

UNITED FIRE & CASUALTY CO
Form 10-Q
August 05, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

for the quarterly period ended June 30, 2011

Commission File Number 001-34257

UNITED FIRE & CASUALTY COMPANY
(Exact name of registrant as specified in its charter)

Iowa
(State of Incorporation)

42-0644327
(IRS Employer Identification No.)

118 Second Avenue, S.E., Cedar Rapids, Iowa 52407
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (319) 399-5700

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 (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. YES R NO o

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 R NO o

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

As of August 1, 2011, 25,880,210 shares of common stock were outstanding.

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United Fire & Casualty Company and Subsidiaries
Index to Quarterly Report on Form 10-Q
June 30, 2011

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FORWARD-LOOKING INFORMATION

It is important to note that our actual results could differ materially from those projected in our forward-looking statements. Information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 1A “Risk Factors.”

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

United Fire & Casualty Company and Subsidiaries

Consolidated Balance Sheets

(In Thousands, Except Per Share Data and Number of Shares)

| | June 30, 2011 (unaudited) | December 31, 2010 |
|--|------------------------------|--------------------|
| ASSETS | | |
| Investments | | |
| Fixed maturities | | |
| Held-to-maturity, at amortized cost (fair value \$5,699 in 2011 and \$6,422 in 2010) | \$5,664 | \$6,364 |
| Available-for-sale, at fair value (amortized cost \$2,526,183 in 2011 and \$2,178,666 in 2010) | 2,644,475 | 2,278,429 |
| Equity securities, at fair value (cost \$69,858 in 2011 and \$54,139 in 2010) | 166,315 | 149,706 |
| Trading securities, at fair value (amortized cost \$14,763 in 2011 and \$12,322 in 2010) | 15,058 | 12,886 |
| Mortgage loans | 6,423 | 6,497 |
| Policy loans | 7,328 | 7,875 |
| Other long-term investments | 20,647 | 20,041 |
| Short-term investments | 1,500 | 1,100 |
| | \$2,867,410 | \$2,482,898 |
| Cash and cash equivalents | \$177,414 | \$180,057 |
| Accrued investment income | 32,211 | 28,977 |
| Premiums receivable (net of allowance for doubtful accounts of \$715 in 2011 and \$1,001 in 2010) | 189,582 | 124,459 |
| Deferred policy acquisition costs | 111,290 | 87,524 |
| Property and equipment (primarily land and buildings, at cost, less accumulated depreciation of \$34,962 in 2011 and \$33,397 in 2010) | 36,929 | 21,554 |
| Reinsurance receivables and recoverables | 124,840 | 46,731 |
| Prepaid reinsurance premiums | 8,477 | 1,586 |
| Income taxes receivable | 24,432 | 17,772 |
| Goodwill and intangible assets | 31,681 | — |
| Other assets | 17,668 | 15,881 |
| TOTAL ASSETS | \$3,621,934 | \$3,007,439 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Liabilities | | |
| Future policy benefits and losses, claims and loss settlement expenses | | |
| Property and casualty insurance | \$949,668 | \$603,090 |
| Life insurance | 1,419,797 | 1,389,331 |
| Unearned premiums | 302,133 | 200,341 |
| Accrued expenses and other liabilities | 133,217 | 78,439 |
| Deferred income taxes | 13,828 | 19,814 |
| Debt | 82,900 | — |
| Trust preferred securities | 15,618 | — |
| TOTAL LIABILITIES | \$2,917,161 | \$2,291,015 |
| Stockholders' Equity | | |

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| | | |
|---|-------------|-------------|
| Common stock, \$3.33 1/3 par value; authorized 75,000,000 shares; 25,880,210 and 26,195,552 shares issued and outstanding in 2011 and 2010, \$86,267 respectively | | \$87,318 |
| Additional paid-in capital | 132,200 | 136,147 |
| Retained earnings | 396,037 | 415,981 |
| Accumulated other comprehensive income, net of tax | 90,269 | 76,978 |
| TOTAL STOCKHOLDERS' EQUITY | \$704,773 | \$716,424 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$3,621,934 | \$3,007,439 |

The Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

Table of ContentsUnited Fire & Casualty Company and Subsidiaries
Consolidated Statements of Income (Unaudited)

| (In Thousands, Except Per Share Data and Number of Shares) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|------------|---------------------------|------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Net premiums earned | \$152,210 | \$117,082 | \$266,414 | \$231,390 |
| Investment income, net of investment expenses | 27,741 | 28,291 | 54,804 | 56,259 |
| Net realized investment gains | | | | |
| Other-than-temporary impairment charges | — | (117) | — | (459) |
| All other net realized gains | 1,124 | 2,463 | 3,777 | 5,531 |
| Total net realized investment gains | 1,124 | 2,346 | 3,777 | 5,072 |
| Other income | 729 | 295 | 885 | 418 |
| | \$181,804 | \$148,014 | \$325,880 | \$293,139 |
| Benefits, Losses and Expenses | | | | |
| Losses and loss settlement expenses | \$135,811 | \$72,757 | \$211,993 | \$141,120 |
| Future policy benefits | 7,880 | 7,375 | 16,062 | 13,765 |
| Amortization of deferred policy acquisition costs | 43,732 | 27,922 | 69,778 | 54,438 |
| Other underwriting expenses | 14,720 | 10,973 | 30,777 | 20,186 |
| Interest on policyholders' accounts | 10,657 | 10,647 | 21,327 | 21,448 |
| | \$212,800 | \$129,674 | \$349,937 | \$250,957 |
| Income (loss) before income taxes | \$(30,996) | \$18,340 | \$(24,057) | \$42,182 |
| Federal income tax expense (benefit) | (13,082) | 4,409 | (11,953) | 9,138 |
| Net Income (Loss) | \$(17,914) | \$13,931 | \$(12,104) | \$33,044 |
| Weighted average common shares outstanding | | | | |
| Weighted average common shares outstanding | 26,101,842 | 26,356,353 | 26,148,438 | 26,395,593 |
| Basic earnings (loss) per common share | (0.69) | 0.53 | (0.46) | 1.25 |
| Diluted earnings (loss) per common share | (0.69) | 0.53 | (0.46) | 1.25 |
| Cash dividends declared per common share | 0.15 | 0.15 | 0.30 | 0.30 |

The Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

Table of ContentsUnited Fire & Casualty Company and Subsidiaries
Consolidated Statement of Stockholders' Equity (Unaudited)

| (In Thousands, Except Per Share Data) | Six Months Ended June 30, 2011 |
|---|-----------------------------------|
| Common stock | |
| Balance, beginning of year | \$87,318 |
| Shares repurchased (323,597 shares) | (1,078) |
| Shares issued for stock-based awards (8,255 shares) | 27 |
| Balance, end of period | \$86,267 |
| Additional paid-in capital | |
| Balance, beginning of year | \$136,147 |
| Compensation expense and related tax benefit for stock-based award grants | 945 |
| Shares repurchased | (5,004) |
| Shares issued for stock-based awards | 112 |
| Balance, end of period | \$132,200 |
| Retained earnings | |
| Balance, beginning of year | \$415,981 |
| Net income (loss) | (12,104) |
| Dividends on common stock (\$0.30 per share) | (7,840) |
| Balance, end of period | \$396,037 |
| Accumulated other comprehensive income, net of tax | |
| Balance, beginning of year | \$76,978 |
| Change in net unrealized appreciation ⁽¹⁾ | 12,455 |
| Change in underfunded status of employee benefit plans | 836 |
| Balance, end of period | \$90,269 |
| Summary of changes | |
| Balance, beginning of year | \$716,424 |
| Net income (loss) | (12,104) |
| All other changes in stockholders' equity accounts | 453 |
| Balance, end of period | \$704,773 |

(1) The change in net unrealized appreciation is net of reclassification adjustments.

The Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

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United Fire & Casualty Company and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(In Thousands)

| | Six Months Ended June 30, | |
|---|---------------------------|--------------|
| | 2011 | 2010 |
| Cash Flows From Operating Activities | | |
| Net income (loss) | \$(12,104 |) \$33,044 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities | | |
| Net accretion of bond premium | 3,768 | 1,891 |
| Depreciation and amortization | 1,708 | 1,455 |
| Stock-based compensation expense | 939 | 878 |
| Net realized investment gains | (3,777 |) (5,072 |
| Net cash flows from trading investments | (2,104 |) 2,379 |
| Deferred income tax expense (benefit) | (7,571 |) 2,976 |
| Changes in: | | |
| Accrued investment income | 507 | (761 |
| Premiums receivable | (29,226 |) (16,915 |
| Deferred policy acquisition costs | (6,373 |) (4,614 |
| Reinsurance receivables | (5,883 |) (7,374 |
| Prepaid reinsurance premiums | (602 |) (86 |
| Income taxes receivable | (4,029 |) 11,464 |
| Other assets | (806 |) 1,859 |
| Future policy benefits and losses, claims and loss settlement expenses | 52,813 | 12,659 |
| Unearned premiums | 29,542 | 16,881 |
| Accrued expenses and other liabilities | 25,493 | (4,377 |
| Deferred income taxes | (1,019 |) (2,325 |
| Other, net | (486 |) (494 |
| Total adjustments | \$52,894 | \$10,424 |
| Net cash provided by operating activities | \$40,790 | \$43,468 |
| Cash Flows From Investing Activities | | |
| Proceeds from sale of available-for-sale investments | \$21,367 | \$3,402 |
| Proceeds from call and maturity of held-to-maturity investments | 709 | 1,603 |
| Proceeds from call and maturity of available-for-sale investments | 316,235 | 192,888 |
| Proceeds from short-term and other investments | 1,554 | 3,200 |
| Purchase of available-for-sale investments | (292,808 |) (277,962 |
| Purchase of short-term and other investments | (1,706 |) (3,308 |
| Change in securities lending collateral | — | (75,013 |
| Net purchases and sales of property and equipment | 3,486 | (960 |
| Acquisition of property and casualty company, net of cash acquired | (172,619 |) — |
| Net cash used in investing activities | \$(123,782 |) \$(156,150 |
| Cash Flows From Financing Activities | | |
| Policyholders' account balances | | |
| Deposits to investment and universal life contracts | \$71,489 | \$70,669 |
| Withdrawals from investment and universal life contracts | (57,263 |) (55,437 |
| Borrowings of short-term debt | 79,900 | — |
| Change in securities lending payable | — | 75,013 |
| Payment of cash dividends | (7,840 |) (7,910 |
| Repurchase of common stock | (6,082 |) (3,689 |
| Issuance of common stock | 139 | 23 |

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| | | | |
|--|-----------|-------------|---|
| Tax benefit from issuance of common stock | 6 | 1 | |
| Net cash provided by financing activities | \$80,349 | \$78,670 | |
| Net Change in Cash and Cash Equivalents | \$(2,643 |) \$(34,012 |) |
| Cash and Cash Equivalents at Beginning of Period | 180,057 | 190,852 | |
| Cash and Cash Equivalents at End of Period | \$177,414 | \$156,840 | |

The Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

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United Fire & Casualty Company and Subsidiaries
Notes to Unaudited Consolidated Financial Statements

NOTE 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nature of Business

The terms “United Fire,” “we,” “us,” or “our” refer to United Fire & Casualty Company or United Fire & Casualty Company and its consolidated subsidiaries and its affiliate, as the context requires. We are engaged in the business of writing property and casualty insurance and life insurance and selling annuities through a network of independent agencies. We report our operations in two business segments: property and casualty insurance and life insurance. We are licensed as a property and casualty insurer in 43 states plus the District of Columbia and as a life insurer in 29 states.

Basis of Presentation

We maintain our records in conformity with the accounting practices prescribed or permitted by the insurance departments of the states in which we are domiciled. To the extent that certain of these practices differ from U.S. generally accepted accounting principles (“GAAP”), we have made adjustments to present the accompanying unaudited Consolidated Financial Statements in conformity with GAAP. Certain financial information that is included in our Annual Report on Form 10-K, including certain financial statement footnote disclosures, are not required by the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial reporting and have been condensed or omitted.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statement categories that are most dependent on management estimates and assumptions include: investments; deferred policy acquisition costs; goodwill and intangible assets; and future policy benefits and losses, claims and loss settlement expenses.

In the preparation of the accompanying unaudited Consolidated Financial Statements, we have evaluated all material subsequent events or transactions that occurred after the balance sheet date through the date on which the financial statements were issued for potential recognition or disclosure therein.

Certain prior year amounts have been reclassified to conform to the current year presentation.

In the opinion of the management of United Fire, the accompanying unaudited Consolidated Financial Statements contain all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. All significant intercompany transactions have been eliminated in consolidation. The results reported for the interim periods are not necessarily indicative of the results of operations that may be expected for the year. The unaudited Consolidated Financial Statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2010. The review report of Ernst & Young LLP as of and for the three- and six-month periods ended June 30, 2011, accompanies the unaudited Consolidated Financial Statements included in Part I, Item 1 “Financial Statements.”

Acquisition of Mercer Insurance Group

On March 28, 2011, we acquired 100 percent of the outstanding common stock of Mercer Insurance Group for cash consideration of \$191.5 million. Accordingly, the results of operations for Mercer Insurance Group have been included in the accompanying unaudited Consolidated Financial Statements from that date forward. After the acquisition, we market through over 1,200 independent property and casualty agencies. In addition, the acquisition allows us to diversify our exposure to weather and other catastrophe risks across our geographic markets.

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This transaction was accounted for under the purchase method of accounting using Mercer Insurance Group historical financial information and applying fair value estimates to the acquired assets, liabilities and commitments as of the acquisition date. For additional information related to this acquisition, see Note 10, "Business Combinations."

In connection with this acquisition, we incurred \$5.5 million of expense in the first quarter of 2011 related to change in control payments made to the former executive officers of Mercer Insurance Group.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash, money market accounts, and non-negotiable certificates of deposit with original maturities of three months or less.

For the six-month periods ended June 30, 2011 and 2010, we made payments for income taxes of \$0.6 million and \$10.5 million, respectively. For the six-month period ended June 30, 2011, we received no tax refunds compared to tax refunds of \$13.5 million for the same period of 2010, that were received due to the overpayment of prior year tax and operating loss carrybacks.

We made no significant payments of interest for the six-month periods ended June 30, 2011 and 2010, other than for interest credited to policyholders' accounts.

Income Taxes

Deferred tax assets and liabilities are established based on differences between the financial statement bases of assets and liabilities and the tax bases of those same assets and liabilities, using the currently enacted statutory tax rates. Deferred income tax expense is measured by the year-to-year change in the net deferred tax asset or liability, except for certain changes in deferred tax amounts that affect stockholders' equity and do not impact federal income tax expense.

We reported a federal income tax benefit of \$12.0 million and a federal income tax expense of \$9.1 million for the six-month periods ended June 30, 2011 and 2010, respectively. Our effective tax rate is different than the federal statutory rate of 35.0 percent due principally to the effect of tax-exempt municipal bond interest income and non-taxable dividend income.

We have recognized no liability for unrecognized tax benefits at June 30, 2011 or December 31, 2010, or at any time during the six-month period ended June 30, 2011. In addition, we have not accrued for interest and penalties related to unrecognized tax benefits. However, if interest and penalties would need to be accrued related to unrecognized tax benefits, such amounts would be recognized as a component of federal income tax expense.

We file a consolidated federal income tax return. We also file income tax returns in various state jurisdictions. We are no longer subject to federal or state income tax examination for years before 2006. There are ongoing examinations of income tax returns by the Internal Revenue Service of the 2008 tax year, by the State of Illinois of the 2007 and 2008 tax years and by the State of Florida of the 2008 through 2010 tax years.

Recently Issued Accounting Standards

Adopted Accounting Standards

Fair Value Measurements

In January 2010, the Financial Accounting Standards Board ("FASB") issued revised accounting guidance that clarifies and provides additional disclosure requirements related to recurring and non-recurring fair value measurements. The guidance requires separate disclosures for the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements, along with an explanation for the transfers. Additionally, a separate disclosure is required for purchases, sales, issuances and settlements on a gross basis for Level 3 fair value measurements. The guidance also provides additional clarification for both the level of disaggregation reported for

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each class of assets or liabilities and disclosures of inputs and valuation techniques used to measure fair value for both recurring and non-recurring fair value measurements for assets and liabilities categorized as Level 2 or Level 3. The new disclosures and clarifications of existing disclosures were effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010. Refer to Note 3 "Fair Value of Financial Instruments" for the information required to be disclosed upon our adoption of the guidance, effective January 1, 2011.

Pending Adoption of Accounting Standards

Policy Acquisition Costs

In October 2010, the FASB issued updated accounting guidance to address the diversity in practice for the accounting for costs associated with acquiring or renewing insurance contracts. This guidance modifies the definition of acquisition costs to specify that a cost must be incremental and directly related to the successful acquisition of a new or renewal insurance contract in order to be deferred. Acquisition costs that are not eligible for deferral are to be charged to expense in the period incurred. If application of this guidance would result in the capitalization of acquisition costs that had not previously been capitalized by a reporting entity, the entity may elect not to capitalize those costs. The updated guidance is effective for interim and annual reporting periods beginning after December 15, 2011. We are currently evaluating the impact that our adoption of the guidance, effective January 1, 2012, will have on our Consolidated Financial Statements.

Fair Value Measurements

In May 2011, the FASB issued updated accounting guidance that changes the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between GAAP and International Financial Reporting Standards. The guidance also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. We are currently evaluating the impact that our adoption of the guidance, effective January 1, 2013, will have on the information disclosed in our Consolidated Financial Statements.

Comprehensive Income

In June 2011, the FASB issued revised accounting guidance that eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. Instead, comprehensive income must be reported in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. The guidance will be effective for public companies during the interim and annual periods beginning after December 15, 2011 with early adoption permitted. This new guidance is to be applied retrospectively. We have not adopted this guidance and currently we are evaluating the impact that our adoption of this guidance will have on the presentation of our Consolidated Financial Statements.

NOTE 2. SUMMARY OF INVESTMENTS

Fair Value of Investments

A reconciliation of the amortized cost (cost for equity securities) to fair value of investments in held-to-maturity and available-for-sale fixed maturity and equity securities as of June 30, 2011 and December 31, 2010, is as follows:

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| June 30, 2011 | (Dollars in Thousands) | | | |
|---|------------------------|-------------------------------|-------------------------------|------------|
| Type of Investment | Cost or Amortized Cost | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Fair Value |
| HELD-TO-MATURITY | | | | |
| Fixed maturities | | | | |
| Bonds | | | | |
| States, municipalities and political subdivisions | | | | |
| General obligations | \$ 733 | \$ 8 | \$— | \$ 741 |
| Special revenue | | | | |
| Midwest | | | | |
| North central - East | 353 | 20 | — | 373 |
| North central - West | 268 | 19 | — | 287 |
| Northeast | 230 | 6 | — | 236 |
| South | 793 | 2 | 94 | 701 |
| West | 2,838 | 30 | — | 2,868 |
| Collateralized mortgage obligations | 64 | 3 | — | 67 |
| Mortgage-backed securities | 385 | 41 | — | 426 |
| Total Held-to-Maturity Fixed Maturities | \$ 5,664 | \$ 129 | \$ 94 | \$ 5,699 |
| AVAILABLE-FOR-SALE | | | | |
| Fixed maturities | | | | |
| Bonds | | | | |
| U.S. government and government- sponsored enterprises | | | | |
| U.S. Treasury | \$ 40,100 | \$ 1,163 | \$— | \$ 41,263 |
| Agency | 107,197 | 195 | 433 | 106,959 |
| States, municipalities and political subdivisions | | | | |
| General obligations | | | | |
| Midwest | | | | |
| North central - East | 123,304 | 8,439 | 84 | 131,659 |
| North central - West | 74,823 | 5,612 | — | 80,435 |
| Northeast | 38,952 | 2,343 | — | 41,295 |
| South | 104,747 | 8,136 | 12 | 112,871 |
| West | 67,618 | 4,241 | 20 | 71,839 |
| Special revenue | | | | |
| Midwest | | | | |
| North central - East | 69,969 | 3,526 | 44 | 73,451 |
| North central - West | 51,540 | 2,620 | 96 | 54,064 |
| Northeast | 13,907 | 470 | 2 | 14,375 |
| South | 95,604 | 4,622 | 40 | 100,186 |
| West | 55,804 | 3,090 | 3 | 58,891 |
| Foreign bonds | | | | |
| Canadian | 63,569 | 3,596 | 159 | 67,006 |
| Other foreign | 98,242 | 4,940 | 217 | 102,965 |
| Public utilities | | | | |
| Electric | 218,289 | 12,012 | 327 | 229,974 |
| Oil and gas | 27,430 | 1,584 | 106 | 28,908 |
| Other | 9,044 | 343 | — | 9,387 |
| Corporate bonds | | | | |

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| | | | | |
|-------------------------------|---------|-------|-----|---------|
| Oil and gas | 179,621 | 6,665 | 306 | 185,980 |
| Chemicals | 66,191 | 3,159 | 160 | 69,190 |
| Basic resources | 18,609 | 564 | 182 | 18,991 |
| Construction and materials | 20,409 | 737 | — | 21,146 |
| Industrial goods and services | 162,890 | 7,318 | 370 | 169,838 |

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| | | | | |
|--|-------------|-----------|---------|-------------|
| Auto and parts | 12,680 | 611 | 41 | 13,250 |
| Food and beverage | 73,454 | 2,708 | 39 | 76,123 |
| Personal and household goods | 64,197 | 3,053 | 127 | 67,123 |
| Health care | 109,703 | 6,050 | 45 | 115,708 |
| Retail | 49,796 | 2,290 | 31 | 52,055 |
| Media | 40,239 | 1,980 | 99 | 42,120 |
| Travel and leisure | 5,867 | 12 | 50 | 5,829 |
| Telecommunications | 42,250 | 1,851 | 7 | 44,094 |
| Utilities | 10,500 | 619 | — | 11,119 |
| Banks | 142,485 | 6,814 | 929 | 148,370 |
| Insurance | 28,926 | 1,031 | — | 29,957 |
| Real estate | 21,732 | 2,811 | 202 | 24,341 |
| Financial services | 109,912 | 3,766 | 756 | 112,922 |
| Technology | 29,857 | 1,174 | 196 | 30,835 |
| Collateralized mortgage obligations | | | | |
| Government | 30,339 | 2,360 | 8 | 32,691 |
| Other | 302 | 2 | — | 304 |
| Mortgage-backed securities | 39,108 | 570 | 2 | 39,676 |
| Asset-backed securities | 6,572 | 524 | 220 | 6,876 |
| Redeemable preferred stocks | 405 | 4 | — | 409 |
| Total Available-For-Sale Fixed Maturities | \$2,526,183 | \$123,605 | \$5,313 | \$2,644,475 |
| Equity securities | | | | |
| Common stocks | | | | |
| Public utilities | | | | |
| Electric | \$5,921 | \$4,945 | \$1 | \$10,865 |
| Oil and gas | 928 | 2,004 | — | 2,932 |
| Other | 76 | 4 | — | 80 |
| Corporate | | | | |
| Oil and gas | 5,094 | 7,126 | — | 12,220 |
| Chemicals | 2,734 | 3,649 | — | 6,383 |
| Industrial good and services | 9,427 | 15,158 | 55 | 24,530 |
| Auto and parts | 257 | 621 | — | 878 |
| Food and beverage | 2,124 | 3,861 | — | 5,985 |
| Personal and household goods | 6,857 | 3,729 | — | 10,586 |
| Health care | 7,612 | 7,365 | 134 | 14,843 |
| Retail | 2,609 | 491 | 63 | 3,037 |
| Media | 147 | — | 3 | 144 |
| Telecommunications | 2,399 | 3,741 | 3 | 6,137 |
| Utilities | 1,502 | 138 | — | 1,640 |
| Banks | 12,971 | 31,708 | 178 | 44,501 |
| Insurance | 3,209 | 10,025 | 8 | 13,226 |
| Real estate | 393 | 782 | 43 | 1,132 |
| Financial services | 300 | 241 | — | 541 |
| Technology | 1,664 | 1,436 | 17 | 3,083 |
| Nonredeemable preferred stocks | 3,634 | 19 | 81 | 3,572 |
| Total Available-for-Sale Equity Securities | \$69,858 | \$97,043 | \$586 | \$166,315 |
| Total Available-for-Sale Securities | \$2,596,041 | \$220,648 | \$5,899 | \$2,810,790 |

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| December 31, 2010 | (Dollars in Thousands) | | | |
|---|------------------------|-------------------------------|-------------------------------|------------|
| Type of Investment | Cost or Amortized Cost | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Fair Value |
| HELD-TO-MATURITY | | | | |
| Fixed maturities | | | | |
| Bonds | | | | |
| States, municipalities and political subdivisions | | | | |
| General obligations | 731 | 10 | — | 741 |
| Special revenue | | | | |
| Midwest | | | | |
| North central - East | 364 | 27 | — | 391 |
| North central - West | 488 | 23 | — | 511 |
| Northeast | 230 | 12 | — | 242 |
| South | 1,067 | 4 | 108 | 963 |
| West | 2,957 | 36 | — | 2,993 |
| Collateralized mortgage obligations | 83 | 4 | — | 87 |
| Mortgage-backed securities | 444 | 50 | — | 494 |
| Total Held-to-Maturity Fixed Maturities | \$6,364 | \$ 166 | \$ 108 | \$6,422 |
| AVAILABLE-FOR-SALE | | | | |
| Fixed maturities | | | | |
| Bonds | | | | |
| U.S. government and government- sponsored enterprises | | | | |
| U.S. Treasury | 38,133 | 943 | — | 39,076 |
| Agency | 104,049 | 96 | 1,014 | 103,131 |
| States, municipalities and political subdivisions | | | | |
| General obligations | | | | |
| Midwest | | | | |
| North central - East | 121,273 | 6,634 | 137 | 127,770 |
| North central - West | 76,699 | 4,491 | 58 | 81,132 |
| Northeast | 27,861 | 1,664 | — | 29,525 |
| South | 92,795 | 6,555 | 53 | 99,297 |
| West | 53,160 | 2,983 | 90 | 56,053 |
| Special revenue | | | | |
| Midwest | | | | |
| North central - East | 59,063 | 2,205 | 175 | 61,093 |
| North central - West | 38,827 | 1,744 | 266 | 40,305 |
| Northeast | 4,505 | 247 | 9 | 4,743 |
| South | 71,486 | 3,405 | 144 | 74,747 |
| West | 42,363 | 2,182 | — | 44,545 |
| Foreign bonds | | | | |
| Canadian | 69,209 | 3,908 | 194 | 72,923 |
| Other foreign | 85,434 | 4,588 | 268 | 89,754 |
| Public utilities | | | | |
| Electric | 207,047 | 12,179 | 519 | 218,707 |
| Oil and gas | 53,919 | 1,724 | 359 | 55,284 |
| Corporate bonds | | | | |
| Oil and gas | 150,692 | 6,957 | 138 | 157,511 |

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| | | | | |
|-------------------------------|---------|-------|-----|---------|
| Chemicals | 58,570 | 2,808 | 35 | 61,343 |
| Basic resources | 8,043 | 582 | — | 8,625 |
| Construction and materials | 19,385 | 873 | — | 20,258 |
| Industrial goods and services | 141,509 | 7,102 | 481 | 148,130 |
| Auto and parts | 13,453 | 1,003 | — | 14,456 |

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| | | | | |
|--|-------------|-----------|---------|-------------|
| Food and beverage | 70,613 | 3,531 | 111 | 74,033 |
| Personal and household goods | 65,525 | 2,953 | 289 | 68,189 |
| Health care | 78,595 | 4,933 | 186 | 83,342 |
| Retail | 42,150 | 2,139 | 329 | 43,960 |
| Media | 33,276 | 1,786 | — | 35,062 |
| Travel and leisure | 5,882 | 61 | 77 | 5,866 |
| Telecommunications | 33,131 | 2,094 | 51 | 35,174 |
| Utilities | 13,620 | 521 | — | 14,141 |
| Banks | 117,506 | 5,817 | 1,689 | 121,634 |
| Insurance | 25,682 | 799 | 14 | 26,467 |
| Real estate | 20,903 | 1,101 | 267 | 21,737 |
| Financial services | 94,036 | 3,770 | 983 | 96,823 |
| Technology | 15,952 | 1,070 | 334 | 16,688 |
| Collateralized mortgage obligations | 17,564 | 2,013 | — | 19,577 |
| Mortgage-backed securities | 2 | — | — | 2 |
| Asset-backed securities | 6,754 | 572 | — | 7,326 |
| Total Available-For-Sale Fixed Maturities | \$2,178,666 | \$108,033 | \$8,270 | \$2,278,429 |
| Equity securities | | | | |
| Common stocks | | | | |
| Public utilities | | | | |
| Electric | \$5,921 | \$4,164 | \$1 | \$10,084 |
| Oil and gas | 928 | 1,746 | — | 2,674 |
| Corporate | | | | |
| Oil and gas | 4,903 | 6,235 | — | 11,138 |
| Chemicals | 2,734 | 3,345 | — | 6,079 |
| Industrial goods and services | 8,112 | 15,185 | — | 23,297 |
| Auto and parts | 704 | 922 | — | 1,626 |
| Food and beverage | 682 | 3,792 | — | 4,474 |
| Personal and household goods | 4,785 | 2,985 | — | 7,770 |
| Health care | 6,366 | 6,368 | 187 | 12,547 |
| Retail | 380 | 348 | — | 728 |
| Travel and leisure | 1 | — | — | 1 |
| Telecommunications | 2,150 | 3,138 | — | 5,288 |
| Utilities | 1,102 | 47 | 2 | 1,147 |
| Banks | 9,517 | 34,636 | 100 | 44,053 |
| Insurance | 3,129 | 11,320 | 41 | 14,408 |
| Real estate | 619 | 967 | 40 | 1,546 |
| Financial services | 282 | — | 15 | 267 |
| Technology | 363 | 826 | — | 1,189 |
| Nonredeemable preferred stocks | 1,461 | 3 | 74 | 1,390 |
| Total Available-for-Sale Equity Securities | \$54,139 | \$96,027 | \$460 | \$149,706 |
| Total Available-for-Sale Securities | \$2,232,805 | \$204,060 | \$8,730 | \$2,428,135 |

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Maturities

The amortized cost and fair value of held-to-maturity, available-for-sale and trading securities at June 30, 2011, by contractual maturity, are shown in the following table. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Asset-backed securities, mortgage-backed securities and collateralized mortgage obligations may be subject to prepayment risk and are therefore not categorized by contractual maturity.

| (In Thousands) | Held-To-Maturity | | Available-For-Sale | | Trading | |
|---------------------------------------|------------------|------------|--------------------|-------------|----------------|------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| June 30, 2011 | | | | | | |
| Due in one year or less | \$245 | \$251 | \$261,784 | \$268,500 | \$2,712 | \$2,798 |
| Due after one year through five years | 4,967 | 4,952 | 1,173,647 | 1,240,235 | 4,645 | 4,681 |
| Due after five years through 10 years | 3 | 3 | 950,562 | 990,505 | 496 | 495 |
| Due after 10 years | — | — | 63,869 | 65,688 | 6,910 | 7,084 |
| Asset-backed securities | — | — | 6,572 | 6,876 | — | — |
| Mortgage-backed securities | 385 | 426 | 39,108 | 39,676 | — | — |
| Collateralized mortgage obligations | 64 | 67 | 30,641 | 32,995 | — | — |
| | \$5,664 | \$5,699 | \$2,526,183 | \$2,644,475 | \$14,763 | \$15,058 |

Net Realized Investment Gains and Losses

Net realized gains (losses) on disposition of investments are computed using the specific identification method and are included in the computation of net income. A summary of net realized investment gains resulting from investment sales, calls and other-than-temporary impairment (“OTTI”) charges is as follows:

| (In Thousands) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|---------|---------------------------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| Net realized investment gains (losses) | | | | |
| Fixed maturities | \$1,048 | \$373 | \$2,434 | \$862 |
| Equity securities | 218 | 2,565 | 1,334 | 4,909 |
| Trading securities | (38) | (592) | 278 | (684) |
| Other long-term investments | (104) | — | (269) | (15) |
| Total net realized investment gains | \$1,124 | \$2,346 | \$3,777 | \$5,072 |

The proceeds and gross realized gains and losses on the sale of available-for-sale securities are as follows:

| (In Thousands) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------|-----------------------------|---------|---------------------------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| Proceeds from sales | \$16,520 | \$2,800 | \$21,367 | \$3,402 |
| Gross realized gains | 261 | 1,513 | 351 | 1,915 |
| Gross realized losses | 172 | — | 688 | — |

There were no sales of held-to-maturity securities during the six-month periods ended June 30, 2011 and 2010.

Our investment portfolio includes trading securities with embedded derivatives. These securities, which are primarily convertible redeemable preferred debt securities, are recorded at fair value. Income or loss, including the change in the fair value of these trading securities, is recognized currently in earnings as a component of net realized investment gains and losses. Our portfolio of trading securities had a fair value of \$15.1 million and \$12.9 million at June 30, 2011 and December 31, 2010, respectively.

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The realized gains and losses attributable to the change in fair value during the reporting period of trading securities held at June 30, 2011 and 2010 are as follows:

| (In Thousands) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------|-----------------------------|------|---------------------------|------|
| | 2011 | 2010 | 2011 | 2010 |
| Trading | | | | |
| Realized gains | \$ (164) | \$ — | \$ 31 | \$ — |
| Realized losses | 273 | 609 | 300 | 896 |

Off-Balance Sheet Arrangements

Pursuant to an agreement with one of our limited liability partnership holdings, we are contractually committed to make capital contributions up to \$15.0 million, upon request by the partnership, through December 31, 2017. Our remaining potential contractual obligation was \$10.1 million at June 30, 2011.

Unrealized Appreciation and Depreciation

A summary of changes in net unrealized investment appreciation during the reporting period is as follows:

| (In Thousands) | Six Months Ended June 30, | |
|---|---------------------------|-----------|
| | 2011 | 2010 |
| Change in net unrealized investment appreciation | | |
| Available-for-sale fixed maturities and equity securities | \$ 19,419 | \$ 24,526 |
| Deferred policy acquisition costs | (257) | (11,576) |
| Income tax effect | (6,707) | (4,533) |
| Total change in net unrealized appreciation, net of tax | \$ 12,455 | \$ 8,417 |

In the above table, changes in deferred policy acquisition costs for our life insurance segment are affected by fluctuations that may occur in the interest rate environment from time to time.

We continually monitor the difference between our cost basis and the estimated fair value of our investments. Our accounting policy for impairment recognition requires OTTI charges to be recorded when we determine that it is more likely than not that we will be unable to collect all amounts due according to the contractual terms of the fixed maturity security or that the anticipated recovery in fair value of the equity security will not occur in a reasonable amount of time. Impairment charges on investments are recorded based on the fair value of the investments at the measurement date. Factors considered in evaluating whether a decline in value is other-than-temporary include: the length of time and the extent to which fair value has been less than cost; the financial condition and near-term prospects of the issuer; our intention to hold the investment; and the likelihood that we will be required to sell the investment.

The tables on the following pages summarize our fixed maturity and equity securities that were in an unrealized loss position at June 30, 2011 and December 31, 2010. The securities are presented by the length of time they have been continuously in an unrealized loss position. It is possible that we could recognize OTTI charges in future periods on securities held at June 30, 2011, if future events or information cause us to determine that a decline in fair value is other-than-temporary.

We believe the unrealized depreciation in value of securities in our fixed maturity portfolio is primarily attributable to changes in market interest rates and not the credit quality of the issuer. We have no intent to sell and it is more likely than not that we will not be required to sell these securities until such time as the fair value recovers to at least equal our cost basis or the securities mature.

We have evaluated the unrealized losses reported for all of our equity securities at June 30, 2011, and have concluded that the duration and severity of these losses do not warrant the recognition of an OTTI charge at June 30, 2011. Our largest unrealized loss greater than 12 months on an individual equity security at June 30, 2011 was \$0.1 million. We have no intention to sell any of these securities prior to a recovery in value, but will continue to monitor the fair value reported for these securities as part of our overall process to evaluate investments for OTTI recognition.

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(In Thousands)

| June 30, 2011 | Less than 12 months | | | 12 months or longer | | | Total | |
|--|---------------------|------------|-------------------------------|---------------------|------------|-------------------------------|------------|-------------------------------|
| Type of Investment | Number of Issues | Fair Value | Gross Unrealized Depreciation | Number of Issues | Fair Value | Gross Unrealized Depreciation | Fair Value | Gross Unrealized Depreciation |
| HELD-TO-MATURITY | | | | | | | | |
| Fixed maturities | | | | | | | | |
| Bonds | | | | | | | | |
| States, municipalities and political subdivisions | | | | | | | | |
| Special revenue | | | | | | | | |
| South | — | \$— | \$— | 1 | \$601 | \$ 94 | \$601 | \$ 94 |
| Total Held-to-Maturity Fixed Maturities | — | \$— | \$— | 1 | \$601 | \$ 94 | \$601 | \$ 94 |
| AVAILABLE-FOR-SALE | | | | | | | | |
| Fixed maturities | | | | | | | | |
| Bonds | | | | | | | | |
| U.S. government and government-sponsored enterprises | | | | | | | | |
| Agency | 13 | 52,606 | 433 | — | — | — | 52,606 | 433 |
| States, municipalities and political subdivisions | | | | | | | | |
| General obligations | | | | | | | | |
| Midwest | 5 | 2,688 | 84 | — | — | — | 2,688 | 84 |
| South | 3 | 1,992 | 12 | — | — | — | 1,992 | 12 |
| West | 1 | 771 | 20 | — | — | — | 771 | 20 |
| Special revenue | | | | | | | | |
| Midwest | | | | | | | | |
| North central - East | — | — | — | 1 | 866 | 44 | 866 | 44 |
| North central - West | 3 | 1,637 | 29 | 2 | 2,647 | 67 | 4,284 | 96 |
| Northeast | — | — | — | 1 | 618 | 2 | 618 | 2 |
| South | 6 | 4,461 | 40 | — | — | — | 4,461 | 40 |
| West | 1 | 245 | 3 | — | — | — | 245 | 3 |
| Foreign bonds | | | | | | | | |
| Canadian | 2 | 7,403 | 159 | — | — | — | 7,403 | 159 |
| Other foreign | 5 | 14,658 | 190 | 1 | 1,115 | 27 | 15,773 | 217 |
| Public utilities | | | | | | | | |
| Electric | 5 | 18,982 | 216 | 1 | 1,171 | 111 | 20,153 | 327 |
| Oil and gas | 2 | 4,558 | 106 | — | — | — | 4,558 | 106 |
| Corporate bonds | | | | | | | | |
| Oil and gas | 6 | 22,175 | 306 | — | — | — | 22,175 | 306 |
| Chemicals | 2 | 8,374 | 160 | — | — | — | 8,374 | 160 |
| Basic resources | 2 | 7,992 | 182 | — | — | — | 7,992 | 182 |
| Industrial goods and services | 10 | 22,094 | 268 | 1 | 2,897 | 102 | 24,991 | 370 |
| Auto and parts | 2 | 3,117 | 41 | — | — | — | 3,117 | 41 |
| Food and beverage | 1 | 3,060 | 19 | 1 | 1,449 | 20 | 4,509 | 39 |
| Personal and household goods | 2 | 6,201 | 127 | — | — | — | 6,201 | 127 |

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| | | | | | | | | |
|--------------------|---|-------|-----|----|--------|-----|--------|-----|
| Health care | 1 | 3,005 | 45 | — | — | — | 3,005 | 45 |
| Retail | 1 | 3,431 | 31 | — | — | — | 3,431 | 31 |
| Media | 3 | 7,008 | 99 | — | — | — | 7,008 | 99 |
| Travel and leisure | 4 | 5,016 | 50 | — | — | — | 5,016 | 50 |
| Telecommunications | 1 | 1,975 | 7 | — | — | — | 1,975 | 7 |
| Banks | 4 | 2,845 | 1 | 8 | 17,488 | 928 | 20,333 | 929 |
| Real estate | 1 | 2,297 | 28 | 1 | 4,469 | 174 | 6,766 | 202 |
| Financial services | 2 | 8,378 | 109 | 15 | 5,297 | 647 | 13,675 | 756 |

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|--|-----|-----------|---------|----|----------|---------|-----------|---------|
| Technology | 4 | 9,390 | 196 | — | — | — | 9,390 | 196 |
| Collateralized mortgage obligations | 8 | 1,476 | 8 | — | — | — | 1,476 | 8 |
| Mortgage backed securities | — | — | — | 3 | 745 | 2 | 745 | 2 |
| Asset backed securities | 2 | 466 | 220 | — | — | — | 466 | 220 |
| Total Available-For-Sale Fixed Maturities | 102 | \$228,301 | \$3,189 | 35 | \$38,762 | \$2,124 | \$267,063 | \$5,313 |
| Equity securities | | | | | | | | |
| Common stocks | | | | | | | | |
| Public utilities | — | \$— | \$— | 4 | \$— | \$1 | \$— | \$1 |
| Corporate | | | | | | | | |
| Industrial goods and services | 12 | 1,564 | 55 | — | — | — | 1,564 | 55 |
| Health care | 4 | 439 | 25 | 1 | 385 | 109 | 824 | 134 |
| Retail | 6 | 689 | 63 | — | — | — | 689 | 63 |
| Media | 1 | 144 | 3 | — | — | — | 144 | 3 |
| Telecommunications | 1 | 16 | 3 | — | — | — | 16 | 3 |
| Banks | 2 | 360 | 65 | 1 | 441 | 113 | 801 | 178 |
| Insurance | 1 | 79 | 2 | 1 | 50 | 6 | 129 | 8 |
| Real estate | 1 | 78 | 11 | 2 | 156 | 32 | 234 | 43 |
| Technology | 3 | 575 | 17 | — | — | — | 575 | 17 |
| Nonredeemable preferred stocks | — | — | — | 2 | 1,151 | 81 | 1,151 | 81 |
| Total Available-for-Sale Equity Securities | 31 | \$3,944 | \$244 | 11 | \$2,183 | \$342 | \$6,127 | \$586 |
| Total Available-for-Sale Securities | 133 | \$232,245 | \$3,433 | 46 | \$40,945 | \$2,466 | \$273,190 | \$5,899 |
| Total | 133 | \$232,245 | \$3,433 | 47 | \$41,546 | \$2,560 | \$273,791 | \$5,993 |

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(In Thousands)

| December 31, 2010 | Less than 12 months | | | 12 months or longer | | | Total | |
|--|---------------------|------------|-------------------------------|---------------------|------------|-------------------------------|------------|-------------------------------|
| Type of Investment | Number of Issues | Fair Value | Gross Unrealized Depreciation | Number of Issues | Fair Value | Gross Unrealized Depreciation | Fair Value | Gross Unrealized Depreciation |
| HELD-TO-MATURITY | | | | | | | | |
| Fixed maturities | | | | | | | | |
| Bonds | | | | | | | | |
| States, municipalities and political subdivisions | | | | | | | | |
| Special revenue | — | \$— | \$ — | 2 | \$590 | \$ 108 | \$590 | \$ 108 |
| Total Held-to-Maturity Fixed Maturities | — | \$— | \$ — | 2 | \$590 | \$ 108 | \$590 | \$ 108 |
| AVAILABLE-FOR-SALE | | | | | | | | |
| Fixed maturities | | | | | | | | |
| Bonds | | | | | | | | |
| U.S. government and government-sponsored enterprises | | | | | | | | |
| Agency | 12 | \$41,374 | \$ 626 | 7 | \$30,661 | \$ 388 | \$72,035 | \$ 1,014 |
| States, municipalities and political subdivisions | | | | | | | | |
| General obligations | | | | | | | | |
| Midwest | | | | | | | | |
| North central - East | 3 | 2,346 | 105 | 1 | 497 | 32 | 2,843 | 137 |
| North central - West | 1 | 860 | 58 | — | — | — | 860 | 58 |
| South | 2 | 947 | 53 | — | — | — | 947 | 53 |
| West | 3 | 2,723 | 90 | — | — | — | 2,723 | 90 |
| Special revenue | | | | | | | | |
| Midwest | | | | | | | | |
| North central - East | 7 | 8,275 | 96 | 2 | 2,554 | 79 | 10,829 | 175 |
| North central - West | 2 | 3,092 | 102 | 2 | 2,555 | 164 | 5,647 | 266 |
| Northeast | — | — | — | 1 | 771 | 9 | 771 | 9 |
| South | 3 | 3,964 | 144 | — | — | — | 3,964 | 144 |
| Foreign bonds | | | | | | | | |
| Canadian | 1 | 5,687 | 194 | — | — | — | 5,687 | 194 |
| Other foreign | 2 | 6,634 | 235 | 2 | 2,873 | 33 | 9,507 | 268 |
| Public utilities | | | | | | | | |
| Electric | 3 | 4,490 | 100 | 3 | 10,003 | 419 | 14,493 | 519 |
| Oil and gas | — | — | — | 3 | 5,840 | 359 | 5,840 | 359 |
| Corporate bonds | | | | | | | | |
| Oil and gas | — | — | — | 2 | 5,748 | 138 | 5,748 | 138 |
| Chemicals | 3 | 3,366 | 19 | 1 | 4,939 | 16 | 8,305 | 35 |
| Industrial goods and services | 5 | 13,642 | 170 | 3 | 9,748 | 311 | 23,390 | 481 |
| Food and beverage | 1 | 2,006 | 12 | 2 | 4,491 | 99 | 6,497 | 111 |
| Personal and household goods | 3 | 9,233 | 241 | 2 | 3,039 | 48 | 12,272 | 289 |
| Health care | 4 | 14,416 | 186 | — | — | — | 14,416 | 186 |
| Retail | 4 | 9,370 | 322 | 1 | 2,308 | 7 | 11,678 | 329 |

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| | | | | | | | | |
|--------------------|---|--------|-----|----|--------|-------|--------|-------|
| Travel and leisure | 1 | 2,013 | 69 | 2 | 792 | 8 | 2,805 | 77 |
| Telecommunications | 2 | 2,696 | 51 | — | — | — | 2,696 | 51 |
| Banks | 1 | 2,920 | 18 | 15 | 28,887 | 1,671 | 31,807 | 1,689 |
| Insurance | 1 | 2,169 | 14 | — | — | — | 2,169 | 14 |
| Real estate | 1 | 4,539 | 177 | 1 | 2,256 | 90 | 6,795 | 267 |
| Financial services | 3 | 11,660 | 236 | 15 | 5,270 | 747 | 16,930 | 983 |
| Other | — | — | — | 3 | 8,628 | 334 | 8,628 | 334 |

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| | | | | | | | | |
|---|----|-----------|---------|----|-----------|---------|-----------|---------|
| Total Available-For-Sale Fixed Maturities Equity securities | 68 | \$158,422 | \$3,318 | 68 | \$131,860 | \$4,952 | \$290,282 | \$8,270 |
| Common stocks | | | | | | | | |
| Public utilities | — | \$— | \$— | 4 | \$— | \$1 | \$— | \$1 |
| Corporate | | | | | | | | |
| Health care | 2 | 1,437 | 63 | 1 | 371 | 124 | 1,808 | 187 |
| Utilities | 3 | 306 | 2 | — | — | — | 306 | 2 |
| Banks | 2 | 594 | 32 | 1 | 488 | 68 | 1,082 | 100 |
| Insurance | 1 | 260 | 28 | 1 | 43 | 13 | 303 | 41 |
| Real estate | 1 | 79 | 10 | 2 | 158 | 30 | 237 | 40 |
| Financial services | 1 | 267 | 15 | — | — | — | 267 | 15 |
| Nonredeemable preferred stocks | — | — | — | 2 | 1,158 | 74 | 1,158 | 74 |
| Total Available-for-Sale Equity Securities | 11 | \$2,963 | \$150 | 11 | \$2,218 | \$310 | \$5,181 | \$460 |
| Total Available-for-Sale Securities | 79 | \$161,385 | \$3,468 | 79 | \$134,078 | | | |