



# ANNUAL STATEMENT

For the Year Ended December 31, 2002  
of the Condition and Affairs of the

## PROGRESSIVE HOME INSURANCE COMPANY

NAIC Group Code..... 155, 155 NAIC Company Code..... 11851 Employer's ID Number..... 62-0484104  
(Current Period) (Prior Period)

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO Country of Domicile US  
Incorporated..... June 5, 1930 Commenced Business..... August 26, 1930

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 440-395-4460  
(Name) (Area Code) (Telephone Number) (Extension)  
Financial\_Reporting@Progressive.com 440-446-7168  
(E-Mail Address) (Fax Number)

**POLICYOWNER RELATIONS AND CLAIMS REPORTING CONTACT** 6300 WILSON MILLS ROAD, E61 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 **1-800-776-4737**  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President ..... JOHN ANDREW BARBAGALLO Treasurer ..... STEPHEN DAVID PETERSON Secretary ..... DANE ALLEN SHRALLOW

### VICE PRESIDENTS

ELENA (NMN) BARHAM (VICE PRESIDENT) JEFFREY WAYNE BASCH (VICE PRESIDENT)  
CHARLES CLIFFORD BOUCHERLE (VICE PRESIDENT) MARIA JEAN CASHY (EXECUTIVE VICE PRESIDENT)  
TIMOTHY FRANCIS CERCELLE (ASST. 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

CHARLES CLIFFORD BOUCHERLE WILLIAM THOMAS FORRESTER, II CHARLES ELWOOD JARRETT # RICHARD HENRY WATTS #  
ROBERT THOMAS WILLIAMS, JR.

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) JOHN ANDREW BARBAGALLO _____ (Printed Name) President	_____ (Signature) KATHLEEN MARY CERNY _____ (Printed Name) Assistant Secretary	_____ (Signature) JAMES LEE KUSMER _____ (Printed Name) VP / Assistant Treasurer
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Subscribed and sworn to before me this

.....day of February, 2003

- a. Is this an original filing? Yes [ X ] No [ ]
- b. If no:
1. State the amendment number
  2. Date filed.....
  3. Number of pages attached.....

**Sch. A-Pt. 1**  
**NONE**

**Sch. A-Pt. 2**  
**NONE**

**Sch. A-Pt. 3**  
**NONE**

**Sch. B-Pt. 1**  
**NONE**

**Sch. B-Pt. 2**  
**NONE**

**Sch. BA-Pt. 1**  
**NONE**

**Sch. BA-Pt. 2**  
**NONE**

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Design- ation	20 Date Acquired	21 Effective Rate of Interest	
			4 Rate of	5 How Paid									14 Amount Due and Accrued December 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year							
<b>U.S. Government - Issuer Obligations</b>																					
912827-5S-7..	US TREASURY NOTE.....		5.875	MN..	11/15/2004			3,162,319	3,050,000	108.0000	3,294,000	3,205,061	23,265	186,285	(41,345)				1	04/17/2002	3.813
912827-6T-4..	US TREASURY NOTE.....		5.000	FA...	02/15/2011			1,574,855	1,600,000	109.8750	1,758,000	1,573,313	30,217	40,000	1,543				1	05/17/2002	5.239
0199999	U.S. Government - Issuer Obligations.....							4,737,174	4,650,000	XXX	5,052,000	4,778,374	53,482	226,285	(39,802)	0	0	0	XXX	XXX	XXX
0399999	Total - U.S. Government.....							4,737,174	4,650,000	XXX	5,052,000	4,778,374	53,482	226,285	(39,802)	0	0	0	XXX	XXX	XXX
<b>States, Territories &amp; Possessions (Direct and Guaranteed) - Issuer Obligations</b>																					
<b>Illinois</b>																					
452151-BU-6..	ILLINOIS ST.....		5.250	FA...	08/01/2012			1,649,232	1,500,000		1,649,232	1,653,585	32,813		(4,353)				1PE	08/08/2002	3.990
	Illinois.....							1,649,232	1,500,000	XXX	1,649,232	1,653,585	32,813	0	(4,353)	0	0	0	XXX	XXX	XXX
	Total States and US.....							1,649,232	1,500,000	XXX	1,649,232	1,653,585	32,813	0	(4,353)	0	0	0	XXX	XXX	XXX
1199999	States, Territories & Possessions - Issuer Obligations.....							1,649,232	1,500,000	XXX	1,649,232	1,653,585	32,813	0	(4,353)	0	0	0	XXX	XXX	XXX
1799999	Total - States, Territories & Possessions (Direct and Guaranteed).....							1,649,232	1,500,000	XXX	1,649,232	1,653,585	32,813	0	(4,353)	0	0	0	XXX	XXX	XXX
<b>Special Revenue &amp; Special Assessment Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations</b>																					
<b>Michigan</b>																					
59455R-G6-7..	MICHIGAN MUN BD AUTH REV.....		5.500	AO...	10/01/2013			1,949,633	1,700,000		1,949,633	1,956,496	23,375	15,583	(6,863)				1PE	08/15/2002	3.821
	Michigan.....							1,949,633	1,700,000	XXX	1,949,633	1,956,496	23,375	15,583	(6,863)	0	0	0	XXX	XXX	XXX
<b>New York</b>																					
64971K-BD-7..	NEW YORK N Y CITY TRANSITIONAL.....		5.250	FA...	02/01/2029			1,060,390	975,000	108.7040	1,059,864	1,061,405	17,489		(1,014)				1PE	08/15/2002	4.559
	New York.....							1,060,390	975,000	XXX	1,059,864	1,061,405	17,489	0	(1,014)	0	0	0	XXX	XXX	XXX
<b>Puerto Rico</b>																					
745160-MP-3..	PUERTO RICO COMMONWEALTH.....		6.250	JJ....	07/01/2012			346,323	300,000		346,323	351,549	9,375	18,750	(3,864)				2PE	08/16/2001	4.257
	Puerto Rico.....							346,323	300,000	XXX	346,323	351,549	9,375	18,750	(3,864)	0	0	0	XXX	XXX	XXX
	Total States and US.....							3,356,346	2,975,000	XXX	3,355,820	3,369,450	50,239	34,333	(11,741)	0	0	0	XXX	XXX	XXX
2599999	Special Revenue & Assessment Obligations - Issuer Obligations.....							3,356,346	2,975,000	XXX	3,355,820	3,369,450	50,239	34,333	(11,741)	0	0	0	XXX	XXX	XXX
3199999	Total - Special Revenue & Special Assessment Obligations.....							3,356,346	2,975,000	XXX	3,355,820	3,369,450	50,239	34,333	(11,741)	0	0	0	XXX	XXX	XXX
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities</b>																					
<b>United States</b>																					
92178P-AB-3..	VALT 2002-1 A2.....		4.770	MPLY	10/07/2018	06/01/2006	100.000	999,839	1,000,000		999,839	999,959	3,975	23,850	(120)				1PE	05/31/2002	4.791
	United States.....							999,839	1,000,000	XXX	999,839	999,959	3,975	23,850	(120)	0	0	0	XXX	XXX	XXX
4299999	Industrial & Miscellaneous - Other Multi-Class Residential Mtg.-Backed Securities.....							999,839	1,000,000	XXX	999,839	999,959	3,975	23,850	(120)	0	0	0	XXX	XXX	XXX
4599999	Total - Industrial & Miscellaneous (Unaffiliated).....							999,839	1,000,000	XXX	999,839	999,959	3,975	23,850	(120)	0	0	0	XXX	XXX	XXX
<b>Totals</b>																					
5499999	Total - Issuer Obligations.....							9,742,752	9,125,000	XXX	10,057,052	9,801,409	136,534	260,618	(55,896)	0	0	0	XXX	XXX	XXX
5799999	Total - Other Multi-Class Residential Mortgage-Backed Securities.....							999,839	1,000,000	XXX	999,839	999,959	3,975	23,850	(120)	0	0	0	XXX	XXX	XXX
6099999	Grand Total - Bonds.....							10,742,591	10,125,000	XXX	11,056,891	10,801,368	140,509	284,468	(56,016)	0	0	0	XXX	XXX	XXX

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**SCHEDULE D - PART 2 - SECTION 1**

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 Number of Shares	4 Par Value per Share	5 Rate per Share	6 Book/Adjusted Carrying Value	7 Rate per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	Dividends		12 Increase (Decrease) by Adjustment	13 Increase (Decrease) by Foreign Exchange Adjustment	14 NAIC Desig- nation	15 Date Acquired
									10 Declared but Unpaid	11 Amount Received During Year				

**NONE**

**PROGRESSIVE HOME INSURANCE COMPANY**

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared but Unpaid	9 Amount Received During Year				
<b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>												
<b>United States</b>												
ADVCAP-TL-8.....	ADVANTAGE CAPITAL PARTNERS II.....	500,000.000	500,000	1.000	500,000	500,000					U.....	...01/01/1993...
CRDTDE-PO-8.....	CREDIT DEPOT CORP WAREHOUSE.....	24,782.130	24,782	1.000	24,782	24,782					U.....	...10/01/1996...
	United States.....		524,782	XXX	524,782	524,782	0	0	0	0	XXX.....	XXX.....
6899999	Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated).....		524,782	XXX	524,782	524,782	0	0	0	0	XXX.....	XXX.....
<b>Common Stocks - Parent, Subsidiaries and Affiliates</b>												
<b>United States</b>												
743315-47-5.....	SPECIALTY RISK INSURANCE CO-SUB.....	26,500.000	25,213,884	951.467	25,213,884	17,555,228			(1,605,750)		U.....	...12/31/2002...
	United States.....		25,213,884	XXX	25,213,884	17,555,228	0	0	(1,605,750)	0	XXX.....	XXX.....
6999999	Total - Common Stocks - Parent, Subsidiaries and Affiliates.....		25,213,884	XXX	25,213,884	17,555,228	0	0	(1,605,750)	0	XXX.....	XXX.....
7099999	Total - Common Stock.....		25,738,666	XXX	25,738,666	18,080,010	0	0	(1,605,750)	0	XXX.....	XXX.....
7199999	Total - Preferred and Common Stock.....		25,738,666	XXX	25,738,666	18,080,010	0	0	(1,605,750)	0	XXX.....	XXX.....

(a) For all common stocks bearing the NAIC designation "U" provide: the number of such issues.....3, the total \$ value (included in Column 6) of all such issues \$.....25,738,666.

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

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
<b>Bonds - U.S. Government</b>							
912827-5S-7	US TREASURY NOTE 5.875% 11/15/04	04/17/2002	HSBC Securities		2,943,938	2,800,000	69,981
912827-6T-4	US TREASURY NOTE 5.000% 02/15/11	05/17/2002	Goldman Sachs		1,573,313	1,600,000	20,773
0399999	Total - Bonds - U.S. Government				4,517,251	4,400,000	90,754
<b>Bonds - States, Territories and Possessions</b>							
<b>Illinois</b>							
452151-BU-6	ILLINOIS ST 5.250% 08/01/12	08/08/2002	Morgan Stanley		1,653,585	1,500,000	5,906
	Illinois				1,653,585	1,500,000	5,906
	Total States and US				1,653,585	1,500,000	5,906
1799999	Total - Bonds - States, Territories & Possessions				1,653,585	1,500,000	5,906
<b>Bonds - Special Revenue and Special Assessment</b>							
<b>Michigan</b>							
59455R-G6-7	MICHIGAN MUN BD AUTH RE 5.500% 10/01/13	08/15/2002	JP Morgan Securities		1,956,496	1,700,000	5,454
	Michigan				1,956,496	1,700,000	5,454
<b>New York</b>							
64971K-BD-7	NEW YORK N Y CITY 5.250% 02/01/29	08/15/2002	Lehman Brothers		1,061,405	975,000	
	TRANSITIONAL						
	New York				1,061,405	975,000	0
	Total States and US				3,017,901	2,675,000	5,454
3199999	Total - Bonds - Special Revenue & Special Assessments				3,017,901	2,675,000	5,454
<b>Bonds - Industrial and Miscellaneous</b>							
<b>United States</b>							
92178P-AB-3	VALT 2002-1 A2 4.770% 10/07/18	05/31/2002	CSFBdirect		999,959	1,000,000	2,650
	United States				999,959	1,000,000	2,650
4599999	Total - Bonds - Industrial & Miscellaneous				999,959	1,000,000	2,650
6099997	Total - Bonds - Part 3				10,188,696	9,575,000	104,764
6099998	Total - Bonds - Summary Item from Part 5				13,745,079	13,558,333	90,134
6099999	Total - Bonds				23,933,775	23,133,333	194,898
<b>Common Stocks - Parent, Subsidiaries and Affiliates</b>							
<b>United States</b>							
743315-47-5	SPECIALTY RISK INSURANCE CO-SUB	12/31/2002	Capital Contribution		11,500,000		
	United States				11,500,000	XXX	0
6999999	Total - Common Stocks - Parent, Subsidiaries and Affiliates				11,500,000	XXX	0
7099997	Total - Common Stocks - Part 3				11,500,000	XXX	0
7099999	Total - Common Stocks				11,500,000	XXX	0
7199999	Total - Preferred and Common Stocks				11,500,000	XXX	0
7299999	Total - Bonds, Preferred and Common Stocks				35,433,775	XXX	194,898

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**PROGRESSIVE HOME INSURANCE COMPANY**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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
<b>Bonds - U.S. Government</b>															
31359M-LZ-4	FANNIE MAE 5.000% 01/15/07	04/02/2002	Goldman Sachs		4,962,950	5,000,000	4,995,100	4,995,102	522			(32,675)	(32,675)	64,583	
912827-2S-0	US TREASURY NOTE 6.625% 04/30/02	04/30/2002	Maturity		1,600,000	1,600,000	1,634,156	1,603,993	(3,993)				0	53,000	
912827-2Y-7	US TREASURY NOTE 6.250% 06/30/02	06/30/2002	Maturity		2,475,000	2,475,000	2,474,348	2,475,679	(679)				0	82,031	
0399999	Total - Bonds - U.S. Government				9,037,950	9,075,000	9,103,604	9,074,774	(4,150)	0	0	(32,675)	(32,675)	199,614	XXX
<b>Bonds - States, Territories and Possessions</b>															
<b>Tennessee</b>															
880540-4X-4	TENNESSEE ST 4.500% 05/01/06	11/01/2002	Casualty		138,995	130,000	129,810	129,845	31			9,119	9,119	5,850	
	Tennessee				138,995	130,000	129,810	129,845	31	0	0	9,119	9,119	5,850	XXX
	Total States and US				138,995	130,000	129,810	129,845	31	0	0	9,119	9,119	5,850	XXX
1799999	Total - Bonds - States, Territories & Possessions				138,995	130,000	129,810	129,845	31	0	0	9,119	9,119	5,850	XXX
<b>Bonds - Industrial and Miscellaneous</b>															
<b>United States</b>															
060506-HD-7	BOAMS 1999-8 A11 6.750% 08/01/29	09/01/2002	Casualty		3,097,903	3,000,000	2,734,453	2,766,661	13,265			317,977	317,977	123,183	
25746U-AG-4	DOMINION RESOURCES INC 6.000% 01/31/03	12/01/2002	Casualty		2,571,068	2,550,000	2,548,139	2,548,974	198			21,897	21,897	163,925	
339030-AB-4	FLEETBOSTON FINANCIAL C 7.250% 09/15/05	09/01/2002	Casualty		2,305,114	2,150,000	2,331,460	2,327,809	(21,182)			(1,513)	(1,513)	120,541	
713411-AA-4	PEPSI BOTTLING HLDGS IN 5.375% 02/17/04	03/28/2002	Lehman Brothers		8,722	8,500	7,844	8,101	44			577	577	286	
	United States				7,982,807	7,708,500	7,621,896	7,651,545	(7,675)	0	0	338,938	338,938	407,935	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				7,982,807	7,708,500	7,621,896	7,651,545	(7,675)	0	0	338,938	338,938	407,935	XXX
6099997	Total - Bonds - Part 4				17,159,752	16,913,500	16,855,310	16,856,164	(11,794)	0	0	315,382	315,382	613,399	XXX
6099998	Total - Bonds - Summary Item from Part 5				14,047,232	13,558,333	13,745,079	13,737,045	(8,034)			310,185	310,185	245,331	XXX
6099999	Total - Bonds				31,206,984	30,471,833	30,600,389	30,593,209	(19,828)	0	0	625,567	625,567	858,730	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>															
<b>United States</b>															
CRDTDE-PO-8	CREDIT DEPOT CORP WAREHOUSE	05/14/2002	BNY Capital Markets		7,826.050	7,826	7,826	7,826					0		
	United States				7,826	7,826	7,826	7,826	0	0	0	0	0	XXX	0
6899999	Total - Common Stocks - Industrial & Miscellaneous				7,826	7,826	7,826	7,826	0	0	0	0	0	XXX	0
7099997	Total - Common Stocks - Part 4				7,826	7,826	7,826	7,826	0	0	0	0	0	XXX	0
7099999	Total - Common Stocks				7,826	7,826	7,826	7,826	0	0	0	0	0	XXX	0
7199999	Total - Preferred and Common Stocks				7,826	7,826	7,826	7,826	0	0	0	0	0	XXX	0
7299999	Total - Bonds, Preferred and Common Stocks				31,214,810	30,608,215	30,601,035	30,601,035	(19,828)	0	0	625,567	625,567	858,730	0

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**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	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 and Dividends Received During Year	Paid for Accrued Interest and Dividends
<b>Bonds - U.S. Government</b>																
31359M-LZ-4.....	FANNIE MAE 5.000% 01/15/07.....	03/28/2002	Specialty Risk.....	04/02/2002	Goldman Sachs.....	5,000,000	4,956,250	4,959,800	4,956,363	113			3,437	3,437	68,750	65,278
912828-AC-4.....	US TREASURY NOTE 4.375% 05/15/07.....	05/29/2002	Deutsche Bank.....	09/04/2002	HSBC Securities.....	2,500,000	2,494,922	2,654,102	2,495,068	146			159,033	159,033	33,585	4,458
0399999	Total - Bonds - U.S. Government.....					7,500,000	7,451,172	7,613,902	7,451,431	259	0	0	162,470	162,470	102,335	69,736
<b>Bonds - States, Territories and Possessions</b>																
<b>Illinois</b>																
452151-BP-7.....	ILLINOIS ST 5.000% 08/01/07.....	08/08/2002	Morgan Stanley.....	12/01/2002	Casualty.....	1,500,000	1,636,365	1,636,455	1,629,670	(6,695)			6,785	6,785	25,000	5,625
	Illinois.....					1,500,000	1,636,365	1,636,455	1,629,670	(6,695)	0	0	6,785	6,785	25,000	5,625
	Total States and US.....					1,500,000	1,636,365	1,636,455	1,629,670	(6,695)	0	0	6,785	6,785	25,000	5,625
1799999	Total - Bonds - States, Territories & Possessions.....					1,500,000	1,636,365	1,636,455	1,629,670	(6,695)	0	0	6,785	6,785	25,000	5,625
<b>Bonds - Special Revenue and Special Assessment</b>																
<b>New York</b>																
64971K-BD-7.....	NEW YORK N Y CITY 5.250% 02/01/29.....	08/15/2002	Lehman Brothers.....	12/01/2002	Casualty.....	725,000	789,250	781,238	788,662	(588)			(7,424)	(7,424)	9,833	
	TRANSITIONAL.....															
	New York.....					725,000	789,250	781,238	788,662	(588)	0	0	(7,424)	(7,424)	9,833	0
	Total States and US.....					725,000	789,250	781,238	788,662	(588)	0	0	(7,424)	(7,424)	9,833	0
3199999	Total - Bonds - Special Revenue & Assessment.....					725,000	789,250	781,238	788,662	(588)	0	0	(7,424)	(7,424)	9,833	0
<b>Bonds - Industrial and Miscellaneous</b>																
<b>United States</b>																
097014-AG-9.....	BOEING CAPITAL CORP 6.500% 02/15/12.....	09/24/2002	Union Bank of Switzerland.....	12/01/2002	Casualty.....	550,000	576,543	580,927	576,144	(399)			4,782	4,782	10,526	4,171
878154-AE-3.....	TFFC 1997-1 A 7.350% 05/15/03.....	03/28/2002	Specialty Risk.....	12/15/2002	Paydown.....	583,333	583,333	583,333	583,333						21,684	1,548
92178P-AB-3.....	VALT 2002-1 A2 4.770% 10/07/18.....	05/31/2002	CSFBdirect.....	12/01/2002	Casualty.....	1,000,000	999,959	1,012,920	999,854	(105)			13,066	13,066	23,850	2,650
929766-AC-7.....	WBCMT 2002-C1 A3 6.164% 04/15/34.....	05/14/2002	First Union.....	10/25/2002	First Union.....	1,700,000	1,708,457	1,838,457	1,707,951	(506)			130,506	130,506	52,103	6,404
	United States.....					3,833,333	3,868,292	4,015,637	3,867,282	(1,010)	0	0	148,354	148,354	108,163	14,773
4599999	Total - Bonds - Industrial & Miscellaneous.....					3,833,333	3,868,292	4,015,637	3,867,282	(1,010)	0	0	148,354	148,354	108,163	14,773
6099998	Total - Bonds.....					13,558,333	13,745,079	14,047,232	13,737,045	(8,034)	0	0	310,185	310,185	245,331	90,134
7299999	Total - Bonds, Preferred and Common Stocks.....					XXX	13,745,079	14,047,232	13,737,045	(8,034)	0	0	310,185	310,185	245,331	90,134

ETS

**PROGRESSIVE HOME INSURANCE COMPANY**

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identifi- cation	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
<b>Common Stocks</b>								
<b>U.S. Property and Casualty Insurer</b>								
743315-47-5....	SPECIALTY RISK INSURANCE COMPANY.....	44288.....	8(3)b(ii)A.....	No.....	N/A.....	25,213,884	26,500,000	100.0
1099999.	Total - Common Stocks - U.S. Property and Casualty Insurer.....					0	25,213,884	XXX.....
1699999.	Total - Common Stocks.....					0	25,213,884	XXX.....
1799999.	Total - Preferred and Common Stock.....					0	25,213,884	XXX.....

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....33,119,444.
2. Total amount of intangible assets nonadmitted \$.....0.

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identifi- cation	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<b>NONE</b>					

**Sch. DA-Pt. 1  
NONE**

**Sch. DB-Pt. A-Sn. 1  
NONE**

**Sch. DB-Pt. A-Sn. 2  
NONE**

**Sch. DB-Pt. A-Sn. 3  
NONE**

**Sch. DB-Pt. B-Sn. 1  
NONE**

**Sch. DB-Pt. B-Sn. 2  
NONE**

**Sch. DB-Pt. B-Sn. 3  
NONE**

**Sch. DB-Pt. C-Sn. 1  
NONE**

**Sch. DB-Pt. C-Sn. 2  
NONE**

**Sch. DB-Pt. C-Sn. 3  
NONE**

**Sch. DB-Pt. D-Sn. 1  
NONE**

**Sch. DB-Pt. D-Sn. 2  
NONE**

**Sch. DB-Pt. D-Sn. 3  
NONE**

**Sch. DB-Pt. E-Sn. 1  
NONE**

**SCHEDULE DM**

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1. Bonds.....	10,742,591	11,154,772	412,181
2. Preferred stocks.....			0
3. Totals.....	10,742,591	11,154,772	412,181

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

Fair Market Value is computed using NAIC market rates, when available. If a market rate is not provided for by the NAIC, broker quotations or market rates provided by Interactive Data Corp (IDC) are used in the computation.

**PROGRESSIVE HOME INSURANCE COMPANY**

**SCHEDULE E - PART 1 - CASH**

1		2	3	4	5	6
Depository		Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
<b>Open Depositories</b>						
BANK ONE	BATON ROUGE, LA.	1.100	1,311	296	70,000	XXX
UNION PLANTERS NATIONAL BANK	MEMPHIS, TN				(802,493)	XXX
CASH EQUIVALENTS:						XXX
CITICORP	NEW YORK, NY	VAR	366			XXX
GENERAL ELEC CAP CORP	NEW YORK, NY	VAR	624			XXX
IBM CORP	NEW YORK, NY	VAR	374			XXX
BANQ NATL PARIS CAYMAN	NEW YORK, NY	VAR	627			XXX
0199998	Deposits in.....2 depositories that do not exceed allowable limits in any one depository (see Instructions) - Open Depositories	XXX	76		25,545	XXX
0199999	Total - Open Depositories	XXX	3,378	296	(706,948)	XXX
0399999	Total Cash on Deposit	XXX	3,378	296	(706,948)	XXX
0499999	Cash in Company's Office	XXX	XXX	XXX	139,019	XXX
0599999	Total Cash	XXX	3,378	296	(567,929)	XXX

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

1. January.....	(2,125,018)	4. April.....	(714,303)	7. July.....	(710,952)	10. October.....	(642,682)
2. February.....	(2,125,982)	5. May.....	(1,150,902)	8. August.....	(742,066)	11. November.....	(648,878)
3. March.....	(2,119,048)	6. June.....	4,529,839	9. September.....	(642,927)	12. December.....	(567,929)

**SCHEDULE E - PART 2 - SPECIAL DEPOSITS**

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
<b>SPECIAL DEPOSITS WHICH ARE NOT FOR THE BENEFIT OF ALL POLICYHOLDERS</b>						
<b>Arkansas</b>						
AR00001.	B	US TREASURY NOTE 5.875% 11/15/04	Arkansas, Bank of America, Collateral for Ins Underwrtg	50,000	51,841	54,000
AR99999.	Arkansas			50,000	51,841	54,000
<b>Louisiana</b>						
LA00001.	C	BANK ONE CERTIFICATE OF DEPOSIT	Louisiana, Bank One, Collateral for Ins Underwrtg	50,000	50,000	50,000
LA00002.	C	BANK ONE CERTIFICATE OF DEPOSIT	Louisiana, Bank One, Collateral for Ins Underwrtg	20,000	20,000	20,000
LA99999.	Louisiana			70,000	70,000	70,000
<b>Nevada</b>						
NV00001.	B	US TREASURY NOTE 5.875% 11/15/04	Nevada, Bank of New York, Collateral for Ins Underwrtg	250,000	259,206	270,000
NV99999.	Nevada			250,000	259,206	270,000
<b>New Mexico</b>						
NM00001.	B	US TREASURY NOTE 5.000% 02/15/11	New Mexico, Bank of Santa Fe, Collateral for Ins Underwrtg	375,000	369,107	412,031
NM99999.	New Mexico			375,000	369,107	412,031
<b>Oklahoma</b>						
OK00001.	B	US TREASURY NOTE 5.875% 11/15/04	Oklahoma, Banc One, Collateral for Ins Underwrtg	100,000	103,683	108,000
OK99999.	Oklahoma			100,000	103,683	108,000
<b>South Carolina</b>						
SC00001.	B	US TREASURY NOTE 5.000% 02/15/11	South Carolina, Wachovia Bank, Collateral for Ins Underwrtg	150,000	147,643	164,813
SC99999.	South Carolina			150,000	147,643	164,813
XX99999.	Total - All Special Deposits NOT Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			995,000	1,001,480	1,078,844
<b>SPECIAL DEPOSITS WHICH ARE FOR THE BENEFIT OF ALL POLICYHOLDERS</b>						
<b>Ohio</b>						
OH00001.	B	US TREASURY NOTE 5.875% 11/15/04	Ohio, Bank of New York, Collateral for Ins Underwrtg	2,505,000	2,597,249	2,705,400
OH99999.	Ohio			2,505,000	2,597,249	2,705,400
ZZ99999.	Total - All Special Deposits Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			2,505,000	2,597,249	2,705,400
9999999.	Totals			3,500,000	3,598,729	3,784,244

(a) Includes \$.....70,000 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.