

**INFINITY PROPERTY AND CASUALTY CORPORATION
CODE OF ETHICS**

(As amended by the Board of Directors on August 2, 2012)

INTRODUCTION

Purpose

Infinity Property and Casualty Corporation, its directors, officers and employees have committed to conduct the Company's business in accordance with the highest ethical standards. This Code of Ethics sets out the principles to which all non-employee directors, executive officers and employees of the Company are expected to adhere to and advocate in meeting these standards. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Company, its investors and the public. Unless otherwise specified, this document refers to all persons covered by this Code, including non-employee directors, as "Company employees" or simply "employees." The Code is in addition to the Company's Ethical Standards of Business Conduct, contained in the Employee Handbook.

The purpose of this Code is to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company and in the Company's public communications;
- Compliance with applicable governmental laws and regulations;
- The prompt internal reporting of violations of this Code to an appropriate person or persons identified in this Code; and
- Accountability for adherence to this Code.

Accountability for Adherence to the Code

All employees are responsible for becoming familiar with and abiding by this Code and have a duty to report any known or suspected violation of this Code. Individuals responsible for the failure to properly supervise subordinates and to detect and report violations of the Code by their subordinates shall also be in violation of this Code. Employees who violate the Code are subject to appropriate disciplinary action, which may include termination of employment. Employees accused of violating this Code will be given an opportunity to present his or her own version of the events at issue prior to any determination of appropriate discipline.

Waiver of the Code

A waiver of this Code for any employee may be made only by the Audit Committee and will be granted only in extraordinary circumstances. Any waiver of this Code will be promptly disclosed to the public as required by law or the rules of Nasdaq.

Reporting Violations of the Code

If employees have knowledge or are suspicious of any noncompliance with any section of this Code or are concerned whether circumstances could lead to a violation of this Code, they should discuss the situation with their immediate supervisor, who will bring it to the attention of an appropriate corporate officer. If an employee feels uncomfortable or believes it is inappropriate to discuss such matter with his or her immediate supervisor, the employee may communicate directly with the Audit Committee Chairman by leaving an anonymous message with the Audit Committee Chairman via the Company's *Corporate Governance Hotline*. To anonymously report a potential violation, dial 1-800-719-4923 and follow the audio instructions. The Company's Audit Committee Chairman and the head of its Internal Audit Department will receive a report containing the relevant details of any report concerning any potential violation of this Code reported through the *Corporate Governance Hotline*. In addition to immediate supervisors and the *Corporate Governance Hotline*, suspected noncompliance with the Code may also be brought to the attention of other corporate officials as follows:

Potential Violation	Contact
<ul style="list-style-type: none"> • External claims fraud or deception • Internal claims fraud or deception 	<ul style="list-style-type: none"> • Regional SIU Manager • General Counsel
<ul style="list-style-type: none"> • Improper, inaccurate or fraudulent accounting or financial reports • Unauthorized disclosures and public statements 	<ul style="list-style-type: none"> • General Counsel
<ul style="list-style-type: none"> • A compliance issue involving any state laws or regulations 	<ul style="list-style-type: none"> • General Counsel
<ul style="list-style-type: none"> • Insider trading • Improper or illegal political participation • Unfair competition or dishonest business practices • Conflicts of Interest • Antitrust violations • Unlawful or unethical payments 	<ul style="list-style-type: none"> • General Counsel
<ul style="list-style-type: none"> • Discrimination, harassment, threats/acts of violence or intimidation 	<ul style="list-style-type: none"> • Chief Human Resource Officer or General Counsel
<ul style="list-style-type: none"> • Failure to maintain privacy and confidentiality • Accepting business gifts and entertainment beyond guidelines • Improper use of Infinity assets 	<ul style="list-style-type: none"> • General Counsel or Chief Human Resources Officer

Policy Against Retaliation

The Company strictly prohibits retaliation against an employee who acts in good faith in reporting any such violation or suspected violation. Any reprisal or retaliation against an employee who acted in good faith in reporting any violation or suspected violation of this Code shall be subject to disciplinary action, including potential termination of employment.

CONFLICTS OF INTEREST

The Company's employees have an obligation to promote the best interests of the Company at all times to the exclusion of personal advantage. Employees should avoid any action which may involve a conflict between an employee's personal interest and the interests of the Company.

A "conflict of interest" exists when a person's private interest interferes or reasonably appears to interfere in any way with the interests of the Company. Therefore, employees should avoid any private interest that may influence their ability to act in the interests of the Company or that make it difficult to perform his or her job objectively and effectively.

The following are examples of conflicts of interest:

- Employees should not have any undisclosed, unapproved financial or other business relationships with suppliers, customers, agents or competitors of a magnitude or nature that could impair the independence of any judgment they may need to make on behalf of the Company.
- No employee or member of his or her family should receive personal benefits from suppliers, customers or agents as a result of his or her position with the Company, unless such benefits are made known and approved by senior management or the Company.
- It is a conflict of interest for an employee of the Company to be employed, serve as a director or provide any services to a company that is a material agent, supplier or competitor of the Company.

Employees must also avoid apparent conflicts of interest, which occur where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in their dealings on behalf of the Company.

Disclosure of Potential Conflicts

Where conflicts of interest arise, employees must provide full disclosure of the circumstances and remove themselves from any related decision making process. Directors and officers shall provide full disclosure to the Company's Audit Committee Chairman, who shall be an independent outside director. All other employees shall provide full disclosure to their immediate supervisor.

The Company also requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. As conflicts of interest are often difficult to identify, employees are urged to consult with their immediate supervisor or the General Counsel if they have a question or become aware of a conflict or potential conflict. The employee's supervisor or the General Counsel will assist in determining whether the employee has a conflict of interest, and, if so, how best to address it.

Corporate Opportunities

All employees owe a duty to the Company to advance the Company's legitimate business interests when the opportunity to do so arises. Employees shall not take for themselves, personally, any business opportunities that are discovered or arise in connection with their position at the Company, or use the Company's property or information for personal gain. Additionally, no employee shall directly or indirectly compete with the Company.

Confidentiality

Employees have a duty to safeguard the confidentiality of all information entrusted to them by the Company, except when disclosure is authorized or legally mandated. Employees should recognize that such information is the property of the Company and only the Company may authorize its publication or use by others. Confidential information includes, but is not limited to, all non-public information that might be used by the Company's competitors or, if disclosed, harmful to the Company or its policyholders. Supervisors shall inform subordinates, as appropriate, regarding the confidentiality of information acquired in the course of their work and monitor to ensure that subordinates maintain that confidentiality. An employee's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its policyholders and could result in legal liability to the employee and the Company.

COMPETITION AND FAIR DEALING

The Company bases its relationships with customers, suppliers, competitors and employees on fair and honest business practices. Accordingly, all Company employees should endeavor to deal fairly with all customers, suppliers, competitors and employees of the Company. No employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees must safeguard the Company's assets. "Assets" include human resources, physical, financial and intangible property and confidential information. All employees should ensure that all of the Company's assets are used in an efficient manner and for legitimate business purposes only in connection with their job responsibilities. Theft, carelessness and waste impact the Company's profitability and should be promptly reported to a supervisor.

Therefore, each employee should exercise reasonable care to prevent damage, theft or misuse of Company assets. All electronic programs, data, communications and written materials should be safeguarded and protected from inadvertent or intentional access by others.

All employees should protect human resource assets by providing a work environment that is free from discrimination and harassment, threats or acts of violence and physical intimidation.

POLITICAL ACTIVITIES

Employees may participate in community and political activities so long as it does not interfere with satisfactory work performance. Employees may also make individual political contributions to the party or candidate of their choice or to a lawfully established political action committee. It is illegal for the Company to reimburse an employee for individual political contributions.

No employee shall make, authorize or permit any unlawful contribution, expenditure or use of Company funds for political purposes. Any corporate political contributions should be cleared through the Company's General Counsel for legal review and proper reporting to appropriate government agencies.

BUSINESS GIFTS AND ENTERTAINMENT

Employees shall not seek or accept any gift or favor of any kind from any outside source which does or is seeking to do business with the Company or a competitor. This includes gifts, favors, excessive or unusual entertainment, contributions or payment of expenses. Employees may accept common courtesies or gifts of nominal value (\$75 or less) usually associated with accepted business practices for themselves and members of their families. Acceptance of gifts or favors in excess of \$75 is strictly prohibited. In addition, employees should not accept gifts or favors with a value of less than \$75 under circumstances from which it might be inferred that such action was intended to influence the employee in the performance of his/her duties or might compromise the employee in any way.

COMPLIANCE WITH LAWS

Company employees must respect and follow and cause the Company to comply with all governmental laws, rules and regulations applicable to the Company's business. Additionally, each employee is expected to understand and comply with all laws, rules and regulations that apply to his or her specific job position.

Financial Reporting

The Company's accounting practices, accounting controls, financial reporting and auditing practices must contribute positively to a fair representation of the Company's operating results and financial condition. Inaccurate, misleading or fraudulent accounting or financial reporting should be reported on the *Corporate Governance Hotline*. Such information may also be brought to the attention of the General Counsel.

Insider Trading

The Company has adopted an Insider Trading Policy in accordance with the insider trading laws. The laws against insider trading are specific and complex and employees are advised to refer to this policy. Any questions about information you may possess or about any transactions you have had with the Company's securities should be brought to the attention of the General Counsel.

Antitrust

While the Company competes aggressively and creatively in the marketplace in its many business activities, it must conduct itself in a fair and ethical manner and in strict accordance with the applicable antitrust and trade practice laws and regulations. It is important that no employee be involved, directly or indirectly, in any contracts, agreements or activities which might be construed as an attempt to violate such laws and regulations. Any forbidden activities may be a violation of law even if their intended purpose to lessen competition is unsuccessful.

The importance of compliance with the antitrust laws is illustrated by the severe penalties imposed by federal and state law for each proven violation. Criminal violation of federal law is a felony punishable by a maximum fine of \$10 million for the Company, \$350,000 each for individual employees participating plus possible imprisonment of participating employees for as long as three years. In addition, violations often are followed by civil damage suits which give rise to claims by customers or others for triple damage plus attorney's fees, and which are costly and time-consuming for the Company to defend.

Among the more important **prohibited activities** are the following:

First: Any agreement or understanding of any kind with a competitor in regard to (a) prices, (b) terms or conditions of sale, (c) production, (d) distribution or (e) territories is forbidden.

Second: Cutting prices below cost for any product or service in any market and other business practices, such as special discounts, which might reasonably be expected to drive competitors out of the market, are generally prohibited.

Third: Exclusive dealing arrangements involving the sale or lease of any product upon condition that the purchaser will not use or purchase the product of a competitor and tie-in sales involving the sale of one product on condition that the purchaser also buys another separate product are generally prohibited.

Fourth: No agreement to acquire another company or operation or to enter into a joint venture should be negotiated or concluded unless the agreement has been reviewed by the Company's General Counsel.

Fifth: Misrepresentation, false advertising or other deceptive practices relating to pricing or business methods or practices not only are unethical, but also are usually unlawful.

In considering the activities forbidden by the antitrust laws, it is also very important to remember that business practices can be illegal on the basis of informal as well as formal agreements, and implied as well as express understandings or agreements, and can be evidenced by virtually any type of business conduct. Even casual conversations in certain contexts, such as at trade association meetings among competitors, may be construed as evidencing an intent or purpose to violate the law. These are specific examples of conduct to be avoided:

1. Do not discuss prices or costs, even in general, with a competitor.
2. Except to the extent that rate and price information is in the public domain, do not disclose rates to or accept rates from competitors, or exchange price information verbally with a competitor. If a competitor's rates come into an employee's possession from a source other than the competitor, the employee should make a record of how and from whom it was obtained.
3. Do not discuss or suggest even by inference that if the competitor will not solicit certain customers or operate in a certain territory that the employee will stay away from certain customers or not compete in a certain territory.
4. Do not discuss future marketing plans, including territories, products or rates with a competitor.
5. Do not discuss refusing to deal with a particular customer or class of customers or in a particular geographic area with any competitor.
6. Without prior consultation with the Company's General Counsel, do not discuss with competitors either bids by the Company or the intentions of the Company as to whether or not to submit a bid.
7. Do not refuse to make a purchase simply because the vendor does not purchase from the Company.

The specific examples above are necessarily only an outline of one of the most complex subjects regulated by business law. In some cases, an employee's own sense of fairness and good conduct will be an adequate guide. However, it cannot be overemphasized that an immediate request for advice should be made to counsel if the slightest doubt arises as to whether or not a particular transaction or course of conduct may violate the letter or spirit of the antitrust and related laws.

UNLAWFUL OR UNETHICAL PAYMENTS

No employee shall in connection with the Company's business give, or promise to give, any gift, favor or anything of value to another person or entity if the giving of such item is, or appears to be, improper or unethical compensation or inducement. It is presumed that the giving of such an item is improper or unethical compensation or inducement if at the time of the transaction the service or act rendered in return is: worth substantially less than the item given; contrary to the interest of those whom the recipient of the consideration represents; required by law or custom to be performed without charge; different from the services or act which the item purports to remunerate.

It is in the best interest of the Company to avoid even the appearance of impropriety. The Company's concern is not only whether a gift, donation, compensation, award or service is technically legal or customary, but also whether or not the public might reasonably view such an act as improper or unethical if all the circumstances were fairly disclosed. In keeping with this interest, the Company should take reasonable measures to ensure that cash compensation or non-cash incentive awards (including, without limitation, contingent forms of commissions) to its agents or brokers are fairly disclosed, and in all circumstances consistent with the laws, policies and rules of the states in which the Company operates. The Company intends to follow a uniform practice in all areas of its operations consistent with its basic policy. No payments to public officials (domestic or foreign) shall be made directly or indirectly for the purpose of influencing their official acts or decisions.

PUBLIC DISCLOSURES

The Company has an obligation to comply with all reporting requirements under the Securities Exchange Act of 1934 and Nasdaq listing requirements.

In accordance with the Company's disclosure obligations, financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will be able to determine their significance and consequence quickly and accurately.

All financial officers shall communicate to the Company's executive management and to the independent and outside accountants engaged to conduct an audit of the Company's financial statements, all relevant information and professional judgments or opinions. The financial officers shall encourage open communication and full disclosure of financial information by all relevant employees, subject to the Investor Relations Policy described below.

Investor Relations Policy

The Company is committed to providing timely, orderly and credible information consistent with legal and regulatory requirements to enable orderly behavior in the market. The Company strives to provide disclosure evenly so that all parties in the investment community have fair access to this information.

This policy covers all employees and covers all SEC-filed documents and written statements made in the Company's annual and quarterly reports, news and earnings releases, letters to shareholders, speeches and information contained in the Company's website. It also covers any communications to analysts, investors, regulators, the media, customers, suppliers, and friends and relatives of Company personnel.

The Chief Executive Officer, Chief Financial Officer and Investment Relations Director are designated as the primary spokespersons to respond to inquiries made to the Company. The named above may designate others within the Company to respond to such inquiries.

No employee, other than the primary spokespersons named above, may respond to any individual inquiries from the investment community or media unless specifically asked to do so by a spokesperson.

News releases concerning material nonpublic information will be transmitted to the wire services and posted to the Company's website during non-trading hours. If this is not possible, a copy of the release will be faxed to Nasdaq prior to the release so that Nasdaq has an opportunity to determine whether a trading halt is necessary. Material nonpublic information that is inadvertently disclosed to analysts, investment professionals, or any shareholder who may trade on the information, will be immediately released to the public.

Spokespersons will respond consistently to rumors, saying, "It is our policy not to comment on market rumors or speculation." We do not comment on questions associated with pending acquisitions, dispositions, litigation or on loss reserves for specific claims.

The Company releases results of operations and conduct interactive conference calls, which will be webcast, on a quarterly basis. We will announce the date and time of the conference call on our website and in a news release. The call will be open to the public and will be archived on our website for 3 months after the date of the call.

Furthermore, any employee in possession of material information must not disclose such information before its public disclosure and must take steps to ensure that the Company complies with its timely disclosure obligations.

This Code of Ethics is established pursuant to Section 406 of the Sarbanes-Oxley Act of 2002, which requires that the Company establish a "code of ethics" to apply to the Company's principal executive officer and certain of the Company's senior financial officers, including but not limited to, the Company's principal financial officer, controller, principal accounting officer or persons performing similar functions.

This Code and the policies described in it do not constitute an employee contract. The Company does not create any contractual rights by issuing this Code. This Code also does not limit the obligations of any employee under any existing non-compete, non-disclosure or other employment related agreements to which the employee is bound or Company policies which cover the employee. The Company reserves the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.