

INFINITY PROPERTY & CASUALTY CORP

Form 10-Q

May 09, 2013

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INFINITY PROPERTY AND CASUALTY CORPORATION 10-Q

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2013

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 0-50167

INFINITY PROPERTY AND CASUALTY CORPORATION

(Exact name of registrant as specified in its charter)

Incorporated under

the Laws of Ohio

(State or other jurisdiction of

incorporation or organization)

3700 Colonnade Parkway, Suite 600, Birmingham, Alabama 35243

(Address of principal executive offices and zip code)

(205) 870-4000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2013 there were 11,522,557 shares of the registrant's common stock outstanding.

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Exhibit 31.2	Certification of the Chief Financial Officer under Exchange Act Rule 13a-14(a)
Exhibit 32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
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

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INFINITY PROPERTY AND CASUALTY CORPORATION 10-Q

PART I

FINANCIAL INFORMATION

ITEM 1

Financial Statements

INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands, except per share data)

(unaudited)

	Three months ended March 31,		% Change	
	2013	2012		
Revenues:				
Earned premium	\$318,589	\$277,149	15.0	%
Net investment income	8,337	9,746	(14.5))%
Net realized gains on investments ¹	3,824	238	1,505.3	%
Other income	51	269	(80.9))%
Total revenues	330,802	287,402	15.1	%
Costs and Expenses:				
Losses and loss adjustment expenses	250,371	214,778	16.6	%
Commissions and other underwriting expenses	62,373	62,140	0.4	%
Interest expense	3,538	2,702	30.9	%
Corporate general and administrative expenses	1,737	2,016	(13.8))%
Other expenses	677	244	177.8	%
Total costs and expenses	318,697	281,880	13.1	%
Earnings before income taxes	12,105	5,522	119.2	%
Provision for income taxes	3,443	1,228	180.3	%
Net Earnings	\$8,662	\$4,294	101.7	%
Net Earnings per Common Share:				
Basic	\$0.75	\$0.37	102.7	%
Diluted	0.74	0.35	111.4	%
Average Number of Common Shares:				
Basic	11,522	11,728	(1.8))%
Diluted	11,753	12,100	(2.9))%
Cash Dividends per Common Share	\$0.300	\$0.225	33.3	%
¹ Net realized gains before impairment losses	\$3,896	\$886	339.7	%
Total other-than-temporary impairment (OTTI) losses	(72) (616) (88.3)%
Non-credit portion in other comprehensive income	0	1	(100.0))%
OTTI losses reclassified from other comprehensive income	0	(32) (100.0)%
Net impairment losses recognized in earnings	(72) (648) (88.9)%
Total net realized gains on investments	\$3,824	\$238	1,505.3	%

See Condensed Notes to Consolidated Financial Statements.

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INFINITY PROPERTY AND CASUALTY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

(unaudited)

	Three months ended March 31,	
	2013	2012
Net earnings	\$8,662	\$4,294
Other comprehensive income before tax:		
Net change in postretirement benefit liability		