

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	1,080,600,037		1,080,600,037	1,021,135,116
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	39,237,928		39,237,928	36,208,361
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	24,099,303		24,099,303	24,362,018
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(7,198,819)), cash equivalents (\$.....9,999,267) and short-term investments (\$.....25,916,107).....	28,716,555		28,716,555	44,658,912
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	1,151,628
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,172,653,823	0	1,172,653,823	1,127,516,035
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	10,017,155		10,017,155	9,559,772
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	32,115,301	1,738,933	30,376,368	34,238,268
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	400,417,539		400,417,539	353,423,648
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	543,469		543,469	78,900
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	61,311,031	5,923,122	55,387,909	49,822,229
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	13,139,504		13,139,504	9,144,525
21. Furniture and equipment, including health care delivery assets (\$.....0).....	4,930,533	4,930,533	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	288,872		288,872	191,300
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	7,860,835	7,635,319	225,516	34,755
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,703,278,062	20,227,907	1,683,050,155	1,584,009,432
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,703,278,062	20,227,907	1,683,050,155	1,584,009,432

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Combined write-ins for Assets Line 25.....	7,860,835	7,635,319	225,516	34,755
2502.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	7,860,835	7,635,319	225,516	34,755

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....188,577,471).....	371,691,234	345,208,164
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	145,190,988	135,374,762
4. Commissions payable, contingent commissions and other similar charges.....	29,701,666	29,704,682
5. Other expenses (excluding taxes, licenses and fees).....	16,264,707	19,546,031
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,007,831	4,462,884
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	735,535	3,094,633
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....2,433,620 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	533,669,376	472,396,983
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(111,055)	45,273
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	13,680,101	12,072,911
15. Remittances and items not allocated.....	4,795,699	2,910,788
16. Provision for reinsurance.....	18,437	18,437
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		17,301
19. Payable to parent, subsidiaries and affiliates.....	3,827,443	5,934,575
20. Derivatives.....		
21. Payable for securities.....	6,314,250	10,748,585
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	9,365,729	9,598,206
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,139,151,941	1,051,134,215
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,139,151,941	1,051,134,215
29. Aggregate write-ins for special surplus funds.....	0	2,037,188
30. Common capital stock.....	5,375,000	5,375,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	385,227,008	384,027,964
35. Unassigned funds (surplus).....	153,296,206	141,435,065
36. Less treasury stock, at cost:		
36.10.000 shares common (value included in Line 30 \$.....0).....		
36.20.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	543,898,214	532,875,217
38. Totals.....	1,683,050,155	1,584,009,432

DETAILS OF WRITE-INS

2501. Combined write-ins for Liabilities Line 25.....	9,365,729	9,598,206
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,365,729	9,598,206
2901. Combined write-ins for Liabilities Line 29.....		2,037,188
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	2,037,188
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

Infinity Property & Casualty Insurance Group
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....636,268,953).....	574,694,661	493,530,576	1,025,268,305
1.2 Assumed..... (written \$.....9,343).....	8,426	3,628	41,219
1.3 Ceded..... (written \$.....3,739,441).....	3,436,625	2,969,086	8,287,526
1.4 Net..... (written \$.....632,538,855).....	571,266,462	490,565,118	1,017,021,998
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....364,021,722):			
2.1 Direct.....	364,674,798	306,698,854	629,012,188
2.2 Assumed.....	269,546	(823,662)	451,799
2.3 Ceded.....	737,330	676,549	2,137,356
2.4 Net.....	364,207,014	305,198,643	627,326,631
3. Loss adjustment expenses incurred.....	82,055,583	66,445,720	139,597,622
4. Other underwriting expenses incurred.....	167,131,949	154,671,104	301,995,820
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	613,394,546	526,315,467	1,068,920,073
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(42,128,084)	(35,750,349)	(51,898,075)
INVESTMENT INCOME			
9. Net investment income earned.....	17,699,968	18,263,386	35,485,993
10. Net realized capital gains (losses) less capital gains tax of \$.....1,246,830.....	1,144,405	5,450,984	11,535,958
11. Net investment gain (loss) (Lines 9 + 10).....	18,844,373	23,714,370	47,021,951
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....1,076,990 amount charged off \$.....12,577,967).....	(11,500,977)	(9,242,292)	(22,072,099)
13. Finance and service charges not included in premiums.....	33,213,895	30,472,326	61,868,684
14. Aggregate write-ins for miscellaneous income.....	12,816,602	9,521,820	19,472,991
15. Total other income (Lines 12 through 14).....	34,529,520	30,751,854	59,269,576
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	11,245,809	18,715,875	54,393,452
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	11,245,809	18,715,875	54,393,452
19. Federal and foreign income taxes incurred.....	7,567,072	6,949,782	16,110,648
20. Net income (Line 18 minus Line 19) (to Line 22).....	3,678,737	11,766,093	38,282,804
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	532,875,217	483,122,346	483,059,312
22. Net income (from Line 20).....	3,678,737	11,766,093	38,282,804
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,086,638.....	2,018,041	(281,749)	(1,637,625)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	7,151,276	4,403,228	5,084,917
27. Change in nonadmitted assets.....	(3,024,101)	(2,361,667)	9,500,443
28. Change in provision for reinsurance.....			(18,437)
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.....	1,199,044	691,252	21,383,977
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....		(12,500,000)	(13,150,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	(9,630,174)
38. Change in surplus as regards policyholders (Lines 22 through 37).....	11,022,997	1,717,157	49,815,905
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	543,898,214	484,839,503	532,875,217
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Combined write-ins for Statement of Income Line 14.....	12,816,602	9,521,820	19,472,991
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	12,816,602	9,521,820	19,472,991
3701. Combined write-ins for Statement of Income Line 37.....			(9,630,174)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	(9,630,174)

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	589,529,817	506,197,515	1,033,540,447
2. Net investment income.....	21,399,509	22,006,675	43,191,722
3. Miscellaneous income.....	34,529,520	30,751,854	59,269,576
4. Total (Lines 1 through 3).....	645,458,846	558,956,044	1,136,001,745
5. Benefit and loss related payments.....	338,188,513	298,740,889	609,351,648
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	243,212,820	222,837,154	430,764,877
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....1,246,830 tax on capital gains (losses).....	11,173,000	3,423,500	10,342,288
10. Total (Lines 5 through 9).....	592,574,333	525,001,543	1,050,458,813
11. Net cash from operations (Line 4 minus Line 10).....	52,884,513	33,954,501	85,542,932
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	161,381,438	156,198,901	278,325,777
12.2 Stocks.....		7,871,244	24,034,882
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.....	106		(18)
12.7 Miscellaneous proceeds.....	1,151,628	1,702,209	10,747,085
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	162,533,172	165,772,354	313,107,726
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	222,172,206	175,844,336	352,945,947
13.2 Stocks.....			3,508,094
13.3 Mortgage loans.....			
13.4 Real estate.....		16,177,236	16,701,861
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	4,434,335	922,558	1,151,628
13.7 Total investments acquired (Lines 13.1 to 13.6).....	226,606,541	192,944,130	374,307,530
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(64,073,369)	(27,171,776)	(61,199,804)
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.....	1,199,044	691,252	21,383,977
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....		12,500,000	13,150,000
16.6 Other cash provided (applied).....	(5,952,545)	2,065,110	6,518,980
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(4,753,501)	(9,743,638)	14,752,957
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(15,942,357)	(2,960,913)	39,096,085
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	44,658,912	5,668,912	5,562,827
19.2 End of period (Line 18 plus Line 19.1).....	28,716,555	2,707,999	44,658,912
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001 Surplus contributed from parent in settlement of intercompany payable balance.....	1,199,044	691,252	2,483,977
20.0002 Securities acquired in exchange offer.....			738,187
20.0003 Securities transferred in exchange offer.....			(738,187)