



QUARTERLY STATEMENT

As of September 30, 2002
of the Condition and Affairs of the

PROGRESSIVE MAX INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 24279	Employer's ID Number..... 34-0472535
Organized under the Laws of OHIO	Country of Domicile US	State of Domicile or Port of Entry OHIO
Incorporated..... March 12, 1937	Commenced Business..... May 10, 1937	
Statutory Home Office	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 440-461-5000 (Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)	
Mail Address	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 440-461-5000 (Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)	
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN (Name) Financial_Reporting@Progressive.com (E-Mail Address)	440-395-4460 (Area Code) (Telephone Number) (Extension) 440-446-7168 (Fax Number)
Policyowner Relations Contact	6300 WILSON MILLS ROAD, E61 MAYFIELD VILLAGE OH 44143-2182 (Street and Number) (City or Town, State and Zip Code)	(Area Code) (Telephone Number) (Extension)

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

President GLENN MORRIS RENWICK	Treasurer STEPHEN DAVID PETERSON	Secretary DANE ALLEN SHRALLOW
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VICE PRESIDENTS

JEFFREY WAYNE BASCH (VICE PRESIDENT)	KATHLEEN MARY CERNY (ASST. SECRETARY)
WILLIAM THOMAS FORRESTER, II (VICE PRESIDENT)	CHARLES ELWOOD JARRETT (VICE PRESIDENT)
TIMOTHY FRANCIS KASELONIS (ASST.VICE PRESIDENT)	THOMAS ALFRED KING (VICE PRESIDENT)
JAMES LEE KUSMER (VP/ASST. TREASURER)	DANE ALLEN SHRALLOW (VICE PRESIDENT)

DIRECTORS OR TRUSTEES

WILLIAM THOMAS FORRESTER, II	CHARLES ELWOOD JARRETT	THOMAS ALFRED KING	GLENN MORRIS RENWICK
ROBERT THOMAS WILLIAMS, JR.			

State ofOhio
County of....Cuyahoga

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
GLENN MORRIS RENWICK	KATHLEEN MARY CERNY	JAMES LEE KUSMER
(Printed Name)	(Printed Name)	(Printed Name)
President	Assistant Secretary	VP/Assistant Treasurer

Subscribed and sworn to before me this
.....day of November, 2002

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	16,661,157		16,661,157	26,208,161
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....8,100,000) and short-term investments (\$.....0).....	8,100,000		8,100,000	6,650,000
6. Other invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	24,761,157	0	24,761,157	32,858,161
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	3,769,751	1,424,834	2,344,917	2,073,505
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	60,429,933		60,429,933	58,053,444
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....	128,861		128,861	39,076
12. Bills receivable, taken for premiums.....			0	
13. Amounts receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments.....	46,886,009		46,886,009	47,999,373
15. Federal and foreign income tax recoverable and interest thereon (including \$.....1,964,752 net deferred tax asset).....	2,054,248	89,496	1,964,752	2,009,793
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....			0	
18. Interest, dividends and real estate income due and accrued.....	135,983		135,983	376,315
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....			0	
21. Amounts due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....			0	
23. Amounts receivable relating to uninsured accident and health plans.....			0	
24. Other assets nonadmitted.....			0	
25. Aggregate write-ins for other than invested assets.....	211,652	211,652	0	304
26. Total assets excluding protected cell assets (Lines 9 through 25).....	138,377,594	1,725,982	136,651,612	143,409,971
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	138,377,594	1,725,982	136,651,612	143,409,971

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2501. PREPAID EXPENSES.....	207,256	207,256	0	
2502. MISCELLANEOUS OTHER ASSETS.....	4,396	4,396	0	304
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	211,652	211,652	0	304

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....4,294,300).....	11,984,436	12,416,599
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	1,842,934	1,778,152
4. Commissions payable, contingent commissions and other similar charges.....	247,226	378,074
5. Other expenses (excluding taxes, licenses and fees).....	103,281	249,113
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	5,092,962	5,355,297
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....88,717,438 and including warranty reserves of \$.....0).....	9,857,374	9,024,473
10. Advance premium.....	2,209,328	1,695,687
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	49,656,967	42,319,401
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	13,740,333	14,223,408
19. Payable to parent, subsidiaries and affiliates.....	4,219,523	5,592,553
20. Payable for securities.....		
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$..... and interest thereon \$.....		
23. Aggregate write-ins for liabilities.....	200,844	15,078,680
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	99,155,207	108,111,437
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	99,155,207	108,111,437
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	3,604,824	3,604,824
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	35,166,521	35,166,521
33. Unassigned funds (surplus).....	(1,274,940)	(3,472,811)
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	37,496,405	35,298,534
36. TOTALS.....	136,651,612	143,409,971

DETAILS OF WRITE-INS

2301. ESCHETABLE PROPERTY.....	131,796	32,935
2302. OTHER LIABILITIES.....	59,200	43,149
2303. STATE PLAN LIABILITY.....	9,848	2,596
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	15,000,000
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	200,844	15,078,680
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....223,935,835).....	215,614,615	209,441,140	280,597,789
1.2 Assumed..... (written \$.....0).....			(5,526)
1.3 Ceded..... (written \$.....201,545,606).....	194,057,287	188,501,092	252,542,842
1.4 Net..... (written \$.....22,390,229).....	21,557,328	20,940,048	28,049,421
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....12,581,400):			
2.1 Direct.....	124,039,511	129,865,587	180,121,012
2.2 Assumed.....	123,479	397,573	385,344
2.3 Ceded.....	111,636,467	116,880,382	162,110,749
2.4 Net.....	12,526,523	13,382,778	18,395,607
3. Loss expenses incurred.....	2,675,096	2,673,623	3,645,452
4. Other underwriting expenses incurred.....	5,023,164	4,956,057	6,579,214
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	20,224,783	21,012,458	28,620,273
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	1,332,545	(72,410)	(570,852)
INVESTMENT INCOME			
9. Net investment income earned.....	742,036	889,817	1,363,685
10. Net realized capital gains (losses).....	255,573	165,235	131,728
11. Net investment gain (loss) (Lines 9 + 10).....	997,609	1,055,052	1,495,413
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....20,003 amount charged off \$.....265,033).....	(245,030)	(259,677)	(347,593)
13. Finance and service charges not included in premiums.....	5,590,878	6,680,180	8,645,791
14. Aggregate write-ins for miscellaneous income.....	(5,127,826)	(6,302,644)	(8,154,339)
15. Total other income (Lines 12 through 14).....	218,022	117,859	143,859
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	2,548,176	1,100,501	1,068,420
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	2,548,176	1,100,501	1,068,420
19. Federal and foreign income taxes incurred.....	558,359	(49,418)	113,918
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,989,817	1,149,919	954,502
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year.....	35,298,534	32,462,714	32,462,714
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	1,989,817	1,149,919	954,502
23. Net unrealized capital gains or losses.....			
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	(329)	(92,451)	(356,419)
26. Change in nonadmitted assets.....	208,383	(7,645)	(48,009)
27. Change in provision for reinsurance.....			
28. Change in surplus notes.....			
29. Surplus (contributed to) withdrawn from protected cells.....			
30. Cumulative effect of changes in accounting principles.....		2,285,746	2,285,746
31. Capital changes:			
31.1 Paid in.....			
31.2 Transferred from surplus (Stock Dividend).....			
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....			
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	2,197,871	3,335,569	2,835,820
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	37,496,405	35,798,283	35,298,534
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. LOSS ON RECEIVABLE FACTORING.....	(13,725)	(43,755)	(84,491)
1402. INTEREST EXPENSE ON INTERCOMPANY BALANCES.....	(82,310)	(246,727)	(288,636)
1403. FINANCE & SERVICE CHARGE REVENUE CEDED.....	(5,031,791)	(6,012,162)	(7,781,212)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(5,127,826)	(6,302,644)	(8,154,339)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	27,264,094	61,614,856
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	14,938,711	51,479,560
3. Underwriting expenses paid.....	5,562,179	5,160,650
4. Other underwriting income (expenses).....	.....	.....
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	6,763,204	4,974,646
6. Net investment income.....	1,177,816	1,442,524
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(248,167)	(351,606)
7.2 Net funds held under reinsurance treaties.....	(89,785)	19,569
7.3 Net amount withheld or retained for account of others.....	.....	.....
7.4 Aggregate write-ins for miscellaneous items.....	463,053	491,452
7.5 Total other income (Lines 7.1 to 7.4).....	125,101	159,415
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....	.....	.....
9. Federal and foreign income taxes (paid) recovered.....	(558,359)	(113,918)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	7,507,762	6,462,667
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	12,780,911	13,755,332
11.2 Stocks.....	.....	.....
11.3 Mortgage loans.....	.....	.....
11.4 Real estate.....	.....	.....
11.5 Other invested assets.....	.....	.....
11.6 Net gains or (losses) on cash and short-term investments.....	.....	.....
11.7 Miscellaneous proceeds.....	.....	.....
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	12,780,911	13,755,332
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	3,173,782	14,756,646
12.2 Stocks.....	.....	.....
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Miscellaneous applications.....	.....	.....
12.7 Total investments acquired (Lines 12.1 to 12.6).....	3,173,782	14,756,646
13. Net cash from investments (Line 11.8 minus Line 12.7).....	9,607,129	(1,001,314)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....	.....	.....
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....	.....	.....
14.3 Net transfers from affiliates.....	.....	.....2,267,543
14.4 Borrowed funds received.....	.....	.....
14.5 Other cash provided.....	654,123	.....
14.6 Total (Lines 14.1 to 14.5).....	654,123	2,267,543
15. Cash applied:		
15.1 Dividends to stockholders paid.....	.....	.....
15.2 Net transfers to affiliates.....	1,441,177	.....
15.3 Borrowed funds repaid.....	.....	.....
15.4 Other applications.....	14,877,836	1,078,896
15.5 Total (Lines 15.1 to 15.4).....	16,319,013	1,078,896
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(15,664,890)	1,188,647
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16).....	1,450,000	6,650,000
18. Cash and short-term investments:		
18.1 Beginning of year.....	6,650,000	.....
18.2 End of period (Line 17 plus Line 18.1).....	8,100,000	6,650,000

DETAILS OF WRITE-INS		
07.401 NET FINANCE & SERVICE CHARGE REVENUE.....	559,088	864,579
07.402 LOSS ON RECEIVABLE FACTORING.....	(13,725)	(84,491)
07.403 INTEREST EXPENSE ON INTERCOMPANY BALANCES.....	(82,310)	(288,636)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	463,053	491,452

9. Income Taxes

A. Current Tax

The significant components of the provision for Federal income tax are as follows:

Description	2002	2001
Current income tax expense	\$ 805,218	\$ 182,196
Prior year underaccrual (overaccrual)	(246,859)	(68,278)
Current income taxes incurred	\$ 558,359	\$ 113,918

B. Operating Loss and Tax Credit Carryforwards

- 1) Progressive Max Insurance Company (the “Company”) has no operating loss or tax credit carryforwards available.
- 2) The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately \$805,218 for the current tax year and \$20,943 for the first preceding year. The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

C. Consolidated Federal Income Tax Return

- 1) The Company's Federal income tax return is consolidated with The Progressive Corporation (“TPC”), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries as detailed in Schedule Y, Part 1.
- 2) The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfer and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]

1.2 If yes, explain:.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1997.....

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1997.....

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).09/14/1999.....

7.4 By what department or departments?..... OHIO

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)
INVESTMENT

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

9.2 If yes, explain:.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.

12. Amount of real estate and mortgages held in short-term investments: \$.

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

13.2 If yes, please complete the following:

1	2
Prior Year-End Statement Value	Current Quarter Statement Value
13.21 Bonds.....	\$.....0
13.22 Preferred Stock.....	\$.....0
13.23 Common Stock.....	\$.....0
13.24 Short-Term Investments.....	\$.....0
13.25 Mortgages, Loans or Real Estate.....	\$.....0
13.26 All Other.....	\$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above.....	\$.....0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No []

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
THE BANK OF NEW YORK	ONE WALL STREET, 14TH FLOOR NEW YORK, NY 10286

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

15.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address

PROGRESSIVE MAX INSURANCE COMPANY
GENERAL INTERROGATORIES (continued)
PART 2
PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

Yes [] No [] N/A [X]

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation.

Yes [] No [X]

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?
3.2 If yes, give full and complete information thereto:

Yes [] No [X]

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?
4.2 If yes, complete the following schedule:

Yes [] No [X]

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	XXX.....	XXX.....	0	0	0	0	0	0	0	0

Statement as of September 30, 2002 of the

PROGRESSIVE MAX INSURANCE COMPANY

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period.....	0	0	0	
2. Increase (decrease) by adjustment.....				
3. Cost of acquired.....				
4. Cost of additions to and permanent improvements.....				
5. Total profit (loss) on sales.....				
6. Increase (decrease) by foreign exchange adjustment.....				
7. Amount received on sales.....				
8. Book/adjusted carrying value at end of current period.....	0	0	0	0
9. Total valuation allowance.....				
10. Subtotal (Lines 8 plus 9).....	0	0	0	0
11. Total nonadmitted amounts.....				
12. Statement value, current period (Page 2, real estate lines, current period).....	0	0	0	0

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period.....	0	0	0	
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions.....				
2.2 Additional investment made after acquisitions.....				
3. Accrual of discount and mortgage interest points and commitment fees.....				
4. Increase (decrease) by adjustment.....				
5. Total profit (loss) on sale.....				
6. Amounts paid on account or in full during the period.....				
7. Amortization of premium.....				
8. Increase (decrease) by foreign exchange adjustment.....				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0	0	0
10. Total valuation allowance.....				
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....				
13. Statement value of mortgages owned at end of current period.....	0	0	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period.....	0	0	0	
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions.....				
2.2 Additional investment made after acquisitions.....				
3. Accrual of discount.....				
4. Increase (decrease) by adjustment.....				
5. Total profit (loss) on sale.....				
6. Amounts paid on account or in full during the period.....				
7. Amortization of premium.....				
8. Increase (decrease) by foreign exchange adjustment.....				
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	0	0	0	0
10. Total valuation allowance.....				
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....				
13. Statement value of long-term invested assets at end of current period.....	0	0	0	0

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1.....	23,627,463	.....	.....6,913,272	(53,034)	26,028,131	23,627,463	16,661,157	26,208,162
2. Class 2.....	.....	.....	.....	.....	.....	.....	.....	.....
3. Class 3.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Class 4.....	.....	.....	.....	.....	.....	.....	.....	.....
5. Class 5.....	.....	.....	.....	.....	.....	.....	.....	.....
6. Class 6.....	.....	.....	.....	.....	.....	.....	.....	.....
7. Total Bonds.....	23,627,463	0	6,913,272	(53,034)	26,028,131	23,627,463	16,661,157	26,208,162
PREFERRED STOCK								
8. Class 1.....	.....	.....	.....	.....	.....	.....	.....	.....
9. Class 2.....	.....	.....	.....	.....	.....	.....	.....	.....
10. Class 3.....	.....	.....	.....	.....	.....	.....	.....	.....
11. Class 4.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Class 5.....	.....	.....	.....	.....	.....	.....	.....	.....
13. Class 6.....	.....	.....	.....	.....	.....	.....	.....	.....
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	23,627,463	0	6,913,272	(53,034)	26,028,131	23,627,463	16,661,157	26,208,162

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....		XXX			

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period.....	0	0	0	
2. Cost of short-term investments acquired.....				28,320
3. Increase (decrease) by adjustment.....				
4. Increase (decrease) by foreign exchange adjustment.....				
5. Total profit (loss) on disposal of short-term investments.....				
6. Consideration received on disposal of short-term investments.....				28,320
7. Book/adjusted carrying value, current period.....	0	0	0	0
8. Total valuation allowance.....				
9. Subtotal (Lines 7 plus 8).....	0	0	0	0
10. Total nonadmitted amounts.....				
11. Statement value (Lines 9 minus 10).....	0	0	0	0
12. Income collected during period.....	566	29		98
13. Income earned during period.....	566	29		98

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.		1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1.	Alabama.....AL	YES.....						
2.	Alaska.....AK	NO.....						
3.	Arizona.....AZ	NO.....						
4.	Arkansas.....AR	YES.....						
5.	California.....CA	NO.....						
6.	Colorado.....CO	YES.....						
7.	Connecticut.....CT	YES.....						
8.	Delaware.....DE	YES.....						
9.	District of Columbia.....DC	YES.....						
10.	Florida.....FL	NO.....						
11.	Georgia.....GA	YES.....	68,939,740	47,384,607	33,949,786	24,891,917	14,460,446	13,200,762
12.	Hawaii.....HI	YES.....						
13.	Idaho.....ID	NO.....						
14.	Illinois.....IL	YES.....						
15.	Indiana.....IN	YES.....						
16.	Iowa.....IA	YES.....						
17.	Kansas.....KS	YES.....						
18.	Kentucky.....KY	YES.....	29,224,236	25,674,350	18,425,017	14,555,710	13,129,916	11,872,344
19.	Louisiana.....LA	NO.....						
20.	Maine.....ME	NO.....						
21.	Maryland.....MD	YES.....						
22.	Massachusetts.....MA	NO.....						
23.	Michigan.....MI	NO.....						
24.	Minnesota.....MN	NO.....						
25.	Mississippi.....MS	YES.....	6,478,362		1,393,838		562,804	
26.	Missouri.....MO	YES.....						
27.	Montana.....MT	YES.....						
28.	Nebraska.....NE	YES.....						
29.	Nevada.....NV	YES.....						
30.	New Hampshire.....NH	NO.....						
31.	New Jersey.....NJ	YES.....						
32.	New Mexico.....NM	YES.....						
33.	New York.....NY	YES.....						
34.	North Carolina.....NC	NO.....						
35.	North Dakota.....ND	YES.....						
36.	Ohio.....OH	YES.....	100,066,182	131,524,633	68,185,549	83,982,623	62,788,214	64,860,127
37.	Oklahoma.....OK	NO.....						
38.	Oregon.....OR	YES.....						
39.	Pennsylvania.....PA	YES.....	257					
40.	Rhode Island.....RI	YES.....	90,126				609	
41.	South Carolina.....SC	YES.....	4,086,139		830,301		791,708	
42.	South Dakota.....SD	YES.....						
43.	Tennessee.....TN	NO.....						
44.	Texas.....TX	NO.....						
45.	Utah.....UT	YES.....						
46.	Vermont.....VT	YES.....						
47.	Virginia.....VA	YES.....	9,783,363	2,687,158	3,736,753	444,793	1,731,594	463,621
48.	Washington.....WA	YES.....	5,267,430		132,701		318,606	
49.	West Virginia.....WV	YES.....						
50.	Wisconsin.....WI	YES.....						
51.	Wyoming.....WY	YES.....						
52.	American Samoa.....AS	NO.....						
53.	Guam.....GU	NO.....						
54.	Puerto Rico.....PR	NO.....						
55.	US Virgin Islands.....VI	NO.....						
56.	Canada.....CN	NO.....						
57.	Aggregate Other Alien.....OT	XXX.....	0	0	0	0	0	0
58.	Totals.....	(a).....36	223,935,835	207,270,748	126,653,945	123,875,043	93,783,897	90,396,854

DETAILS OF WRITE-INS							
5701.	.....	XXX.....					
5702.	.....	XXX.....					
5703.	.....	XXX.....					
5798.	Summary of remaining write-ins for Line 57 from overflow page...	XXX.....	0	0	0	0	0
5799.	Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above).....	XXX.....	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

PROGRESSIVE MAX INSURANCE COMPANY
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

17

PETER B. LEWIS - 11.3%
THE PROGRESSIVE CORPORATION
(OH) 34-0963169

OWNERSHIP	COMPANY	STATE OF INCORPORATION	FEDERAL IDENTIFICATION NO.	NAIC GROUP AND COMPANY CODES
1	MOUNTAIN LAUREL ASSURANCE COMPANY	PA	23-2599971	155-44180
1	NATIONAL CONTINENTAL INSURANCE COMPANY	NY	06-0281045	155-10243
1	PROGRESSIVE AMERICAN INSURANCE COMPANY	FL	34-1094197	155-24252
1	BAYSIDE UNDERWRITERS INSURANCE AGENCY, INC.	FL	59-2179894	
1	PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY	OH	34-1022982	155-71161
1	PROGRESSIVE LIFE INSURANCE, LTD.	CAICOS		
1	PROGRESSIVE AUTO PRO INSURANCE COMPANY	FL	59-3213815	155-10192
1	PROGRESSIVE CASUALTY INSURANCE COMPANY	OH	34-6513736	155-24260
1	PC INVESTMENT COMPANY	DE	34-1576555	
2	PROGRESSIVE COUNTY MUTUAL INSURANCE COMPANY	TX	74-1082840	155-29203
1	PROGRESSIVE GULF INSURANCE COMPANY	MS	34-1374634	155-42412
2	PROGRESSIVE HOME UNDERWRITERS INSURANCE COMPANY	TX	74-2991115	155-11085
1	PROGRESSIVE SPECIALTY INSURANCE COMPANY	OH	34-1172685	155-32786
1	PROGRESSIVE BAYSIDE INSURANCE COMPANY	FL	31-1193845	155-17350
1	PROGRESSIVE CLASSIC INSURANCE COMPANY	WI	39-1453002	155-42994
1	PROGRESSIVE CONSUMERS INSURANCE COMPANY	FL	59-3213819	155-10194
1	PROGRESSIVE EXPRESS INSURANCE COMPANY	FL	59-3213719	155-10193
1	PROGRESSIVE HALCYON INSURANCE COMPANY	OH	34-1524319	155-16322
1	PROGRESSIVE HAWAII INSURANCE CORP.	OH	99-0311930	155-10067
1	PROGRESSIVE MARATHON INSURANCE COMPANY	CA	33-0350911	155-37605
1	PROGRESSIVE MAX INSURANCE COMPANY	OH	34-0472535	155-24279
1	PROGRESSIVE MICHIGAN INSURANCE COMPANY	MI	34-1787734	155-10187
1	PROGRESSIVE MOUNTAIN INSURANCE COMPANY	CO	93-0935623	155-35190
1	PROGRESSIVE NORTHEASTERN INSURANCE COMPANY	NY	11-3096103	155-10042
1	PROGRESSIVE NORTHERN INSURANCE COMPANY	WI	34-1318335	155-38628
1	PROGRESSIVE PREMIER INSURANCE COMPANY OF ILLINOIS	IL	36-3789786	155-21735
1	PROGRESSIVE UNIVERSAL INSURANCE COMPANY OF ILLINOIS	IL	36-3789787	155-21727
1	PROGRESSIVE NORTHWESTERN INSURANCE COMPANY	WA	91-1187829	155-42919
1	PROGRESSIVE PALOVERDE INSURANCE COMPANY	AZ	86-0686869	155-44695
1	PROGRESSIVE PREFERRED INSURANCE COMPANY	OH	34-1287020	155-37834
1	PROGRESSIVE SECURITY INSURANCE COMPANY	LA	72-1269745	155-10050
1	PROGRESSIVE SOUTHEASTERN INSURANCE COMPANY	FL	59-1951700	155-38784
1	PROGRESSIVE WEST INSURANCE COMPANY	CA	95-2676519	155-27804
1	UNITED FINANCIAL CASUALTY COMPANY	MO	36-3298008	155-11770
1	PCIC CANADA HOLDINGS, LTD.	CAN		
1	3841189 CANADA, INC.	CAN		
1	1890 INSURANCE AGENCY, INC	WY	83-0322664	

Ownership: 1. Wholly owned and controlled 2. Affiliate - Controlled, not owned

PROGRESSIVE MAX INSURANCE COMPANY

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

17.1

OWNERSHIP	COMPANY	STATE OF INCORPORATION	FEDERAL IDENTIFICATION NO.	NAIC GROUP AND COMPANY CODES
1	MIDLAND FINANCIAL GROUP, INC.	TN	62-1104818	
2	AGENTS FINANCIAL SERVICES, INC.	FL	65-0121341	
1	MIDLAND RISK SERVICES, INC.	TN	62-1346765	
1	MIDLAND RISK SERVICES-ARIZONA, INC	AZ	86-0688693	
1	PROGRESSIVE HOME INSURANCE COMPANY	OH	62-0484104	155-11851
1	SPECIALTY RISK INSURANCE COMPANY	OH	62-1444848	155-44288
1	AIRY INSURANCE CENTER, INC.	PA	23-2523368	
1	EXPRESS QUOTE SERVICES, INC.	FL	65-0288746	
1	GARDEN SUN INSURANCE SERVICES, INC.	HI	99-0311966	
1	GREENBERG FINANCIAL INSURANCE SERVICES, INC.	CA	31-1119149	
1	HUSKY SUN INSURANCE SERVICES, INC.	WA	91-1700619	
1	INSURANCE CONFIRMATION SERVICES, INC.	DE	38-2788841	
1	LAKESIDE INSURANCE AGENCY, INC.	OH	34-6521173	
1	MARYLAND AUTO INSURANCE SOLUTIONS, INC.	MD	52-1519929	
1	MOUNTAINSIDE INSURANCE AGENCY, INC.	CO	84-1080317	
1	PACIFIC MOTOR CLUB	CA	95-2706008	
1	PROGNY AGENCY, INC.	NY	11-3203413	
1	PROGRESSIVE ADJUSTING COMPANY, INC.	OH	34-1574447	
1	PROGRESSIVE AGENCY HOLDINGS CORP.	OH	31-1559175	
1	PROGRESSIVE AUTO PRO INSURANCE AGENCY, INC.	FL	58-1772717	
1	PROGRESSIVE CAPITAL MANAGEMENT CORP.	NY	13-3673368	
1	PROGRESSIVE DIRECTRAC SERVICE CORP.	TX	74-2870646	
1	PROGRESSIVE INSURANCE AGENCY, INC.	OH	34-6513737	
1	PROGRESSIVE INVESTMENT COMPANY, INC.	DE	34-1378861	
1	RRM HOLDINGS, INC.	DE	52-2066127	
1	PROGRESSIVE PREMIUM BUDGET, INC.	OH	34-6530101	
1	PROGRESSIVE RESOURCE SERVICES COMPANY	OH	34-1574448	
1	PROGRESSIVE SPECIALTY INSURANCE AGENCY, INC.	OH	34-1804869	
1	SILVER KEY INSURANCE AGENCY, INC.	NV	88-0342601	
1	THE PROGRESSIVE AGENCY, INC.	VA	54-1394194	
1	THE PROGRESSIVE INSURANCE FOUNDATION	OH	30-0013138	
1	UNITED FINANCIAL INSURANCE AGENCY, INC.	WA	91-1709749	
1	VILLAGE TRANSPORT CORP.	DE	51-0295493	
1	WILSON MILLS LAND CO.	OH	34-1324270	

Ownership: 1. Wholly owned and controlled 2. Affiliate - Controlled, not owned

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	10,913	3,470	31.8	46.2
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....			0.0	
11.2. Medical malpractice-claims made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....	670	1,171	174.8	(2.1)
17.2. Other liability-claims made.....	197,115	(3,321,116)	(1,684.9)	142.8
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....	130,602,345	78,589,995	60.2	64.5
19.3, 19.4. Commercial auto liability.....	1,180,561	1,229,177	104.1	84.6
21. Auto physical damage.....	83,623,011	47,536,815	56.8	57.2
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	0.0
34. Totals.....	215,614,615	124,039,512	57.5	62.0
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	653	8,757	10,013
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....			
11.2. Medical malpractice-claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			1,486
17.2. Other liability-claims made.....		250,000	
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2. Private passenger auto liability.....	48,160,560	135,791,770	125,878,337
19.3, 19.4. Commercial auto liability.....	397,936	1,216,858	981,318
21. Auto physical damage.....	30,873,479	86,668,451	80,399,594
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0
34. Totals.....	79,432,628	223,935,836	207,270,748
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

19

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 1999 + Prior	2,708	1,994	4,702	1,048	(28)	1,020	1,809	81	1,641	3,531	149	(300)	(151)
2. 2000	2,345	526	2,871	1,121	14	1,135	1,247	266	282	1,795	23	36	59
3. Subtotals 2000 + Prior	5,053	2,520	7,573	2,169	(14)	2,155	3,056	347	1,923	5,326	172	(264)	(92)
4. 2001	5,169	1,456	6,625	2,555	492	3,047	2,306	416	626	3,348	(308)	78	(230)
5. Subtotals 2001 + Prior	10,222	3,976	14,198	4,724	478	5,202	5,362	763	2,549	8,674	(136)	(186)	(322)
6. 2002	XXX.....	XXX.....	XXX.....	XXX.....	10,367	10,367	XXX.....	4,100	1,052	5,152	XXX.....	XXX.....	XXX.....
7. Totals	10,222	3,976	14,198	4,724	10,845	15,569	5,362	4,863	3,601	13,826	(136)	(186)	(322)
8. Prior Year-End's Surplus As Regards Policyholders	35,299										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....(1.3)%	2. ....(4.7)%	3. ....(2.3)%
											Col. 13, Line 7 Line 8		
											4. ....(0.9)%		

(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.
(b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.
(c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	YES
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	NO
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	NO

EXPLANATIONS:

BAR CODE:



Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2304. RECEIVABLE FACTORING LIABILITY.....	.....	.....15,000,000
2397. Summary of remaining write-ins for Line 23 from Liabilities.....	0	15,000,000

Sch. A-Part 2

NONE

Sch. A-Part 3

NONE

Sch. B-Part 1

NONE

Sch. B-Part 2

NONE

Sch. BA-Part 1

NONE

Sch. BA-Part 2

NONE

Sch. D-Part 3

NONE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarte

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value At Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
Bonds - States, Territories and Possessions																
Georgia																
373382-2T-6...	GEORGIA ST 6.250% 04/01/04	07/19/2002	Morgan Stanley.....		2,629,585	2,450,000	2,622,995	2,521,129	(2,587)	.....	.....	.....108,456	108,456	48,064	.....	1PE
373383-DP-0...	GEORGIA ST 5.750% 09/01/04	07/19/2002	Lehman Brothers.....		4,051,463	3,750,000	4,094,625	3,880,919	(3,752)	.....	.....	.....170,544	170,544	85,651	.....	1PE
	Georgia.....				6,681,048	6,200,000	6,717,620	6,402,048	(6,339)	0	0	279,000	279,000	133,715	0	XXX...
	United States.....				6,681,048	6,200,000	6,717,620	6,402,048	(6,339)	0	0	279,000	279,000	133,715	0	XXX...
1799999	Total - Bonds - States, Territories & Possessions.....				6,681,048	6,200,000	6,717,620	6,402,048	(6,339)	0	0	279,000	279,000	133,715	0	XXX...
Bonds - Political Subdivisions of States																
Georgia																
047802-BP-7...	ATLANTA GA CTFS PARTN 5.880% 12/01/03... [09/01/2002]	Redemption	100.0000.....		111,101	111,101	112,490	111,101	(355)	.....	.....	.....	.....0	1,091	.....	1PE
	Georgia.....				111,101	111,101	112,490	111,101	(355)	0	0	0	0	1,091	0	XXX...
	United States.....				111,101	111,101	112,490	111,101	(355)	0	0	0	0	1,091	0	XXX...
2499999	Total - Bonds - Political Subdivisions.....				111,101	111,101	112,490	111,101	(355)	0	0	0	0	1,091	0	XXX...
Bonds - Special Revenue and Special Assessment																
Georgia																
047870-AG-5...	ATLANTA GA WTR & WASTEW 5.000% 11/01/01 [07/19/2002]		Morgan Keegan & Co. Inc.....		436,092	400,000	400,216	400,123	(5)	.....	.....	.....35,970	35,970	4,611	.....	1PE
	Georgia.....				436,092	400,000	400,216	400,123	(5)	0	0	35,970	35,970	4,611	0	XXX...
	United States.....				436,092	400,000	400,216	400,123	(5)	0	0	35,970	35,970	4,611	0	XXX...
3199999	Total - Bonds - Special Revenue & Assessment.....				436,092	400,000	400,216	400,123	(5)	0	0	35,970	35,970	4,611	0	XXX...
6099997	Total - Bonds - Part 4.....				7,228,241	6,711,101	7,230,326	6,913,272	(6,699)	0	0	314,970	314,970	139,417	0	XXX...
6099999	Total - Bonds.....				7,228,241	6,711,101	7,230,326	6,913,272	(6,699)	0	0	314,970	314,970	139,417	0	XXX...
7299999	Total - Bonds, Preferred and Common Stocks.....				7,228,241	XXX.....	7,230,326	6,913,272	(6,699)	0	0	314,970	314,970	139,417	0	XXX...

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues:.....0.

Sch. DB-Part A-Section 1

NONE

Sch. DB-Part B-Section 1

NONE

Sch. DB-Part C-Section 1

NONE

Sch. DB-Part D-Section 1

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	*
					First Month	Second Month	Third Month	
Open Depositories								
BANK OF NEW YORK	WHITE PLAINS, NY							
CASH EQUIVALENTS:								
CITICORP	NEW YORK, NY	1.850		205			4,000,000	
UBS FINANCE (DE) LLC	DOVER, DELAWARE	1.900		216			4,100,000	
GEN ELEC CAP COR	NEW YORK, NY	1.870	390					
BANQ NAT PAR	TORONTO, ONTARIO, CANADA	VAR	2,448					
RABOBANK	NEW YORK, NY	VAR	6,154					
0199999. Total Open Depositories		XXX	8,992	421	0	0	8,100,000	XXX
0399999. Total Cash on Deposit		XXX	8,992	421	0	0	8,100,000	XXX
0599999. Total Cash		XXX	8,992	421	0	0	8,100,000	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins