



ANNUAL STATEMENT

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

PROGRESSIVE HALCYON INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period) NAIC Company Code..... 16322 Employer's ID Number..... 34-1524319

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO Country of Domicile US
Incorporated..... September 29, 1986 Commenced Business..... January 14, 1987

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 CHARLES CLIFFORD BOUCHERLE Treasurer DIANE MARIE BOICH Secretary DANE ALLEN SHRALLOW

VICE PRESIDENTS

JEFFREY WAYNE BASCH (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)
STEPHEN DAVID PETERSON (ASST. TREASURER) DANE ALLEN SHRALLOW (VICE PRESIDENT)

DIRECTORS OR TRUSTEES

CHARLES CLIFFORD BOUCHERLE TODD WILLIAM EVANS PATRICIA JO HARRIS THOMAS ALFRED KING
JOHN NELSON WELLS

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) CHARLES CLIFFORD BOUCHERLE _____ (Printed Name) President	_____ (Signature) KATHLEEN MARY CERNY _____ (Printed Name) Assistant Secretary	_____ (Signature) DIANE MARIE BOICH _____ (Printed Name) Treasurer
--	---	---

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**

PROGRESSIVE HALCYON INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identifi- cation	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Desig- nation	Date Acquired	Effective Rate of Interest
U.S. Government - Issuer Obligations																				
912827-5F-5..	US TREASURY NOTE.....		5.250	MN...	05/15/2004			306,395	300,000	105.3440	316,032	310,031	2,045	15,750	(3,637)			1	03/08/2002	3.638
912827-6T-4..	US TREASURY NOTE.....		5.000	FA...	02/15/2011			3,681,113	3,725,000	109.8750	4,092,844	3,678,430	70,350	92,500	2,732			1	08/27/2002	5.177
912827-7F-3..	US TREASURY NOTE.....		3.500	MN...	11/15/2006			10,722,622	11,080,000	104.0630	11,530,180	10,667,097	50,350	387,800	55,525			1	04/30/2002	4.415
912827-7G-1..	US TREASURY NOTE.....		3.000	MN...	11/30/2003			9,295,217	9,300,000	101.5940	9,448,242	9,290,273	24,527	279,000	4,927			1	12/28/2001	3.056
912828-AM-2..	US TREASURY NOTE.....		2.125	AO...	10/31/2004			37,065,076	36,840,317	101.0940	37,243,350	37,082,297	133,344		(17,221)			1	11/12/2002	1.778
912828-AP-5..	US TREASURY NOTE.....		4.000	MN...	11/15/2012			984,919	1,000,000	101.4060	1,014,060	984,844	5,193		75			1	12/03/2002	4.188
0199999	U.S. Government - Issuer Obligations.....							62,055,342	62,245,317	XXX	63,644,708	62,012,972	285,809	775,050	42,401	0	0	XXX	XXX	XXX
0399999	Total - U.S. Government.....							62,055,342	62,245,317	XXX	63,644,708	62,012,972	285,809	775,050	42,401	0	0	XXX	XXX	XXX
States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																				
Georgia																				
373382-2Y-5..	GEORGIA ST.....		6.250	AO...	04/01/2009			17,190,333	14,840,000		17,190,333	17,218,555	231,875		(28,222)			1PE	12/01/2002	3.413
373382-NE-6..	GEORGIA ST.....		6.500	AO...	04/01/2007			2,316,170	2,000,000		2,316,170	2,324,600	32,500		(8,430)			1PE	11/13/2002	2.560
373382-QF-0..	GEORGIA ST.....		6.300	MS...	03/01/2007			4,582,372	4,000,000		4,582,372	4,596,680	84,000		(14,308)			1PE	11/19/2002	2.590
373383-FZ-6..	GEORGIA ST.....		5.750	FA...	08/01/2009			16,657,494	14,645,000		16,657,494	16,679,923	350,870		(22,428)			1PE	12/01/2002	3.402
373383-MD-6..	GEORGIA ST.....		6.000	AO...	10/01/2008			12,254,189	10,670,000		12,254,189	12,275,195	160,050		(21,006)			1PE	12/01/2002	3.155
373383-NU-8..	GEORGIA ST.....		5.250	JJ...	07/01/2010			11,035,039	10,000,000		11,035,039	11,044,700	262,500		(9,661)			1PE	12/01/2002	3.659
373383-QC-5..	GEORGIA ST.....		5.000	MN...	11/01/2010			9,024,324	8,350,000		9,024,324	9,042,554	69,583	83,750	(18,230)			1PE	12/01/2002	3.797
	Georgia.....							73,059,921	64,505,000	XXX	73,059,921	73,182,207	1,191,378	83,750	(122,285)	0	0	XXX	XXX	XXX
	Total States and US.....							73,059,921	64,505,000	XXX	73,059,921	73,182,207	1,191,378	83,750	(122,285)	0	0	XXX	XXX	XXX
1199999	States, Territories & Possessions - Issuer Obligations.....							73,059,921	64,505,000	XXX	73,059,921	73,182,207	1,191,378	83,750	(122,285)	0	0	XXX	XXX	XXX
1799999	Total - States, Territories & Possessions (Direct and Guaranteed).....							73,059,921	64,505,000	XXX	73,059,921	73,182,207	1,191,378	83,750	(122,285)	0	0	XXX	XXX	XXX
Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																				
Georgia																				
74265L-GU-6..	PRIVATE COLLEGES & UNIVS AUTH.....		5.500	MN...	11/01/2005			2,824,788	2,585,000		2,824,788	2,831,661	23,696		(6,873)			1PE	12/01/2002	2.109
	Georgia.....							2,824,788	2,585,000	XXX	2,824,788	2,831,661	23,696	0	(6,873)	0	0	XXX	XXX	XXX
Kentucky																				
491308-4R-0..	KENTUCKY HSG CORP HSG REV.....		4.850	JJ...	07/01/2022	04/01/2009	100.000	1,045,000	1,045,000		1,045,000	1,045,000	25,341	50,683				1PE	04/30/2001	4.853
	Kentucky.....							1,045,000	1,045,000	XXX	1,045,000	1,045,000	25,341	50,683	0	0	0	XXX	XXX	XXX
Montana																				
61212R-HN-9..	MONTANA ST BRD HSG.....		4.750	JD...	12/01/2031	05/01/2009	100.000	930,000	930,000		930,000	930,000	3,681	44,175				1PE	05/18/2001	4.745
	Montana.....							930,000	930,000	XXX	930,000	930,000	3,681	44,175	0	0	0	XXX	XXX	XXX
	Total States and US.....							4,799,788	4,560,000	XXX	4,799,788	4,806,661	52,718	94,858	(6,873)	0	0	XXX	XXX	XXX
2599999	Special Revenue & Assessment Obligations - Issuer Obligations.....							4,799,788	4,560,000	XXX	4,799,788	4,806,661	52,718	94,858	(6,873)	0	0	XXX	XXX	XXX
3199999	Total - Special Revenue & Special Assessment Obligations.....							4,799,788	4,560,000	XXX	4,799,788	4,806,661	52,718	94,858	(6,873)	0	0	XXX	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																				
United States																				
008739-AA-2..	AIG SUNAMER GLOB FIN.....		5.850	FA...	08/01/2008			2,026,544	1,900,000	110.9000	2,107,100	2,028,155	46,313		(1,611)			1PE	12/01/2002	4.487
755111-BF-7..	RAYTHEON COMPANY.....		7.900	MS...	03/01/2003			1,005,932	1,000,000	100.6780	1,006,780	1,046,850	26,333	79,000	(35,624)			2PE	11/01/2001	4.205
	United States.....							3,032,476	2,900,000	XXX	3,113,880	3,075,005	72,646	79,000	(37,235)	0	0	XXX	XXX	XXX
Foreign																				
902118-AX-6..	TYCO INTL GROUP SA.....		6.375	FA...	02/15/2006			1,770,227	2,000,000	97.0000	1,940,000	1,730,000	48,167	63,750	40,227			3	04/25/2002	10.802
	Foreign.....							1,770,227	2,000,000	XXX	1,940,000	1,730,000	48,167	63,750	40,227	0	0	XXX	XXX	XXX
3999999	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations.....							4,802,703	4,900,000	XXX	5,053,880	4,805,005	120,813	142,750	2,992	0	0	XXX	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities																				
United States																				
3133TR-SG-1	FHR 2297 AB.....		6.000	MTLY	11/15/2028	08/01/2006	100.000	1,481,976	1,474,998		1,481,976	1,483,813	7,375	59,000	(1,837)			1PE	04/09/2002	5.545
313921-6F-0..	FNW 2001-W3 A.....		7.000	MTLY	09/01/2041	09/01/2031	100.000	862,903	826,494		862,903	864,719	4,821	57,855	(166)			1PE	10/24/2001	5.817
31392B-NN-2..	FNR 2001-81 PC.....		6.000	MTLY	03/25/2025	04/01/2006	100.000	2,016,231	2,000,000		2,016,231	2,023,672	10,000	110,000	(7,441)			1PE	01/07/2002	5.605
31392B-QU-3..	FNR 2001-81 AB.....		6.000	MTLY	02/25/2028	07/01/2006	100.000	1,635,251	1,634,202		1,635,251	1,637,011	8,171	65,368	(1,761)			1PE	04/09/2002	5.771
31392C-MS-0..	FNW 2002-W1 2A.....		7.500	MTLY	02/25/2042	01/01/2032	100.000	1,374,654	1,309,523		1,374,654	1,376,226	8,185	73,661	(1,573)			1PE	03/07/2002	6.188
	United States.....							7,371,015	7,245,217	XXX	7,371,015	7,385,441	38,552	365,884	(12,778)	0	0	XXX	XXX	XXX
4199999	Industrial & Miscellaneous - Defined Multi-Class Residential Mtg.-Backed Securities.....							7,371,015	7,245,217	XXX	7,371,015	7,385,441	38,552	365,884	(12,778)	0	0	XXX	XXX	XXX

E08

PROGRESSIVE HALCYON INSURANCE COMPANY

SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identifi- cation	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Desig- nation	Date Acquired	Effec- tive Rate of Interest
Industrial & Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities																				
United States																				
22540V-G6-3	CSFB 2002-9 1A1		7.000	MTLY	03/25/2032	02/01/2032	100.000	1,639,035	1,617,745		1,639,035	1,640,241	9,437	75,495	(1,206)			..1PE	04/02/2002	6.319
22540V-N9-9	CSFB 2002-CKN2 A2		5.939	MTLY	04/15/2037	09/01/2011	100.000	2,009,066	2,000,000		2,009,066	2,010,000	9,898	69,288	(934)			..1PE	05/02/2002	5.893
	United States							3,648,101	3,617,745	...XXX	3,648,101	3,650,241	19,335	144,783	(2,140)	0	0	...XXX	...XXX	...XXX
4399999	Industrial & Miscellaneous - Defined Multi-Class Commercial Mtg.-Backed Securities							3,648,101	3,617,745	...XXX	3,648,101	3,650,241	19,335	144,783	(2,140)	0	0	...XXX	...XXX	...XXX
Industrial & Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																				
United States																				
12669B-T3-6	CWALT 2001-5 A1		6.500	MTLY	06/01/2031	03/01/2004	100.000	1,031,319	1,022,460		1,031,319	1,053,693	5,538	66,458	(20,717)			..1PE	10/22/2001	3.799
22540V-GE-6	CSFB 2001-CKN5 A4		5.435	MTLY	09/01/2034	07/01/2011	100.000	2,008,673	2,000,000		2,008,673	2,010,000	9,058	108,700	(1,228)			..1PE	11/01/2001	5.399
32051D-GH-9	FHASI 2001-5 A1		6.750	MTLY	08/01/2031	08/01/2003	100.000	223,666	222,834		223,666	227,569	1,253	15,028	(3,990)			..1PE	10/25/2001	3.767
585525-FA-1	MRFC 2001-HEIL A4		6.615	MTLY	02/01/2021	08/01/2012	100.000	1,500,000	1,500,000		1,500,000	1,500,000	8,269	99,225				..1PE	06/01/2001	6.645
	United States							4,763,658	4,745,294	...XXX	4,763,658	4,791,262	24,118	289,411	(25,935)	0	0	...XXX	...XXX	...XXX
4499999	Industrial & Miscellaneous - Other Multi-Class Commercial Mtg.-Backed/Asset Backed Securities							4,763,658	4,745,294	...XXX	4,763,658	4,791,262	24,118	289,411	(25,935)	0	0	...XXX	...XXX	...XXX
4599999	Total - Industrial & Miscellaneous (Unaffiliated)							20,585,477	20,508,256	...XXX	20,836,654	20,631,949	202,818	942,828	(37,861)	0	0	...XXX	...XXX	...XXX
Totals																				
5499999	Total - Issuer Obligations							144,717,754	136,210,317	...XXX	146,558,297	144,806,845	1,650,718	1,096,408	(83,765)	0	0	...XXX	...XXX	...XXX
5699999	Total - Defined Multi-Class Residential Mortgage-Backed Securities							7,371,015	7,245,217	...XXX	7,371,015	7,385,441	38,552	365,884	(12,778)	0	0	...XXX	...XXX	...XXX
5899999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities							3,648,101	3,617,745	...XXX	3,648,101	3,650,241	19,335	144,783	(2,140)	0	0	...XXX	...XXX	...XXX
5999999	Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							4,763,658	4,745,294	...XXX	4,763,658	4,791,262	24,118	289,411	(25,935)	0	0	...XXX	...XXX	...XXX
6099999	Grand Total - Bonds							160,500,528	151,818,573	...XXX	162,341,071	160,633,789	1,732,723	1,896,486	(124,618)	0	0	...XXX	...XXX	...XXX

E08.1

Sch. D-Pt. 2-Sn. 1
NONE

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

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
Bonds - U.S. Government							
912827-5F-5	US TREASURY NOTE 5.250% 05/15/04	03/08/2002	HSBC Securities		310,031	300,000	5,047
912827-6T-4	US TREASURY NOTE 5.000% 02/15/11	08/27/2002	Goldman Sachs		3,574,180	3,625,000	45,663
912827-7F-3	US TREASURY NOTE 3.500% 11/15/06	04/30/2002	HSBC Securities		10,667,097	11,080,000	178,902
912828-AM-2	US TREASURY NOTE 2.125% 10/31/04	11/12/2002	Various		37,082,297	36,840,317	27,280
912828-AP-5	US TREASURY NOTE 4.000% 11/15/12	12/03/2002	JP Morgan Securities		984,844	1,000,000	2,099
0399999	Total - Bonds - U.S. Government				52,618,449	52,845,317	258,991
Bonds - States, Territories and Possessions							
Georgia							
373382-2Y-5	GEORGIA ST 6.250% 04/01/09	12/01/2002	Casualty		17,218,555	14,840,000	154,583
373382-NE-6	GEORGIA ST 6.500% 04/01/07	11/13/2002	Lehman Brothers		2,324,600	2,000,000	16,972
373382-QF-0	GEORGIA ST 6.300% 03/01/07	11/19/2002	Merrill Lynch		4,596,680	4,000,000	56,700
373383-FZ-6	GEORGIA ST 5.750% 08/01/09	12/01/2002	Casualty		16,679,923	14,645,000	280,696
373383-MD-7	GEORGIA ST 6.000% 10/01/08	12/01/2002	Casualty		12,275,195	10,670,000	106,700
373383-NU-8	GEORGIA ST 5.250% 07/01/10	12/01/2002	Casualty		11,044,700	10,000,000	218,750
373383-QC-5	GEORGIA ST 5.000% 11/01/10	12/01/2002	Max		9,042,554	8,350,000	34,792
	Georgia				73,182,207	64,505,000	869,193
	Total States and US				73,182,207	64,505,000	869,193
1799999	Total - Bonds - States, Territories & Possessions				73,182,207	64,505,000	869,193
Bonds - Special Revenue and Special Assessment							
Georgia							
74265L-GU-6	PRIVATE COLLEGES & UNIV 5.500% 11/01/05	12/01/2002	Casualty		2,831,661	2,585,000	11,848
	AUTH						
	Georgia				2,831,661	2,585,000	11,848
	Total States and US				2,831,661	2,585,000	11,848
3199999	Total - Bonds - Special Revenue & Special Assessments				2,831,661	2,585,000	11,848
Bonds - Industrial and Miscellaneous							
United States							
008739-AA-2	AIG SUNAMER GLOB FIN 5.850% 08/01/08	12/01/2002	Casualty		2,028,155	1,900,000	37,050
22540V-G6-3	CSFB 2002-9 1A1 7.000% 03/25/32	04/02/2002	CSFBdirect		1,640,241	1,617,745	9,122
22540V-N9-9	CSFB 2002-CKN2 A2 5.939% 04/15/37	05/02/2002	CSFBdirect		2,010,000	2,000,000	6,269
3133TR-SG-1	FHR 2297 AB 6.000% 11/15/28	04/09/2002	Merrill Lynch		1,483,813	1,474,998	2,704
31392B-NN-2	FNR 2001-81 PC 6.000% 03/25/25	01/07/2002	Goldman Sachs		2,023,672	2,000,000	3,000
31392B-QU-3	FNR 2001-81 AB 6.000% 02/25/28	04/09/2002	Goldman Sachs		1,637,011	1,634,202	2,996
31392C-MS-0	FNW 2002-W1 2A 7.500% 02/25/42	03/07/2002	Nomura Securities Intern'l Inc		1,376,226	1,309,523	7,093
	United States				12,199,118	11,936,468	68,234
Foreign							
902118-AX-6	TYCO INTL GROUP SA 6.375% 02/15/06	04/25/2002	Deutsche Bank		1,730,000	2,000,000	26,563
	Foreign				1,730,000	2,000,000	26,563
4599999	Total - Bonds - Industrial & Miscellaneous				13,929,118	13,936,468	94,797
6099997	Total - Bonds - Part 3				142,561,435	133,871,785	1,234,829
6099998	Total - Bonds - Summary Item from Part 5				129,372,204	130,292,660	803,322
6099999	Total - Bonds				271,933,639	264,164,445	2,038,151
7299999	Total - Bonds, Preferred and Common Stocks				271,933,639	XXX	2,038,151

E11

PROGRESSIVE HALCYON 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
Bonds - U.S. Government															
31359M-LZ-4	FANNIE MAE 5.000% 01/15/07	04/02/2002	Goldman Sachs		23,131,946	23,300,000	23,156,119	23,156,330	4,422			(28,806)	(28,806)	294,875	
912827-2Y-7	US TREASURY NOTE 6.250% 06/30/02	06/30/2002	Maturity		3,460,000	3,460,000	3,438,141	3,454,568	5,432					112,813	
912827-3G-5	US TREASURY NOTE 6.250% 08/31/02	08/31/2002	Maturity		125,000	125,000	126,543	125,366	(366)					7,813	
912827-6X-5	US TREASURY NOTE 4.625% 05/15/06	03/13/2002	Bear Stearns		1,906,234	1,900,000	1,907,570	1,906,971	(292)			(445)	(445)	28,887	
0399999	Total - Bonds - U.S. Government				28,623,180	28,785,000	28,628,373	28,643,235	9,196	0	0	(29,251)	(29,251)	444,388	XXX
Bonds - States, Territories and Possessions															
Massachusetts															
575827-6H-8	MASSACHUSETTS ST 5.500% 11/01/12	12/01/2002	Casualty		4,499,160	4,000,000	4,471,600	4,467,236	(31,932)			63,856	63,856	238,333	
	Massachusetts				4,499,160	4,000,000	4,471,600	4,467,236	(31,932)	0	0	63,856	63,856	238,333	XXX
	Total States and US				4,499,160	4,000,000	4,471,600	4,467,236	(31,932)	0	0	63,856	63,856	238,333	XXX
1799999	Total - Bonds - States, Territories & Possessions				4,499,160	4,000,000	4,471,600	4,467,236	(31,932)	0	0	63,856	63,856	238,333	XXX
Bonds - Special Revenue and Special Assessment															
Kentucky															
491308-4R-0	KENTUCKY HSG CORP HSG R 4.850% 07/01/2	10/01/2002	Call 100.0000		375,000	375,000	375,000	375,000					0	14,065	
	Kentucky				375,000	375,000	375,000	375,000	0	0	0	0	0	14,065	XXX
Montana															
61212R-HN-9	MONTANA ST BRD HSG 4.750% 12/01/31	12/01/2002	Call 100.0000		55,000	55,000	55,000	55,000					0	2,256	
	Montana				55,000	55,000	55,000	55,000	0	0	0	0	0	2,256	XXX
	Total States and US				430,000	430,000	430,000	430,000	0	0	0	0	0	16,321	XXX
3199999	Total - Bonds - Special Revenue & Assessment				430,000	430,000	430,000	430,000	0	0	0	0	0	16,321	XXX
Bonds - Industrial and Miscellaneous															
United States															
001957-AU-3	AT&T CORP 5.625% 03/15/04	05/10/2002	Union Bank of Switzerland		1,440,000	1,500,000	1,421,745	1,446,834	8,295			(15,130)	(15,130)	56,250	
05947U-DP-0	BACM 2001-3 A2 5.464% 04/11/37	01/04/2002	First Union		943,867	1,000,000	1,005,044	1,005,029	(56)			(61,105)	(61,105)	5,768	
12669B-T3-6	CWALT 2001-5 A1 6.500% 06/01/31	12/01/2002	Paydown		782,347	782,347	806,245	804,976	(22,630)					38,994	
141781-AL-8	CARGILL INC 6.250% 05/01/06	12/01/2002	Casualty		1,626,765	1,500,000	1,496,730	1,497,118	464			129,184	129,184	101,563	
31339L-RR-3	FHR 2390 PC 6.000% 01/01/25	12/01/2002	Casualty		2,071,940	2,000,000	2,015,938	2,015,925	(2,728)			58,743	58,743	120,000	
313921-6F-0	FNW 2001-W3 A 7.000% 09/01/41	12/01/2002	Paydown		155,799	155,799	163,004	162,693	(6,895)					6,465	
32051D-GH-9	FHASI 2001-5 A1 6.750% 08/01/31	12/01/2002	Paydown		632,142	632,142	645,575	645,823	(13,681)					28,682	
345397-TX-1	FORD MOTOR CREDIT CO 6.500% 01/25/07	12/01/2002	Casualty		1,948,400	2,000,000	1,989,500	1,989,810	1,167			(42,577)	(42,577)	143,000	
617446-GL-7	MORGAN STANLEY 6.100% 04/15/06	04/26/2002	Goldman Sachs		2,060,960	2,000,000	1,998,080	1,998,313	11			62,637	62,637	66,422	
931142-BN-2	WAL-MART STORES INC 5.450% 08/01/06	11/01/2002	Union Bank of Switzerland		2,162,000	2,000,000	1,996,280	1,996,555	393			165,052	165,052	138,066	
	United States				13,824,220	13,570,288	13,538,141	13,563,076	(35,660)	0	0	296,804	296,804	705,210	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				13,824,220	13,570,288	13,538,141	13,563,076	(35,660)	0	0	296,804	296,804	705,210	XXX
6099997	Total - Bonds - Part 4				47,376,560	46,785,288	47,068,114	47,103,547	(58,396)	0	0	331,409	331,409	1,404,252	XXX
6099998	Total - Bonds - Summary Item from Part 5				131,029,249	130,292,660	129,372,204	129,360,951	(11,253)			1,668,299	1,668,299	1,816,248	XXX
6099999	Total - Bonds				178,405,809	177,077,948	176,440,318	176,464,498	(69,649)	0	0	1,999,708	1,999,708	3,220,500	XXX
Common Stocks - Banks, Trust and Insurance Companies															
United States															
092477-10-8	BLACKROCK TERM TRUST 2001	05/16/2002	Final Distribution										0		82
	United States				0	XXX	0	0	0	0	0	0	0	XXX	82
6799999	Total - Common Stocks - Banks, Trust & Insurance Companies				0	XXX	0	0	0	0	0	0	0	XXX	82
7099997	Total - Common Stocks - Part 4				0	XXX	0	0	0	0	0	0	0	XXX	82
7099999	Total - Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	82
7199999	Total - Preferred and Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	82
7299999	Total - Bonds, Preferred and Common Stocks				178,405,809	XXX	176,440,318	176,464,498	(69,649)	0	0	1,999,708	1,999,708	3,220,500	82

E12

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
Bonds - U.S. Government																
912827-7F-3	US TREASURY NOTE 3.500% 11/15/06	04/30/2002	Various	10/23/2002	Various	26,620,000	25,380,177	25,887,164	25,415,051	34,874			472,113	472,113	507,711	355,031
912827-7L-0	US TREASURY NOTE 4.875% 02/15/12	05/31/2002	Various	06/21/2002	Various	26,000,000	25,549,219	25,969,688	25,552,823	3,604			416,865	416,865	395,656	279,437
912828-AC-4	US TREASURY NOTE 4.375% 05/15/07	05/29/2002	Deutsche Bank	06/21/2002	Deutsche Bank	4,500,000	4,490,859	4,568,906	4,490,868	9			78,038	78,038	21,399	8,025
912828-AH-3	US TREASURY NOTE 3.250% 08/15/07	09/27/2002	Goldman Sachs	11/13/2002	HSBC Securities	3,700,000	3,790,766	3,776,023	3,788,604	(2,161)			(12,581)	(12,581)	29,736	15,031
912828-AM-2	US TREASURY NOTE 2.125% 10/31/04	11/07/2002	Lehman Brothers	12/01/2002	Casualty	47,159,683	47,428,641	47,248,343	47,419,658	(8,983)			(171,314)	(171,314)	85,347	22,147
0399999	Total - Bonds - U.S. Government					107,979,683	106,639,662	107,450,124	106,667,004	27,343	0	0	783,121	783,121	1,039,849	679,671
Bonds - Special Revenue and Special Assessment Connecticut																
207757-T8-8	CONNECTICUT ST 5.000% 10/01/07	10/22/2002	Merrill Lynch	12/01/2002	Casualty	2,700,000	2,938,086	2,962,872	2,933,550	(4,536)			29,322	29,322	22,500	9,000
	Connecticut					2,700,000	2,938,086	2,962,872	2,933,550	(4,536)	0	0	29,322	29,322	22,500	9,000
	Total States and US					2,700,000	2,938,086	2,962,872	2,933,550	(4,536)	0	0	29,322	29,322	22,500	9,000
3199999	Total - Bonds - Special Revenue & Assessment					2,700,000	2,938,086	2,962,872	2,933,550	(4,536)	0	0	29,322	29,322	22,500	9,000
Bonds - Industrial and Miscellaneous United States																
00184A-AE-5	AOL TIME WARNER INC 6.150% 05/01/07	04/25/2002	Morgan Stanley	12/01/2002	Casualty	2,000,000	1,951,820	2,014,400	1,956,761	4,941			57,639	57,639	79,608	7,517
17303C-AY-7	CCIMT 1998-2 A 6.050% 01/15/10	03/20/2002	Deutsche Bank	10/30/2002	Morgan Stanley	2,200,000	2,254,914	2,433,836	2,249,921	(4,993)			183,915	183,915	106,850	25,881
22540V-G6-3	CSFB 2002-9 1A1 7.000% 03/25/32	04/02/2002	CSFBdirect	12/01/2002	Paydown	359,394	364,392	359,394	359,394	(4,998)			0	0	10,784	2,027
31339L-FV-7	FHR 2394 GB 6.000% 02/15/25	01/07/2002	Goldman Sachs	12/01/2002	Casualty	2,000,000	2,025,938	2,071,540	2,022,044	(3,894)			49,496	49,496	110,000	3,000
3133TR-SG-1	FHR 2297 AB 6.000% 11/15/28	04/09/2002	Merrill Lynch	12/01/2002	Paydown	531,710	534,887	531,710	531,710	(3,178)			0	0	14,702	975
31392B-QU-3	FNR 2001-81 AB 6.000% 02/25/28	04/09/2002	Goldman Sachs	12/01/2002	Paydown	331,396	331,965	331,396	331,396	(570)			0	0	10,051	608
31392C-MS-0	FNW 2002-W1 2A 7.500% 02/25/42	03/07/2002	Nomura Securities Intern'l Inc	12/01/2002	Paydown	190,477	200,180	190,477	190,477	(9,702)			0	0	6,448	1,032
38141G-BU-7	GOLDMAN SACHS GROUP 6.600% 01/15/12	01/03/2002	Goldman Sachs	02/21/2002	Goldman Sachs	4,000,000	4,000,000	4,065,120	4,000,000				65,120	65,120	33,733	0
428236-AF-0	HEWLETT-PACKARD CO 5.500% 07/01/07	06/21/2002	Deutsche Bank	11/22/2002	JP Morgan Securities	2,000,000	1,996,000	2,091,460	1,996,190	190			95,270	95,270	46,139	0
750438-AB-9	RADIOSHACK CORPORATION 7.375% 05/15	01/08/2002	Goldman Sachs	12/01/2002	Casualty	2,000,000	2,033,820	2,191,160	2,031,621	(2,199)			159,539	159,539	154,056	22,944
808626-AC-9	SCIENCE APPLICATIONS 6.250% 07/01/12	06/24/2002	JP Morgan Securities	12/03/2002	JP Morgan Securities	2,000,000	1,991,760	2,087,960	1,991,919	159			96,041	96,041	54,861	0
	United States					17,612,977	17,685,676	18,368,453	17,661,433	(24,244)	0	0	707,020	707,020	627,232	63,984
Canada																
73755L-AA-5	POTASH CORP OF 7.125% 06/15/07	04/18/2002	Union Bank of Switzerland	10/31/2002	Union Bank of Switzerland	2,000,000	2,108,780	2,247,800	2,098,964	(9,816)			148,836	148,836	126,667	50,667
	SASKATCHEWAN					2,000,000	2,108,780	2,247,800	2,098,964	(9,816)	0	0	148,836	148,836	126,667	50,667
	Canada					2,000,000	2,108,780	2,247,800	2,098,964	(9,816)	0	0	148,836	148,836	126,667	50,667
4599999	Total - Bonds - Industrial & Miscellaneous					19,612,977	19,794,456	20,616,253	19,760,397	(34,060)	0	0	855,856	855,856	753,899	114,651
6099998	Total - Bonds					130,292,660	129,372,204	131,029,249	129,360,951	(11,253)	0	0	1,668,299	1,668,299	1,816,248	803,322
7299999	Total - Bonds, Preferred and Common Stocks					XXX	129,372,204	131,029,249	129,360,951	(11,253)	0	0	1,668,299	1,668,299	1,816,248	803,322

E13

**Sch. D-Pt. 6-Sn. 1
NONE**

**Sch. D-Pt. 6-Sn. 2
NONE**

**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.....	160,500,526	164,888,281	4,387,755
2. Preferred stocks.....			0
3. Totals.....	160,500,526	164,888,281	4,387,755

(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 HALCYON 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	*
Open Depositories					
NATIONAL CITY BANK..... CLEVELAND, OH.....	2.170	5,824	685	213,503	XXX
CASH EQUIVALENTS.....					XXX
AMERICAN EXPRESS CREDIT.....	VAR.	240			XXX
CITICORP..... NEW YORK, NY.....	VAR.	832			XXX
CITIGROUP INC..... NEW CASTLE, DE.....	VAR.	1,055			XXX
GENERAL ELEC CAP CORP..... NEW YORK, NY.....	VAR.	1,870			XXX
UBS FINANCE (DE) LLC..... NEW YORK, NY.....	VAR.	1,239			XXX
BANK OF AMERICA CAYMAN..... CHARLOTTE, NC.....	VAR.	904			XXX
BANK OF SCOTLAND..... NEW YORK, NY.....	VAR.	3,176			XXX
BANQ NATL PARIS CAYMAN..... NEW YORK, NY.....	VAR.	21,943			XXX
CAISSE DES DEPOT CON PAR..... NEW YORK, NY.....	VAR.	1,862			XXX
CANADIAN IMP BK CAYMAN..... NEW YORK, NY.....	VAR.	3,536			XXX
CHASE MANHATTAN BANK USA NA..... NEWARK, DE.....	VAR.	9,202			XXX
HSBC BANK USA..... NEW YORK, NY.....	VAR.	1,065			XXX
RABOBANK NED CAYMAN..... NEW YORK, NY.....	VAR.	17,609			XXX
ROYAL BANK OF CANADA..... TORONTO, ONTARIO CANADA.....	VAR.	10,181			XXX
SOCIETE GENERALE CAYMAN..... NEW YORK, NY.....	VAR.	15,764			XXX
SUNTRUST BANK..... ATLANTA, GA.....	VAR.	3,985			XXX
SVENSKA BANK CAYMAN..... NEW YORK, NY.....	VAR.	10,280			XXX
WACHOVIA BANK NA CAYMAN..... WINSTON-SALEM, NC.....	VAR.	22,826			XXX
0199999. Total - Open Depositories.....	XXX	133,393	685	213,503	XXX
0399999. Total Cash on Deposit.....	XXX	133,393	685	213,503	XXX
0599999. Total Cash.....	XXX	133,393	685	213,503	XXX

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

1. January.....	210,674	4. April.....	213,503	7. July.....	213,503	10. October.....	25,013,503
2. February.....	210,674	5. May.....	213,503	8. August.....	213,503	11. November.....	84,773,866
3. March.....	210,674	6. June.....	16,112,918	9. September.....	25,013,503	12. December.....	213,503

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
SPECIAL DEPOSITS WHICH ARE NOT FOR THE BENEFIT OF ALL POLICYHOLDERS						
Arkansas						
AR00001.	B	US TREASURY NOTE 5.000% 02/15/11	Arkansas, Regions Bank, Collateral for Ins Underwrtg	210,000	207,526	230,738
AR99999.	Arkansas			210,000	207,526	230,738
Georgia						
GA00001.	B	US TREASURY NOTE 5.000% 02/15/11	Georgia, Wachovia Bank, Collateral for Ins Underwrtg	35,000	34,588	38,456
GA99999.	Georgia			35,000	34,588	38,456
Louisiana						
LA00001.	B	US TREASURY NOTE 5.000% 02/15/11	Louisiana, Banc One, Collateral for Ins Underwrtg	30,000	29,647	32,963
LA99999.	Louisiana			30,000	29,647	32,963
Nevada						
NV00001.	C	NATIONAL CITY BANK CD 2.170 05/28/2003	NV National City Bank, Collateral for Ins Underwrtg	106,752	106,752	106,752
NV00002.	C	NATIONAL CITY BANK CD 2.170 05/28/2003	NV National City Bank, Collateral for Ins Underwrtg	106,751	106,751	106,751
NV99999.	Nevada			213,503	213,503	213,503
New Mexico						
NM00001.	B	US TREASURY NOTE 3.000% 11/30/03	New Mexico, Bank of Santa Fe, Collateral for Ins Underwrtg	300,000	299,846	304,782
NM00002.	B	US TREASURY NOTE 5.250% 05/15/04	New Mexico, Bank of Santa Fe, Collateral for Ins Underwrtg	300,000	306,395	316,032
NM99999.	New Mexico			600,000	606,241	620,814
Oklahoma						
OK00001.	B	US TREASURY NOTE 5.000% 02/15/11	Oklahoma, Bank of Oklahoma, Collateral for Ins Underwrtg	300,000	296,466	329,625
OK99999.	Oklahoma			300,000	296,466	329,625
Oregon						
OR00001.	B	US TREASURY NOTE 5.000% 02/15/11	Oregon, US Bank, Collateral for Ins Underwrtg	270,000	266,819	296,663
OR99999.	Oregon			270,000	266,819	296,663
South Carolina						
SC00001.	B	US TREASURY NOTE 5.000% 02/15/11	South Carolina, Wachovia Bank, Collateral for Ins Underwrtg	125,000	123,527	137,344
SC99999.	South Carolina			125,000	123,527	137,344
Virginia						
VA00001.	B	US TREASURY NOTE 5.000% 02/15/11	Virginia, Suntrust Bank, Collateral for Ins Underwrtg	115,000	113,645	126,356
VA99999.	Virginia			115,000	113,645	126,356
XX99999.	Total - All Special Deposits NOT Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			1,898,503	1,891,962	2,026,462
SPECIAL DEPOSITS WHICH ARE FOR THE BENEFIT OF ALL POLICYHOLDERS						
Ohio						
OH00001.	B	US TREASURY NOTE 5.000% 02/15/11	Ohio, Bank of New York, Collateral for Ins Underwrtg	2,600,000	2,569,368	2,856,750
OH99999.	Ohio			2,600,000	2,569,368	2,856,750
ZZ99999.	Total - All Special Deposits Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			2,600,000	2,569,368	2,856,750
9999999.	Totals			4,498,503	4,461,330	4,883,212

E25

(a) Includes \$.....213,503 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.