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QUARTERLY STATEMENT

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

PROGRESSIVE PREFERRED INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period) — NAIC Company Code..... 37834 — Employer's ID Number..... 34-1287020

Organized under the Laws of OHIO — State of Domicile or Port of Entry OHIO — Country of Domicile US

Incorporated..... September 24, 1979 — Commenced Business..... April 15, 1980

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 *(Street and Number) (City or Town, State and Zip Code)*	440-461-5000 *(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 *(Street and Number) (City or Town, State and Zip Code)*	440-461-5000 *(Area Code) (Telephone Number)*
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN *(Name)*	440-395-4460 *(Area Code) (Telephone Number) (Extension)*
	Financial_Reporting@Progressive.com *(E-Mail Address)*	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

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

State of........Ohio
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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	387,671,659		387,671,659	333,241,661
2. Stocks:				
2.1 Preferred stocks	2,215,313		2,215,313	2,170,050
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 $..........0 encumbrances)			0	
5. Cash ($.....34,599,000) and short-term investments ($..........0)	34,599,000		34,599,000	99,000
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)	424,485,972	0	424,485,972	335,510,711
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	6,216,840	1,611,192	4,605,648	4,054,156
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	98,899,410		98,899,410	102,658,647
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies			0	
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	37,046		37,046	108,682
15. Federal and foreign income tax recoverable and interest thereon (including $.....24,294,500 net deferred tax asset)	26,790,327	2,495,827	24,294,500	19,758,392
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	4,386,451		4,386,451	4,303,422
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	51,374,306		51,374,306	35,121,359
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	274,285	274,285	0	7,808
26. Total assets excluding protected cell assets (Lines 9 through 25)	612,464,637	4,381,304	608,083,333	501,523,177
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	612,464,637	4,381,304	608,083,333	501,523,177

DETAILS OF WRITE-INS

	1	2	3	4
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	260,086	260,086	0	
2502. MISCELLANEOUS OTHER ASSETS	14,199	14,199	0	7,808
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)	274,285	274,285	0	7,808

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....78,269,610)	156,606,248	139,591,755
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	35,826,458	31,418,645
4.	Commissions payable, contingent commissions and other similar charges	846,843	724,660
5.	Other expenses (excluding taxes, licenses and fees)	18,053,938	10,128,164
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	2,757,968	2,964,825
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 $.....182,418,578 and including warranty reserves of $..........0)	181,800,468	147,954,972
10.	Advance premium	4,473,615	3,646,941
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	22,240	23,082
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	17,492	31,980
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	27,351,342	25,220,616
19.	Payable to parent, subsidiaries and affiliates	7,928,333	
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	690,540	498,775
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	436,375,485	362,204,415
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	436,375,485	362,204,415
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	3,003,300	3,003,300
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	40,712,474	40,712,474
33.	Unassigned funds (surplus)	127,992,074	95,602,988
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)	171,707,848	139,318,762
36.	TOTALS	608,083,333	501,523,177

DETAILS OF WRITE-INS

2301.	STATE PLAN LIABILITY	271,340	210,996
2302.	ESCHEATABLE PROPERTY	244,667	155,823
2303.	UNEARNED FEE RESERVE	140,724	128,480
2398.	Summary of remaining write-ins for Line 23 from overflow page	33,809	3,476
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	690,540	498,775
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 $.....368,999,075)	361,873,688	392,336,331	514,702,725
1.2 Assumed (written $.....391,934,421)	358,088,925	294,203,557	399,927,844
1.3 Ceded (written $.....368,999,075)	361,873,688	392,336,331	514,702,725
1.4 Net (written $.....391,934,421)	358,088,925	294,203,557	399,927,844
DEDUCTIONS:			
2. Losses incurred (current accident year $.....204,342,012):			
2.1 Direct	210,149,544	238,746,204	314,913,988
2.2 Assumed	204,228,986	175,470,389	237,456,302
2.3 Ceded	210,149,544	238,746,204	314,913,988
2.4 Net	204,228,986	175,470,389	237,456,302
3. Loss expenses incurred	47,940,893	43,068,980	57,053,468
4. Other underwriting expenses incurred	83,128,606	66,830,176	91,335,845
5. Aggregate write-ins for underwriting deductions	20,304	0	0
6. Total underwriting deductions (Lines 2 through 5)	335,318,789	285,369,545	385,845,615
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	22,770,136	8,834,012	14,082,229
INVESTMENT INCOME			
9. Net investment income earned	16,598,506	15,280,602	20,479,277
10. Net realized capital gains (losses)	3,200,318	2,239,751	5,172,848
11. Net investment gain (loss) (Lines 9 + 10)	19,798,824	17,520,353	25,652,125
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....314,370 amount charged off $.....3,400,812)	(3,086,442)	(3,864,666)	(5,115,795)
13. Finance and service charges not included in premiums	8,259,213	9,959,790	12,764,353
14. Aggregate write-ins for miscellaneous income	765,398	827,054	1,047,871
15. Total other income (Lines 12 through 14)	5,938,169	6,922,178	8,696,429
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	48,507,129	33,276,543	48,430,783
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	48,507,129	33,276,543	48,430,783
19. Federal and foreign income taxes incurred	19,906,171	10,458,327	15,419,390
20. Net income (Line 18 minus Line 19) (to Line 22)	28,600,958	22,818,216	33,011,393
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	139,318,762	116,850,492	116,850,492
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	28,600,958	22,818,216	33,011,393
23. Net unrealized capital gains or losses	(803,722)	166,712	146,634
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	4,754,430	2,033,385	(240,672)
26. Change in nonadmitted assets	(162,580)	(70,205)	668,034
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		19,382,881	19,382,881
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			(30,500,000)
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)	32,389,086	44,330,989	22,468,270
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	171,707,848	161,181,481	139,318,762

DETAILS OF WRITE-INS

0501. 2002 PRIVATE PASSENGER AUTO ESCROW	20,304		
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)	20,304	0	0
1401. INTEREST INCOME ON INTERCOMPANY BALANCES	365,786	588,643	694,616
1402. SERVICE BUSINESS REVENUE	315,755	189,176	277,535
1403. MISCELLANEOUS INCOME	83,857	49,235	75,720
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)	765,398	827,054	1,047,871
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	395,928,495	424,210,697
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	228,545,211	280,068,713
3.	Underwriting expenses paid	75,287,506	88,463,013
4.	Other underwriting income (expenses)	(20,304)	
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	92,075,474	55,678,971
6.	Net investment income	18,336,804	23,256,781
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(3,230,429)	(5,389,239)
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others	(14,488)	30,507
	7.4 Aggregate write-ins for miscellaneous items	9,024,611	13,812,224
	7.5 Total other income (Lines 7.1 to 7.4)	5,779,694	8,453,492
8.	Dividends to policyholders on direct business, less $..............0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	(19,906,171)	(15,419,390)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	96,285,801	71,969,854
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	167,572,920	277,537,864
	11.2 Stocks		7,838,030
	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)	167,572,920	285,375,894
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	221,905,684	293,705,080
	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)	221,905,684	293,705,080
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(54,332,764)	(8,329,186)
	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	7,928,333	
	14.4 Borrowed funds received		
	14.5 Other cash provided	1,018,439	198,233
	14.6 Total (Lines 14.1 to 14.5)	8,946,772	198,233
15.	Cash applied:		
	15.1 Dividends to stockholders paid		30,500,000
	15.2 Net transfers to affiliates	16,252,947	33,851,725
	15.3 Borrowed funds repaid		
	15.4 Other applications	146,862	50,924
	15.5 Total (Lines 15.1 to 15.4)	16,399,809	64,402,649
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(7,453,037)	(64,204,416)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	34,500,000	(563,748)
18.	Cash and short-term investments:		
	18.1 Beginning of year	99,000	662,748
	18.2 End of period (Line 17 plus Line 18.1)	34,599,000	99,000

DETAILS OF WRITE-INS

07.401	FINANCE & SERVICE CHARGES NOT INCLUDED IN PREMIUMS	8,259,213	12,764,353
07.402	INTEREST INCOME ON INTERCOMPANY BALANCES	365,786	694,616
07.403	SERVICE BUSINESS REVENUE	315,755	277,535
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	83,857	75,720
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	9,024,611	13,812,224

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	$ 20,144,747	$ 16,163,707
Audit adjustment : 1997-98 IRS examination	--	(149,705)
Prior year underaccrual (overaccrual)	(238,576)	(594,612)
Current income taxes incurred	$ 19,906,171	$ 15,419,390

B. Operating Loss and Tax Credit Carryforwards

1) Progressive Preferred 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 $20,144,747 for the current tax year and $13,974,776 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.

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	$ 20,144,747	$ 16,163,707
Audit adjustment : 1997-98 IRS examination	--	(149,705)
Prior year underaccrual (overaccrual)	(238,576)	(594,612)
Current income taxes incurred	$ 19,906,171	$ 15,419,390

C. Operating Loss and Tax Credit Carryforwards

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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 Name of Entity	2 NAIC Company Code	3 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). ....01/06/2000.....................

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 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$.....0	$.....0
13.22 Preferred Stock	$.....0	$.....0
13.23 Common Stock	$.....0	$.....0
13.24 Short-Term Investments	$.....0	$.....0
13.25 Mortgages, Loans or Real Estate	$.....0	$.....0
13.26 All Other	$.....0	$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$.....0	$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$.....0	$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$.....0	$.....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 Name of Custodian(s)	2 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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 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 Central Registration Depository	2 Name(s)	3 Address

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? Yes [ ] No [X] N/A [ ]
   If yes, attach an explanation.

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? Yes [ ] No [X]
   If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

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? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

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

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

NONE

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

NONE

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

NONE

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	341,124,251	51,924,705	65,811,299	(703,181)	269,229,864	341,124,251	326,534,476	279,719,585
2. Class 2	40,617,356	10,408,755	1,437,384	6,710	47,955,084	40,617,356	49,595,437	42,603,079
3. Class 3	12,818,743			(1,276,997)	10,922,764	12,818,743	11,541,746	10,918,997
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	394,560,350	62,333,460	67,248,683	(1,973,468)	328,107,712	394,560,350	387,671,659	333,241,661
PREFERRED STOCK								
8. Class 1	2,215,313				2,184,500	2,215,313	2,215,313	2,170,050
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	2,215,313	0	0	0	2,184,500	2,215,313	2,215,313	2,170,050
15. Total Bonds and Preferred Stock	396,775,663	62,333,460	67,248,683	(1,973,468)	330,292,212	396,775,663	389,886,972	335,411,711

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

NONE

	1 Book/Adjusted Carrying Value	2 Par 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				507,103
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				507,103
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	(1,393)		(1,383)	2,284
13. Income earned during period	(1,393)		(1,383)	2,284

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

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	States, Etc.	Is Insurer Licensed? (Yes or No)	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	NO						
2.	Alaska AK	YES			1,408	9,587	168,277	125,636
3.	Arizona AZ	YES			17,284	21,354	10,456	53,430
4.	Arkansas AR	NO						
5.	California CA	NO						
6.	Colorado CO	YES	(10,956)	4,608,972	2,894,050	10,580,771	3,619,143	6,486,546
7.	Connecticut CT	NO						
8.	Delaware DE	YES						
9.	District of Columbia DC	YES						
10.	Florida FL	NO						
11.	Georgia GA	YES	79,071,502	66,253,979	37,415,353	32,098,389	36,364,211	30,462,769
12.	Hawaii HI	YES						
13.	Idaho ID	YES						
14.	Illinois IL	NO						
15.	Indiana IN	YES	608,779	5,912,927	2,431,856	3,850,777	1,461,657	1,832,200
16.	Iowa IA	YES						
17.	Kansas KS	NO						
18.	Kentucky KY	YES	2,633		1		150	
19.	Louisiana LA	NO						
20.	Maine ME	YES						
21.	Maryland MD	YES						
22.	Massachusetts MA	NO						
23.	Michigan MI	YES						
24.	Minnesota MN	YES						
25.	Mississippi MS	YES						
26.	Missouri MO	YES						
27.	Montana MT	YES						
28.	Nebraska NE	YES						
29.	Nevada NV	YES	468,463	601,316	362,936	341,370	191,494	254,687
30.	New Hampshire NH	NO						
31.	New Jersey NJ	YES						
32.	New Mexico NM	YES	13,185,291	9,412,483	6,616,658	5,105,361	4,247,975	3,274,390
33.	New York NY	YES						
34.	North Carolina NC	YES	15	(11,278)	264,432	563,368	18,871	765,274
35.	North Dakota ND	NO						
36.	Ohio OH	YES	206,394,399	244,487,087	122,808,843	146,301,352	114,144,643	115,529,303
37.	Oklahoma OK	YES	7,785,772	11,983,918	5,511,800	7,598,056	2,803,106	3,213,945
38.	Oregon OR	YES	10,800,623	7,997,888	5,227,249	4,762,233	3,893,463	3,557,427
39.	Pennsylvania PA	NO						
40.	Rhode Island RI	YES						
41.	South Carolina SC	YES	7,846,039		1,576,601		1,002,375	
42.	South Dakota SD	YES						
43.	Tennessee TN	YES						
44.	Texas TX	YES						
45.	Utah UT	YES	(25,943)	5,303,198	733,639	2,101,403	770,046	1,276,176
46.	Vermont VT	NO						
47.	Virginia VA	YES	19,041,707	6,248,064	7,192,801	1,072,290	3,672,272	1,007,392
48.	Washington WA	YES	23,830,751	18,516,364	11,947,380	7,532,498	10,917,566	6,209,614
49.	West Virginia WV	YES						
50.	Wisconsin WI	NO						
51.	Wyoming WY	NO						
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	368,999,075	381,314,918	205,002,291	221,938,809	183,285,705	174,048,789

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	0
5799.	Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART

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

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

PART 1 – ORGANIZATIONAL CHART

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 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date 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	3,237,192	1,321,457	40.8	47.8
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	1,418,430	377,332	26.6	17.5
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	172,848,781	106,902,668	61.8	62.5
19.3, 19.4 Commercial auto liability	45,981,260	26,641,787	57.9	61.6
21. Auto physical damage	138,388,025	74,906,301	54.1	59.2
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	361,873,688	210,149,545	58.1	60.9
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	1,547,224	4,287,196	3,587,617
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	666,391	1,819,583	1,725,675
17.2. Other liability-claims made			
18.1. Products liability-occurrence			
18.2. Products liability-claims made			
19.1, 19.2 Private passenger auto liability	55,665,345	172,860,275	187,850,127
19.3, 19.4 Commercial auto liability	16,650,239	51,430,699	39,347,636
21. Auto physical damage	44,362,516	138,601,323	148,803,863
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	118,891,715	368,999,076	381,314,918
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

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	24,178	5,487	29,665	11,091	1,059	12,150	12,693	2,395	2,943	18,031	(394)	910	516
2. 2000	33,301	7,865	41,166	15,792	842	16,634	17,944	3,513	4,497	25,954	435	987	1,422
3. Subtotals 2000 + Prior	57,479	13,352	70,831	26,883	1,901	28,784	30,637	5,908	7,440	43,985	41	1,897	1,938
4. 2001	75,659	24,521	100,180	37,727	7,615	45,342	32,786	8,195	11,503	52,484	(5,146)	2,792	(2,354)
5. Subtotals 2001 + Prior	133,138	37,873	171,011	64,610	9,516	74,126	63,423	14,103	18,943	96,469	(5,105)	4,689	(416)
6. 2002	XXX	XXX	XXX	XXX	156,622	156,622	XXX	71,315	24,648	95,963	XXX	XXX	XXX
7. Totals	133,138	37,873	171,011	64,610	166,138	230,748	63,423	85,418	43,591	192,432	(5,105)	4,689	(416)
8. Prior Year-End's Surplus As Regards Policyholders	139,319										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. (3.8)%	2. 12.4 %	3. (0.2)%
													Col. 13, Line 7 Line 8
													4. (0.3)%

(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:

* 3 7 8 3 4 2 0 0 2 4 9 0 0 0 0 0 3 *

* 3 7 8 3 4 2 0 0 2 4 5 0 0 0 0 0 3 *

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2304. OTHER LIABILITIES	33,809	3,476
2397. Summary of remaining write-ins for Line 23 from Liabilities	33,809	3,476

Additional Write-ins for Cash Flow:

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 MISCELLANEOUS INCOME	83,857	75,720
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow	83,857	75,720

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

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
31359M-NP-4	FANNIE MAE 4.250% 07/15/07	07/31/2002	Goldman Sachs		31,346,580	31,000,000	32,938	1
0399999.	Total - Bonds - U.S. Government				31,346,580	31,000,000	32,938	XXX
Bonds - Industrial and Miscellaneous								
United States								
855030-AG-7	STAPLES INC 7.375% 10/01/12	09/25/2002	JP Morgan Securities		10,408,755	10,500,000		2PE
	United States				10,408,755	10,500,000	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				10,408,755	10,500,000	0	XXX
6099997.	Total - Bonds - Part 3				41,755,335	41,500,000	32,938	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				20,578,125	20,000,000	161,685	XXX
6099999.	Total - Bonds				62,333,460	61,500,000	194,623	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				62,333,460	XXX	194,623	XXX

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

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 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - U.S. Government																
912827-6J-6	US TREASURY NOTE 5.750% 08/15/10	09/20/2002	Goldman Sachs		6,944,266	6,050,000	6,375,094	6,326,963	(6,524)			617,303	617,303	210,805		1
912827-7L-0	US TREASURY NOTE 4.875% 02/15/12	08/15/2002	Various		21,110,938	20,000,000	19,624,078	19,635,055	4,772			1,475,883	1,475,883	486,142		1
0399999.	Total - Bonds - U.S. Government				28,055,204	26,050,000	25,999,172	25,962,018	(1,752)	0	0	2,093,186	2,093,186	696,947	0	XXX
Bonds - States, Territories and Possessions																
Georgia																
047772-AB-4	ATLANTA GA 5.000% 12/01/02	07/19/2002	Merrill Lynch		1,119,034	1,105,000	1,140,570	1,107,699	(488)			11,335	11,335	7,827		1PE
373382-3V-0	GEORGIA ST 6.250% 08/01/05	07/19/2002	Merrill Lynch		6,386,486	5,730,000	6,412,214	6,018,337	(5,498)			368,149	368,149	172,099		1PE
	Georgia				7,505,520	6,835,000	7,552,784	7,126,036	(5,986)	0	0	379,484	379,484	179,926	0	XXX
	United States				7,505,520	6,835,000	7,552,784	7,126,036	(5,986)	0	0	379,484	379,484	179,926	0	XXX
1799999.	Total - Bonds - States, Territories & Possessions				7,505,520	6,835,000	7,552,784	7,126,036	(5,986)	0	0	379,484	379,484	179,926	0	XXX
Bonds - Special Revenue and Special Assessment																
Georgia																
373624-BA-2	GEORGIA ST TOLLWAY AUTH 4.750% 07/01/05	07/19/2002	Salomon Smith Barney		5,583,051	5,220,000	5,415,698	5,305,467	(1,892)			277,584	277,584	139,816		1PE
403760-AP-6	GWINNETT CNTY GA WATER 5.000% 08/01/04	07/19/2002	Lehman Brothers		3,006,818	2,830,000	2,909,268	2,858,255	(775)			148,563	148,563	67,999		1PE
	Georgia				8,589,869	8,050,000	8,324,966	8,163,722	(2,667)	0	0	426,147	426,147	207,815	0	XXX
Nebraska																
63967C-GU-0	NEBRASKA INVT FIN AUTH 5.300% 09/01/16	09/01/2002	Call 100.0000		355,000	355,000	355,000	355,000					0	9,408		1PE
63967C-UX-8	NEBRASKA INVT FIN AUTH 5.100% 09/01/25	09/01/2002	Call 100.0000		280,000	280,000	280,000	280,000					0	7,140		1PE
	Nebraska				635,000	635,000	635,000	635,000	0	0	0	0	0	16,548	0	XXX
Utah																
91755N-UC-7	UTAH ST HSG FIN AGY 5.800% 07/01/30	07/01/2002	Call 100.0000		880,000	880,000	880,000	880,000					0	25,520		1PE
	Utah				880,000	880,000	880,000	880,000	0	0	0	0	0	25,520	0	XXX
	United States				10,104,869	9,565,000	9,839,966	9,678,722	(2,667)	0	0	426,147	426,147	249,883	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				10,104,869	9,565,000	9,839,966	9,678,722	(2,667)	0	0	426,147	426,147	249,883	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
20046P-AG-3	COMM 2000-C1 X IO 1.026% 08/01/33	09/01/2002	Paydown				16,855		(14,711)				0	470		1
21724P-AH-8	COPEL 2000-A D 7.870% 05/18/06	09/18/2002	Paydown		929,862	929,862	930,383	929,862	(358)				0	12,733		2PE
22540V-G6-3	CSFB 2002-9 1A1 7.000% 03/25/32	09/01/2002	Paydown		253,261	253,261	256,783	253,261	(3,448)				0	3,076		1PE
3133T2-MJ-6	FHR 1610 PL 6.500% 04/01/22	09/01/2002	Paydown		135,200	135,200	136,325	135,200	(347)				0	2,197		1PE
33641N-BM-6	FSR 2000-2 C 8.200% 11/18/06	09/18/2002	Paydown		507,522	507,522	507,506	507,522	14				0	7,056		2PE
339083-AE-7	FCCGT 1997-A A 6.640% 09/01/12	09/01/2002	Paydown		40,845	40,845	40,832	40,845	58				0	482		1PE
393505-QX-3	GT 1996-9 A5 7.200% 01/15/28	09/15/2002	Paydown		249,812	249,812	255,989	249,812	(824)				0	2,963		1PE
52108H-BZ-6	LBUBS 2000-C4 X IO 1.266% 07/11/32	09/11/2002	Paydown				8,705		(7,621)				0	229		1PE
617445-EC-1	MSC 1996-WF1 A2 7.328% 11/01/28	09/01/2002	Paydown		1,172,701	1,172,701	1,191,464	1,172,701	(4,718)				0	13,212		1
62827G-AA-3	MFF TRUST XIX 2002-1 6.440% 12/01/09	09/30/2002	Paydown		453,212	453,212	453,212	453,212					0	4,866		1
65535V-AA-6	NAA 2001-R1A A1 7.000% 02/01/30	09/01/2002	Paydown		173,259	173,259	175,587	173,259	(2,324)				0	2,057		1PE
69348H-CR-7	PNCMA 2000-C2 X IO 1.186% 10/01/33	09/01/2002	Paydown				11,167		(9,896)				0	304		1
	United States				3,915,674	3,915,674	3,984,808	3,915,674	(44,175)	0	0	0	0	49,645	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				3,915,674	3,915,674	3,984,808	3,915,674	(44,175)	0	0	0	0	49,645	0	XXX
6099997.	Total - Bonds - Part 4				49,581,267	46,365,674	47,376,730	46,682,450	(54,580)	0	0	2,898,817	2,898,817	1,176,401	0	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				21,095,000	20,000,000	20,578,125	20,566,234	(11,891)			528,766	528,766	255,842		XXX
6099999.	Total - Bonds				70,676,267	66,365,674	67,954,855	67,248,684	(66,471)	0	0	3,427,583	3,427,583	1,432,243	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				70,676,267	XXX	67,954,855	67,248,684	(66,471)	0	0	3,427,583	3,427,583	1,432,243	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
		Rate of	Amount of Interest Received During	Amount of Interest Accrued at Current	5	6	7	
Depository		Interest	Current Quarter	Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
BRANCH BANK & TRUST	WILSON, NC	1.780	874		99,000	99,000	99,000	
CASH EQUIVALENTS:								
BANQ NAT PAR	TORONTO, ONTARIO, CANADA	VAR	13,389		20,800,000			
RABOBANK	NEW YORK, NY	VAR	40,104			31,620,000		
DRESDNER	NEW YORK, NY	VAR	533					
SOCIETE GENERALE	NEW YORK, NY	VAR	18,033					
SVENSKA HANDLESBANKEN	NEW YORK, NY	VAR	2,722					
CITICORP MATURITY 10/1/02	NEW YORK, NY	1.850		874			17,000,000	
GENERAL ELECTRIC	NEW YORK, NY	1.870	483					
UBS FINANCE (DE) LLC MATURITY 10/1/02	DOVER, DELAWARE	1.900		924			17,500,000	
0199999. Total Open Depositories		XXX	76,138	1,798	20,899,000	31,719,000	34,599,000	XXX
0399999. Total Cash on Deposit		XXX	76,138	1,798	20,899,000	31,719,000	34,599,000	XXX
0599999. Total Cash		XXX	76,138	1,798	20,899,000	31,719,000	34,599,000	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins