PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

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ANNUAL STATEMENT

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

UNITED FINANCIAL CASUALTY COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period) NAIC Company Code..... 11770 Employer's ID Number..... 36-3298008

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

Incorporated..... June 13, 1984 Commenced Business..... August 10, 1984

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	300 N. COMMONS BLVD. OHT62 ..... 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)
KATHLEEN MARY CERNY (ASST. SECRETARY)
CHARLES ELWOOD JARRETT (VICE PRESIDENT)
THOMAS ALFRED KING (VICE PRESIDENT)
STEPHEN DAVID PETERSON (ASST. TREASURER)
TIMOTHY FRANCIS CERCELLE (ASST. VICE PRESIDENT) #
WILLIAM THOMAS FORRESTER, II (VICE PRESIDENT)
TIMOTHY FRANCIS KASELONIS (ASST. VICE PRESIDENT)
JAMES LEE KUSMER (VP/ASST. TREASURER)
DANE ALLEN SHRALLOW (VICE PRESIDENT)

DIRECTORS OR TRUSTEES

CHARLES CLIFFORD BOUCHERLE
THOMAS ALFRED KING
ROBERT THOMAS WILLIAMS, JR.
WILLIAM THOMAS FORRESTER, II
BRIAN JAMES PASSELL
PATRICIA JO HARRIS
GLENN MORRIS RENWICK
CHARLES ELWOOD JARRETT
RICHARD HENRY WATTS

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)
CHARLES CLIFFORD BOUCHERLE	KATHLEEN MARY CERNY	DIANE MARIE BOICH
(Printed Name)	(Printed Name)	(Printed Name)
President	Assistant Secretary	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.....

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds	122,713,485		122,713,485	103,886,022
2.	Stocks:				
	2.1 Preferred stocks (Schedule D, Part 2, Section 1)			0	3,120,717
	2.2 Common stocks (Schedule D, Part 2, Section 2)			0	1,694,508
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	
	3.2 Other than first liens			0	
4.	Real estate (Schedule A):				
	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 $.....0 encumbrances)			0	
5.	Cash ($.....406,599 Schedule E, Part 1) and short-term investments ($.....0 Schedule DA, Part 2)	406,599		406,599	505,481
6.	Other invested assets (Schedule BA)			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)	123,120,084	0	123,120,084	109,206,728
10.	Agents' balances or uncollected premiums:				
	10.1 Premiums and agents' balances in course of collection	4,762,880	273,342	4,489,538	6,283,006
	10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	9,370,286		9,370,286	5,394,235
	10.3 Accrued retrospective premiums	911,922	9,119	902,803	3,148,528
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 (Schedule F, Part 3, Cols. 7 and 8)	65,424		65,424	771,875
15.	Federal and foreign income tax recoverable and interest thereon (including $.....5,555,811 net deferred tax asset)	6,247,629	691,818	5,555,811	6,479,774
16.	Guaranty funds receivable or on deposit			0	
17.	Electronic data processing equipment and software	490,841		490,841	198,971
18.	Interest, dividends and real estate income due and accrued	1,258,765		1,258,765	1,129,902
19.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
20.	Receivable from parent, subsidiaries and affiliates	676,555		676,555	9,827,057
21.	Amount 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 (Exhibit 1)	139,605	139,605	0	
25.	Aggregate write-ins for other than invested assets	674,423	365,834	308,589	200
26.	Total assets excluding protected cell assets (Lines 9 through 25)	147,718,414	1,479,718	146,238,696	142,440,276
27.	Protected cell assets			0	
28.	TOTALS (Lines 26 and 27)	147,718,414	1,479,718	146,238,696	142,440,276

DETAILS OF WRITE-INS

0801.				0	
0802.				0	
0803.				0	
0898.	Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899.	Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501.	NET PREMIUM TAX DEPOSITS	306,809		306,809	200
2502.	MISCELLANEOUS OTHER ASSETS	366,495	364,715	1,780	
2503.	PREPAID EXPENSES	1,119	1,119	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)	674,423	365,834	308,589	200

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 34, Column 8)	23,708,373	16,477,725
2.	Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 34, Column 9)	4,923,299	3,757,446
4.	Commissions payable, contingent commissions and other similar charges	1,828,769	2,779,899
5.	Other expenses (excluding taxes, licenses and fees)	802,496	1,281,468
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	226,351	691,470
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 (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....52,928 and including warranty reserves of $.....0)	41,463,236	32,418,413
10.	Advance premiums	474,560	151,383
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	159,891	996,328
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	27,124	57,111
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		4,000
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	5,085,217	5,179,025
19.	Payable to parent, subsidiaries and affiliates	1,796,683	3,200,380
20.	Payable for securities		
21.	Liability for amounts held under uninsured accident and health plans		
22.	Capital notes $.....0 and interest thereon $.....0		
23.	Aggregate write-ins for liabilities	12,522,343	20,885,366
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	93,018,342	87,880,014
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	93,018,342	87,880,014
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	3,008,000	3,008,000
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	39,392,000	39,392,000
33.	Unassigned funds (surplus)	10,820,354	12,160,262
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) (Page 4, Line 38)	53,220,354	54,560,262
36.	TOTALS (Page 2, Line 28, Col. 3)	146,238,696	142,440,276

DETAILS OF WRITE-INS

2301.	POLICY CANCELLATION RESERVE	8,541,533	19,477,988
2302.	STATE PLAN LIABILITY	3,667,589	1,296,243
2303.	OTHER LIABILITIES	293,487	74,241
2398.	Summary of remaining write-ins for Line 23 from overflow page	19,734	36,894
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	12,522,343	20,885,366
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

UNDERWRITING AND INVESTMENT EXHIBIT

	STATEMENT OF INCOME	1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 34, Column 4)	101,218,909	85,650,449
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 34, Column 7)	54,849,786	47,894,940
3.	Loss expenses incurred (Part 3, Line 25, Column 1)	8,690,968	5,929,547
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	31,127,506	28,390,574
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	94,668,260	82,215,061
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	6,550,649	3,435,388
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,870,565	7,963,210
10.	Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	430,590	1,152,325
11.	Net investment gain (loss) (Lines 9 + 10)	8,301,155	9,115,535
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....11,616 amount charged off $.....392,089)	(380,473)	(24,805)
13.	Finance and service charges not included in premiums	686,803	257,752
14.	Aggregate write-ins for miscellaneous income	131,158	(1,078,360)
15.	Total other income (Lines 12 through 14)	437,488	(845,413)
16.	Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	15,289,292	11,705,510
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	15,289,292	11,705,510
19.	Federal and foreign income taxes incurred	7,530,901	5,336,853
20.	Net income (Line 18 minus Line 19) (to Line 22)	7,758,391	6,368,657
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	54,560,262	54,642,262
	GAINS AND (LOSSES) IN SURPLUS		
22.	Net income (from Line 20)	7,758,391	6,368,657
23.	Net unrealized capital gains or (losses)	(131,186)	(98,016)
24.	Change in net unrealized foreign exchange capital gains (loss)		
25.	Change in net deferred income tax	(896,260)	3,186,693
26.	Change in nonadmitted assets (Exhibit 1, Line 5, Column 3)	361,413	(944,776)
27.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	4,000	1,000
28.	Change in surplus notes		
29.	Surplus (contributed to) withdrawn from protected cells		
30.	Cumulative effect of changes in accounting principles		3,404,442
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	(9,460,000)	(12,000,000)
35.	Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
36.	Aggregate write-ins for gains and losses in surplus	1,023,734	0
37.	Change in surplus as regards policyholders for the year (Lines 22 through 36)	(1,339,908)	(82,000)
38.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	53,220,354	54,560,262

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	INTEREST INCOME ON INTERCOMPANY BALANCES	112,064	13,275
1402.	SERVICE BUSINESS REVENUE	19,123	359,818
1403.	MISCELLANEOUS OTHER INCOME (EXPENSE)	(29)	6,996
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	(1,458,449)
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	131,158	(1,078,360)
3601.	CORRECTION OF PRIOR YEARS SURPLUS. SEE FOOTNOTE 2A	1,023,734	
3602.			
3603.			
3698.	Summary of remaining write-ins for Line 36 from overflow page	0	0
3699.	Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	1,023,734	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	110,208,248	83,044,672
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	54,531,610	58,153,807
3.	Underwriting expenses paid	33,022,727	27,092,731
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	22,653,911	(2,201,866)
6.	Net investment income	9,165,735	10,340,182
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(327,234)	12,586
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others	(29,987)	6,863
	7.4 Aggregate write-ins for miscellaneous items	817,961	(820,608)
	7.5 Total other income (Lines 7.1 to 7.4)	460,740	(801,159)
8.	Dividends to policyholders on direct business, less $.....0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	(7,530,901)	(5,336,853)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	24,749,485	2,000,304
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	76,956,192	44,844,725
	11.2 Stocks	4,975,613	10,105,000
	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)	81,931,805	54,949,725
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	97,139,316	47,915,554
	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)	97,139,316	47,915,554
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(15,207,511)	7,034,171
	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	7,746,805	3,200,380
	14.4 Borrowed funds received		
	14.5 Other cash provided	1,346,916	3,428,200
	14.6 Total (Lines 14.1 to 14.5)	9,093,721	6,628,580
15.	Cash applied:		
	15.1 Dividends to stockholders paid	9,460,000	12,000,000
	15.2 Net transfers to affiliates		3,975,905
	15.3 Borrowed funds repaid		
	15.4 Other applications	9,274,577	21,937
	15.5 Total (Lines 15.1 to 15.4)	18,734,577	15,997,842
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(9,640,856)	(9,369,262)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16)	(98,882)	(334,787)
18.	Cash and short-term investments:		
	18.1 Beginning of year	505,481	840,268
	18.2 End of year (Line 17 plus Line 18.1)	406,599	505,481

DETAILS OF WRITE-INS

7.401	FINANCE AND SERVICE CHARGES NOT INCLUDED IN PREMIUMS	686,803	257,752
7.402	INTEREST INCOME ON INTERCOMPANY BALANCES	112,064	13,275
7.403	SERVICE BUSINESS REVENUE	19,123	359,818
7.498	Summary of remaining write-ins for Line 7.4 from overflow page	(29)	(1,451,453)
7.499	Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above)	817,961	(820,608)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3 Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire				0
2. Allied lines				0
3. Farmowners multiple peril				0
4. Homeowners multiple peril				0
5. Commercial multiple peril				0
6. Mortgage guaranty				0
8. Ocean marine				0
9. Inland marine	129,463	32,281	64,279	97,465
10. Financial guaranty				0
11.1 Medical malpractice - occurrence				0
11.2 Medical malpractice - claims-made				0
12. Earthquake				0
13. Group accident and health				0
14. Credit accident and health (group and individual)				0
15. Other accident and health				0
16. Workers' compensation				0
17.1 Other liability - occurrence	7,399	3,803	4,061	7,141
17.2 Other liability - claims-made				0
18.1 Products liability - occurrence				0
18.2 Products liability - claims-made				0
19.1, 19.2 Private passenger auto liability	14,727,067	2,466,562	4,535,390	12,658,239
19.3, 19.4 Commercial auto liability	28,074,042	5,720,898	12,455,207	21,339,733
21. Auto physical damage	56,600,374	12,826,014	10,296,601	59,129,787
22. Aircraft (all perils)				0
23. Fidelity				0
24. Surety				0
26. Burglary and theft				0
27. Boiler and machinery				0
28. Credit				0
29. International				0
30. Reinsurance - nonproportional assumed property				0
31. Reinsurance - nonproportional assumed liability				0
32. Reinsurance - nonproportional assumed financial lines				0
33. Aggregate write-ins for other lines of business	10,725,387	11,368,854	14,107,698	7,986,543
34. TOTALS	110,263,732	32,418,412	41,463,236	101,218,908

DETAILS OF WRITE-INS

3301.	Gap addendum	10,725,387	11,368,854	14,107,698	7,986,543
3302.					0
3303.					0
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	10,725,387	11,368,854	14,107,698	7,986,543

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running more than One Year from Date of Policy) (b)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	64,279				64,279
10.	Financial guaranty					0
11.1	Medical malpractice - occurrence					0
11.2	Medical malpractice - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence	4,061				4,061
17.2	Other liability - claims-made					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability	4,535,390				4,535,390
19.3, 19.4	Commercial auto liability	12,455,207				12,455,207
21.	Auto physical damage	7,699,633	2,596,968			10,296,601
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Reinsurance - nonproportional assumed property					0
31.	Reinsurance - nonproportional assumed liability					0
32.	Reinsurance - nonproportional assumed financial lines					0
33.	Aggregate write-ins for other lines of business	14,107,698	0	0	0	14,107,698
34.	TOTALS	38,866,268	2,596,968	0	0	41,463,236
35.	Accrued retrospective premiums based on experience					
36.	Earned but unbilled premiums					
37.	Balance (sum of Lines 34 through 36)					41,463,236

DETAILS OF WRITE-INS

3301.	Gap addendum	14,107,698				14,107,698
3302.	0					0
3303.	0					0
3398.	Summary of remaining write-ins for Line 33 from overflow page.	0	0	0	0	0
3399.	TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	14,107,698	0	0	0	14,107,698

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes [X] No [ ].

(b) State here basis of computation used in each case: Pro Rata and Rule of 78s

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	129,463					129,463
10.	Financial guaranty						0
11.1	Medical malpractice - occurrence						0
11.2	Medical malpractice - claims-made						0
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability - occurrence	7,399					7,399
17.2	Other liability - claims-made						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability	14,727,313				246	14,727,067
19.3, 19.4	Commercial auto liability	28,893,125	66,719			885,802	28,074,042
21.	Auto physical damage	56,251,295			(15,400)	(333,679)	56,600,374
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft						0
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Reinsurance - nonproportional assumed property	XXX					0
31.	Reinsurance - nonproportional assumed liability	XXX					0
32.	Reinsurance - nonproportional assumed financial lines	XXX					0
33.	Aggregate write-ins for other lines of business	10,734,268	0	0	0	8,881	10,725,387
34.	TOTALS	110,742,863	66,719	0	(15,400)	561,250	110,263,732

DETAILS OF WRITE-INS

3301.	Gap addendum	10,734,268				8,881	10,725,387
3302.	0						0
3303.	0						0
3398.	Summary 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 above)	10,734,268	0	0	0	8,881	10,725,387

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
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	14,371			14,371	4,868	1,114	18,125	18.6
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 (group and individual)				0			0	
15.	Other accident and health				0			0	
16.	Workers' compensation				0			0	
17.1	Other liability - occurrence				0	(179)	(38)	(141)	(2.0)
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	4,549,186			4,549,186	5,033,406	3,306,458	6,276,134	49.6
19.3, 19.4	Commercial auto liability	7,665,724		1,047,149	6,618,575	14,864,988	8,231,550	13,252,013	62.1
21.	Auto physical damage	30,537,540		(47,310)	30,584,850	2,045,407	3,142,569	29,487,688	49.9
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			0			0	
31.	Reinsurance - nonproportional assumed liability	XXX			0			0	
32.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	
33.	Aggregate write-ins for other lines of business	5,978,147	0	125,991	5,852,156	1,759,883	1,796,072	5,815,967	72.8
34.	TOTALS	48,744,968	0	1,125,830	47,619,138	23,708,373	16,477,725	54,849,786	54.2
	DETAILS OF WRITE-INS								
3301.	Gap addendum	5,978,147		125,991	5,852,156	1,759,883	1,796,072	5,815,967	72.8
3302.	0				0			0	
3303.	0				0			0	
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	5,978,147	0	125,991	5,852,156	1,759,883	1,796,072	5,815,967	72.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Line of Business	Reported Losses 1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Incurred But Not Reported 5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
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	783			783	4,085			4,868	1,782
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				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability - occurrence				0	(179)			(179)	44
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	3,779,314			3,779,314	1,254,092			5,033,406	1,137,920
19.3, 19.4	Commercial auto liability	13,082,977		1,158,155	11,924,822	3,424,518		484,352	14,864,988	3,339,906
21.	Auto physical damage	1,531,256		19,197	1,512,059	50,433		(482,915)	2,045,407	302,545
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			0	XXX			0	
31.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
33.	Aggregate write-ins for other lines of business	392,700	0	2,940	389,760	1,381,823	0	11,700	1,759,883	141,103
34.	TOTALS	18,787,030	0	1,180,292	17,606,738	6,114,772	0	13,137	23,708,373	4,923,300
	DETAILS OF WRITE-INS									
3301.	Gap addendum	392,700		2,940	389,760	1,381,823		11,700	1,759,883	141,103
3302.	0				0				0	
3303.	0				0				0	
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	392,700	0	2,940	389,760	1,381,823	0	11,700	1,759,883	141,103

(a) Including $.....0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	1,218,416			1,218,416
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	16,950			16,950
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,201,466	0	0	1,201,466
2. Commission and brokerage:				
2.1 Direct excluding contingent		11,838,337		11,838,337
2.2 Reinsurance assumed excluding contingent				0
2.3 Reinsurance ceded excluding contingent		94,709		94,709
2.4 Contingent - direct		381,946		381,946
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	12,125,574	0	12,125,574
3. Allowances to managers and agents				0
4. Advertising		1,755,949		1,755,949
5. Boards, bureaus and associations		22,104		22,104
6. Surveys and underwriting reports	1,792	672,641		674,433
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	5,064,337	7,635,637	41,662	12,741,636
8.2 Payroll taxes	384,869	540,527	4,208	929,604
9. Employee relations and welfare	704,082	836,748	376	1,541,206
10. Insurance				0
11. Directors' fees				0
12. Travel and travel items	206,318	181,703	221	388,242
13. Rent and rent items	258,038	554,269	1,886	814,193
14. Equipment	132,132	600,076	143	732,351
15. Cost or depreciation of EDP equipment and software	24,596	949,739		974,335
16. Printing and stationery	48,584	216,822	372	265,778
17. Postage, telephone and telegraph, exchange and express	370,533	1,053,569	820	1,424,922
18. Legal and auditing		88,561	20,151	108,712
19. Totals (Lines 3 to 18)	7,195,281	15,108,345	69,839	22,373,465
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....5,257		2,677,475		2,677,475
20.2. Insurance department licenses and fees		159,399		159,399
20.3. Gross guaranty association assessments		197,966		197,966
20.4. All other (excluding federal and foreign income and real estate)		678,932		678,932
20.5. Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	3,713,772	0	3,713,772
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured accident and health plans				0
24. Aggregate write-ins for miscellaneous expenses	294,222	179,812	6,202	480,236
25. Total expenses incurred	8,690,969	31,127,503	76,041	(a) 39,894,513
26. Less unpaid expenses - current year	4,923,299	2,857,613		7,780,912
27. Add unpaid expenses - prior year	3,757,446	4,752,837		8,510,283
28. Amounts receivable relating to uninsured accident and health plans, prior year				0
29. Amounts receivable relating to uninsured accident and health plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	7,525,116	33,022,727	76,041	40,623,884

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES	294,222	179,812	6,202	480,236
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	294,222	179,812	6,202	480,236

(a) Includes management fees of $.....4,122,190 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 285,385	386,125
1.1	Bonds exempt from U.S. tax	(a) 551,281	595,032
1.2	Other bonds (unaffiliated)	(a) 6,850,200	6,836,078
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 108,600	108,600
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	29,148	26,917
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash/short-term investments	(e) 7,762	8,487
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	(14,633)	(14,633)
10.	Total gross investment income	7,817,743	7,946,606
11.	Investment expenses		(g) 76,041
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		76,041
17.	Net investment income (Line 10 minus Line 16)		7,870,565
	DETAILS OF WRITE-INS		
0901.	Reversal of Prior Year Accretion Income on Term Trust Common Equity	(14,633)	(14,633)
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	(14,633)	(14,633)
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....417,684 accrual of discount less $.....1,827,084 amortization of premium and less $.....733,174 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1.	U.S. government bonds	(37,339)				(37,339)
1.1	Bonds exempt from U.S. tax					0
1.2	Other bonds (unaffiliated)	91,083				91,083
1.3	Bonds of affiliates					0
2.1	Preferred stocks (unaffiliated)	240,630		(120,717)		119,913
2.11	Preferred stocks of affiliates					0
2.2	Common stocks (unaffiliated)	136,216		(81,108)		55,108
2.21	Common stocks of affiliates					0
3.	Mortgage loans					0
4.	Real estate					0
5.	Contract loans					0
6.	Cash/short-term investments					0
7.	Derivative instruments					0
8.	Other invested assets					0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	430,590	0	(201,825)	0	228,765
	DETAILS OF WRITE-INS					
0901.						0
0902.						0
0903.						0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2	974,279	1,646,987	672,708
2. Other Nonadmitted Assets:			
2.1 Bills receivable			0
2.2 Furniture, equipment and supplies	139,605	172,667	33,062
2.3 Leasehold improvements			0
2.4 Loans on personal security, endorsed or not			0
3. Total (Lines 2.1 to 2.4)	139,605	172,667	33,062
4. Aggregate write-ins for other assets	365,834	21,477	(344,357)
5. Total (Line 1 plus Lines 3 and 4)	1,479,718	1,841,131	361,413

DETAILS OF WRITE-INS

0401. MISCELLANEOUS OTHER ASSETS	364,715	21,477	(343,238)
0402. PREPAID EXPENSES	1,119		(1,119)
0403.			0
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	365,834	21,477	(344,357)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of United Financial Casualty Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI"). The Company was redomesticated from Missouri to Ohio in 2002.

The Ohio DOI requires insurance companies domiciled in Ohio to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP"), subject to any deviations prescribed or permitted by the Ohio DOI. No deviations from NAIC SAP were used in preparing these statutory-basis financial statements.

B. Use of Estimates in the Preparation of the Financial Statements

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense ("LAE") reserves and the policy cancellation reserve (see Note 1C).

C. Accounting Policies

Insurance premiums written are earned using either a pro-rata basis over the period of risk or the rule of 78's. Unearned premium reserves are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company's exposure to credit risk.

Acquisition costs, such as agents' commissions, premium taxes and other policy initiation costs are charged to operations as incurred.

The Company writes Collateral Protection Insurance ("CPI"), which is purchased by financial institutions ("the insureds") to protect their interest in loan collateral if the borrower fails to maintain insurance as required in the loan agreement. Often the borrower sends proof that the collateral was insured after CPI has been purchased. This results is a high cancellation rate. The policy cancellation reserve represents the Company's estimate of the amount of its premium written and earned that will eventually cancel and be returned to the insured.

In addition, the Company uses the following accounting policies:

Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less that are reported at amortized cost, which approximates market value.
- Short-term investments include securities acquired within one year of maturity except for those with original maturities of three months or less (see cash and cash equivalents above) and are reported at amortized cost, which approximates market value.
- Bond valuations are based on NAIC designations and are generally reported at amortized cost using the scientific method, which closely approximates the effective interest method. The difference between the original cost and redemption value of these securities is recognized over the lives of the respective issues and included in net investment gain.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are reported at values published by the NAIC, which are generally based on market values. Changes in the NAIC values of these securities are reflected directly as unrealized gains or losses net of deferred income taxes in statutory surplus.
- Nonredeemable preferred stocks are reported at values published by the NAIC, which are generally based on market values. Changes in the NAIC values of these securities are reflected directly as unrealized gains or losses net of deferred income taxes in statutory surplus. Redeemable preferred stocks are reported at book value.
- The fair values reported on Schedule D are derived from NAIC market prices listed in the NAIC's *Valuations of Securities Manual*.
- The Company has no investments in mortgage loans.
- Loan-backed securities are stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed securities were obtained from available market data, broker dealer and/or internal estimates. These assumptions are consistent with current interest rate and economic trends. Significant changes in estimated cash flows from the original purchase assumptions are accounted for using the retrospective method, with adjustments taken into investment income earned during the period of adjustment with a corresponding offset to amortized cost.
- The Company has no investments in subsidiaries, controlled and affiliated companies.
- The Company has no investments in joint ventures, partnerships, or limited liability companies.
- The Company has no investments in derivatives.
- The Company enters into reverse repurchase agreements in which it receives cash as collateral for the underlying securities. The cash collateral received is invested in cash equivalents, and an offsetting liability is established. There were no open reverse repurchase agreements as of December 31, 2002. The interest expense incurred on reverse repurchase agreements is netted with the interest income earned on cash equivalents on Schedule E, Part 1.
- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.

Loss and LAE Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate, with minimal variation. Results would differ if different assumptions were made (see Note 24).

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

A. Accounting Changes Other than Codification and Correction of Errors

During the current year, the Company discovered errors relating to prior years in the compiling and reporting of the payable to parent and affiliates balance and various income and expense items. The table below provides details on the errors. To correct for these errors, an adjustment was made in the current year on page 4, line 36 and page 3, line 19.

Description	Increase (Decrease) in Surplus
Federal income tax adjustment 1995	$ 163,970
Incorrect accounting for capitalized software	859,764
Total adjustment to surplus	$ 1,023,734

B. Accounting Changes as a Result of Codification

Accounting changes adopted to conform to the provisions of the NAIC SAP are reported as changes in accounting principle. The cumulative effect of a change in accounting principle is reported as an adjustment to unassigned funds (surplus) in the period of change. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if any new accounting principles had been applied retroactively for all prior periods. There were no changes due to Codification during 2002 that resulted in recording a cumulative effect of a change in accounting principle. Details of the 2001 changes are as follows:

Surplus at December 31, 2000 per Annual Statement		$54,642,262
Codification adjustments:		
Assets:		
Deferred tax asset	$3,372,839	
Premium receivable change in non-admitted assets	40,310	
Liabilities:		
Bad debt reserve	(8,707)	
Total Codification adjustments		3,404,442
Surplus at January 1, 2001 per Codification		$58,046,704

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

See Note 1(c) Investments

E. Repurchase Agreements

See Note 1(c) Investments

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

7. Investment Income

A. Accrued Investment Income

The Company non-admits investment income due and accrued if the amounts are greater than 90 days past due.

B. Amounts Non-admitted

None

8. Derivative Instruments

Not applicable

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of the net deferred tax asset ("DTA") are as follows:

Description	December 31, 2002	December 31, 2001
Gross deferred tax assets	$ 7,252,081	$ 7,401,527
Gross deferred tax liabilities	1,004,452	328,277
Net deferred tax assets	6,247,629	7,073,250
Non-admitted deferred tax assets	691,818	593,476
Admitted deferred tax assets	$ 5,555,811	$ 6,479,774
Increase (decrease) in non-admitted deferred tax assets	$ 98,342	$ 132,535

B. Unrecognized Deferred Tax Liabilities

Not applicable

C. Current Tax and Change in Deferred Tax

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

Description	2002	2001
Current income tax expense	$ 6,986,923	$ 3,935,937
Audit adjustment: 1997-98 IRS examination	--	106,138
Prior year underaccrual (overaccrual)	543,978	1,294,778
Current income taxes incurred	$ 7,530,901	$ 5,336,853

The significant components of the DTAs and deferred tax liabilities ("DTLs") are as follows:

DTAs Resulting from Statutory/Tax Difference in	December 31, 2002	December 31, 2001	Change
Unpaid losses and LAE	$ 1,017,232	$ 727,704	$ 289,528
Unearned premiums	4,063,323	5,061,445	(998,122)
Non-admitted assets	245,775	73,758	172,017
Non-deductible reserves	1,883,075	1,454,551	428,524
Intercompany deferred losses	--	13,643	(13,643)
Other	42,676	70,426	(27,750)
Gross deferred tax assets	$ 7,252,081	$ 7,401,527	$ (149,446)
Non-admitted deferred tax assets	$ 691,818	$ 593,476	$ 98,342

DTLs Resulting from Statutory/Tax Difference in	December 31, 2002	December 31, 2001	Change
Unrealized capital gains	$ --	$ 70,639	$ (70,639)
Bond market discount	120,469	33,048	87,421
Salvage and subrogation	55,920	48,305	7,615
Intercompany deferred gains	181,040	174,594	6,446
Unearned premium section 481 adjustment	645,061	--	645,061
Other	1,962	1,691	271
Gross deferred tax liabilities	$ 1,004,452	$ 328,277	$ 676,175

The change in net deferred income taxes is comprised of the following (this analysis excludes non-admitted assets; the change in non-admitted assets is reported separately from the change in net deferred income taxes in the Underwriting and Investment Exhibit):

Description	December 31, 2002	December 31, 2001	Change
Total deferred tax assets	$ 7,252,081	$ 7,401,527	$ (149,446)
Total deferred tax liabilities	1,004,452	328,277	676,175
Net deferred tax asset (liability)	$ 6,247,629	$ 7,073,250	(825,621)
Tax effect of unrealized gains (losses)			(70,639)
Change in net deferred income tax			$ (896,260)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for Federal income tax in the accompanying Underwriting and Investment Exhibit differs from the statutory rate. The significant statutory to tax adjustments are as follows:

Description	Amount	Tax Effect at 35%
Provision computed at statutory rate	$ 5,351,252	35 %
Exempt interest income	(173,912)	(1)
Dividends received deduction	(22,219)	--
Other	4,548	--
Total	$ 5,159,669	34 %
Federal and foreign income taxes incurred	$ 7,530,901	49 %
Change in net deferred income taxes	896,260	6
Change in deferred from non-admitted assets and intercompany gains (losses)	151,928	1
Other miscellaneous adjustments	(3,419,420)	(22)
Total statutory income taxes	$ 5,159,669	34 %

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carryforwards

1) The Company has no operating loss or tax credit carryforwards available for tax purposes.

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 $6,986,923 for the current tax year and $3,918,335 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.

F. 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 its wholly-owned United States subsidiaries (the "Group") 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 quarterly.

10. Information Concerning Parent, Subsidiaries and Affiliates

A,B,C. Details of Material Transactions

The Company paid ordinary cash dividends of $5,456,000 and $5,460,000 and extraordinary cash dividends of $4,004,000 and $6,540,000 to TPC in 2002 and 2001, respectively.

All significant 2002 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.

D. Amounts Due to or from Related Parties

At December 31, 2002, the Company reported a $1,120,128 payable to parent and affiliates. This balance is due to the timing of security purchases and cash collections and disbursements under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. Included in this amount is a $1,796,683 payable to TPC for the Company's Federal income tax liability. The intercompany balances are settled quarterly.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management and Service Agreements

The Company participates in a joint management services agreement with Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. Under the terms of the agreement, the Company provides Casualty with underwriting and loss adjustment services for specific business produced, and Casualty provides the Company with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company's use of the other's services.

The Company participates in a management services agreement with Insurance Confirmation Services, Inc., a non-insurance affiliate. Under the terms of the agreement, the affiliate is provided services for business produced in exchange for a management fee based on their use of services.

The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.

G. Nature of Control Relationship

All outstanding shares of the Company are owned by TPC. The structure of the holding company organization is shown on Schedule Y, Part 1.

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefits

The Company is one of twelve insurance companies along with several non-insurance companies in the Group that retain employees. The Company participates but has no legal obligation or direct liability for expenses in the following employee benefit plans:

A. Defined Benefit Plan

Not applicable

B. Defined Contribution Plan

TPC sponsors a defined contribution savings plan. See Note 12D.

C. Multiemployer Plans

Not applicable

NOTES TO FINANCIAL STATEMENTS

D. Consolidated / Holding Company Plans

TPC sponsors a two-tiered Retirement Security Program. The first tier is a defined contribution pension plan covering all employees who meet requirements as to age and length of service. Contributions vary from 1% to 5% of annual eligible compensation up to the Social Security wage base, based on years of eligible service. The second tier is a long-term savings plan under which TPC matches amounts contributed to the plan by an employee up to a maximum of 3% of the employee's eligible compensation. Effective April 1, 2002, TPC matching contributions may be invested by a participant in any of the investment funds available under the plan. Previously, such contributions were required to be invested in the TPC stock fund until fully vested.

TPC provides various postemployment benefits to former or inactive employees who meet eligibility requirements, their beneficiaries and covered dependents. Postemployment benefits include salary continuation and disability-related benefits, including workers' compensation and, if elected, continuation of health care benefits.

TPC provides postretirement health and life insurance benefits to all employees who met requirements as to age and length of service at December 31, 1988. TPC's funding policy is to contribute annually the maximum amount that can be deducted for Federal income tax purposes. Contributions are intended to provide not only for benefits attributed to services to date, but also for those expected to be earned in the future.

The Company participates in TPC's 1995 Incentive Plan, which provides for the granting of stock options and other stock-based awards to key employees of the Group. This plan is accounted for under Accounting Principles Bulletin No. 25, and the Company incurs no expenses. The Company participated in TPC's 1989 Incentive Plan, which has expired. TPC also maintains The Progressive Corporation Executive Deferred Compensation Plan, which permits eligible executives to defer receipt of some or all of their annual bonuses or other incentive awards. No matching contributions are provided by this plan; therefore, the Company incurs no expenses.

E. Postemployment Benefits and Compensated Absences

TPC is responsible for postemployment benefits. See Note 12D.

The Company is allocated employee benefit expense based on product line and employee services. The amount of employee benefit expense allocated to the Company was $292,919 and $334,607 in 2002 and 2001, respectively.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

A. Outstanding Shares

The Company has 128 shares of $23,500 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

B. Dividend Rate of Preferred Stock

Not applicable

C. Dividend Restrictions

Based on the dividend laws currently in effect, the maximum amount of dividends the Company can pay to TPC in 2003 without prior regulatory approval from the Ohio DOI is limited to the greater of 10% of policyholders' surplus at December 31, 2002 or the net income for the year 2002, not to exceed earned surplus. Accordingly, the Company may pay dividends of $7,758,391 in 2003 without prior approval.

Within the limitation described above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

D. Mutual Surplus Advances

Not applicable

E. Company Stock Held for Special Purposes

None

F. Changes in Special Surplus Funds

Not applicable

G. Changes in Unassigned Funds (surplus)

Unassigned funds (surplus) have been impacted by the following:

Description	Cumulative Increase (Decrease) in Surplus
Unrealized gain (loss) net of deferred income taxes	$ --
Non-admitted assets	(1,479,718)
Provision for reinsurance	--
Total	$ (1,479,718)

H. Surplus Notes

Not applicable

I. Quasi Reorganizations

Not applicable

14. Contingencies

A. Contingent Commitments

None

NOTES TO FINANCIAL STATEMENTS

B. Guaranty Fund and Other Assessments

The Company is subject to state guaranty fund and other assessments by the states in which it writes business. State guaranty fund assessments are accrued at the time of any known insolvencies. Other assessments are accrued either at the time of assessment or at the time the premiums are written. These accruals are based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. As of December 31, 2002, the Company's estimated liability for state guaranty fund and other assessments is not material.

C. Gain Contingencies

None

D. All Other Contingencies

The Company is named as a defendant in various lawsuits generally relating to its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and LAE reserves.

Several of the Company's insurance affiliates are currently defending lawsuits involving worker classification issues. These lawsuits challenge the Company's insurance affiliates' exempt employee classification under the federal Fair Labor Standards Act and/or various state laws. In November 2002, the Company's insurance affiliates reached an agreement to settle their lawsuit relating to the classification of their California claims employees as exempt workers for purposes of state wage and hour laws for an amount not to exceed $10 million. The Company's net exposure to this settlement will be determined by its participation in the management agreement with Casualty (see Note 10F). This class action lawsuit was based on California-specific law. The Company's insurance affiliates continue to believe that their classification of claims representatives as exempt workers is appropriate under federal law. Accordingly, the Company's insurance affiliates do not consider a loss from the remaining cases to be probable and estimable, and is unable to estimate a range of loss, if any, at this time.

The Company and several of its insurance affiliates (the "Insurance Companies") are currently defending putative class actions challenging the Insurance Companies' alternative commissions programs. Under these programs, the Insurance Companies' independent insurance agencies were able to offer their insurance products at different commission levels. In July 2002, the Insurance Companies reached a nationwide settlement of these cases. This settlement will result in the payment of approximately $60 million including the costs of settlement and attorney's fees. The Company's net exposure to this settlement, which was not material to the Company, was determined by its participation in the management agreement with Casualty (see Note 10F). This class action settlement has received trial court approval and the claims process is complete. The settlement of these cases is currently being appealed by various objectors.

15. Leases

Not applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk And With Concentrations of Credit Risk

A. Financial Instruments With Off-Balance Sheet Risk

- The Company has no financial instruments with off-balance sheet risk.
- The Company has no derivative financial instruments.

B. Financial Instruments with Concentrations of Credit Risk

Not applicable

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers 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.

18. Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

19. Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

20. Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

At December 31, 2002 and 2001, bonds at the amortized cost of $4,199,202 and $4,272,152, respectively, were on deposit with various regulatory agencies to meet statutory requirements.

D. Uncollectible Premiums Receivable

The Company routinely assesses the collectibility of premiums receivable and records a bad debt reserve for amounts exceeding the non-admitted balance that the Company believes are uncollectible.

NOTES TO FINANCIAL STATEMENTS

E. Reinsurance Accounted for as a Deposit

Not applicable

F. Multiple Peril Crop Insurance

Not applicable

G. Mezzanine Real Estate Loans

Not applicable

H. Health Care Receivables

Not applicable

I. September 11 Events

TPC's exposure to risk as a result of the terrorist attacks on September 11, 2001 was very limited. In the days after September 11, TPC experienced some slowdown in new business applications and also saw a decline in claims frequency. TPC had less than 100 related auto claims reported in New York.

J. Real Estate

Not applicable

K. Participating Policies

Not applicable

L. Premium Deficiency Reserves

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 53, Property-Casualty Contracts-Premiums. As of December 31, 2002, the Company has not recorded a premium deficiency reserve.

M. Noncash Transactions

Not applicable

N. Agents' Balances Certification, Florida Statute 625.012 (5):

The Company reported net admitted premiums and agents' balances in course of collection of $4,489,538 at December 31, 2002. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

21. Events Subsequent

Not applicable

22. Reinsurance

A. Unsecured Reinsurance Recoverables

None

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded (all amounts in 000's)

1) The table below summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2002.

	ASSUMED		CEDED		ASSUMED LESS CEDED	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	$ --	$ --	$ --	$ --	$ --	$ --
All Other	--	--	53	--	(53)	--
Totals	$ --	$ --	$ 53	$ --	$ (53)	$ --
Direct Unearned Premium Reserve is $41,516						

2) The Company has no return commission or profit sharing arrangements.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

NOTES TO FINANCIAL STATEMENTS

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

The Company calculates accrued retrospective premium for each policy period based on inception-to-date incurred losses and defense and cost containment expense grossed up for certain unallocated LAE and premium tax reimbursement factors as stipulated in the contracts. The difference between the inception-to-date retrospective premium and the inception-to-date basic premium that has been paid is accrued as a retrospective premium adjustment. The Company's only retrospectively rated contract was cancelled and is in run-off effective April 5, 2002.

B. How Retrospective Premiums are Recorded

The Company records accrued retrospective premium as an adjustment to net premiums written.

C. Amount and Percent of Net Retrospective Premiums

Net premiums written on retrospective policies for 2002 were $3,993,220 or 4% of total net premiums written.

D. Calculation of Non-Admitted Accrued Retrospective Premiums

For the year ended December 31, 2002, the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and LAE reserves) or collateral as permitted by SSAP 66, Retrospectively Rated Contracts, has been non-admitted based on the quality rating of the insured. The calculation is as follows:

Total unsecured accrued retrospective premium	$ 911,923
Insured's current quality rating is 1 = factor of 1% non-admitted	X 1%
Total non-admitted	$ 9,119

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and LAE attributable to insured events of prior years have increased by $1,006,000 in 2002 as a result of reestimation of unpaid losses and LAE. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Included in this increase, the Company experienced $1,359,342 of unfavorable prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact to surplus.

25. Intercompany Pooling Arrangement

Not applicable

26. Structured Settlements

Not applicable

27. High Deductibles

As of December 31, 2002 and 2001, the amount of reserve credit recorded for high deductibles on unpaid losses was $1,089,589 and $1,259,234, respectively, which were fully collateralized, and there were no amounts billed and recoverable at the end of either year.

28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

29. Asbestos/Environmental Reserves

Not applicable

30. Subscriber Savings Accounts

Not applicable

31. Financial Guaranty Insurance Exposures

Not applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	Admitted Assets as Reported in the Annual Statement 4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	9,703,424	7.9	9,703,424	7.9
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.0		0.0
1.22 Issued by U.S. government sponsored agencies		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities)		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	14,774,058	12.0	14,774,058	12.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations		0.0		0.0
1.43 Revenue and assessment obligations	10,569,557	8.6	10,569,557	8.6
1.44 Industrial development and similar obligations		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.0		0.0
1.512 Issued by FNMA and FHLMC		0.0		0.0
1.513 Privately issued		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	6,381,085	5.2	6,381,085	5.2
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC		0.0		0.0
1.523 All other privately issued	42,479,916	34.5	42,479,916	34.5
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	38,805,445	31.5	38,805,445	31.5
2.2 Unaffiliated foreign securities		0.0		0.0
2.3 Affiliated securities		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated		0.0		0.0
3.22 Unaffiliated		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.0		0.0
3.32 Unaffiliated		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated		0.0		0.0
3.42 Unaffiliated		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.0		0.0
3.52 Unaffiliated		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development		0.0		0.0
4.2 Agricultural		0.0		0.0
4.3 Single family residential properties		0.0		0.0
4.4 Multifamily residential properties		0.0		0.0
4.5 Commercial loans		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company		0.0		0.0
5.2 Property held for production of income (includes $.....0 of property acquired in satisfaction of debt)		0.0		0.0
5.3 Property held for sale ($.....0 including property acquired in satisfaction of debt)		0.0		0.0
6. Policy loans		0.0		0.0
7. Receivables for securities		0.0		0.0
8. Cash and short-term investments	406,599	0.3	406,599	0.3
9. Other invested assets		0.0		0.0
10. Total invested assets	123,120,084	100.0	123,120,084	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? OHIO

2.1 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 [X] No [ ]

2.2 If yes, date of change: 01/15/02; 08/13/02
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000

3.2 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. 12/31/2000

3.3 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). 04/29/2002

3.4 By what department or departments? MISSOURI

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

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 the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the 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]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control. .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLP
BP Tower, 27th Floor 200 Public Square Cleveland, OH 44114-2301

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Allan R. Neis, Corporate Actuary, FCAS, MAAA
6300 Wilson Mills Rd. Mayfield Village, OH 44143

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A

10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

13. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

14.11 To directors or other officers $.....0

14.12 To stockholders not officers $.....0

14.13 Trustees, supreme or grand (Fraternal only) $.....0

14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

14.21 To directors or other officers $.....0

14.22 To stockholders not officers $.....0

14.23 Trustees, supreme or grand (Fraternal only) $.....0

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

15.2 If yes, state the amount thereof at December 31 of the current year:

15.21 Rented from others $.....0

15.22 Borrowed from others $.....0

15.23 Leased from others $.....0

15.24 Other $.....0

Disclose in the Notes to Financial the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

16.2 If answer is yes:

16.21 Amount paid as losses or risk adjustment $.....0

16.22 Amount paid as expenses $.....0

16.23 Other amounts paid $.....0

GENERAL INTERROGATORIES (continued)

INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					...Yes [ ].....No [X].....	...Yes [ ].....No [X]..
Common	.....128.000	.....128.000	.....23,500.00	.....XXX.....	.....XXX.....XXX.....	.....XXX.....XXX....

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 2-Special Deposits? Yes [X] No [ ]

18.2 If no, give full and complete information relating thereto.

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 2-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [ ] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	$.....0
19.22 Subject to repurchase agreements	$.....0
19.23 Subject to reverse repurchase agreements	$.....0
19.24 Subject to dollar repurchase agreements	$.....0
19.25 Subject to reverse dollar repurchase agreements	$.....0
19.26 Pledged as collateral	$.....0
19.27 Placed under option agreements	$.....0
19.28 Letter stock or securities restricted as to sale	$.....0
19.29 Other	$.....0

19.3 For each category above, if any of these assets are held by others, identify by whom held:

19.31
19.32
19.33 SEE ATTACHED
19.34
19.35
19.36
19.37
19.38
19.39

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year: $.....0

22. 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 [ ]

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

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

GENERAL INTERROGATORIES (continued)

INVESTMENT

22.02 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)
NONE		

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes [ ] No [X]

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

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

22.05 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 Number(s)	2 Name	3 Address
	NONE	

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $.....27,786

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
NATIONAL ASSOCIATION OF INDEPENDENT INSURERS	27,786

24.1 Amount of payments for legal expenses, if any? $.....0

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (continued)

Part 2 - Property and Casualty Interrogatories

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ] No [X]
1.2	If yes, indicate premium earned on U.S. business only.	$.....0
1.3	What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	$.....0
	1.31 Reason for excluding:	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	$.....0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	$.....0
1.6	Individual policies:	
	Most current three years:	
	1.61 Total premium earned	$.....0
	1.62 Total incurred claims	$.....0
	1.63 Number of covered lives	0
	All years prior to most current three years:	
	1.64 Total premium earned	$.....0
	1.65 Total incurred claims	$.....0
	1.66 Number of covered lives	0
1.7	Group policies:	
	Most current three years:	
	1.71 Total premium earned	$.....0
	1.72 Total incurred claims	$.....0
	1.73 Number of covered lives	0
	All years prior to most current three years:	
	1.74 Total premium earned	$.....0
	1.75 Total incurred claims	$.....0
	1.76 Number of covered lives	0
2.1	Does the reporting entity issue both participating and non-participating policies?	Yes [ ] No [X]
2.2	If yes, state the amount of calendar year premiums written on:	
	2.21 Participating	$.....0
	2.22 Non-participating policies	$.....0
3.	For Mutual Reporting Entities and Reciprocal Exchange only:	
3.1	Does the reporting entity issue assessable policies?	Yes [ ] No [ ]
3.2	Does the reporting entity issue non-assessable policies?	Yes [ ] No [ ]
3.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	.....0.0 %
3.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	$.....0
4.	For Reciprocal Exchanges only:	
4.1	Does the exchange appoint local agents?	Yes [ ] No [ ]
4.2	If yes, is the commission paid:	
	4.21 Out of Attorney's-in-fact compensation	Yes [ ] No [ ] N/A [ ]
	4.22 As a direct expense of the exchange	Yes [ ] No [ ] N/A [ ]
4.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	
4.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred?	Yes [ ] No [ ]
4.5	If yes, give full information:	

5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

The Company does not write Workers' Compensation Insurance.

5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

The company's probable maximum loss (PML) is estimated by analyzing historical major occurrences and estimating frequency of loss and severity based on the potential force of an occurrence and the total number of autos exposed. The estimate of the PML was made exclusively by Progressive employees. Approximately one-fourth of the company's total exposures occur in the states of California, Louisiana, Florida, and Texas, which are considered to be the higher catastrophe prone areas.

5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable property insurance loss?

The primary property coverage sold by the company is auto comprehensive. Since the company's estimated PML is less than 10% of the surplus, the company carries no external catastrophe reinsurance to cover their catastrophe exposure.

5.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes [ ] No [X]
5.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.	

NONE

6.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [ ] No [X]
6.2	If yes, indicate the number of reinsurance contracts containing such provisions.	.....

GENERAL INTERROGATORIES (continued)

Part 2 - Property and Casualty Interrogatories (continued)

7.1 Has this 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 this risk, or portion thereof, reinsured? Yes [ ] No [X]

7.2 If yes, give full information:

8. If the reporting entity has assumed risks from another entity, there should be a charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

9.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

9.2 If yes, give full information:

10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

10.11 Unpaid losses $.....5,209,667

10.12 Unpaid underwriting expenses (including loss adjustment expenses) $.....793,943

10.2 Of the amount on Line 10.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: $.....0

10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

10.41 From .....0.0 %

10.42 To .....0.0 %

10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

10.6 If yes, state the amount thereof at December 31 of the current year:

10.61 Letters of credit $.....0

10.62 Collateral and other funds $.....0

11.1 What amount of installment notes is owned and now held by the reporting entity? $.....0

11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [ ] No [X]

11.3 If yes, what amount? $.....0

12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $.....1,000,000

12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount. 0

13.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

13.2 If yes, give full information:

14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

14.11 Name of real estate holding company _____

14.12 Number of parcels involved 0

14.13 Total book/adjusted carrying value $.....0

14.2 If yes, provide explanation

15.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
15.11 Home					
15.12 Products					
15.13 Automobile					
15.14 Other*					

* Disclose type of coverage: .....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

		1 2002	2 2001	3 2000	4 1999	5 1998
	Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	43,694,556	20,100,961	8,623,637	4,417,275	47,698,410
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	56,380,758	69,137,945	66,270,050	62,669,400	101,208,283
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	10,734,268	8,364,432	8,142,014	9,982,200	11,216,076
5.	Non-proportional reinsurance lines (Lines 30, 31 & 32)					
6.	Total (Line 34)	110,809,582	97,603,338	83,035,701	77,068,875	160,122,769
	Net Premiums Written (Page 8, Part 1B, Col. 6)					
7.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	42,808,508	20,571,400	8,276,236	2,477,784	46,077,248
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	56,729,837	62,382,998	55,225,160	52,563,131	95,409,858
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	10,725,387	8,345,652	8,011,308	9,716,821	10,779,089
11.	Non-proportional reinsurance lines (Lines 30, 31 & 32)					
12.	Total (Line 34)	110,263,732	91,300,050	71,512,704	64,757,736	152,266,195
	Statement of Income (Page 4)					
13.	Net underwriting gain (Loss) (Line 8)	6,550,649	3,435,388	2,422,599	16,681,914	(3,436,917)
14.	Net investment gain (loss) (Line 11)	8,301,155	9,115,535	7,912,128	10,608,921	10,979,838
15.	Total other income (Line 15)	437,488	(845,413)	921,108	2,370,637	2,485,279
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	7,530,901	5,336,853	3,963,598	7,025,347	4,592,003
18.	Net income (Line 20)	7,758,391	6,368,657	7,292,237	22,636,125	5,436,197
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3)	146,238,696	142,440,276	132,381,927	135,983,220	191,775,311
20.	Agents' balances or uncollected premiums (Page 2, Col. 3):					
	20.1 In course of collection (Line 10.1)	4,489,538	6,283,006	4,280,678	886,131	3,661,781
	20.2 Deferred and not yet due (Line 10.2)	9,370,286	5,394,235	2,310,549	1,676,754	5,138,050
	20.3 Accrued retrospective premiums (Line 10.3)	902,803	3,148,528			
21.	Total liabilities excluding Protected Cell (Page 3, Line 24)	93,018,342	87,880,014	77,739,665	81,452,945	137,088,811
22.	Losses (Page 3, Lines 1 & 2)	23,708,373	16,477,725	19,540,067	23,065,987	37,942,442
23.	Loss adjustment expenses (Page 3, Line 3)	4,923,299	3,757,446	4,786,142	4,641,116	7,225,613
24.	Unearned premiums (Page 3, Line 9)	41,463,236	32,418,413	26,768,813	26,367,662	51,145,977
25.	Capital paid up (Page 3, Lines 28 & 29)	3,008,000	3,008,000	3,008,000	3,008,000	3,008,000
26.	Surplus as regards policyholders (Page 3, Line 35)	53,220,354	54,560,262	54,642,262	54,530,275	54,686,500
	Risk-Based Capital Analysis					
27.	Total adjusted capital	53,220,354	54,560,262	54,642,262	54,530,275	54,686,500
28.	Authorized control level risk-based capital	8,527,533	7,225,860	6,874,345	6,147,927	13,638,054
	Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29.	Bonds (Line 1)	99.7	95.1	87.0	89.9	99.3
30.	Stocks (Lines 2.1 & 2.2)		4.4	12.2	9.9	0.3
31.	Mortgage loans on real estate (Lines 3.1 & 3.2)					
32.	Real estate (Lines 4.1, 4.2 & 4.3)					
33.	Cash and short-term investments (Line 5)	0.3	0.5	0.7	0.2	0.4
34.	Other invested assets (Line 6)					
35.	Receivable for securities (Line 7)					
36.	Aggregate write-ins for invested assets (Line 8)					
37.	Cash and invested assets (Line 9)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
38.	Affiliated bonds (Sch. D, Summary, Line 25, Col. 1)					
39.	Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
40.	Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					
41.	Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
42.	Affiliated mortgage loans on real estate					
43.	All other affiliated					
44.	Total of above lines 38 to 43	0	0	0	0	0
45.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

		1 2002	2 2001	3 2000	4 1999	5 1998
	Capital and Surplus Accounts (Page 4)					
46.	Net unrealized capital gains (losses) (Line 23)	(131,186)	(98,016)	1,067,509	(647,949)	(54,954)
47.	Dividends to stockholders (Line 34)	(9,460,000)	(12,000,000)	(10,000,000)	(22,000,000)	(18,300,000)
48.	Change in surplus as regards policyholders for the year (Line 37)	(1,339,908)	(82,000)	111,987	(156,225)	(11,108,397)
	Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	12,214,910	12,719,604	11,852,181	20,347,401	18,894,492
50.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	30,551,911	34,571,174	32,926,126	37,119,814	52,728,005
51.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)		310,767			
52.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	5,978,147	4,351,293	6,213,160	5,719,975	7,042,950
53.	Nonproportional reinsurance lines (Lines 30, 31 & 32)					
54.	Total (Line 34)	48,744,968	51,952,838	50,991,467	63,187,190	78,665,447
	Net Losses Paid (Page 9, Part 2, Col. 4)					
55.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	11,167,761	11,645,732	11,074,027	18,942,871	18,452,812
56.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	30,599,221	32,589,476	27,986,022	32,814,171	50,868,829
57.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)		310,767			
58.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	5,852,156	4,304,213	6,073,576	5,302,021	5,981,551
59.	Nonproportional reinsurance lines (Lines 30, 31 & 32)					
60.	Total (Line 34)	47,619,138	48,850,188	45,133,625	57,059,063	75,303,192
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
62.	Losses incurred (Line 2)	54.2	55.9	56.7	49.4	61.2
63.	Loss expenses incurred (Line 3)	8.6	6.9	7.0	6.6	9.1
64.	Other underwriting expenses incurred (Line 4)	30.8	33.1	32.9	25.4	32.0
65.	Net underwriting gain (loss) (Line 8)	6.5	4.0	3.4	18.6	(2.3)
	Other Percentages					
66.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	27.8	32.0	31.4	31.5	29.7
67.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	62.8	62.8	63.7	56.0	70.3
68.	Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0)	207.2	167.3	130.9	118.8	278.4
	One Year Loss Development (000 omitted)					
69.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	1,008	(829)	3,432	(6,616)	6,726
70.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Col. 1 x 100)	1.8	(1.5)	6.3	(12.1)	10.2
	Two Year Loss Development (000 omitted)					
71.	Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(1,810)	2,689	(5,647)	1,586	5,247
72.	Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second year end (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0)	(3.3)	4.9	(10.3)	2.4	10.7

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	9,703,424	10,269,688	9,699,985	9,755,000
Governments	2. Canada				
(Including all obligations guaranteed	3. Other Countries				
by governments)	4. Totals	9,703,424	10,269,688	9,699,985	9,755,000
	5. United States	14,774,058	14,774,058	14,825,323	13,647,000
States, Territories and Possessions	6. Canada				
(Direct and guaranteed)	7. Other Countries				
	8. Totals	14,774,058	14,774,058	14,825,323	13,647,000
Political Subdivisions of States,	9. United States				
Territories and Possessions	10. Canada				
(Direct and guaranteed)	11. Other Countries				
	12. Totals	0	0	0	0
Special Revenue and Special Assessment	13. United States	10,569,557	10,568,802	10,590,197	10,173,000
Obligations and all Non-guaranteed Obligations	14. Canada				
of Agencies and Authorities of Governments	15. Other Countries				
and their Political Subdivisions	16. Totals	10,569,557	10,568,802	10,590,197	10,173,000
	17. United States				
Public Utilities	18. Canada				
(unaffiliated)	19. Other Countries				
	20. Totals	0	0	0	0
Industrial and Miscellaneous and	21. United States	85,011,105	85,685,666	90,605,038	75,794,479
Credit Tenant Loans	22. Canada				
(Unaffiliated)	23. Other Countries	2,655,341	2,910,000	2,595,000	3,000,000
	24. Totals	87,666,446	88,595,666	93,200,038	78,794,479
Parent, Subsidiaries and Affiliates	25. Totals				
	26. **Total Bonds**	122,713,485	124,208,214	128,315,543	112,369,479
PREFERRED STOCKS	27. United States				
Public Utilities	28. Canada				
(Unaffiliated)	29. Other Countries				
	30. Totals	0	0	0	
	31 United States				
Banks, Trust and Insurance Companies	32. Canada				
(Unaffiliated)	33. Other Countries				
	34. Totals	0	0	0	
	35. United States				
Industrial and Miscellaneous	36. Canada				
(Unaffiliated)	37. Other Countries				
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. **Total Preferred Stocks**	0	0	0	
COMMON STOCKS	41. United States				
Public Utilities	42. Canada				
(Unaffiliated)	43. Other Countries				
	44. Totals	0	0	0	
	45. United States				
Banks, Trust and Insurance Companies	46. Canada				
(Unaffiliated)	47. Other Countries				
	48. Totals	0	0	0	
	49. United States				
Industrial and Miscellaneous	50. Canada				
(Unaffiliated)	51. Other Countries				
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals				
	54. **Total Common Stocks**	0	0	0	
	55. **Total Stocks**	0	0	0	
	56. **Total Bonds and Stocks**	122,713,485	124,208,214	128,315,543	

(a) The aggregate value of bonds which are valued at other than actual fair value is $.....93,577,192.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year		108,701,247
2. Cost of bonds and stocks acquired, Column 6, Part 3		97,139,316
3. Increase (decrease) by adjustment:		
3.1 Column 16, Part 1	(937,826)	
3.2 Column 12, Part 2, Section 1		
3.3 Column 10, Part 2, Section 2		
3.4 Column 10, Part 4	(688,036)	(1,625,862)
4. Total gain (loss), Column 14, Part 4		430,589
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4		81,931,805
6. Foreign exchange adjustment:		
6.1 Column 17, Part 1		
6.2 Column 13, Part 2, Section 1		
6.3 Column 11, Part 2, Section 2		
6.4 Column 11, Part 4		0
7. Book/adjusted carrying value at end of current period		122,713,485
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)		122,713,485
10. Total nonadmitted amounts		
11. Statement value of bonds and stocks, current period		122,713,485

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX								0	XXX
2. 1993			0	328		30					358	XXX
3. 1994	38,952	1,828	37,124	20,741	1,150	453	66	1,733		2,094	21,711	XXX
4. 1995	106,730	5,082	101,648	53,948	3,333	1,839	212	4,837		3,816	57,079	XXX
5. 1996	125,052	30,528	94,524	63,103	10,143	1,809	215	4,576		3,368	59,130	XXX
6. 1997	138,189	15,510	122,679	70,142	6,862	1,578	317	5,910		3,494	70,450	XXX
7. 1998	157,941	9,155	148,786	89,440	4,369	2,730	351	10,964		4,738	98,414	XXX
8. 1999	102,501	12,965	89,536	55,985	6,086	920	280	5,585		3,300	56,123	XXX
9. 2000	82,976	11,866	71,110	43,025	6,439	211	80	3,723		2,067	40,440	XXX
10. 2001	92,179	6,529	85,650	46,892	1,728	315	132	4,652		2,396	49,998	XXX
11. 2002	101,855	636	101,219	37,539	108	111		5,601		1,313	43,143	XXX
12. Totals	XXX	XXX	XXX	481,143	40,218	9,995	1,654	47,581	0	26,587	496,846	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
1. Prior												0	XXX
2. 1993												0	XXX
3. 1994	24				4				1			30	XXX
4. 1995	20				4				1			26	XXX
5. 1996	30				6				2		1	38	XXX
6. 1997	191	24			38	1			12		11	215	XXX
7. 1998	126	39	(2)		28	5			9		28	117	XXX
8. 1999	1,029	614	147	(463)	100	44	25	8	51		69	1,150	XXX
9. 2000	1,095		242	476	170		48	(4)	92		221	1,176	XXX
10. 2001	5,506	500	499	(12)	740		114		363		763	6,734	XXX
11. 2002	10,765	3	5,229	12	1,095		426		1,646		2,042	19,147	XXX
12. Totals	18,787	1,180	6,115	13	2,185	50	614	4	2,178	0	3,136	28,632	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1993	358	0	358	0.0	0.0	0.0				0	0
3. 1994	22,957	1,216	21,741	58.9	66.5	58.6				24	5
4. 1995	60,650	3,545	57,104	56.8	69.8	56.2				20	5
5. 1996	69,525	10,358	59,167	55.6	33.9	62.6				30	8
6. 1997	77,870	7,204	70,666	56.4	46.5	57.6				167	49
7. 1998	103,295	4,764	98,531	65.4	52.0	66.2				84	33
8. 1999	63,842	6,569	57,273	62.3	50.7	64.0				1,026	124
9. 2000	48,607	6,991	41,616	58.6	58.9	58.5				861	315
10. 2001	59,081	2,348	56,732	64.1	36.0	66.2				5,517	1,217
11. 2002	62,413	123	62,290	61.3	19.3	61.5				15,980	3,167
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	23,709	4,923

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior						5		40	37	37	0	(3)
2. 1993						107		366	358	358	0	(8)
3. 1994	XXX	20,156	20,754	20,288	19,920	20,838	21,394	20,084	20,006	20,007	0	(77)
4. 1995	XXX	XXX	54,019	52,668	50,919	52,715	51,218	52,262	52,294	52,267	(27)	5
5. 1996	XXX	XXX	XXX	53,131	54,346	57,668	54,660	54,405	54,535	54,589	54	184
6. 1997	XXX	XXX	XXX	XXX	65,588	66,166	65,088	65,149	64,813	64,744	(69)	(405)
7. 1998	XXX	XXX	XXX	XXX	XXX	88,016	86,541	87,563	87,114	87,557	443	(6)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	49,771	52,236	52,204	51,638	(566)	(598)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,703	38,617	37,801	(816)	(902)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	49,728	51,717	1,989	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,042	XXX	XXX
12. Totals											1,008	(1,810)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior	000								37	37	XXX	XXX
2. 1993								324	358	358	XXX	XXX
3. 1994	XXX	14,969	18,983	19,295	19,408	19,617	19,613	19,611	19,974	19,978	XXX	XXX
4. 1995	XXX	XXX	39,603	46,404	48,214	49,112	49,380	49,649	52,223	52,242	XXX	XXX
5. 1996	XXX	XXX	XXX	40,031	50,638	51,868	52,253	52,794	54,453	54,553	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	51,149	60,797	62,213	63,725	64,391	64,540	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	64,165	79,739	84,308	86,561	87,450	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	40,114	49,414	51,154	50,539	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,748	35,976	36,717	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,875	45,346	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,542	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior						4		10		
2. 1993						10		11		
3. 1994	XXX	948	571	421	205	436	410	96		
4. 1995	XXX	XXX	3,832	2,677	866	789	530	1,403		
5. 1996	XXX	XXX	XXX	2,956	1,248	1,673	526	832		
6. 1997	XXX	XXX	XXX	XXX	2,866	2,709	785	504		
7. 1998	XXX	XXX	XXX	XXX	XXX	11,246	1,262	1,777	271	(2)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	4,670	952	188	627
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,968	539	(182)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,230	625
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,643

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken: 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	YES	127,283	145,671		(741)	(12,682)	21,314		
2. Alaska AK	YES	5,782	5,782						
3. Arizona AZ	YES	2,058,422	2,070,221		1,236,378	1,242,049	241,647		
4. Arkansas AR	YES	287,557	197,543		153,584	171,182	21,790	8,051	
5. California CA	YES	29,564,720	34,835,291		22,221,164	20,712,072	7,265,551		
6. Colorado CO	YES	138,999	125,599		107,436	114,785	27,135		
7. Connecticut CT	YES	433,230	390,549		76,059	97,999	85,171		
8. Delaware DE	YES	(17,165)	8,367		556	(1,022)	662		
9. District of Columbia DC	YES								
10. Florida FL	YES	229,647	1,525,958		2,478,337	1,957,043	262,103		
11. Georgia GA	YES	251,992	173,556		319,819	319,967	44,036		
12. Hawaii HI	YES	3,711	4,371			(1,382)	7		
13. Idaho ID	YES	94,835	95,171		23,215	24,305	4,588		
14. Illinois IL	YES	4,987,697	4,538,602		1,676,114	2,419,840	909,935	118,601	
15. Indiana IN	YES	151,197	80,942		60,255	55,806	13,335		
16. Iowa IA	YES	17,204	17,421		4,833	4,988	445		
17. Kansas KS	YES	23,962	5,400		16,528	19,715	3,358		
18. Kentucky KY	YES	119,283	70,898		83,631	71,044	13,613		
19. Louisiana LA	YES	31,474	32,280		5,265	3,716	(403)		
20. Maine ME	YES	2,221,289	1,201,123		285,987	668,278	382,291	12,359	
21. Maryland MD	YES	69,928	52,709		84,476	76,269	4,826		
22. Massachusetts MA	YES				6,997	7,020	23		
23. Michigan MI	YES	21,827	59,828		3,561	(2,602)	8,324		
24. Minnesota MN	YES	2,518,951	2,492,885		18,967	24,403	7,021		
25. Mississippi MS	YES	19,796	4,834			5,988	5,370		
26. Missouri MO	YES	72,200	43,150		(5,379)	(11,234)	(419)		
27. Montana MT	YES	(40)	93			(80)	10		
28. Nebraska NE	YES								
29. Nevada NV	YES	45,140	46,635		5,270	206	1,169		
30. New Hampshire NH	YES				271	271			
31. New Jersey NJ	YES	1,838,414	937,300		648,424	742,672	217,161		
32. New Mexico NM	YES	3,246	3,246		17,044	21,342	4,417		
33. New York NY	YES	37,230,304	28,540,971		7,149,592	13,407,393	11,554,435	201,398	
34. North Carolina NC	YES	2,970,584	2,682,119		1,505,100	1,575,306	310,410		
35. North Dakota ND	YES	9,076	1,210			160	334		
36. Ohio OH	YES	4,153,770	2,967,995		1,709,271	1,985,576	399,927		
37. Oklahoma OK	YES	51,952	16,444		280	(2,543)	3,250		
38. Oregon OR	YES	315,914	70,379		32,484	51,691	23,387		
39. Pennsylvania PA	YES	(76,497)	70,523		92,031	77,150	12,829		
40. Rhode Island RI	YES	96,999	81,562		26,229	28,348	14,639		
41. South Carolina SC	YES	3,035,813	3,168,022		2,322,055	2,425,611	338,921		
42. South Dakota SD	YES		106			(41)	11		
43. Tennessee TN	YES	1,368,053	864,205		264,370	274,675	71,987		
44. Texas TX	YES	191,822	36,866		27,741	38,912	11,964		
45. Utah UT	YES	625,260	465,818		351,251	374,161	97,964		
46. Vermont VT	NO								
47. Virginia VA	YES	15,246,268	13,589,880		5,688,022	7,274,970	2,506,832	346,394	
48. Washington WA	YES	135,293	47,978		868	5,680	7,051		
49. West Virginia WV	YES	52,011	11,203		32,674	35,220	2,687		
50. Wisconsin WI	YES	11,590	2,890		6,973	7,652	784		
51. Wyoming WY	YES	4,071	4,172		7,982	7,521	(86)		
52. American Samoa AS	NO								
53. Guam GU	NO								
54. Puerto Rico PR	YES								
55. US Virgin Islands VI	NO								
56. Canada CN	NO								
57. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
58. Totals	(a) 51	110,742,864	101,787,768	0	48,744,974	56,299,400	24,901,806	686,803	0
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	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

(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

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	OH	36-3298008	155-11770

Ownership: 1. Wholly owned and controlled 2. Affiliate - Controlled, not owned 3. As Indicated

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	PCIC CANADA HOLDINGS, LTD.	CAN		
1	3841189 CANADA, INC.	CAN		
1	1890 INSURANCE AGENCY, INC	WY	83-0322664	
1	MIDLAND FINANCIAL GROUP, INC.	TN	62-1104818	
3	AGENTS FINANCIAL SERVICES, INC. (40%)	FL	65-0121341	
1	MIDLAND RISK SERVICES, INC.	TN	62-1346765	
3	MIDLAND RISK SERVICES-ARIZONA, INC (85%)	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 3. As Indicated