FEINSTEIN LEONARD
Form 4
April 22, 2010

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
FEINSTEIN LEONARD

(Last) (First) (Middle)

C/O BED BATH & BEYOND INC., 110 BI-COUNTY BOULEVARD

(Street)

FARMINGDALE, NY 11735

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
BED BATH & BEYOND INC [BBBY]

3. Date of Earliest Transaction (Month/Day/Year)
04/20/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Co-Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value $0.01 per share	04/20/2010		F		5,915 (1)	D	$ 45.95	1,048,070 (2)	D	
Common Stock, par value $0.01 per share								350,000 (3)	I	By Charitable Foundation

Common Stock, par value $0.01 per share	896,250 (4)	I	By Trusts
Common Stock, par value $0.01 per share	238,598 (5)	I	By Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FEINSTEIN LEONARD C/O BED BATH & BEYOND INC. 110 BI-COUNTY BOULEVARD FARMINGDALE, NY 11735	X		Co-Chairman	

Signatures

/s/ Ori Solomon - Attorney-in-Fact	04/22/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents the surrender of shares to the Company to satisfy Mr. Feinstein's tax withholding obligation upon the vesting of shares of restricted stock previously granted to Mr. Feinstein.

(2) Does not include shares owned by two of Mr. Feinstein's children (who do not share the same home as Mr. Feinstein) and shares owned by trusts for the benefit of three of his children (who do not share the same home as Mr. Feinstein). Mr. Feinstein disclaims beneficial ownership of such shares.

(3) Represents shares held by a charitable foundation of which Mr. Feinstein and his family members are trustees and officers. Mr. Feinstein disclaims beneficial ownership of such shares.

(4) Represents shares held by trusts for the benefit of Mr. Feinstein and his family members. Mr. Feinstein disclaims beneficial ownership of 448,125 such shares.

(5) Represents shares held by Susan Feinstein, Mr. Feinstein's spouse. Mr. Feinstein disclaims beneficial ownership of such shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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431,712

438,361

Total
$
785,851

$
558,121

$
10,334

$
1,354,305

$
1,345,077

63

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Net Investment Income
The following table shows investment income earned and investment expenses incurred (in thousands):

	Twelve months ended December 31,		
	2013	2012	2011
Investment income:			
Interest income on fixed maturities, cash and cash equivalents	$36,113	$38,234	$41,900
Dividends on equity securities	1,711	1,415	693
Gross investment income	$37,825	$39,649	$42,593
Investment expenses	(2,279)	(2,077)	(2,036)
Net investment income	$35,546	$37,571	$40,557

Note 4 Long-Term Debt

In February 2004, we issued $200 million principal of senior notes due February 2014 (the “5.5% Senior Notes”). The 5.5% Senior Notes accrued interest at an effective yield of 5.55% and bore a coupon of 5.5%, payable semiannually. At the time we issued the Senior Notes, we capitalized $2.1 million of debt issuance costs, which we amortized over the term of the 5.5% Senior Notes. During 2009, we repurchased $5.0 million of the 5.5% Senior Notes, bringing the outstanding principal to $195.0 million. The 5.5% Senior Notes were fully redeemed on October 17, 2012 at a price of 106.729%, or $208.1 million, plus accrued interest of $1.8 million. The remaining $0.4 million issuance costs were written off at redemption.

In September 2012, we issued $275 million principal of senior notes due September 2022 (the “5.0% Senior Notes”). The 5.0% Senior Notes accrue interest at 5.0%, payable semiannually. At the time we issued the 5.0% Senior Notes, we capitalized $2.2 million of debt issuance costs, which we are amortizing over the term of the 5.0% Senior Notes. We calculated the December 31, 2013 fair value of $272.6 million using a 209 basis point spread to the ten year U.S. Treasury Note of 3.029%.

We paid interest on long-term debt of $13.8 million, $12.5 million and $10.7 million for the twelve months ended December 31, 2013, 2012 and 2011, respectively.

In August 2011, we renewed our agreement for a $50 million three-year revolving credit facility (the “Credit Agreement”) that requires us to meet certain financial and other covenants. We are currently in compliance with all covenants under the Credit Agreement. At December 31, 2013, there were no borrowings outstanding under the Credit Agreement.

64

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 5 Income Taxes

In the years 2013, 2012 and 2011, we paid $7.6 million, $9.0 million and $9.2 million, respectively, in taxes. The following is a reconciliation of income taxes at the statutory rate of 35.0% to the effective provision for income taxes as shown in the Consolidated Statements of Earnings (in thousands):

	Twelve Months December 31,		
	2013	2012	2011
Earnings before income taxes	$45,078	$22,088	$53,624
Income taxes at statutory rate	15,777	7,731	18,768
Effect of:			
Dividends-received deduction	(357)	(296)	(145)
Tax-exempt interest	(2,743)	(3,294)	(3,510)
Adjustment to valuation allowance	(48)	(6,402)	(3,507)
Other	(184)	30	184
Provision for income taxes as shown on the Consolidated Statements of Earnings	$12,445	$(2,231)	$11,791
GAAP effective tax rate	27.6 %	(10.1)%	22.0 %

The total income tax provision (benefit) consists of (in thousands):

	2013	2012	2011
Current	$10,541	$3,605	$12,416
Deferred	1,904	(5,836)	(625)
Provision for income taxes	$12,445	$(2,231)	$11,791

We generated capital losses in 2007 and 2009 that were fully utilized in 2010 and 2011. The deferred tax asset relating to the capital loss carryforward was fully offset by a valuation allowance. The valuation allowance was released through the provision for income taxes as the capital loss carryforward was utilized each year, with the final release occurring in 2011.

A full valuation allowance was also maintained on the deferred tax asset relating to the credit portion of the reserve for other-than-temporarily impaired securities. In 2012 a security which accounted for approximately 77% of the balance in the reserve for other-than-temporarily impaired securities was sold. As of December 31, 2012, management determined that it was more likely than not that the deferred tax asset relating to the reserve for other-than-temporarily impaired securities would be recognized and the valuation allowance was released through the provision for income taxes.

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Deferred income tax assets and liabilities reflect temporary differences between the carrying amounts of assets and liabilities recognized for financial reporting purposes and the amounts recognized for tax purposes. The significant components of deferred tax assets and liabilities included in the Consolidated Balance Sheets were as follows (in thousands):

	As of December 31,	
	2013	2012
Deferred tax assets:		
Discount on loss reserves	$7,045	$9,066
Unearned premium reserve	39,401	37,485
Bad debts	5,559	5,670
Accrued bonuses	2,442	2,269
Deferred compensation	4,842	4,356
Long-term incentive compensation	2,040	0
Other	5,473	9,044
Gross deferred tax assets	$66,803	$67,891
Valuation allowance for deferred tax assets	(165)	(213)
	$66,638	$67,677
Deferred tax liabilities:		
Deferred policy acquisition costs	$(30,890)	$(30,888)
Investment securities – unrealized gains	(8,973)	(16,412)
Other	(2,111)	(1,138)
Total deferred tax liabilities	$(41,975)	$(48,438)
Net deferred tax assets	$24,663	$19,240
Current income taxes	3,985	6,558
Current and deferred income taxes	$28,648	$25,798

An analysis is performed on a quarterly basis to determine if there is sufficient evidence that it is more likely than not that the deferred tax assets will be recognized for tax purposes. The evidence that is considered in assessing the need for a valuation allowance includes: (i) sufficient future taxable income, (ii) sufficient ordinary and capital taxable income in carryback periods, (iii) the reversals of existing taxable temporary differences and (iv) tax planning strategies that could be utilized to accelerate the recognition of capital gains in the future. Based on this evaluation, it is management's belief that the only valuation allowance required at December 31, 2013 and December 31, 2012 related to the net operating loss carryover for an inactive company that is required to file its federal tax return on a separate company basis.

We did not have any gross unrecognized tax benefits that would exceed a materiality threshold and therefore, there was no reduction to Retained Earnings in our Consolidated Balance Sheets at January 1, 2013. The gross unrecognized tax benefit did not exceed the materiality threshold as of December 31, 2013.

The Company is not currently under examination by the IRS and the statute of limitations has expired for all years prior to 2010.

Note 6 Computation of Net Earnings per Share

The following table illustrates our computations of basic and diluted net earnings per common share (in thousands, except per share figures):

66

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	Twelve months ended December 31,		
	2013	2012	2011
Net earnings	$32,633	$24,319	$41,833
Average basic shares outstanding	11,451	11,660	12,111
Basic net earnings per share	$2.85	$2.09	$3.45
Average basic shares outstanding	11,451	11,660	12,111
Restricted stock not vested	46	28	72
Dilutive effect of assumed option exercises	29	97	117
Dilutive effect of Performance Share Plan	130	156	114
Average diluted shares outstanding	11,657	11,941	12,414
Diluted net earnings per share	$2.80	$2.04	$3.37

Note 7 Share-Based Compensation

We established the Amended and Restated 2013 Stock Incentive Plan (the “2013 Plan”), which was approved by the Company’s shareholders on May 21, 2013. Under the 2013 Plan, 750,000 shares are authorized and reserved for issuance. Upon the approval by the shareholders of the 2013 Plan, we became prohibited from issuing any further grants under the Restricted Stock Plan, Directors’ Plan, Performance Share Plan, or Stock Option Plan (collectively, the "Prior Plans"). However, all outstanding awards under the Prior Plans remain outstanding and will continue to be administered and settled with the applicable provisions of the Prior Plans.

The number of shares issued, by plan, for share-based compensation arrangements was as follows:

	2013		2012	2011
	2013 Plan	Prior Plans		
Restricted Stock	0	0	0	72,234
Non-employee Directors’ Stock	6,517	0	5,502	6,657
Performance Shares	0	17,934	49,098	32,957
Total	6,517	17,934	54,600	111,848

Restricted Stock Plan

On July 31, 2007, our Compensation Committee (“Committee”) approved the grant of 72,234 shares of restricted stock to
certain officers under the Restricted Stock Plan. These shares of restricted stock vested in full on July 31, 2011. On August 2,
2011, the Committee approved the grant of an additional 72,234 shares of restricted stock to certain officers under the Restricted Stock Plan. These shares will vest in full on August 2, 2014. During the vesting period, the shares of restricted stock
will not have voting rights but will accrue dividends, which we will not pay until the shares have vested. We treat the restricted
shares as issued and outstanding for calculation of diluted earnings per share only. Until fully vested, we will not consider the
shares issued and outstanding for purposes of the basic earnings per share calculation.

Stock Option Plan

We have not granted options under this plan since 2004. We generally granted options with an exercise price equal to the closing price of our stock at the date of grant with a 10 year contractual life. All of the options under this plan have fully vested. Subject to specific limitations contained in the SOP, our Board of Directors has the ability to amend, suspend or terminate the plan at any time without shareholder approval. As of February 13, 2014, all options granted under the SOP had either expired or been exercised.

As permitted by the Stock Compensation topic of the FASB Accounting Standards Codification, we used the modified Black-Scholes model to estimate the value of employee stock options on the date of grant that used the assumptions noted below. We based expected volatilities on historical volatilities of our stock. We judgmentally selected the expected option life to be 7.5 years, which is also the midpoint between the last vesting date and the end of the contractual term. We based the risk-free rate

67

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

for periods within the contractual life of the options on the U.S. Treasury yield curve in effect at the time of grant. We based the dividend yield on expected dividends at the time of grant.

Optionees must make payment for shares purchased upon exercise by tendering cash, by delivery of shares of common stock already owned by the optionee having a fair market value equal to the cash option price of the shares, by assigning the proceeds of a sale or loan with respect to some or all of the shares being acquired (subject to applicable law), by a combination of the foregoing or by any other method.

Persons who received options incurred no federal income tax liability at the time of grant. Persons exercising nonqualified options recognize taxable income, and we have a tax deduction at the time of exercise to the extent of the difference between market price on the day of exercise and the exercise price. Persons exercising incentive stock options defer the recognition of taxable income until they sell the underlying common stock. Sales within two years of the date of grant or one year of the date of exercise result in taxable income to the holder and a deduction for us, both measured by the difference between the market price at the time of sale and the exercise price. Sales after such period are treated as capital transactions to the holder, and we receive no deduction. The foregoing is only a summary of the federal income tax rules applicable to options granted under the plan and is not intended to be complete. In addition, this summary does not discuss the effect of the income or other tax laws of any state or foreign country in which a participant may reside.

We estimated the weighted-average grant date fair value of options granted during 2004 and 2003 using the modified Black-Scholes valuation model and the following weighted-average assumptions:

	2004 Grants		2003 Grants	
Weighted-average grant date fair value	$13.87		$5.97	
Dividend yield	0.7	%	1.4	%
Expected volatility	33.0	%	33.0	%
Risk-free interest rate	4.3	%	4.0	%
Expected life (in years)	7.5		7.5	
Weighted-average grant exercise price	$33.56		$16.11	
Outstanding as of December 31, 2013	16,000		0	

The following table describes activity for our SOP for the twelve-month period ended December 31, 2013:

Options	Number of Options		Weighted-Average Exercise Price	Weighted-Average Remaining Term (in years)	Aggregate Intrinsic Value (a) (in millions)
Outstanding as of January 1, 2013	91,357		$31.32		
Exercised	(75,357	)	30.84		
Outstanding as of December 31, 2013	16,000		$33.58	0.11	$0.6
Vested as of December 31, 2013	16,000		$33.58	0.11	$0.6
Exercisable as of December 31, 2013	16,000		$33.58	0.11	$0.6

(a) The intrinsic value for the stock options is calculated based on the difference between the exercise price of the underlying awards and our closing stock price as of the reporting date.

Cash received from option exercises for the years ended December 31, 2013, 2012 and 2011 were $1.3 million, $0.6 million and $0.9 million, respectively. The actual tax benefit realized for the tax deductions from options exercised for the years ended December 31, 2013, 2012 and 2011 totaled $0.5 million, $0.6 million and $0.5 million, respectively.

The total intrinsic value of options exercised during the years ended December 31, 2013, 2012 and 2011, was approximately $2.4 million, $3.9 million and $1.8 million, respectively.
In 2013, senior executives of the company, including the CEO, surrendered to the company 15,315 shares of stock they owned in order to exercise 30,357 options.

68

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

We have a policy of issuing new stock for the exercise of options.

Employee Stock Purchase Plan

Under the ESPP, all eligible full-time employees may purchase shares of our common stock at a 15% discount to the current market price. Employees may allocate up to 25% of their base salary with a maximum annual participation amount of $25,000. If a participant sells any shares purchased under the ESPP within one year, we preclude that employee from participating in the
ESPP for one year from the date of sale. The source of shares issued to participants is treasury shares or authorized but previously unissued shares. The maximum number of shares that we may issue under the ESPP may not exceed 1,000,000, of which we have issued 59,945 as of December 31, 2013. Our ESPP is qualified under Section 423 of the Internal Revenue Code of 1986, as amended. We treat participants' shares as issued and outstanding for basic and diluted earnings per share calculations.

The amount of total compensation cost for share-based compensation arrangements was as follows (in thousands):

	Twelve months ended December 31,					
	2013		2012		2011	
	Expense Recognized in Earnings	Tax Benefit	Expense Recognized in Earnings	Tax Benefit	Expense Recognized in Earnings	Tax Benefit
Restricted Stock	$1,190	$417	$1,190	$417	$960	$336
Non-employee Directors' Stock Ownership Plan	385	135	300	105	350	123
Employee Stock Purchase Plan	54	0	55	0	42	0
Performance Shares	2,380	833	1,704	596	2,872	1,005
Total	$4,009	$1,384	$3,249	$1,118	$4,224	$1,464

Note 8 Benefit Plans

We provide retirement benefits for all eligible employees by matching contributions made on participants' discretionary basis to participants' accounts in our qualified 401(k) Retirement Plan. Eligible employees may contribute up to a maximum of the lesser of $17,500 per year or 25% of the participant's salary in 2013. Participants age 50 or over at the end of the calendar year may make an additional elective deferral contribution of up to $5,500 for 2013. These additional contributions (commonly referred to as catch-up contributions) are not subject to the general limits that apply to 401(k) plans. The matching percentage made by us was 100% of participants' contributions up to a ceiling of 4% and 50% of the next 2% of contributions with a maximum match of $12,750 in 2013. The plan expense was $4.9 million, $4.6 million and $4.0 million for the twelve-month periods ended December 31, 2013, 2012 and 2011, respectively.

Our Supplemental Employee Retirement Plan ("SERP") is a non-qualified deferred compensation plan that enables eligible employees to contribute and to receive employer-matching contributions that the provisions of the 401(k) Retirement Plan or laws preclude due to limits on compensation. We amended the SERP effective January 1, 2010 to permit participants to make contributions and to permit us to make matching contributions on compensation that exceeds the statutory annual compensation limit of $255,000 for qualified defined contribution plans. We contributed $0.1 million to the SERP for each of the years ended December 31, 2013, 2012 and 2011. We maintain a rabbi trust that includes investments to fund the SERP. As of December 31, 2013, investments in the rabbi trust totaled $1.3 million. We reflected these investments at fair value as equity securities on the Consolidated Balance Sheets.

We maintain a non-qualified deferred compensation plan for certain highly compensated employees, which permits the participants to defer a portion of their salaries and bonuses. The deferred amounts accrue interest at our approximate long-term borrowing rate. The deferred amounts are our general obligation liability and amounted to $13.8 million, $12.4 million and $11.1 million at December 31, 2013, 2012 and 2011, respectively. We credited interest of approximately $0.6 million, $0.6 million and $0.5 million for these same periods.

We also provide post-retirement medical and life insurance benefits to certain eligible retirees. During 2006, we determined that the benefits provided under this plan were actuarially equivalent to those benefits provided by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (“MMA”). Our calculation of the accumulated post-retirement benefit obligation

69

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

("APBO") as of December 31, 2013, 2012 and 2011 does not reflect the government subsidy provided by the MMA, other than as reflected in the insured over 65 rates going forward.
Unrecognized actuarial gains of $1.0 million ($0.6 million net of tax) and prior service costs of $1.0 million ($0.7 million net of tax) that have not yet been recognized in net periodic post-retirement benefit cost are included in accumulated other comprehensive income at December 31, 2013. We expect to recognize a $0.1 million actuarial gain and $0.2 million of amortization of prior service costs in net periodic post-retirement benefit income during the fiscal year ended December 31, 2014.
We recognized the unfunded status of the APBO plan of $4.5 million at December 31, 2013 in the Consolidated Balance Sheets. We expect no plan assets to be returned to us during the fiscal year ended December 31, 2014.
The following tables show data related to the APBO plan (in thousands):

	2013	2012
Net benefit obligation at beginning of year	$5,004	$3,526
Service cost	331	119
Interest cost	159	136
Participant contributions	27	23
Plan amendment	0	1,224
Assumption change	(342)	285
Actuarial (gain) loss	(364)	(45)
Gross benefits paid	(342)	(264)
Net benefit obligation at end of year	$4,473	$5,004

The 2012 $1.2 million plan amendment relates to a modification in the premium charged to eligible retirees.

The following table discloses the components of net periodic post-retirement benefit cost (in thousands):

	2013	2012	2011
Service cost	$331	$119	$102
Interest cost	159	136	164
Amortization of prior service cost	199	0	0
Amortization of net cumulative (gain)/loss	0	(23)	(63)
Net periodic post-retirement benefit cost	$690	$232	$202

The following table discloses discount rates used to determine benefit obligations:

	2013	2012	2011
Discount rate	4.10%	3.30%	4.00%

The weighted average health care cost trend rate used in measuring the accumulated post-retirement benefit cost is 8.0% for 2014, declining to 5.5% in 2035.
The following table discloses the effects of a hypothetical one percentage point increase and the effects of a hypothetical one percentage point decrease in the assumed healthcare trend rate (in thousands):

70

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	2013	2012	2011
A one percentage point hypothetical change in the assumed healthcare trend rate would have the following effect on the post-retirement benefit obligations:			
1% increase	$349	389	311
1% decrease	(318)	(363)	(276)
A one percentage point hypothetical change in the assumed healthcare trend rate would have the following effect on the aggregate of the service and interest cost components of net periodic post-retirement healthcare benefit costs:			
1% increase	$53	56	$35
1% decrease	(47)	(49)	(29)

The following table reconciles the beginning and ending balances of the fair value of plan assets for the years ended December 31, 2013 and 2012 (in thousands):

	2013	2012
Fair value of plan assets at beginning of year	$0	$0
Employer contributions	315	241
Participant contributions	27	23
Gross benefits paid	(342)	(264)
Fair value of plan assets at end of year	$0	$0

The following table presents the funded status and the amounts recognized in the Consolidated Balance Sheets (in thousands):

	2013	2012
Fair value of plan assets	$0	$0
Benefit obligations	(4,473)	(5,004)
Funded status at end of year	$(4,473)	$(5,004)
Contributions made after the measurement date	0	0
Unrecognized actuarial net (gain) loss	0	0
Unrecognized prior service cost	0	0
Net amount recognized at end of year	$(4,473)	$(5,004)

The following table presents the ten-year forecast and best estimate of expected benefit payments (in thousands):

	2013		2012		2011
2014	$292	2013	$315	2012	241
2015	304	2014	341	2013	250
2016	346	2015	356	2014	258
2017	361	2016	390	2015	258
2018	398	2017	395	2016	264
2019-2023	2,459	2018-2022	2,474	2017-2021	1,318
Ten Year Total	$4,160		$4,270		2,590

Our best estimate of contributions expected to be paid to the plan during the fiscal year beginning January 1, 2014 is $0.3 million.

Note 9 Quarterly Operating Results (Unaudited)

71

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

While we recognize insurance premium on a relatively level basis, claim losses related to adverse weather (snow, hail, hurricanes, tornadoes, etc.) may be seasonal. Quarterly results rely heavily on estimates and are not necessarily indicative of results for longer periods.

The following are quarterly results of our consolidated operations for the three years ended December 31, 2013 (in thousands, except per share amounts):

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Year
2013					
Revenues	$330,802	$340,704	$334,963	$338,336	$1,344,805
Net earnings	8,662	7,408	7,195	9,368	32,633
Net earnings per share:					
Basic	$0.75	$0.65	$0.63	$0.82	$2.85
Diluted	0.74	0.64	0.62	0.81	2.80
2012					
Revenues	$287,402	$305,983	$313,734	$342,515	$1,249,633
Net earnings	4,294	6,954	5,154	7,917	24,319
Net earnings per share:					
Basic	$0.37	$0.59	$0.44	$0.68	$2.09
Diluted	0.35	0.58	0.43	0.67	2.04
2011					
Revenues	$252,288	$264,209	$266,127	$289,992	$1,072,616
Net earnings	10,231	6,825	6,733	18,044	41,833
Net earnings per share:					
Basic	$0.83	$0.56	$0.56	$1.53	$3.45
Diluted	0.81	0.54	0.55	1.49	3.37

Net realized gains (losses) on investments amounted to:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Year
2013	$3,824	$794	$(546)	$1,955	$6,026
2012	238	2,166	268	21,382	24,055
2011	2,923	1,959	722	2,995	8,598

Note 10 Insurance Reserves

Our insurance reserves consist of business produced directly by our wholly owned insurance subsidiaries, the Assumed Agency Business and two other unaffiliated insurance companies.

Incurred but not reported ("IBNR") reserves for the direct and Assumed Agency Business are established for the quarter and year-end based on a quarterly reserve analysis by our actuarial staff. Various standard actuarial tests are applied to subsets of the business at a state, product and coverage basis. Included in the analyses are the following:

- Paid and incurred extrapolation methods utilizing paid and incurred loss development to predict ultimate losses,
- Paid and incurred frequency and severity methods utilizing paid and incurred claims count development and paid and incurred claims cost development to predict ultimate average frequency (i.e. claims count per auto insured) or ultimate average severity (cost of claim per claim) and
- Paid and incurred Bornhuetter-Ferguson methods adding expected development to actual paid or incurred experience to project ultimate losses.

For each subset of the business evaluated, each test generates a point estimate based on development factors applied to known paid and incurred claims and claim counts to estimate ultimate paid claims and claim counts. Selections of development factors are based on historical loss development patterns with adjustment based on professional actuarial judgment where anticipated development patterns vary from those seen historically. Deviations from historical loss development patterns may occur due to

72

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

changes in items such as claims settlement and payment practices, business mix, coverage limits and deductibles, inflation trends in auto repair and medical costs and legal and regulatory trends affecting claims settlements. This estimation of IBNR requires selection of hundreds of such factors. A single point estimate for the subset being evaluated is then selected from the results of various tests, based on a combination of simple averages of the point estimates of the various tests and selections based on professional actuarial judgment. During recent years, paid methods have been less reliable because of changes in settlement practices, so we have more heavily relied on incurred methods.
The following table provides an analysis of changes in the liability for losses and LAE, net of reinsurance:

(in thousands)	2013	2012	2011
Balance at Beginning of Period			
Unpaid losses on known claims	$205,589	$181,972	$180,334
IBNR losses	218,552	177,645	164,140
LAE	148,753	135,787	133,359
Total unpaid losses and LAE	572,894	495,403	477,833
Reinsurance recoverables	(13,678)	(14,640)	(16,521)
Unpaid losses and LAE, net of reinsurance recoverables	559,215	480,764	461,312
Current Activity			
Loss and LAE incurred:			
Current accident year	1,014,299	926,033	763,109
Prior accident years	2,948	16,219	4,519
Total loss and LAE incurred	1,017,247	942,253	767,629
Loss and LAE payments:			
Current accident year	(593,850)	(553,549)	(459,798)
Prior accident years	(350,466)	(310,252)	(288,379)
Total loss and LAE payments	(944,316)	(863,801)	(748,177)
Balance at End of Period			
Unpaid losses and LAE, net of reinsurance recoverables	632,146	559,215	480,764
Add back reinsurance recoverables	14,431	13,678	14,640
Total unpaid losses and LAE	$646,577	$572,894	$495,403
Unpaid losses on known claims	$221,447	$205,589	$181,972
IBNR losses	262,660	218,552	177,645
LAE	162,469	148,753	135,787
Total unpaid losses and LAE	$646,577	$572,894	$495,403

Increases in severities in both bodily injury coverage in California and personal injury protection coverage in Florida related to
accident year 2012 were the primary sources of the $2.9 million unfavorable reserve development during the twelve months ended December 31, 2013.

Increases in severities in both bodily injury coverage in California and personal injury protection coverage in Florida related to
accident year 2011 were the primary sources of the $16.2 million unfavorable reserve development during the twelve months ended December 31, 2012.
An increase in severity in Florida personal injury protection coverage related to accident year 2010 was the primary source of the $4.5 million of unfavorable development during the twelve months ended December 31, 2011.

73

Explanation of Responses:

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 11 Reinsurance
The following table shows written and earned premium included in earnings for reinsurance assumed and amounts deducted from written and earned premium in connection with reinsurance ceded (in thousands):

Year	Direct Written Premium	Reinsurance Assumed	Reinsurance Ceded	Net Written Premium	% of Amount Assumed to Net
2013	$1,339,803	$16	$(9,927)	$1,329,892	0.0%
2012	1,254,386	543	(7,731)	1,247,198	0.0%
2011	1,082,458	8	(6,490)	1,075,976	0.0%
Year	Direct Earned Premium	Reinsurance Assumed	Reinsurance Ceded	Net Earned Premium	% of Amount Assumed to Net
2013	$1,311,942	$15	$(9,432)	$1,302,525	0.0%
2012	1,190,773	542	(7,225)	1,184,090	0.0%
2011	1,025,302	7	(6,249)	1,019,060	0.0%

Assumed Reinsurance
Assumed business consists of two components:
(i) Business assumed from other unaffiliated insurance companies and
(ii) Business assumed from involuntary pools and associations.
We assumed $4.1 million, $5.4 million and $7.0 million, respectively, at December 31, 2013, 2012 and 2011 of total unpaid losses and LAE from unaffiliated insurance companies. We assumed no premium from unaffiliated insurance companies in 2013 or 2011. In 2012, we assumed $0.5 million of premium from unaffiliated insurance companies.
At December 31, 2013, 2012 and 2011, we assumed $7.8 million, $8.0 million and $8.3 million, respectively, of assumed unpaid losses and LAE as part of fronting arrangements under which we utilized these companies' insurance licenses to write business while assuming substantially all of that business back from these carriers.
Although the business was issued on these unaffiliated companies' policies, we manage the claims adjusting and loss reserving for this business.

During the twelve months ended December 31, 2013, 2012 and 2011, we assumed, from involuntary pools and associations, premium and unpaid losses and LAE of less than $0.1 million each.
Ceded Reinsurance

We use excess of loss, catastrophe and extra-contractual loss reinsurance to mitigate the financial impact of large or catastrophic losses. During 2011, our catastrophe reinsurance provided protection for losses up to $15 million in excess of $5 million for any single event and from April 1, 2011 forward, there was an additional layer which covered 75% of $5 million of losses in excess of $20 million for any single event. For 2012, we increased our catastrophe reinsurance protection to cover 100% of $25 million in excess of $5 million. During 2013, our catastrophe reinsurance protection was 100% of $45 million in excess of $5 million. For 2014, we have increased our catastrophe reinsurance protection to 100% of $55 million in excess of $5 million. Our excess of loss reinsurance provides reinsurance protection for commercial auto losses up to $700,000 for claims in excess of $300,000 per occurrence. Our extra-contractual loss reinsurance provides protection for losses up to $10 million in excess of $5 million for any single extra-contractual loss. We also use reinsurance to mitigate losses on our Classic Collector business.
Ceded reinsurance for all programs reduced our incurred losses and LAE by $1.6 million, $2.5 million and $1.0 million for the twelve months ended December 31, 2013, 2012 and 2011, respectively.

74

Note 12 Statutory Information

Capital and Surplus

Insurance companies are required to file financial statements with state insurance regulatory authorities prepared on an accounting basis prescribed or permitted by such authorities (statutory basis). Net earnings and capital and surplus on a statutory basis were as follows (in thousands):

Statutory Net Earnings			Statutory Capital and Surplus	
2013	2012	2011	2013	2012
$44,906	$31,141	$37,288	$673,973	$613,177

For the twelve-month periods ended December 31, 2013, 2012 and 2011, statutory results differed from net earnings on a GAAP basis primarily due to the amortization of deferred acquisition costs, the basis difference in realized gains and holding company expenses, including interest. Net earnings for 2012 and 2011 include $0.1 million and $(0.9) million, respectively, related to the subsidiaries sold as of December 31, 2012.

At December 31, 2013, the consolidated amount of statutory capital and surplus necessary to satisfy regulatory requirements as defined by the National Association of Insurance Commissioners' ("NAIC") Risk-Based Capital ("RBC") calculation was $143.8 million. This amount of statutory capital and surplus represents the 'Company Action Level' ("CAL") of minimum surplus. Falling below this level would require a company to prepare and submit an RBC plan to address the deficiency in surplus to the CAL to the commissioner of its state of domicile.

Restrictions on Transfer of Funds and Assets of Subsidiaries

As of December 31, 2013, there are no regulatory restrictions on the payment of dividends to our shareholders. However, our ability to declare and pay dividends will depend on the working capital in the holding company, as well as dividends received from our insurance subsidiaries.

Payments of dividends, loans and advances by our insurance subsidiaries are subject to certain restrictions under various state laws, federal regulations and debt covenants that limit the amount of dividends, loans and advances that can be paid. Under applicable restrictions, the maximum amount of dividends payable in 2014 from our insurance subsidiaries without regulatory approval is approximately $66.8 million. Additional amounts of dividends, loans and advances require regulatory approval.

Note 13 Legal and Regulatory Proceedings

From time to time, we and our subsidiaries are named as defendants in various lawsuits incidental to our insurance operations. We consider legal actions relating to claims made in the ordinary course of seeking indemnification for a loss covered by the insurance policy in establishing loss and LAE reserves.

We also face in the ordinary course of business lawsuits that seek damages beyond policy limits, commonly known as extra-contractual claims, as well as class action and individual lawsuits that involve issues not unlike those facing other insurance companies and employers. We continually evaluate potential liabilities and reserves for litigation of these types using the criteria established by the Contingencies topic of the FASC. Under this guidance, we may only record reserves for a loss if the likelihood of occurrence is probable and we can reasonably estimate the amount. If a material loss, while not probable, is judged to be reasonably possible, we will disclose, if it can be estimated, a possible range of loss or state that an estimate cannot be made. We consider each legal action using this guidance and record reserves for losses as warranted by establishing a reserve captured within our Consolidated Balance Sheets line-items “Unpaid losses and LAE” for extra-contractual claims and “Other liabilities” for class action and other non-claims related lawsuits. We record amounts incurred on the Consolidated Statements of Earnings within “Losses and LAE" for extra-contractual claims and "Other expenses" for class action and other non-claims related lawsuits. Certain claims and legal actions have been brought against us for which we have accrued no loss, and for which an estimate of a possible range of loss cannot be made under the above rules. While it is not possible to predict the ultimate outcome of these claims or lawsuits, we do not believe they are likely to have a material effect on our financial condition or liquidity. However, losses incurred because of these cases could have a material adverse impact on net earnings in a given period.

75

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 14 Commitments and Contingencies
Commitments
Minimum rental commitments under non-cancelable leases with an initial or remaining term of more than one year as of December 31, 2013 were as follows (in thousands):

Due in	Operating Leases	Capital Leases
2014	$9,563	$742
2015	8,221	713
2016	4,431	226
2017	2,900	86
2018	2,531	12
Thereafter	1,157	3
Total	$28,803	$1,783

All of these leases expire within 8 years. The most significant leased office spaces are located in Birmingham, Alabama and suburban Los Angeles, California. These two leases combined total $16.7 million of the $28.8 million in minimum rental commitments for operating leases mentioned above.
The operating leases above include leased vehicles. As vehicles are surrendered, they are sold for cash by the lessor. We guarantee that proceeds from sales will be at least equal to the lessor's depreciated book value. Otherwise, we are credited the excess or we pay the deficit. The lessors depreciated book value at December 31, 2013 on the vehicles we lease was $6.0 million, which represents the maximum deficit we would be required to pay if the lessor received no proceeds from the sale. Historically, we have not made any material additional rental payments due to surrendered vehicles.
Lease expense incurred for all leases during the last three years was as follows (in thousands):

	Twelve months ended December 31,		
	2013	2012	2011
Lease expense	$12,015	$12,389	$14,448
Sublease income	(163)	(420)	(441)
Total	$11,851	$11,969	$14,007

Contingencies
Based on the criteria established by the Contingencies topic of the FASC, we have the following loss contingencies for which we accrue in our financial statements:

• Other-than-temporary impairments on investments	Note 3
• Insurance reserves	Note 10
• Legal and regulatory proceedings	Note 13
• Allowances for uncollectible accounts	Note 15

For each item listed above, please refer to the notes referenced for additional discussion.

76

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 15 Additional Information
Allowances for Uncollectible Accounts
Agents' balances and premium receivable included in the Consolidated Balance Sheets are net of allowances for uncollectible accounts. The provision for such losses is included in commissions and other underwriting expenses. A progression of the aggregate allowance follows (in thousands):

	2013	2012	2011
Beginning balance	$16,124	$13,497	$12,323
Provision for losses	20,913	24,884	21,259
Uncollectible amounts written off	(21,154)	(22,256)	(20,085)
Ending balance	$15,884	$16,124	$13,497

Negative Cash Book Balances
Negative cash book balances, included in the line item "Other liabilities" in the Consolidated Balance Sheets, were $50.5 million, $45.4 million and $5.9 million, respectively, at December 31, 2013, 2012 and 2011.

Table of Contents
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 16 Accumulated Other Comprehensive Income

The components of other comprehensive income before and after tax are as follows (in thousands):

	Twelve Months Ended December 31,								
	2013			2012			2011		
	Before Tax	Income Tax	Net	Before Tax	Income Tax	Net	Before Tax	Income Tax	Net
Accumulated change in postretirement benefit liability, beginning of period	$(967)	$339	$(629)	$519	$(182)	$337	$791	$(277)	$514
Effect on other comprehensive income	906	(317)	589	(1,487)	520	(966)	(272)	95	(177)
Accumulated change in postretirement benefit liability, end of period	$(62)	$22	$(40)	$(967)	$339	$(629)	$519	$(182)	$337
Accumulated unrealized gains on investments, net, beginning of period	$46,892	$(16,412)	$30,480	$53,817	$(18,836)	$34,981	$36,884	$(12,909)	$23,974
Other comprehensive income before reclassification	(15,227)	5,330	(9,898)	17,129	(5,995)	11,134	25,532	(8,936)	16,596
Reclassification adjustment for other-than-temporary impairments included in net income	1,468	(514)	954	1,393	(487)	905	1,447	(506)	940
Reclassification adjustment for realized gains included in net income	(7,495)	2,623	(4,872)	(25,447)	8,907	(16,541)	(10,045)	3,516	(6,529)
Effect on other comprehensive income	(21,254)	7,439	(13,815)	(6,926)	2,424	(4,502)	16,934	(5,927)	11,007
Accumulated unrealized gains on investments, net, end of period	$25,638	$(8,973)	$16,665	$46,892	$(16,412)	$30,480	$53,817	$(18,836)	$34,981
Accumulated other comprehensive	$45,924	$(16,073)	$29,851	$54,336	$(19,018)	$35,319	$37,674	$(13,186)	$24,488

income, beginning of period									
Change in postretirement benefit liability	906	(317)	589	(1,487)	520	(966)	(272)	95	(177)
Change in unrealized gains on investments, net	(21,254)	7,439	(13,815)	(6,926)	2,424	(4,502)	16,934	(5,927)	11,007
Effect on other comprehensive income	(20,348)	7,122	(13,226)	(8,412)	2,944	(5,468)	16,662	(5,832)	10,831
Accumulated other comprehensive income, end of period	$25,576	$(8,952)	$16,624	$45,924	$(16,073)	$29,851	$54,336	$(19,018)	$35,319

78

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION 10-K
INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
PART IV
ITEM 15
Exhibits and Financial Statement Schedules

(a) Documents filed as part of this Report:

1. Financial Statements are included in Part II, Item 8.

2. Financial Statement Schedules:

A. Selected Quarterly Financial Data is included in Note 10 to the Consolidated Financial Statements.

B. Schedules filed herewith as of December 31, 2013:

		Page
I	– Summary of Investments (See Note 3)	58
II	– Condensed Financial Information of Registrant	80
III	– Supplementary Insurance Information	Not required
IV	– Reinsurance (See Note 11)	74
V	– Valuation and Qualifying Accounts (see Note 15)	77
VI	– Supplemental Information Concerning Property-Casualty Insurance Operations	82

All other schedules for which provisions are made in the applicable regulation of the Securities and Exchange Commission have been omitted, as they are not applicable, not required, or the information required thereby is set forth in the Financial Statements or the notes thereto.

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION 10-K
INFINITY PROPERTY AND CASUALTY CORPORATION – PARENT ONLY
SCHEDULE II – CONDENSED FINANCIAL INFORMATION OF REGISTRANT
Condensed Balance Sheets
(in thousands)

	December 31, 2013	2012
Assets:		
Investment in subsidiaries	$814,371	$778,070
Fixed maturities – at fair value (amortized cost: $80,648 and $105,867)	78,401	107,299
Equity securities – at fair value (cost $1,201 and $989)	1,332	1,012
Cash and cash equivalents	33,441	80,171
Other assets	13,163	51,927
Total assets	$940,707	$1,018,478
Liabilities and Shareholders' Equity:		
Long-term debt	$275,000	$275,000
Other liabilities	7,955	86,304
Payable to affiliates	993	932
Shareholders' equity	656,758	656,242
Total liabilities and shareholders' equity	$940,707	$1,018,478

Condensed Statements of Earnings
(in thousands)

	Twelve months ended December 31, 2013	2012	% Change	2011	% Change
Income:					
Income in equity of subsidiaries	$45,010	$42,253	6.5 %	$49,256	(14.2)%
Net investment income	1,799	2,725	(34.0)%	4,516	(39.7)%
Realized gain on investments	611	2,883	(78.8)%	1,799	60.3 %
Total income	47,420	47,861	(0.9)%	55,570	(13.9)%
Costs and Expenses:					
Interest expense	13,826	12,539	10.3 %	10,807	16.0 %
Loss on redemption of long-term debt	0	13,595	(100.0)%	0	0.0 %
Corporate general and administrative expenses	7,870	7,408	6.2 %	7,664	(3.3)%
Other expense	25	193	(87.0)%	39	396.6 %
Total expenses	21,722	33,735	(35.6)%	18,509	82.3 %
Earnings before income taxes	25,699	14,125	81.9 %	37,061	(61.9)%
Provision for income taxes	(6,934)	(10,194)	(32.0)%	(4,772)	113.6 %
Net earnings	$32,633	$24,319	34.2 %	$41,833	(41.9)%

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION 10-K
INFINITY PROPERTY AND CASUALTY CORPORATION - PARENT ONLY
Condensed Statements of Cash Flows
(in thousands)

	Twelve months ended December 31, 2013	2012	2011
Operating Activities:			
Net income	$32,633	$24,319	$41,833
Equity in consolidated subsidiaries	(45,010)	(42,253)	(49,256)
Loss on redemption of long-term debt	0	13,595	0
Excess tax benefits from share-based payment arrangements	(573)	(896)	(966)
Other	10,622	(31,509)	2,645
Net cash used in operating activities	(2,329)	(36,743)	(5,744)
Investing Activities:			
Purchases of fixed maturities	(120,115)	(81,925)	(44,886)
Maturities and redemptions of fixed maturities	19,645	13,580	17,727
Proceeds from sale of fixed maturities	80,921	116,343	95,008
Dividends received from subsidiary	125	425	14,250
Capital contributed to subsidiaries(1)	(2,321)	(2,205)	(22,484)
Net cash (used in) provided by investing activities	(21,744)	46,218	59,616
Financing Activities:			
Proceeds from stock options exercised and employee stock purchases, including tax benefit	3,203	2,911	2,116
Excess tax benefits from share-based payment arrangements	573	896	966
Acquisition of treasury stock	(12,612)	(19,643)	(43,803)
Redemption of long-term debt	0	(208,122)	0
Proceeds from issuance of long-term debt	0	273,213	0
Dividends paid to shareholders	(13,821)	(10,544)	(8,745)
Net cash (used in) provided by financing activities	(22,656)	38,712	(49,465)
Net (decrease) increase in cash and cash equivalents	(46,730)	48,187	4,407
Cash and cash equivalents at beginning of period	80,171	31,984	27,577
Cash and cash equivalents at end of period	$33,441	$80,171	$31,984

(1) We also contributed $49.7 million in the form of securities to our subsidiaries in 2012.

81

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION 10-K
INFINITY PROPERTY AND CASUALTY CORPORATION
SCHEDULE VI – SUPPLEMENTAL INFORMATION CONCERNING
PROPERTY-CASUALTY INSURANCE OPERATIONS
THREE YEARS ENDED DECEMBER 31, 2013
(in thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H		COLUMN I		COLUMN J	COLU
							Claims and Claim Adjustment Expenses Incurred Related to					
Affiliation with Registrant	Deferred Policy Acquisition Costs	Reserves for Unpaid Claims and Loss Adjustment Expenses (a)	Discount Deducted in Column C	Unearned Premium (b)	Earned Premium	Net Investment Income	Current Years	Prior Years	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Paid Claims and Claim Adjustment Expenses	Net Premiu Writter
2013	$88,258	$646,577	$0	$566,004	$1,302,525	$35,546	$1,014,299	$2,948	$206,704	$51,920	$944,316	$1,329
2012	88,251	572,894	0	538,142	1,184,090	37,571	926,033	16,219	194,944	54,912	863,801	1,247,1
2011	80,071	495,403	0	474,528	1,019,060	40,557	763,109	4,519	171,588	59,971	748,177	1,075,9

(a) Gross of reinsurance recoverables of $14.4 million, $13.7 million and $14.6 million at December 31, 2013, 2012 and 2011, respectively.

(b) Gross of prepaid reinsurance premium of $3.1 million, $2.6 million and $2.1 million at December 31, 2013, 2012 and 2011, respectively.

82

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Infinity Property and Casualty Corporation has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.
Signed: February 27, 2014
Infinity Property and Casualty Corporation

By: /s/ JAMES R. GOBER
James R. Gober
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Capacity	Date
/S/ JAMES R. GOBER James R. Gober	Chairman of the Board of Directors, Chief Executive Officer, and President (principal executive officer)	February 27, 2014
/S/ ROGER SMITH Roger Smith	Executive Vice President, Chief Financial Officer and Treasurer (principal financial and accounting officer)	February 27, 2014
/S/ WILLIAM S. STARNES William S. Starnes	Director*	February 27, 2014
/S/ JORGE G. CASTRO Jorge G. Castro	Director	February 27, 2014
/S/ HAROLD E. LAYMAN Harold E. Layman	Director*	February 27, 2014
/S/ E. ROBERT MEANEY E. Robert Meaney	Director*	February 27, 2014
/S/ DRAYTON NABERS, JR. Drayton Nabers, Jr.	Director	February 27, 2014
/S/ SAMUEL J. WEINHOFF Samuel J. Weinhoff	Director*	February 27, 2014
/S/ TERESA A. CANIDA Teresa A. Canida	Director	February 27, 2014

*Member of the Audit Committee

Table of Contents

INFINITY PROPERTY AND CASUALTY CORPORATION
INDEX TO EXHIBITS

Number	Exhibit Description	
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to Infinity’s Form 10-Q filed on August 8, 2007)	
3.2	Regulations (incorporated by reference to Exhibit 3.2 to Infinity’s Form S-1 filed on October 9, 2002)	
4.1	Form of Senior Indentures, dated August 6, 2010, between Infinity and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Infinity’s Form S-3 filed on August 6, 2010)	
4.2	Form of Subordinated Indenture between Infinity and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 to Infinity’s Form S-3 filed on August 6, 2010)	
4.3	Form of Junior Subordinated Indenture between Infinity and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.6 to Infinity’s Form S-3 filed on August 6, 2010)	
4.4	First Supplemental Indenture to Senior Indenture, dated September 17, 2012, between Infinity and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Infinity's Form 8-K filed on September 17, 2012)	
Material Contracts:		
10.1	Reinsurance Agreement between Infinity Standard Insurance Company [formerly known as Windsor Insurance Company], as Reinsurer, and Great American Insurance Company and Affiliates, as Reassured (incorporated by reference to Exhibit 10.4 to Infinity’s Form 10-K filed on March 31, 2003)	
10.2	Side Letter Agreement to amend Reinsurance Agreement between Infinity Standard Insurance Company [formerly known as Windsor Insurance Company], as Reinsurer, and Great American Insurance Company and Affiliates, as Reassured (incorporated by reference to Exhibit 10 to Infinity’s Form 8-K filed on February 1, 2007)	
10.3	Lease between Colonial Properties and Infinity, dated August 26, 2003 for Colonnade property in Birmingham, Alabama (incorporated by reference to Exhibit 10.23 to Infinity’s Form 10-K/A filed on April 2, 2004)	
10.4	Tax Allocation Agreement, dated December 31, 2003 and effective February 13, 2003 by and among Infinity and its Subsidiaries (incorporated by reference to Exhibit 10.24 to Infinity’s Form 10-K/A filed on April 2, 2004)	
10.5	Second Amended and Restated 2002 Stock Option Plan (incorporated by reference to Exhibit 10 to Infinity’s Form 10-Q/A filed on November 20, 2011)	(*)
10.6	Amended and Restated Credit Agreement, dated August 31, 2008, between Infinity and Regions Bank (incorporated by reference to Exhibit 10 to Infinity's Form 8-K filed on September 4, 2008.	

10.7	First Amendment to Amended and Restated Credit Agreement, dated August 31, 2011 between Infinity and Regions Bank (incorporated by reference to Exhibit 10 to Infinity's Form 8-K filed on September 1, 2011)	
10.8	Amended and Restated Employee Stock Purchase Plan (incorporated by reference to Exhibit 10 to Infinity's Form 10-Q filed on August 6, 2010)	(*)
10.9	Deferred Compensation Plan as amended and restated effective February 9, 2010 (incorporated by reference to Exhibit 10.9 to Infinity's Form 10-K filed February 26, 2010)	(*)
10.10	Supplemental Retirement Plan as amended and restated effective January 1, 2010 (incorporated by reference to Exhibit 10.10 to Infinity's Form 10-K filed February 26, 2010)	(*)
10.11	Amended 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.1 to Infinity's Form 8-K filed on August 3, 2007)	(*)
10.12	Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.2 to Infinity's Form 8-K filed on August 3, 2007)	(*)
10.13	Employment Agreement for James R. Gober (incorporated by reference to Exhibit 10.1 to Infinity's Form 8-K filed on August 8, 2011)	(*)

84

Table of Contents

10.14	Employment Agreement for Samuel J. Simon (incorporated by reference to Exhibit 10.4 to Infinity’s Form 8-K filed on August 8, 2011)	(*)
10.15	Employment Agreement for Roger Smith (incorporated by reference to Exhibit 10.5 to Infinity’s Form 8-K filed on August 8, 2011)	(*)
10.16	Employment Agreement for Scott C. Pitrone (incorporated by reference to Exhibit 10.3 to Infinity’s Form 8-K filed on August 8, 2011)	(*)
10.17	Employment Agreement for Glen N. Godwin (incorporated by reference to Exhibit 10.2 to Infinity’s Form 8-K filed on August 8, 2011)	(*)
10.18	Annual Executive Bonus Plan (incorporated by reference to Appendix A to Infinity’s Definitive Proxy Statement, Schedule 14A filed on April 19, 2010)	(*)
10.19	Second Amended and Restated 2008 Performance Share Plan (incorporated by reference to Appendix B to Infinity’s Definitive Proxy Statement, Schedule 14A filed on April 19, 2010)	(*)
10.20	Form of Performance Share Agreement (incorporated by reference to Exhibit A of Appendix B to Infinity’s Definitive Proxy Statement, Schedule 14A filed on April 19, 2010)	(*)
10.21	Underwriting Agreement, dated September 12, 2012, between Infinity and Barclays Capital Inc. and Goldman Sachs and Co., as Underwriters (incorporated by reference to Exhibit 1.1 to Infinity's Form 8-K filed on September 17, 2012)	
10.22	Amended and Restated 2013 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Infinity's Form 8-K filed on May 9, 2013)	(*)
21	Subsidiaries of the Registrant	
23	Consent of Independent Registered Public Accounting Firm	
31.1	Certification of the Chief Executive Officer under Exchange Act Rule 13a-14(a).	
31.2	Certification of the Chief Financial Officer under Exchange Act Rule 15d-14(a).	
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer	
101.INS	XBRL Instance Document	
101.SCH	XBRL Taxonomy Extension Schema	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	
101.DEF	XBRL Taxonomy Extension Definition Linkbase	
101.LAB	XBRL Taxonomy Extension Label Linkbase	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	

(*) Management Contract or Compensatory Plan or Arrangement.

85