

INFINITY PROPERTY & CASUALTY CORP
Form S-3
August 06, 2010
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As filed with the Securities And Exchange Commission on August 6, 2010

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

**Infinity Property and Casualty
Corporation Infinity Capital Trust I**

(Exact Name of Registrant as

Specified in Its Charter)

Ohio

Delaware
(State or Other Jurisdiction of

Incorporation or Organization)
3700 Colonnade Parkway

Birmingham, Alabama 35243

(205) 870-4000

03-0483872

Applied For
(I.R.S. Employer

Identification Number)

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrants Principal Executive Offices)

Samuel J. Simon, Esq.

Executive Vice President and General Counsel

Infinity Property and Casualty Corporation

3700 Colonnade Parkway

Birmingham, Alabama 35243

(205) 870-4000

Facsimile (205) 803-8585

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

with copies to:

Mark A. Weiss, Esq.

Keating Muething & Klekamp PLL

Suite 1400

One East Fourth Street

Cincinnati, Ohio 45202

(513) 579-6599

Facsimile (513) 579-6956

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon the filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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 a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered (1)	Amount to be Registered	Proposed		Amount of Registration Fee
		Maximum Aggregate Offering Price Per Unit (2)	Proposed Maximum Aggregate Offering Price (3)	
Common Stock of Infinity Property and Casualty Corporation				
Preferred Stock of Infinity Property and Casualty Corporation				
Depository Shares of Infinity Property and Casualty Corporation (4)				

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Debt Securities of Infinity Property and Casualty Corporation
(5)

Warrants of Infinity Property and Casualty Corporation (6)

Preferred Securities of Infinity Capital Trust I

Guarantee of Preferred Securities of Infinity Capital Trust I by
Infinity Property and Casualty Corporation and certain backup
undertakings (7)

Units (8)

Total	\$300,000,000	100%	\$300,000,000	\$21,390
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(1) These offered securities may be sold separately, together or as units with other offered securities.

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- (2) The proposed maximum offering price per unit will be determined from time to time by the registrants in connection with the issuance of securities.
- (3) The proposed maximum aggregate offering price has been estimated for the sole purpose of computing the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the Securities Act) and excludes accrued interest, distributions and dividends, if any.
- (4) To be represented by Depositary Receipts representing an interest in all or a specified portion of a share of Preferred Stock.
- (5) Debt Securities may be senior, subordinated or junior subordinated.
- (6) May include warrants to purchase common stock, preferred stock or debt securities.
- (7) No separate consideration will be received for the Guarantee. The Guarantee includes the rights of holders of the Preferred Securities under the Guarantee and certain backup undertakings, comprised of obligations of Infinity Property and Casualty Corporation under a junior subordinated indenture and any supplemental indentures thereto and under the trust agreement to provide certain indemnities in respect of, and be responsible for certain costs, expenses, debts and liabilities of the trust, as described in this registration statement. All obligations under the trust agreement, including the indemnity obligation, are included in the back-up undertakings.
- (8) Any securities registered under this registration statement may be sold as units with other securities registered under this registration statement. Each unit will be issued under a unit agreement and will represent an interest in two or more securities, which may or may not be separable from one another.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to Section 8(a) may determine.

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The information in this prospectus is not complete and may be changed. We may not sell the securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Prospectus

\$300,000,000

Debt Securities, Common Stock, Preferred Stock, Warrants,

Depository Shares and Units

INFINITY CAPITAL TRUST I

Preferred Securities

Fully and unconditionally guaranteed, as described in this prospectus, by

Infinity Property and Casualty Corporation

We will provide you with more specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

We may offer these securities from time to time in amounts, at prices and on other terms to be determined at the time of offering. We may offer and sell these securities to or through underwriters, dealers or agents, or directly to investors, on a continuous or delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution.

Infinity Property and Casualty Corporation's common stock is listed on the Nasdaq Global Select Market under the symbol IPCC.

Investing in our securities involves risks. See Risk Factors beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 6, 2010

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf process, Infinity Property and Casualty Corporation and Infinity Capital Trust I may sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities which may be offered. Each time securities are offered for sale, we will provide a prospectus supplement that contains specific information about the terms of that offering. The prospectus supplement may also add or update information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described below under Where You Can Find More Information and Information Incorporated by Reference.

The registration statement that contains this prospectus (including the exhibits) contains additional important information about Infinity Property and Casualty Corporation and Infinity Capital Trust I and the securities we may offer under this prospectus. Specifically, we have filed certain legal documents that establish the terms of the securities offered by this prospectus as exhibits to the registration statement. We will file certain other legal documents that establish the terms of the securities offered by this prospectus as exhibits to reports we file with the SEC. The registration statement and the other reports can be read at the SEC web site or at the SEC offices referenced below under the following heading.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making offers to sell or solicitations to buy the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should not assume that the information in this prospectus or any prospectus supplement, as well as the information we file or previously filed with the SEC that we incorporate by reference in this prospectus or any prospectus supplement, is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since those dates.

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In this prospectus, unless the context otherwise requires:

References to **Infinity** refer to Infinity Property and Casualty Corporation and its consolidated subsidiaries;

References to **the trust** refer to Infinity Capital Trust I; and

References to **we, us or our** refer to Infinity and the trust, collectively.

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WHERE YOU CAN FIND MORE INFORMATION

Infinity files annual, quarterly and other reports, proxy statements and other information with the SEC. Its SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document it files at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1 800 SEC 0330 for further information on the Public Reference Room. Infinity's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, including any amendments to those reports, and other information that it files with or furnishes to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act, can also be accessed free of charge through the Internet. These filings will be available as soon as reasonably practicable after Infinity electronically files such material with, or furnishes it to, the SEC.

We have filed with the SEC a registration statement under the Securities Act of 1933 relating to the offering of these securities. The registration statement, including the attached exhibits, contains additional relevant information about us and the securities. This prospectus does not contain all of the information set forth in the registration statement. You can obtain a copy of the registration statement, at prescribed rates, from the SEC at the address listed above. The registration statement and the documents referred to below under "Information Incorporated by Reference" are also available on Infinity's Internet website, <http://www.ipacc.com>. We have not incorporated by reference into this prospectus the information on Infinity's website, and you should not consider it to be a part of this prospectus.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus certain information Infinity files with it, which means that we can disclose important information by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that Infinity files later with the SEC will automatically update and supersede information contained in this prospectus and any accompanying prospectus supplement. We incorporate by reference the documents listed below that Infinity has previously filed with the SEC (excluding any portions of any Form 8-K that are not deemed filed pursuant to the General Instructions of Form 8-K):

our Annual Report on Form 10-K for the year ended December 31, 2009;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010;

our Current Reports on Form 8-K dated as of February 11, 2010, May 6, 2010, May 10, 2010 and May 26, 2010 (excluding any information furnished in such reports under Item 2.02, Item 7.01 or Item 9.01); and

the description of Infinity's common stock contained in Infinity's Registration Statement on Form 8-A as filed with the SEC on January 30, 2003.

We also incorporate by reference into this prospectus additional documents that Infinity may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the completion or termination of the offering, including all such documents Infinity may file with the SEC after the date of the initial registration statement and prior to the effectiveness of the registration statement, but excluding any information deemed furnished and not filed with the SEC. Any statements contained in a previously filed document incorporated by reference into this prospectus is deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, or in a subsequently filed document also incorporated by reference herein, modifies or supersedes that statement.

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This prospectus may contain information that updates, modifies or is contrary to information in one or more of the documents incorporated by reference in this prospectus. You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus is accurate as of any date other than the date of this prospectus or the date of the documents incorporated by reference in this prospectus.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, at no cost to the requester, a copy of any and all of the information that is incorporated by reference in this prospectus.

Requests for such documents should be directed to:

Investor Relations

Infinity Property and Casualty Corporation

3700 Colonnade Parkway

Birmingham, AL 35243

Telephone: (205) 803-8186

You may also access the documents incorporated by reference in this prospectus through Infinity's website at <http://www.ipacc.com>. Except for the specific incorporated documents listed above, no information available on or through Infinity's website shall be deemed to be incorporated in this prospectus or the registration statement of which it forms a part.

We have not included any separate financial statements for the trust. They were omitted because the trust is Infinity's wholly-owned subsidiary with no independent operations, and Infinity guarantees the fee obligations relating to the securities issued by the trust.

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RISK FACTORS

Investing in our securities involves risk. Please see the risk factors set forth in Part I, Item 1A in Infinity's Annual Report on Form 10-K for its most recent fiscal year, as updated by its quarterly reports on Form 10-Q and other filings it makes with the SEC, as incorporated by reference in this prospectus. Additional risk factors may be included in a prospectus supplement relating to a particular series or offering of securities. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. These risks could materially affect our business, results of operations or financial condition and cause the value of our securities to decline.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus (including the information incorporated by reference) contains certain statements that may be deemed to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. All statements in this prospectus and any accompanying prospectus supplement not dealing with historical results or current facts are forward-looking and are based on estimates, assumptions and projections. Statements which include the words believes, seeks, expects, may, should, intends, likely, targets, plans, anticipates, estimates or the negative version of those words and similar statements of a future or forward-looking nature identify forward-looking statements. Examples of such forward-looking statements include statements relating to expectations concerning market conditions, premium, growth, earnings, investment performance, expected losses, rate changes and loss experience.

Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves. In addition, generally applicable factors that could cause actual results or outcomes to differ from those expressed in the forward-looking statements are and will be discussed in Infinity's reports on Forms 10-K, 10-Q and 8-K incorporated by reference in this prospectus.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. We do not undertake any obligation to publicly update or review any forward-looking statement.

INFINITY PROPERTY AND CASUALTY CORPORATION

Infinity writes personal automobile insurance with an emphasis on nonstandard auto insurance. Infinity also writes monoline commercial vehicle insurance and classic collector automobile insurance. In 2009, nonstandard personal auto insurance accounts for 89% of Infinity's total gross written premium and was primarily written in eight states. Approximately 59% of the nonstandard personal auto gross written premium was written in the state of California during 2009.

SEC filings, news releases, Infinity's Code of Ethics applicable to its directors, officers and employees and other information may be accessed free of charge through Infinity's Internet site at: <http://www.ipacc.com>. Other than the information specifically incorporated by reference in this prospectus, information on Infinity's website is not part of this prospectus.

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THE INFINITY CAPITAL TRUST

Infinity Capital Trust I is a statutory trust formed under Delaware law pursuant to a declaration of trust executed by Infinity, as sponsor, and the trustees (described below) and the filing of a certificate of trust with the Delaware Secretary of State. The trust's declaration will be amended and restated as of the date the securities of the trust are initially issued. The amended declaration will be qualified as an indenture under the Trust Indenture Act of 1939.

The trust exists solely to:

issue its preferred securities and common securities representing undivided beneficial interests in the assets of the trust;

invest the proceeds from the issuance of those securities in Infinity's subordinated debt securities; and

engage only in incidental activities.

The rights of the holders of the trust's securities, including economic rights, rights to information and voting rights, will be set forth in the trust's amended declaration of the trust, the Delaware Statutory Trust Act and the Trust Indenture Act.

Infinity will own, directly or indirectly, all of the common securities of the trust, which will have an aggregate liquidation amount equal to 3% of the total capital of the trust. The common securities will generally rank equally in right of payment with the preferred securities, and payments on both will be made *pro rata*. However, upon an event of default under a trust's amended declaration, the rights of the holders of the common securities to payment of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the preferred securities. Infinity will pay all fees and expenses related to the trust and the offering of the trust's securities.

Infinity, as holder of all of the common securities, will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the trustees of the trust. The business and affairs of the trust will be conducted by the trustees, and the duties and obligations of the trustees will be governed by the amended declaration of the trust.

At least two of the trustees of the trust will be persons who are employees or officers of, or otherwise affiliated with, Infinity. These persons are sometimes referred to as "regular" trustees. One trustee of the trust will be a financial institution which will be unaffiliated with Infinity and will act as property trustee and as indenture trustee for purposes of the Trust Indenture Act under the terms of the applicable amended declaration and as may be further described in a prospectus supplement. The property trustee will hold title to the junior subordinated debt securities for the benefit of the holders of the trust's securities. In addition, unless the property trustee maintains a principal place of business in the state of Delaware and otherwise meets the requirements of applicable law, one trustee of the trust will be a legal entity having a principal place of business in, or an individual resident of, the state of Delaware.

Unless otherwise indicated in a prospectus supplement, U.S. Bank National Association will be the property trustee and U.S. Bank Trust National Association will be the Delaware trustee. The address of the corporate trust office of U.S. Bank National Association is 425 Walnut Street, 6th Floor, Cincinnati, Ohio 45202 and for U.S. Bank Trust National Association is 300 E. Delaware Avenue, 9th Floor, Wilmington, Delaware 19801. The principal place of business of the trust will be c/o Infinity Property and Casualty Corporation, 3700 Colonnade Parkway, Birmingham, Alabama 35243, telephone number (205) 870-4000.

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The terms of preferred securities to be issued by the trust, including the related guarantees and certain backup undertakings, comprised of obligations of Infinity under a subordinated indenture and under the trust agreement to provide certain indemnities in respect of, and be responsible for certain costs, expenses, debts and liabilities of the trust, will be set forth in a supplement to this prospectus.

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USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, Infinity expects to use the net proceeds from the sale of any securities offered by it for general corporate purposes, which may include investment in insurance businesses and the repayment of outstanding debt and the debt of Infinity subsidiaries. Until the net proceeds are used for these purposes, Infinity may deposit them in interest-bearing accounts or invest them in short-term marketable securities. The specific allocations, if any, of the proceeds from the sale of any of the securities will be described in the prospectus supplement relating to the offering of the securities. The proceeds from any sale of preferred securities by the trust will be invested in Infinity debt securities.

DESCRIPTION OF THE SECURITIES WE MAY OFFER

Infinity may issue, in one or more offerings, any combination of senior or subordinated debt securities, common stock, preferred stock, warrants, depositary shares and units. The trust may issue in one or more offerings, trust preferred securities that will be unconditionally guaranteed by Infinity.

This prospectus contains a summary of the general terms of the various securities that we may offer. The prospectus supplement relating to any particular securities offered will describe the specific terms of the securities. The prospectus supplement relating to any offering of preferred securities by a trust will contain the terms of the preferred securities and the related junior subordinated debt securities that would be issued by Infinity and sold to the trust using the proceeds from the sale of preferred securities. The summary in this prospectus and in any prospectus supplement does not describe every aspect of the securities and is subject to and qualified in its entirety by reference to all applicable provisions of the documents relating to the securities offered. These documents are or will be filed as exhibits to or incorporated by reference in the registration statement.

In addition, the prospectus supplement will set forth the terms of the offering, the initial public offering price and net proceeds to Infinity or the trust. Where applicable, the prospectus supplement will also describe any material United States federal income tax considerations relating to the securities offered and indicate whether the securities offered are or will be listed on any securities exchange.

DESCRIPTION OF DEBT SECURITIES

We may offer debt securities. The following description sets forth the general terms and provisions of the senior and subordinated debt securities (referred to collectively as the debt securities) that Infinity may offer. The applicable prospectus supplement will describe the specific terms of the debt securities offered by that prospectus supplement and any applicable tax considerations and any general terms outlined in this section that will not apply to those debt securities.

The prospectus supplement relating to any offering of preferred securities by a trust will contain the terms of the junior subordinated debt securities that would be issued by Infinity and sold to the trust using the proceeds from the sale of preferred securities.

Our senior debt securities are to be issued under a senior indenture between us and U.S. Bank National Association, as trustee, a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. Our subordinated debt securities are to be issued under a subordinated indenture between us and U.S. Bank National Association, as trustee, a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. The senior indenture and the subordinated indenture are sometimes referred to collectively as the indentures and each individually as an indenture.

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Because the following summaries of the material terms and provisions of the indentures and the related debt securities are not complete, you should refer to the forms of the indentures and the debt securities for complete information regarding the terms and provisions of the indentures, including the definitions of some of the terms used below, and the debt securities. Wherever we refer to particular articles, sections or defined terms of an indenture, those articles, sections or defined terms are incorporated herein by reference. Whenever we refer to particular articles, sections or defined terms of an indenture, without specific reference to an indenture, those articles, sections or defined terms are contained in all indentures. The senior indenture and the subordinated indenture are substantially identical, except for certain covenants of ours and provisions relating to subordination.

The prospectus supplement relating to any series of debt securities will describe the following specific financial, legal and other terms particular to such series of debt securities:

the designation of the debt securities of the series;

any limit upon the aggregate principal amount of the debt securities of the series and any limitation on our ability to increase the aggregate principal amount after the initial issuance of the debt securities of that series;

the date or dates on which the principal of the debt securities of the series is payable (which date or dates may be fixed or extendible);

the annual rate or rates (which may be fixed or variable) at which the debt securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record shall be taken for the determination of holders to whom interest is payable and/or the method by which such rate or rates or date or dates shall be determined;

the place or places where principal of, premium, if any, and interest on debt securities of the series shall be payable;

our right, if any, to redeem debt securities of the series, in whole or in part, at our option and the period or periods within which, the price or prices at which and any terms and conditions upon which debt securities of the series may be so redeemed;

our obligation, if any, to redeem, purchase or repay debt securities of the series pursuant to any mandatory redemption or at the option of a holder and the price or prices at which and the period or periods within which and any of the terms and conditions upon which debt securities of the series shall be redeemed, purchased or repaid, in whole or in part;

if other than denominations of \$1,000 and integral multiples of \$1,000, the denominations in which debt securities of the series shall be issuable;

if other than the principal amount, the portion of the principal amount of debt securities of the series which shall be payable upon declaration of acceleration of the maturity;

whether the debt securities of the series or any portion thereof will be issuable as registered debt securities or unregistered debt securities (with or without coupons) (and if so, whether such debt securities will be issued in temporary or permanent global form), or any combination of the foregoing;

whether the debt securities of the series may be exchangeable for and/or convertible into our common stock or any other security;

whether and under what circumstances we will pay additional amounts on the debt securities of the series held by a person who is not a U.S. person in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether we will have the option to redeem such debt securities rather than pay such additional amounts;

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provisions, if any, for the defeasance of the debt securities of the series (including provisions permitting defeasance of less than all debt securities of the series);

any other events of default or covenants with respect to the debt securities of the series; and

any other terms of the debt securities of the series (which terms shall not be inconsistent with the provisions of this Indenture), and any requirement to have our subsidiaries guarantee the debt securities.

Events Of Default

You will have special rights if an event of default occurs, with respect to any series of debt securities, and is not cured, as described later in this subsection. Under the indenture, the term event of default means any of the following:

we do not pay the principal on a debt security on its due date;

we do not pay interest on a debt security within 30 days of its due date;

we remain in breach of any covenant or warranty described in the indenture for 90 days after we receive a notice stating it is in breach, which notice must be sent by either the trustee or direct holders of at least 25% of the principal amount of outstanding debt securities;

we or one of our significant subsidiaries fails to pay an amount of indebtedness totaling more than \$15,000,000 in principal amount, our obligation to repay is accelerated by its lenders, and this payment obligation remains accelerated for 30 days;

we or one of our significant subsidiaries fails to pay an amount of indebtedness totaling more than \$15,000,000 in principal amount when due, and this payment obligation remains accelerated for 30 days;

we become subject to one or more final, non-appealable judgments, orders or decrees (not covered by insurance) requiring payments of more than \$15,000,000 and such judgments, orders or decrees remain unsatisfied for 60 days during which a stay of enforcement has not been in effect; or

certain events of bankruptcy, insolvency or reorganization.

For purposes of the indentures, a significant subsidiary means a subsidiary meeting any of the conditions set forth in Rule 405 promulgated under the Securities Act.

Remedies if an Event of Default Occurs

If an event of default has occurred and has not been cured (if a cure period is provided for), the trustee or the direct holders of 25% in principal amount of the outstanding debt securities may declare the entire principal amount of all the debt securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity.

Except in cases of default, whereby a trustee has some special duties, a trustee is not required to take any action under the indenture at the request of any direct holders unless the direct holders offer the trustee reasonable protection from costs, expenses and liability (called an indemnity). If reasonable

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indemnity is provided, the direct holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority direct holders may also direct the trustee in performing any other action under the indenture.

In general, before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

you must give the trustee written notice that an event of default has occurred and remains uncured;

the direct holders of at least 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action in its own name as trustee because of the default, and must offer reasonable indemnity to the trustee against the costs, expenses and other liabilities of taking that action;

the trustee must have not taken action for 60 days after receipt of the above notice and offer of indemnity; and

the trustee must not have received from direct holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with the written notice during the 60 day period after receipt of the above notice.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt security on or after its due date.

Modification

There are three types of changes we can make to the indentures and the debt securities.

Changes Requiring Your Approval

First, there are changes that cannot be made to the indentures or your debt securities without your specific approval. Following is a list of those types of changes:

change the payment due date;

reduce any amounts due on a debt security;

change the place or currency of payment on a debt security;

impair your right to sue for payment;

waive a default in payment on a debt security;

reduce the percentage in principal amount of debt securities, the consent of whose holders is required to modify or amend the indenture;

reduce the percentage in principal amount of debt securities, the consent of whose holders is required to waive compliance with certain provisions of the indenture or to waive certain defaults; and

modify any other aspect of the provisions dealing with modification and waiver of the indenture.

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Changes Requiring a Majority Vote

The second type of change to the indentures and the debt securities is the kind that requires consent of the holders of a majority in principal amount of the outstanding debt securities of the particular series affected. With a majority vote, the holders may waive past defaults, provided that such defaults are not of the type described previously under *Changes Requiring Your Approval*.

Changes Not Requiring Approval

The third type of change does not require any vote by direct holders of debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the debt securities.

Consolidation, Merger And Sale Of Assets

We may consolidate or merge with or into another entity, and we may sell or lease substantially all of our assets to another entity if the following conditions, among others, are met:

where we merge out of existence or sell or lease substantially all our assets, the other entity must be a corporation organized and validly existing under the laws of the United States or any jurisdiction of the United States, and it must agree to be legally responsible for the debt securities; and

the merger, sale of assets or other transaction must not cause a default or an event of default on the debt securities.

Form, Exchange, Registration And Transfer

Generally, we will issue debt securities only in registered global form. See *Global Securities* below. However, if specified in the prospectus supplement, we may issue certificated securities in definitive form.

You may have your debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. This is called an *exchange*.

You may exchange or transfer debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring debt securities. We may appoint another entity or perform this role itself. The entity performing the role of maintaining the list of registered direct holders is called the *security registrar*. It will also perform transfers. You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will only be made if the security registrar is satisfied with your proof of ownership.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

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Global Securities

The debt securities of any series may be represented, in whole or in part, by one or more global securities. Each global security will:

be registered in the name of a depository that we will identify in a prospectus supplement;

be deposited with the depository or its nominee or custodian; and

bear any required legends.

No global security may be exchanged in whole or in part for debt securities registered in the name of any person other than the depository or any nominee unless:

the depository has notified us that it is unwilling or unable to continue as depository or has ceased to be qualified to act as depository;

we elect for any reason in our sole discretion to issue certificated debt securities in exchange for all of any portion of the global debt securities; or

any other circumstances described in a prospectus supplement occur.

As long as the depository, or its nominee, is the registered owner of a global security, the depository or nominee will be considered the sole owner and holder of the debt securities represented by the global security for all purposes under the indenture. Except in the above limited circumstances, owners of beneficial interests in a global security:

will not be entitled to have the debt securities registered in their names;

will not be entitled to physical delivery of certificated debt securities; and

will not be considered to be holders of those debt securities under the indenture.

Payments on a global security will be made to the depository or its nominee as the holder of the global security. Some jurisdictions have laws that require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

Institutions that have accounts with the depository or its nominee are referred to as participants. Ownership of beneficial interests in a global security will be limited to participants and to persons that may hold beneficial interests through participants. The depository will credit, on its book-entry registration and transfer system, the respective principal amounts of debt securities represented by the global security to the accounts of its participants. Each person owning a beneficial interest in a global security must rely on the procedures of the depository (and, if such person is not a participant, on procedures of the participant through which such person owns its interest) to exercise any rights of a holder under the indenture.

Ownership of beneficial interests in a global security will be shown on and effected through records maintained by the depository, with respect to participants' interests, or by any participant, with respect to interests of persons held by participants on their behalf. Payments, transfers and exchanges relating to beneficial interests in a global security will be subject to policies and procedures of the depository. The depository policies

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and procedures may change from time to time. Neither we nor the trustee will have any responsibility or liability for the depository's or any participant's records with respect to beneficial interests in a global security.

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Notices

Notices to holders of debt securities will be given by mail to the addresses of such holders as they appear in the security register.

The Trustee

U.S. Bank National Association acts as trustee under each of the senior debt indenture and the subordinated debt indenture.

DESCRIPTION OF COMMON STOCK

This section summarizes the general terms of the common stock that Infinity may offer. The prospectus supplement relating to the common stock offered will set forth the number of shares offered, the initial offering price and recent market prices, dividend information and any other relevant information. The summary in this section and in the prospectus supplement does not describe every aspect of the common stock and is subject to and qualified in its entirety by reference to all the provisions of Infinity's Amended and Restated Articles of Incorporation and Code of Regulations and to the provisions of the Ohio Revised Code.

The total number of authorized shares of common stock is 50,000,000. Holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. Shareholders have the right to cumulate their votes in the election of directors.

Holders of common stock are entitled to receive dividends when and if declared by Infinity's board of directors out of funds legally available therefor, subject to any contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred shares or debt securities.

Upon Infinity's dissolution or liquidation or the sale of all or substantially all of Infinity's assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred shares having liquidation preferences, if any, the holders of Infinity's common stock will be entitled to receive pro rata Infinity's remaining assets available for distribution.

As of June 30, 2010, Infinity had 12,847,127 shares of common stock outstanding. Shares of common stock carry no conversion or subscription rights and are not subject to redemption. All outstanding shares of common stock are, and any shares of common stock issued upon conversion of any convertible securities will be, fully paid and nonassessable.

Infinity's common stock is listed on the Nasdaq Global Select Market and trades under the symbol IPCC. Infinity's registrar and transfer agent is American Stock Transfer and Trust Company.

DESCRIPTION OF PREFERRED STOCK

The following briefly summarizes the material terms of the preferred stock that Infinity may offer, other than pricing and related terms which will be disclosed in a prospectus supplement. You should read the particular terms of any series of preferred stock that Infinity offers, which Infinity will describe in more detail in any prospectus supplement relating to such series. You should also read the more detailed provisions of Infinity's Amended and Restated Articles of Incorporation and the statement with respect to shares relating to each particular series of preferred stock for provisions that may be important to you. The statement with respect to shares relating to each particular series of preferred stock