                                                                                                                         | \$ | 0 |
|    | 2. Joint venture                                                                                                                                                                              |    | 0 |
|    | 3. Dividends to stockholders (capital contribution)                                                                                                                                           |    | 0 |
|    | 4. Expense                                                                                                                                                                                    |    | 0 |
|    | 5. Other                                                                                                                                                                                      |    | 0 |
|    | 6. Total (should equal (3)a)                                                                                                                                                                  | \$ | 0 |

B. Assessments

The Company receives notification of insolvency of other insurance companies from state insurance departments or guaranty funds. These insolvencies could result in future assessments against the Company. At this time the Company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the Company is unable to determine the impact, if any, such assessments may have on the Company's financial position or results of operations.

C. Gain Contingencies

The Company does not have any gain contingencies.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Various lawsuits against the Company have arisen in the ordinary course of the Company's business. The Company's management believes that contingent liabilities arising from such litigation and other matters will not have a material effect on the financial position or results of operations of the Company.

NOTES TO FINANCIAL STATEMENTS

Note 15 – Leases

- A.

Lessee Operating Lease

Not applicable.
- B.

Lessor Leases

Not applicable.

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not have any financial instruments with off-balance sheet risk or concentrations of credit risk.

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 2019.
- B.

Transfer and Servicing of Financial Assets

Not applicable.
- C.

Wash Sales

The Company was not involved in any wash sale transactions during 2019.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company does not serve as an administrator for uninsured accident and health plans or uninsured portions of partially insured plans.

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company did not have any direct premium written by a managing general agent or third-party administrator.

Note 20 – Fair Value Measurements

- A.

Fair Value Measurements

(1)

Fair Value Measurements at Reporting Date

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

(2)

Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Not applicable.

(3)

Policies when Transfers Between Levels are Recognized

Not applicable.

(4)

Description of Valuation Techniques and Inputs Used in Fair Value Measurement

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)

Fair Value Disclosures

Not applicable.
- B.

Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not applicable.
- C.

Fair Value Level

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.

Aggregate fair value measurements for all financial instruments at December 31, 2019, are as follows:

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)    | (Level 2) | (Level 3) | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|-----------|-----------|-----------------------|----------------------------------|
| Assets                       |                      |                 |              |           |           |                       |                                  |
| Bonds                        | \$ 2,016,869         | \$ 2,013,927    | \$ 2,016,869 | \$ 0      | \$ 0      | \$ 0                  | \$ 0                             |
| Cash equivalents             | \$ 1,145,480         | \$ 1,145,610    | \$ 1,145,480 | \$ 0      | \$ 0      | \$ 0                  | \$ 0                             |

NOTES TO FINANCIAL STATEMENTS

- D. Not Practicable to Estimate Fair Value
- Not applicable.
- E. NAV Practical Expedient Investments
- Not applicable.

Note 21 – Other Items

- A. Unusual or Infrequent Items
- None.
- B. Troubled Debt Restructuring Debtors
- Not applicable.
- C. Other Disclosures
- None.
- D. Business Interruption Insurance Recoveries
- Not applicable.
- E. State Transferable and Non-Transferable Tax Credits
- Not applicable.
- F. Subprime Mortgage Related Risk Exposure
- (1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies
- The Company does not have any subprime mortgage related risk exposure.
- (2) Direct Exposure Through Investments in Subprime Mortgage Loans
- The Company does not have any risk exposure through direct investment in subprime mortgage loans.
- (3) Direct Exposure Through Other Investments
- The Company does not have direct exposure to subprime mortgage related risk through any other type investments.
- (4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage
- The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage.
- G. Insurance-Linked Securities (ILS) Contracts
- Not applicable.

Note 22 – Events Subsequent

Subsequent events have been considered through February 24, 2020 for the statutory statement issued on December 31, 2019. There have not been any subsequent events which may have a material effect on the financial condition of the Company.

Note 23 – Reinsurance

- A. Unsecured Reinsurance Recoverables
- The Company does not have any unsecured reinsurance recoverables.
- B. Reinsurance Recoverable in Dispute
- The Company does not have any reinsurance recoverable on losses in dispute that individually exceed 5% or in the aggregate exceed 10% of its policyholder surplus.
- C. Reinsurance Assumed and Ceded
- (1) Maximum Amount of Return Commission
- The Company's maximum amount of return commission due as a result of cancellation as of December 31, 2019, of all reinsurance agreements is as follows:
- |               | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|               | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| a. Affiliates | \$ 0                | \$ 0              | \$ 0              | \$ 0              | \$ 0            | \$ 0              |
| b. All Other  | 0                   | 0                 | 0                 | 0                 | 0               | 0                 |
| c. Total      | \$ 0                | \$ 0              | \$ 0              | \$ 0              | \$ 0            | \$ 0              |

|                                     |  |  |  |  |  |      |
|-------------------------------------|--|--|--|--|--|------|
| d. Direct Unearned Premium Reserves |  |  |  |  |  | \$ 0 |
|-------------------------------------|--|--|--|--|--|------|
- (2) Additional or Return Commission
- Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at the end of the current year are as follows:
- |                                         | Direct | Assumed | Ceded | Net  |
|-----------------------------------------|--------|---------|-------|------|
| a. Contingent commission                | \$ 0   | \$ 0    | \$ 0  | \$ 0 |
| b. Sliding scale adjustments            | 0      | 0       | 0     | 0    |
| c. Other profit commission arrangements | 0      | 0       | 0     | 0    |
| d. Total                                | \$ 0   | \$ 0    | \$ 0  | \$ 0 |
- (3) Types of Risks Attributed to Protected Cell
- The Company does not use protected cells as an alternative to traditional reinsurance.

NOTES TO FINANCIAL STATEMENTS

- D.      Uncollectible Reinsurance  
             None.
- E.      Commutation of Ceded Reinsurance  
             The Company did not commute any ceded reinsurance treaties during 2019.
- F.      Retroactive Reinsurance  
             Not applicable.
- G.      Reinsurance Accounted for as a Deposit  
             Not applicable.
- H.      Disclosures for the Transfer of Property and Casualty Run-off Agreements  
             Not applicable.
- I.      Certified Reinsurer Rating Downgraded or Status Subject to Revocation  
             Not applicable.
- J.      Reinsurance Agreements Qualifying for Reinsurer Aggregation  
             Not applicable.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not have any retrospective reinsurance agreements in force.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

- A.      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):

|                                 | 2019 | 2018    |
|---------------------------------|------|---------|
| Balance at beginning of period  | \$ 0 | \$ 683  |
| Loss and LAE incurred:          |      |         |
| Current accident year           | 0    | 984     |
| Prior accident years            | 0    | (15)    |
|                                 | 0    | 969     |
| Loss and LAE payments made for: |      |         |
| Current accident year           | 0    | (984)   |
| Prior accident years            | 0    | (668)   |
|                                 | 0    | (1,652) |
| Balance at end of period        | \$ 0 | \$ 0    |

Reserves as of December 31, 2018 were \$0. As of December 31, 2019, \$0 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of a 100% quota share agreement between the Company's parent, Infinity Insurance Company, and Trinity Universal Insurance Company that was effective December 1, 2018.

- B.      Information about Significant Changes in Methodologies and Assumptions  
             No significant change.

Note 26 – Intercompany Pooling Arrangements

The Company and its insurance affiliates maintain an intercompany reinsurance pooling agreement with the Company's parent, Infinity. The effect is to transfer all direct insurance liabilities of the pool members to Infinity and to cede specified percentages of the net underwriting results of Infinity to the participating pool members as follows:

| Lead Entity and all Affiliated Entities  | NAIC Company Code | Pooling Percentage |
|------------------------------------------|-------------------|--------------------|
| Infinity Insurance Company               | 22268             | 99.1 %             |
| Infinity Assurance Insurance Company     | 39497             | 0.1 %              |
| Infinity Auto Insurance Company Infinity | 11738             | 0.1 %              |
| Casualty Insurance Company Infinity      | 21792             | 0.1 %              |
| Indemnity Insurance Company Infinity     | 10061             | 0.1 %              |
| Preferred Insurance Company Infinity     | 10195             | 0.1 %              |
| Safeguard Insurance Company Infinity     | 16802             | 0.1 %              |
| Security Insurance Company Infinity      | 38873             | 0.1 %              |
| Select Insurance Company Infinity        | 20260             | 0.1 %              |
| Standard Insurance Company               | 12599             | 0.1 %              |

The Company's net underwriting results are determined after making cessions to various other non-affiliated reinsurers under terms of other reinsurance agreements. Substantially all of these cessions are made subsequent to the pooling of business from the pool members to Infinity. There are no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the leas company and the corresponding entries on the assumed and ceded reinsurance schedules of other pool participants. The Provision for Reinsurance (Schedule F, Part 7), if any, is recorded by Infinity and is not shared with the other pool participants. Uncollectible reinsurance balances which are written off are subject to the terms of the pooling agreement.

NOTES TO FINANCIAL STATEMENTS

Amounts due between Infinity and all affiliated entities participating in the intercompany pooling arrangement in accordance with SSAP 63 as of December 31, 2019 are as follows:

| Company                                  | Reinsurance Recoverable | Reinsurance Payable |
|------------------------------------------|-------------------------|---------------------|
| Infinity Insurance Company               | \$ 0                    | \$ 300,351          |
| Infinity Assurance Insurance Company     | 4,903                   | 0                   |
| Infinity Auto Insurance Company Infinity | 278,331                 | 0                   |
| Casualty Insurance Company Infinity      | 0                       | 748                 |
| Indemnity Insurance Company Infinity     | 71,747                  | 0                   |
| Preferred Insurance Company Infinity     | 0                       | 0                   |
| Safeguard Insurance Company Infinity     | 4,380                   | 0                   |
| Security Insurance Company Infinity      | 0                       | 0                   |
| Select Insurance Company Infinity        | 0                       | 19,684              |
| Standard Insurance Company               | 0                       | 38,301              |

Note 27 – Structured Settlements

- A. Reserves No Longer Carried  
The Company has not purchased any annuities under which it is owner and payee to fund future payments that are fixed.
- B. Annuities Which Equal or Exceed 1% of Policyholders' Surplus  
Not applicable.

Note 28 – Health Care Receivables

Not applicable.

Note 29 – Participating Policies

Not applicable.

Note 30 – Premium Deficiency Reserves

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: December 31, 2019
3. Was anticipated investment income utilized in the calculation? Yes [ X ] No [ ]

Note 31 – High Deductibles

The Company does not write any high deductible policies.

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount liabilities for unpaid losses or unpaid LAE.

Note 33 – Asbestos/Environmental Reserves

The Company does not have any material exposure for asbestos or environmental claims.

Note 34 – Subscriber Savings Accounts

The Company is not a reciprocal exchange, and accordingly, has nothing to report.

Note 35 – Multiple Peril Crop Insurance

The Company does not write multiple peril crop insurance.

Note 36 – Financial Guaranty Insurance

The Company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

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? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ ] No [ X ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ ] No [ ] N/A [ X ]

1.3

State Regulating? .....

Ohio

1.4

Is the reporting entity publicly traded or a member of a publicly traded group? .....

Yes [ X ] No [ ]

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

0000860748

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

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2016

3.2

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. ....

12/31/2016

3.3

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). ....

02/13/2018

3.4

By what department or departments?  
Ohio .....

3.5

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 ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ] No [ ] N/A [ X ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  
If yes, complete and file the merger history data file with the NAIC.

Yes [ ] No [ X ]

5.2

If yes, provide the name of the 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 Company Code | 3<br>State of Domicile |
|                     |                        |                        |

6.1

Has the 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 ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

|                  |                     |
|------------------|---------------------|
| 1<br>Nationality | 2<br>Type of Entity |
|                  |                     |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE   Infinity Preferred Insurance Company

**GENERAL INTERROGATORIES**

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes [    ]   No [ ☒ ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [    ]   No [ ☒ ]
- 8.4

If 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              | 2                      | 3   | 4   | 5    | 6   |
|----------------|------------------------|-----|-----|------|-----|
| Affiliate Name | Location (City, State) | FRB | OCC | FDIC | SEC |
| .....          | .....                  |     |     |      |     |

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP  
111 S Wacker Drive  
Chicago, IL 60606-4301
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? .....

Yes [    ]   No [ ☒ ]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? .....

Yes [    ]   No [ ☒ ]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? .....

Yes [ ☒ ]   No [    ]   N/A [    ]
- 10.6

If the response to 10.5 is no or n/a, please explain  
.....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Bradley J Andrekus, Actuary  
220 East Randolph Street  
Suite 3300  
Chicago, IL 60601 .....
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? .....

Yes [    ]   No [ ☒ ]
- 12.11

Name of real estate holding company .....
- 12.12

Number of parcels involved .....
- 12.13

Total book/adjusted carrying value .....\$ .....
- 12.2

If, yes provide explanation:  
.....
13.

**FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? .....

Yes [    ]   No [    ]
- 13.3

Have there been any changes made to any of the trust indentures during the year? .....

Yes [    ]   No [    ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? .....

Yes [    ]   No [    ]   N/A [    ]
- 14.1

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? .....

Yes [ ☒ ]   No [    ]
- 14.1a

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 14.1b

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- 14.1c

Compliance with applicable governmental laws, rules and regulations;
- 14.1d

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- 14.1e

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:  
.....
- 14.2

Has the code of ethics for senior managers been amended? .....

Yes [    ]   No [ ☒ ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [    ]   No [ ☒ ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE   Infinity Preferred Insurance Company

**GENERAL INTERROGATORIES**

- 15.1   Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? .....
- 15.2   If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- Yes [    ]   No [ X ]

| 1<br>American<br>Bankers<br>Association<br>(ABA) Routing<br>Number | 2<br><br>Issuing or Confirming Bank Name | 3<br><br>Circumstances That Can Trigger the Letter of Credit | 4<br><br>Amount |
|--------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------|-----------------|
| .....                                                              | .....                                    | .....                                                        | .....           |

**BOARD OF DIRECTORS**

16.   Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? .....
17.   Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? .....
18.   Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? .....
- Yes [ X ]   No [    ]
- Yes [ X ]   No [    ]
- Yes [ X ]   No [    ]

**FINANCIAL**

19.   Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? .....
- 20.1   Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ .....
- 20.12 To stockholders not officers.....\$ .....
- 20.13 Trustees, supreme or grand (Fraternal Only) .....\$ .....
- 20.2   Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ .....
- 20.22 To stockholders not officers.....\$ .....
- 20.23 Trustees, supreme or grand (Fraternal Only) .....\$ .....
- 21.1   Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? .....
- 21.2   If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ .....
- 21.22 Borrowed from others.....\$ .....
- 21.23 Leased from others .....\$ .....
- 21.24 Other .....\$ .....
- 22.1   Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? .....
- 22.2   If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ .....
- 22.22 Amount paid as expenses .....\$ .....
- 22.23 Other amounts paid .....\$ .....
- 23.1   Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? .....
- 23.2   If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]
- Yes [    ]   No [ X ]

**INVESTMENT**

- 24.01   Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03).....
- 24.02   If no, give full and complete information relating thereto .....
- 24.03   For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) .....
- 24.04   Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? .....
- 24.05   If answer to 24.04 is yes, report amount of collateral for conforming programs. ....
- 24.06   If answer to 24.04 is no, report amount of collateral for other programs. ....
- 24.07   Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? .....
- 24.08   Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? .....
- 24.09   Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? .....
- Yes [    ]   No [    ]   N/A [ X ]
- Yes [    ]   No [    ]   N/A [ X ]
- Yes [    ]   No [    ]   N/A [ X ]
- Yes [    ]   No [    ]   N/A [ X ]
- Yes [    ]   No [    ]   N/A [ X ]
- Yes [    ]   No [    ]   N/A [ X ]
- Yes [    ]   No [    ]   N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

|        |                                                                                                                 |          |
|--------|-----------------------------------------------------------------------------------------------------------------|----------|
| 24.101 | Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....                   | \$ ..... |
| 24.102 | Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... | \$ ..... |
| 24.103 | Total payable for securities lending reported on the liability page. ....                                       | \$ ..... |

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). ..... Yes [ X ] No [ ]

|      |                                                                      |                                                                                                |          |
|------|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------|
| 25.2 | If yes, state the amount thereof at December 31 of the current year: | 25.21 Subject to repurchase agreements .....                                                   | \$ ..... |
|      |                                                                      | 25.22 Subject to reverse repurchase agreements .....                                           | \$ ..... |
|      |                                                                      | 25.23 Subject to dollar repurchase agreements .....                                            | \$ ..... |
|      |                                                                      | 25.24 Subject to reverse dollar repurchase agreements .....                                    | \$ ..... |
|      |                                                                      | 25.25 Placed under option agreements .....                                                     | \$ ..... |
|      |                                                                      | 25.26 Letter stock or securities restricted as to sale -<br>excluding FHLB Capital Stock ..... | \$ ..... |
|      |                                                                      | 25.27 FHLB Capital Stock .....                                                                 | \$ ..... |
|      |                                                                      | 25.28 On deposit with states .....                                                             | \$ ..... |
|      |                                                                      | 25.29 On deposit with other regulatory bodies .....                                            | \$ ..... |
|      |                                                                      | 25.30 Pledged as collateral - excluding collateral pledged to<br>an FHLB .....                 | \$ ..... |
|      |                                                                      | 25.31 Pledged as collateral to FHLB - including assets<br>backing funding agreements .....     | \$ ..... |
|      |                                                                      | 25.32 Other .....                                                                              | \$ ..... |

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
| .....                      | .....            | .....       |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? .. Yes [ ] No [ ]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

|                                                          |                |
|----------------------------------------------------------|----------------|
| 26.41 Special accounting provision of SSAP No. 108 ..... | Yes [ ] No [ ] |
| 26.42 Permitted accounting practice .....                | Yes [ ] No [ ] |
| 26.43 Other accounting guidance .....                    | Yes [ ] No [ ] |

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: ..... Yes [ ] No [ ]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....

28. 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 [ ]

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

| 1<br>Name of Custodian(s)         | 2<br>Custodian's Address                  |
|-----------------------------------|-------------------------------------------|
| The Bank of New York Mellon ..... | One Wall Street, New York, NY 10286 ..... |
| .....                             | .....                                     |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

GENERAL INTERROGATORIES

28.02 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<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
|              |                  |                              |

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [ ] No [ X ]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual | 2<br>Affiliation |
|---------------------------------|------------------|
| Kemper Corporation .....        | A.....           |
|                                 |                  |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|------------------------------------------------|---------------------------------|------------------------------------|----------------------|-----------------------------------------------------------|
| Not Applicable .....                           | Kemper Corporation .....        | 95-4255452 .....                   | Not Applicable ..... |                                                           |

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted<br>Carrying Value |
|-----------------|--------------------------|--------------------------------------|
| 29.2999 - Total |                          |                                      |

29.3 For each mutual fund listed in the table above, complete the following schedule:

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the<br>Mutual Fund | 3<br>Amount of Mutual<br>Fund's Book/Adjusted<br>Carrying Value<br>Attributable to the<br>Holding | 4<br>Date of<br>Valuation |
|---------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------|
|                                             |                                                        |                                                                                                   |                           |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE   Infinity Preferred Insurance Company

**GENERAL INTERROGATORIES**

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

|                             | 1                             | 2          | 3                                                                                  |
|-----------------------------|-------------------------------|------------|------------------------------------------------------------------------------------|
|                             | Statement (Admitted)<br>Value | Fair Value | Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
| 30.1 Bonds .....            | 2,013,927                     | 2,016,869  | 2,942                                                                              |
| 30.2 Preferred stocks ..... |                               |            |                                                                                    |
| 30.3 Totals                 | 2,013,927                     | 2,016,869  | 2,942                                                                              |

30.4 Describe the sources or methods utilized in determining the fair values:  
The Company sources pricing data from reconginzed data vendors specializing in providing market pricing data. Pricing data for private non-market securites is provided by third party investments advisors and managers or develeped internally by the Company's ultimate parent. ....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [   ] No [ X ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [   ] No [   ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [   ]

32.2 If no, list exceptions:  
.....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? ..... Yes [   ] No [ X ]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? ..... Yes [   ] No [ X ]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
a. The shares were purchased prior to January 1, 2019.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
d. The fund only or predominantly holds bonds in its portfolio.  
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [   ] No [ X ]

**OTHER**

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....746

36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1<br>Name                         | 2<br>Amount Paid |
|-----------------------------------|------------------|
| Insurance Technologies Corp ..... | 373              |
| ISO Services Inc .....            | 194              |
| .....                             |                  |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

GENERAL INTERROGATORIES

37.1 Amount of payments for legal expenses, if any? .....\$ .....404

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1<br>Name                               | 2<br>Amount Paid |
|-----------------------------------------|------------------|
| Swift, currie, McGhee & Hiers LLP ..... | 334              |
| .....                                   |                  |

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....413

38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     |                  |
| .....     |                  |

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U. S. business only. ....

\$ \_\_\_\_\_

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ \_\_\_\_\_

1.31

Reason for excluding .....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....

\$ \_\_\_\_\_

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ \_\_\_\_\_

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$ \_\_\_\_\_

1.62

Total incurred claims .....

\$ \_\_\_\_\_

1.63

Number of covered lives .....

.....

All years prior to most current three years

1.64

Total premium earned .....

\$ \_\_\_\_\_

1.65

Total incurred claims .....

\$ \_\_\_\_\_

1.66

Number of covered lives .....

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$ \_\_\_\_\_

1.72

Total incurred claims .....

\$ \_\_\_\_\_

1.73

Number of covered lives .....

.....

All years prior to most current three years

1.74

Total premium earned .....

\$ \_\_\_\_\_

1.75

Total incurred claims .....

\$ \_\_\_\_\_

1.76

Number of covered lives .....

.....

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator .....

.....

2.2

Premium Denominator .....

1,336,744

2.3

Premium Ratio (2.1/2.2) .....

0.000

0.000

2.4

Reserve Numerator .....

.....

2.5

Reserve Denominator .....

.....

2.6

Reserve Ratio (2.4/2.5) .....

0.000

0.000

3.1

Does the reporting entity issue both participating and non-participating policies? .....

Yes [ ] No [ X ]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies .....

\$ \_\_\_\_\_

3.22

Non-participating policies .....

\$ \_\_\_\_\_

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies? .....

Yes [ ] No [ ]

4.2

Does the reporting entity issue non-assessable policies? .....

Yes [ ] No [ ]

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....

\$ \_\_\_\_\_

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents? .....

Yes [ ] No [ ]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [ ] No [ ] N/A [ ]

5.22

As a direct expense of the exchange.....

Yes [ ] No [ ] N/A [ ]

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? .....

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? .....

Yes [ ] No [ ]

5.5

If yes, give full information .....

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
The Company does not write vorkers compensation insurance. ....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
All policies are ceded to Infinity Insurance Company as part of the intercompany pooling agreement (see Note 26) and ultimately reinsured by Trintiy Universal Insurance Company as part of a 100% quote share agreement between Infinity Insurance Company and Trinity Universal Insurance Company. ....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
All policies are ceded to Infinity Insurance Company as part of the intercompany pooling agreement (see Note 26) and ultimately reinsured by Trintiy Universal Insurance Company as part of a 100% quote share agreement between Infinity Insurance Company and Trinity Universal Insurance Company. ....

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? .....

Yes [    ]    No [ X ]

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
All policies are ceded to Infinity Insurance Company as part of the intercompany pooling agreement (see Note 26) and ultimately reinsured by Trintiy Universal Insurance Company as part of a 100% quote share agreement between Infinity Insurance Company and Trinity Universal Insurance Company. ....

7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?.....

Yes [    ]    No [ X ]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions: .....

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

Yes [    ]    No [    ]

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? .....

Yes [    ]    No [    ]

8.2

If yes, give full information  
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. ....

Yes [    ]    No [ X ]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. ....

Yes [    ]    No [ X ]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? .....

Yes [    ]    No [ X ]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or, .....  
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or .....  
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. ....

Yes [    ]    No [ X ]  
Yes [    ]    No [ X ]  
Yes [ X ]    No [    ]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? .....

Yes [ X ]    No [    ]    N/A [    ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1   Has the reporting entity guaranteed policies issued by any other entity and now in force? .....   Yes [   ]   No [ X ]

11.2   If yes, give full information  
.....

12.1   If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses .....\$ .....

12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$ .....

12.2   Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds .....\$ .....

12.3   If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? .....   Yes [   ]   No [   ]   N/A [ X ]

12.4   If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From ..... %

12.42 To ..... %

12.5   Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies? .....   Yes [   ]   No [ X ]

12.6   If yes, state the amount thereof at December 31 of the current year:

12.61 Letters of credit .....\$ .....

12.62 Collateral and other funds.....\$ .....

13.1   Largest net aggregate amount insured in any one risk (excluding workers' compensation): .....\$ .....

13.2   Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? .....   Yes [   ]   No [ X ]

13.3   State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....

14.1   Is the company a cedant in a multiple cedant reinsurance contract? .....   Yes [   ]   No [ X ]

14.2   If yes, please describe the method of allocating and recording reinsurance among the cedants:  
.....

14.3   If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? .....   Yes [   ]   No [   ]

14.4   If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? .....   Yes [   ]   No [   ]

14.5   If the answer to 14.4 is no, please explain:  
.....

15.1   Has the reporting entity guaranteed any financed premium accounts? .....   Yes [   ]   No [ X ]

15.2   If yes, give full information  
.....

16.1   Does the reporting entity write any warranty business? .....   Yes [   ]   No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

|                        | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home .....       |                                |                              |                                |                                 |                               |
| 16.12 Products .....   |                                |                              |                                |                                 |                               |
| 16.13 Automobile ..... |                                |                              |                                |                                 |                               |
| 16.14 Other*           |                                |                              |                                |                                 |                               |

\* Disclose type of coverage:  
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE   Infinity Preferred Insurance Company

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? .....

Yes [    ] No [ ☒ ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance .....

\$ .....

17.12

Unfunded portion of Interrogatory 17.11 .....

\$ .....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....

\$ .....

17.14

Case reserves portion of Interrogatory 17.11 .....

\$ .....

17.15

Incurred but not reported portion of Interrogatory 17.11 .....

\$ .....

17.16

Unearned premium portion of Interrogatory 17.11 .....

\$ .....

17.17

Contingent commission portion of Interrogatory 17.11 .....

\$ .....

18.1

Do you act as a custodian for health savings accounts? .....

Yes [    ] No [ ☒ ]

18.2

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

\$ .....

18.3

Do you act as an administrator for health savings accounts? .....

Yes [    ] No [ ☒ ]

18.4

If yes, please provide the balance of funds administered as of the reporting date. ....

\$ .....

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? .....

Yes [ ☒ ] No [    ]

19.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? .....

Yes [    ] No [    ]

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

|                                                                                                                                                                     | 1<br>2019 | 2<br>2018   | 3<br>2017 | 4<br>2016 | 5<br>2015 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|-----------|-----------|-----------|
| <b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>                                                                                                  |           |             |           |           |           |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)                                                                    |           | 487,369     | 934,899   | 940,571   | 926,791   |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)                                                                                                                      |           | 221,800     | 451,954   | 451,888   | 446,496   |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)                                                                                                |           |             |           |           |           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)                                                                                               |           |             |           |           |           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)                                                                                                            |           |             |           |           |           |
| 6. Total (Line 35)                                                                                                                                                  |           | 709,169     | 1,386,853 | 1,392,459 | 1,373,287 |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>                                                                                                               |           |             |           |           |           |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)                                                                    |           | 487,369     | 934,899   | 940,571   | 926,791   |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)                                                                                                                      |           | 221,800     | 451,954   | 451,888   | 446,496   |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)                                                                                                |           |             |           |           |           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)                                                                                              |           |             |           |           |           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)                                                                                                           |           |             |           |           |           |
| 12. Total (Line 35)                                                                                                                                                 |           | 709,169     | 1,386,853 | 1,392,459 | 1,373,287 |
| <b>Statement of Income (Page 4)</b>                                                                                                                                 |           |             |           |           |           |
| 13. Net underwriting gain (loss) (Line 8)                                                                                                                           |           | 35,027      | (6,844)   | (33,975)  | (15,101)  |
| 14. Net investment gain or (loss) (Line 11)                                                                                                                         | 77,348    | 59,385      | 41,835    | 34,848    | 54,938    |
| 15. Total other income (Line 15)                                                                                                                                    |           | 66,702      | 74,959    | 82,049    | 71,343    |
| 16. Dividends to policyholders (Line 17)                                                                                                                            |           |             |           |           |           |
| 17. Federal and foreign income taxes incurred (Line 19)                                                                                                             | 21,033    | (7,705)     | 41,918    | 29,229    | 42,539    |
| 18. Net income (Line 20)                                                                                                                                            | 56,315    | 168,819     | 68,032    | 53,693    | 68,641    |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>                                                                                                                          |           |             |           |           |           |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)                                                                               | 3,193,858 | 4,767,798   | 4,622,691 | 4,751,742 | 4,854,822 |
| 20. Premiums and considerations (Page 2, Col. 3)                                                                                                                    |           |             |           |           |           |
| 20.1 In course of collection (Line 15.1)                                                                                                                            |           |             | 108,864   | 110,553   | 99,602    |
| 20.2 Deferred and not yet due (Line 15.2)                                                                                                                           |           |             |           |           |           |
| 20.3 Accrued retrospective premiums (Line 15.3)                                                                                                                     |           |             |           |           |           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)                                                                                           | 4,847     | 1,453,620   | 1,437,381 | 1,415,472 | 1,393,085 |
| 22. Losses (Page 3, Line 1)                                                                                                                                         |           |             | 545,364   | 527,996   | 513,023   |
| 23. Loss adjustment expenses (Page 3, Line 3)                                                                                                                       |           |             | 137,757   | 139,996   | 142,031   |
| 24. Unearned premiums (Page 3, Line 9)                                                                                                                              |           |             | 627,575   | 612,058   | 611,263   |
| 25. Capital paid up (Page 3, Lines 30 & 31)                                                                                                                         | 1,500,000 | 1,500,000   | 1,500,000 | 1,500,000 | 1,500,000 |
| 26. Surplus as regards policyholders (Page 3, Line 37)                                                                                                              | 3,189,011 | 3,314,178   | 3,185,310 | 3,336,270 | 3,461,737 |
| <b>Cash Flow (Page 5)</b>                                                                                                                                           |           |             |           |           |           |
| 27. Net cash from operations (Line 11)                                                                                                                              | 87,500    | (1,190,468) | 84,501    | 74,645    | 90,878    |
| <b>Risk-Based Capital Analysis</b>                                                                                                                                  |           |             |           |           |           |
| 28. Total adjusted capital                                                                                                                                          | 3,189,011 | 3,314,178   | 3,185,310 | 3,336,270 | 3,461,737 |
| 29. Authorized control level risk-based capital                                                                                                                     | 14        | 107,320     | 66,164    | 69,782    | 68,040    |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>                      |           |             |           |           |           |
| 30. Bonds (Line 1)                                                                                                                                                  | 63.7      | 95.6        | 98.5      | 98.8      | 98.5      |
| 31. Stocks (Lines 2.1 & 2.2)                                                                                                                                        |           |             |           |           |           |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2)                                                                                                               |           |             |           |           |           |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)                                                                                                                              |           |             |           |           |           |
| 34. Cash, cash equivalents and short-term investments (Line 5)                                                                                                      | 36.3      | 4.4         | 1.5       | 1.2       | 1.5       |
| 35. Contract loans (Line 6)                                                                                                                                         |           |             |           |           |           |
| 36. Derivatives (Line 7)                                                                                                                                            |           |             |           |           |           |
| 37. Other invested assets (Line 8)                                                                                                                                  |           |             |           |           |           |
| 38. Receivables for securities (Line 9)                                                                                                                             |           |             |           |           |           |
| 39. Securities lending reinvested collateral assets (Line 10)                                                                                                       |           |             |           |           |           |
| 40. Aggregate write-ins for invested assets (Line 11)                                                                                                               |           |             |           |           |           |
| 41. Cash, cash equivalents and invested assets (Line 12)                                                                                                            | 100.0     | 100.0       | 100.0     | 100.0     | 100.0     |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>                                                                                                           |           |             |           |           |           |
| 42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)                                                                                                         |           |             |           |           |           |
| 43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)                                                                                              |           |             |           |           |           |
| 44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)                                                                                                 |           |             |           |           |           |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)                                                             |           |             |           |           |           |
| 46. Affiliated mortgage loans on real estate                                                                                                                        |           |             |           |           |           |
| 47. All other affiliated                                                                                                                                            |           |             |           |           |           |
| 48. Total of above Lines 42 to 47                                                                                                                                   |           |             |           |           |           |
| 49. Total Investment in Parent included in Lines 42 to 47 above                                                                                                     |           |             |           |           |           |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0) |           |             |           |           |           |

FIVE-YEAR HISTORICAL DATA

(Continued)

|                                                                                                                                                                                              | 1<br>2019 | 2<br>2018 | 3<br>2017 | 4<br>2016 | 5<br>2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Capital and Surplus Accounts (Page 4)</b>                                                                                                                                                 |           |           |           |           |           |
| 51. Net unrealized capital gains (losses) (Line 24) .....                                                                                                                                    |           |           |           |           |           |
| 52. Dividends to stockholders (Line 35) .....                                                                                                                                                | (185,000) |           | (200,000) | (180,000) | (250,000) |
| 53. Change in surplus as regards policyholders for the year (Line 38) .....                                                                                                                  | (125,167) | 128,868   | (150,960) | (125,467) | (177,751) |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>                                                                                                                                   |           |           |           |           |           |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....                                                                                      | 275       | 1,111,836 | 701,536   | 665,589   | 611,030   |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....                                                                                                                                        | (267)     | 249,521   | 279,858   | 295,464   | 275,014   |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....                                                                                                                  |           | 2,351     | 151       | 291       | 223       |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....                                                                                                                 |           |           |           |           |           |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....                                                                                                                              |           |           |           |           |           |
| 59. Total (Line 35) .....                                                                                                                                                                    | 8         | 1,363,708 | 981,545   | 961,344   | 886,267   |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>                                                                                                                                              |           |           |           |           |           |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....                                                                                      |           | 1,110,267 | 595,976   | 627,989   | 600,865   |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....                                                                                                                                        |           | 249,521   | 281,045   | 297,250   | 276,402   |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....                                                                                                                  |           | 2,351     | 151       | 291       | 223       |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....                                                                                                                 |           |           |           |           |           |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....                                                                                                                              |           |           |           |           |           |
| 65. Total (Line 35) .....                                                                                                                                                                    |           | 1,362,139 | 877,172   | 925,530   | 877,490   |
| <b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>                                                                                                               |           |           |           |           |           |
| 66. Premiums earned (Line 1) .....                                                                                                                                                           | 100.0     | 100.0     | 100.0     | 100.0     | 100.0     |
| 67. Losses incurred (Line 2) .....                                                                                                                                                           |           | 61.1      | 65.2      | 67.6      | 66.3      |
| 68. Loss expenses incurred (Line 3) .....                                                                                                                                                    |           | 11.4      | 11.8      | 11.4      | 10.8      |
| 69. Other underwriting expenses incurred (Line 4) .....                                                                                                                                      |           | 24.9      | 23.4      | 23.4      | 24.0      |
| 70. Net underwriting gain (loss) (Line 8) .....                                                                                                                                              |           | 2.6       | (0.5)     | (2.4)     | (1.1)     |
| <b>Other Percentages</b>                                                                                                                                                                     |           |           |           |           |           |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....                                                 |           | 37.6      | 17.8      | 17.5      | 18.4      |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....                                                                       |           | 72.5      | 77.1      | 79.0      | 77.1      |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....                                                       |           | 21.4      | 43.5      | 41.7      | 39.7      |
| <b>One Year Loss Development (\$000 omitted)</b>                                                                                                                                             |           |           |           |           |           |
| 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....                                                 |           | (14)      | (16)      | (21)      | (26)      |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) .....                 |           | (0.4)     | (0.5)     | (0.6)     | (0.7)     |
| <b>Two Year Loss Development (\$000 omitted)</b>                                                                                                                                             |           |           |           |           |           |
| 76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....                       | (14)      | (22)      | (16)      | (52)      | (30)      |
| 77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) ..... | (0.4)     | (0.7)     | (0.4)     | (1.4)     | (0.8)     |

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [     ] No [     ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 OMITTED)

| Years in Which<br>Premiums Were<br>Earned and<br>Losses Were<br>Incurred | Premiums Earned                |                |                      | Loss and Loss Expense Payments |                |                                          |                |                                 |                |                                                  |                                                                | 12                                                       |
|--------------------------------------------------------------------------|--------------------------------|----------------|----------------------|--------------------------------|----------------|------------------------------------------|----------------|---------------------------------|----------------|--------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------|
|                                                                          | 1<br><br>Direct and<br>Assumed | 2<br><br>Ceded | 3<br><br>Net (1 - 2) | Loss Payments                  |                | Defense and Cost<br>Containment Payments |                | Adjusting and Other<br>Payments |                | 10<br><br>Salvage and<br>Subrogation<br>Received | 11<br><br>Total Net<br>Paid Cols<br>(4 - 5 + 6 - 7<br>+ 8 - 9) | Number of<br>Claims<br>Reported<br>Direct and<br>Assumed |
|                                                                          |                                |                |                      | 4<br><br>Direct and<br>Assumed | 5<br><br>Ceded | 6<br><br>Direct and<br>Assumed           | 7<br><br>Ceded | 8<br><br>Direct and<br>Assumed  | 9<br><br>Ceded |                                                  |                                                                |                                                          |
|                                                                          |                                |                |                      |                                |                |                                          |                |                                 |                |                                                  |                                                                |                                                          |
| 1. Prior.....                                                            | XXX                            | XXX            | XXX                  | 1                              | 1              | 1                                        | 1              |                                 |                |                                                  |                                                                | XXX                                                      |
| 2. 2010.....                                                             | 908                            | 5              | 903                  | 571                            | 1              | 24                                       |                | 98                              |                | 50                                               | 692                                                            | XXX                                                      |
| 3. 2011.....                                                             | 1,022                          | 6              | 1,016                | 650                            | 1              | 27                                       |                | 108                             |                | 57                                               | 784                                                            | XXX                                                      |
| 4. 2012.....                                                             | 1,189                          | 8              | 1,181                | 775                            | 1              | 27                                       |                | 126                             |                | 65                                               | 927                                                            | XXX                                                      |
| 5. 2013.....                                                             | 1,310                          | 10             | 1,300                | 813                            | (1)            | 27                                       | 1              | 136                             | 1              | 74                                               | 975                                                            | XXX                                                      |
| 6. 2014.....                                                             | 1,337                          | 12             | 1,325                | 836                            | 2              | 24                                       | 1              | 135                             |                | 80                                               | 992                                                            | XXX                                                      |
| 7. 2015.....                                                             | 1,361                          | 14             | 1,347                | 904                            | (9)            | 23                                       | (2)            | 133                             | (3)            | 91                                               | 1,074                                                          | XXX                                                      |
| 8. 2016.....                                                             | 1,404                          | 12             | 1,392                | 909                            | (27)           | 19                                       | (3)            | 136                             | (5)            | 95                                               | 1,099                                                          | XXX                                                      |
| 9. 2017.....                                                             | 1,384                          | 13             | 1,371                | 859                            | (45)           | 12                                       | (10)           | 131                             | (10)           | 92                                               | 1,067                                                          | XXX                                                      |
| 10. 2018.....                                                            | 1,495                          | 159            | 1,336                | 775                            | (50)           | 8                                        | (15)           | 123                             | (12)           | 43                                               | 983                                                            | XXX                                                      |
| 11. 2019.....                                                            | 1,677                          | 1,677          |                      | 574                            | 574            | 3                                        | 3              | 134                             | 134            |                                                  |                                                                | XXX                                                      |
| 12. Totals                                                               | XXX                            | XXX            | XXX                  | 7,666                          | 447            | 195                                      | (24)           | 1,260                           | 105            | 647                                              | 8,593                                                          | XXX                                                      |

|               | Losses Unpaid      |       |                    |       | Defense and Cost Containment Unpaid |       |                    |       | Adjusting and Other Unpaid |       | 23 | 24 | 25  |
|---------------|--------------------|-------|--------------------|-------|-------------------------------------|-------|--------------------|-------|----------------------------|-------|----|----|-----|
|               | Case Basis         |       | Bulk + IBNR        |       | Case Basis                          |       | Bulk + IBNR        |       |                            |       |    |    |     |
|               | 13                 | 14    | 15                 | 16    | 17                                  | 18    | 19                 | 20    | 21                         | 22    |    |    |     |
|               | Direct and Assumed | Ceded | Direct and Assumed | Ceded | Direct and Assumed                  | Ceded | Direct and Assumed | Ceded | Direct and Assumed         | Ceded |    |    |     |
| 1. Prior..... | 8                  | 8     | 2                  | 2     |                                     |       |                    |       |                            |       |    |    | XXX |
| 2. 2010.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |    |    | XXX |
| 3. 2011.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |    |    | XXX |
| 4. 2012.....  | 1                  | 1     |                    |       |                                     |       |                    |       |                            |       |    |    | XXX |
| 5. 2013.....  | 5                  | 5     | 1                  | 1     |                                     |       |                    |       | 1                          | 1     |    |    | XXX |
| 6. 2014.....  | 5                  | 5     | 2                  | 2     | 1                                   | 1     |                    |       | 1                          | 1     |    |    | XXX |
| 7. 2015.....  | 7                  | 7     | 7                  | 7     | 2                                   | 2     | 1                  | 1     | 2                          | 2     |    |    | XXX |
| 8. 2016.....  | 18                 | 18    | 17                 | 17    | 4                                   | 4     | 2                  | 2     | 4                          | 4     |    |    | XXX |
| 9. 2017.....  | 27                 | 27    | 28                 | 28    | 6                                   | 6     | 4                  | 4     | 9                          | 9     |    |    | XXX |
| 10. 2018..... | 65                 | 65    | 51                 | 51    | 10                                  | 10    | 6                  | 6     | 26                         | 26    |    |    | XXX |
| 11. 2019..... | 172                | 172   | 255                | 255   | 11                                  | 11    | 13                 | 13    | 42                         | 42    |    |    | XXX |
| 12. Totals    | 307                | 307   | 363                | 363   | 34                                  | 34    | 27                 | 27    | 86                         | 86    |    |    | XXX |

|               | Total Losses and Loss Expenses Incurred |       |       | Loss and Loss Expense Percentage (Incurred /Premiums Earned) |       |      | Nontabular Discount |              | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                      |
|---------------|-----------------------------------------|-------|-------|--------------------------------------------------------------|-------|------|---------------------|--------------|------------------------------------------------------|-------------------------------------------|----------------------|
|               | 26                                      | 27    | 28    | 29                                                           | 30    | 31   | 32                  | 33           |                                                      | 35                                        | 36                   |
|               | Direct and Assumed                      | Ceded | Net   | Direct and Assumed                                           | Ceded | Net  | Loss                | Loss Expense |                                                      | Losses Unpaid                             | Loss Expenses Unpaid |
| 1. Prior..... | XXX                                     | XXX   | XXX   | XXX                                                          | XXX   | XXX  |                     |              | XXX                                                  |                                           |                      |
| 2. 2010.....  | 694                                     | 2     | 692   | 76.4                                                         | 32.1  | 76.6 |                     |              | 0.1                                                  |                                           |                      |
| 3. 2011.....  | 786                                     | 2     | 784   | 76.9                                                         | 30.8  | 77.2 |                     |              | 0.1                                                  |                                           |                      |
| 4. 2012.....  | 930                                     | 3     | 927   | 78.2                                                         | 36.1  | 78.5 |                     |              | 0.1                                                  |                                           |                      |
| 5. 2013.....  | 982                                     | 7     | 975   | 74.9                                                         | 65.5  | 75.0 |                     |              | 0.1                                                  |                                           |                      |
| 6. 2014.....  | 1,004                                   | 12    | 992   | 75.1                                                         | 102.7 | 74.9 |                     |              | 0.1                                                  |                                           |                      |
| 7. 2015.....  | 1,079                                   | 5     | 1,074 | 79.2                                                         | 32.8  | 79.7 |                     |              | 0.1                                                  |                                           |                      |
| 8. 2016.....  | 1,108                                   | 9     | 1,099 | 78.9                                                         | 78.2  | 79.0 |                     |              | 0.1                                                  |                                           |                      |
| 9. 2017.....  | 1,076                                   | 9     | 1,067 | 77.8                                                         | 71.7  | 77.8 |                     |              | 0.1                                                  |                                           |                      |
| 10. 2018..... | 1,064                                   | 81    | 983   | 71.2                                                         | 50.8  | 73.6 |                     |              | 0.1                                                  |                                           |                      |
| 11. 2019..... | 1,204                                   | 1,204 |       | 71.8                                                         | 71.8  |      |                     |              | 0.1                                                  |                                           |                      |
| 12. Totals    | XXX                                     | XXX   | XXX   | XXX                                                          | XXX   | XXX  |                     |              | XXX                                                  |                                           |                      |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

SCHEDULE P - PART 2 - SUMMARY

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|-------------------------------------|----------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|                                     | 1<br>2010                                                                                          | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 | 6<br>2015 | 7<br>2016 | 8<br>2017 | 9<br>2018 | 10<br>2019 | 11<br>One Year | 12<br>Two Year |
| 1. Prior.....                       | 151                                                                                                | 136       | 124       | 124       | 122       | 121       | 122       | 124       | 124       | 124        |                |                |
| 2. 2010.....                        | 584                                                                                                | 596       | 596       | 596       | 593       | 595       | 593       | 594       | 594       | 594        |                |                |
| 3. 2011.....                        | XXX                                                                                                | 654       | 678       | 680       | 678       | 679       | 676       | 676       | 676       | 676        |                |                |
| 4. 2012.....                        | XXX                                                                                                | XXX       | 800       | 806       | 807       | 807       | 803       | 800       | 801       | 801        |                | 1              |
| 5. 2013.....                        | XXX                                                                                                | XXX       | XXX       | 875       | 865       | 849       | 842       | 842       | 840       | 840        |                | (2)            |
| 6. 2014.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | 882       | 868       | 859       | 861       | 857       | 857        |                | (4)            |
| 7. 2015.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | 930       | 935       | 938       | 938       | 938        |                |                |
| 8. 2016.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | 980       | 959       | 958       | 958        |                | (1)            |
| 9. 2017.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 934       | 926       | 926        |                | (8)            |
| 10. 2018.....                       | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 848       | 848        |                | XXX            |
| 11. 2019.....                       | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            | XXX            | XXX            |
| 12. Totals                          |                                                                                                    |           |           |           |           |           |           |           |           |            |                | (14)           |

SCHEDULE P - PART 3 - SUMMARY

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |      |      |      |      |      |      |      |      |      | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------|------|------|------|------|------|------|------|------|------|-------------------------------------------------|----------------------------------------------------|
|                                     | 1                                                                                                         | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |                                                 |                                                    |
|                                     | 2010                                                                                                      | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |                                                 |                                                    |
| 1. Prior.....                       | 000                                                                                                       | 70   | 95   | 107  | 113  | 116  | 117  | 119  | 124  | 124  | XXX                                             | XXX                                                |
| 2. 2010.....                        | 344                                                                                                       | 514  | 560  | 578  | 585  | 590  | 592  | 593  | 594  | 594  | XXX                                             | XXX                                                |
| 3. 2011.....                        | XXX                                                                                                       | 395  | 588  | 640  | 661  | 670  | 674  | 675  | 676  | 676  | XXX                                             | XXX                                                |
| 4. 2012.....                        | XXX                                                                                                       | XXX  | 479  | 699  | 762  | 784  | 793  | 797  | 801  | 801  | XXX                                             | XXX                                                |
| 5. 2013.....                        | XXX                                                                                                       | XXX  | XXX  | 510  | 739  | 797  | 818  | 828  | 840  | 840  | XXX                                             | XXX                                                |
| 6. 2014.....                        | XXX                                                                                                       | XXX  | XXX  | XXX  | 520  | 750  | 808  | 832  | 857  | 857  | XXX                                             | XXX                                                |
| 7. 2015.....                        | XXX                                                                                                       | XXX  | XXX  | XXX  | XXX  | 575  | 821  | 880  | 938  | 938  | XXX                                             | XXX                                                |
| 8. 2016.....                        | XXX                                                                                                       | XXX  | XXX  | XXX  | XXX  | XXX  | 604  | 833  | 958  | 958  | XXX                                             | XXX                                                |
| 9. 2017.....                        | XXX                                                                                                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 571  | 926  | 926  | XXX                                             | XXX                                                |
| 10. 2018.....                       | XXX                                                                                                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 848  | 848  | XXX                                             | XXX                                                |
| 11. 2019.....                       | XXX                                                                                                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      | XXX                                             | XXX                                                |

SCHEDULE P - PART 4 - SUMMARY

| Years in Which Losses Were Incurred | BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |      |      |      |      |      |      |      |      |      |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------|------|------|------|------|------|------|------|------|------|
|                                     | 1                                                                                                                   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|                                     | 2010                                                                                                                | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 1. Prior.....                       | 70                                                                                                                  | 30   | 14   | 9    | 3    | 2    | 2    | 2    |      |      |
| 2. 2010.....                        | 118                                                                                                                 | 35   | 12   | 7    | 3    | 2    |      |      |      |      |
| 3. 2011.....                        | XXX                                                                                                                 | 136  | 39   | 15   | 6    | 4    | 1    | 1    |      |      |
| 4. 2012.....                        | XXX                                                                                                                 | XXX  | 181  | 44   | 18   | 11   | 6    | 1    |      |      |
| 5. 2013.....                        | XXX                                                                                                                 | XXX  | XXX  | 222  | 60   | 25   | 13   | 6    |      |      |
| 6. 2014.....                        | XXX                                                                                                                 | XXX  | XXX  | XXX  | 219  | 53   | 24   | 17   |      |      |
| 7. 2015.....                        | XXX                                                                                                                 | XXX  | XXX  | XXX  | XXX  | 218  | 45   | 27   |      |      |
| 8. 2016.....                        | XXX                                                                                                                 | XXX  | XXX  | XXX  | XXX  | XXX  | 237  | 54   |      |      |
| 9. 2017.....                        | XXX                                                                                                                 | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 226  |      |      |
| 10. 2018.....                       | XXX                                                                                                                 | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |
| 11. 2019.....                       | XXX                                                                                                                 | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

| Allocated by States and Territories                                  |                               |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
|----------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------|-------------------------------------------------|---------------------------------|-------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------|
| States, Etc.                                                         | 1<br><br>Active Status<br>(a) | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken |                                 | 4<br><br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br><br>Direct Losses Paid (Deducting Salvage) | 6<br><br>Direct Losses Incurred | 7<br><br>Direct Losses Unpaid | 8<br><br>Finance and Service Charges Not Included in Premiums | 9<br><br>Direct Premiums Written for Federal Purchasing Groups (Included in Column 2) |
|                                                                      |                               | 2<br><br>Direct Premiums Written                                                                              | 3<br><br>Direct Premiums Earned |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 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                                                                                                             |                                 |                                                                         | (267)                                           | (391)                           | 86                            |                                                               |                                                                                       |
| 37. Oklahoma .....                                                   | OK                            | N                                                                                                             |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 38. Oregon .....                                                     | OR                            | N                                                                                                             |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 39. Pennsylvania .....                                               | PA                            | L                                                                                                             |                                 |                                                                         | 275                                             | (256)                           | 189                           |                                                               |                                                                                       |
| 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. U.S. Virgin Islands .....                                        | VI                            | N                                                                                                             |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 56. Northern Mariana Islands .....                                   | MP                            | N                                                                                                             |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 57. Canada .....                                                     | CAN                           | N                                                                                                             |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 58. Aggregate other alien ..                                         | OT                            | XXX                                                                                                           |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 59. Totals                                                           | XXX                           |                                                                                                               |                                 |                                                                         | 8                                               | (647)                           | 275                           |                                                               |                                                                                       |
| DETAILS OF WRITE-INS                                                 |                               |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 58001. ....                                                          | XXX                           |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 58002. ....                                                          | XXX                           |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 58003. ....                                                          | XXX                           |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX                           |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)  | XXX                           |                                                                                                               |                                 |                                                                         |                                                 |                                 |                               |                                                               |                                                                                       |

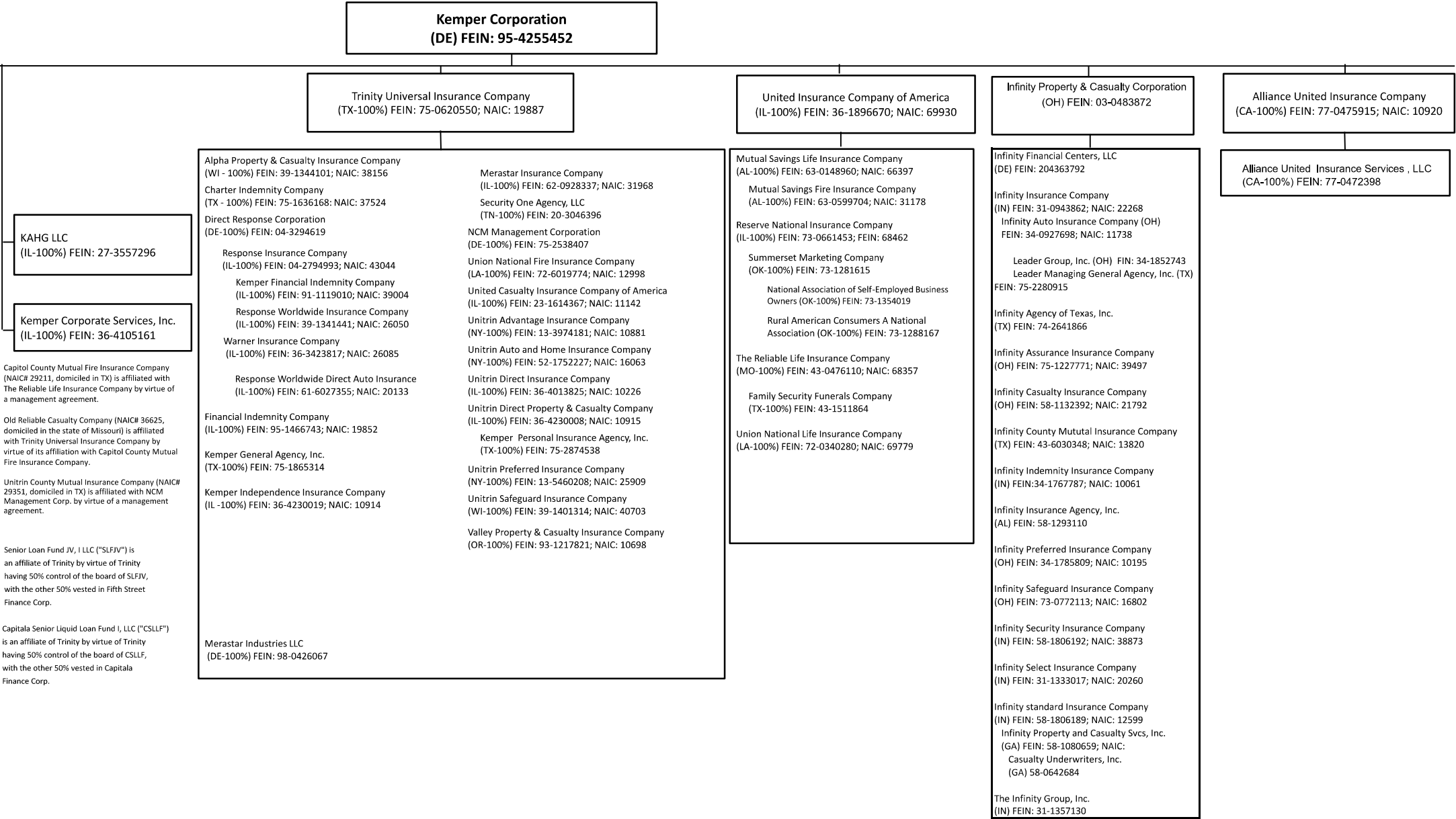
(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....2 R - Registered - Non-domiciled RRGs.....  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI)..... Q - Qualified - Qualified or accredited reinsurer. ....  
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile..... N - None of the above - Not allowed to write business in the state .....55

(b) Explanation of basis of allocation of premiums by states, etc.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Infinity Preferred Insurance Company

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

PART 1 - ORGANIZATIONAL CHART





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