



# ANNUAL STATEMENT

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

## PROGRESSIVE MAX INSURANCE COMPANY

NAIC Group Code..... 155, (Current Period) (Prior Period)	155	NAIC Company Code..... 24279	Employer's ID Number..... 34-0472535
Organized under the Laws of OHIO		State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated..... March 12, 1937			Commenced Business..... May 10, 1937
Statutory Home Office	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code)</i>		
Main Administrative Office	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)</i>		
Mail Address	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>		
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)</i>		
Internet Website Address	PROGRESSIVE.COM		
Statement Contact	ROBERT WILLIAM HEIN <i>(Name)</i>		440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i>
	Financial_Reporting@Progressive.com <i>(E-Mail Address)</i>		440-446-7168 <i>(Fax Number)</i>
<b>POLICYOWNER RELATIONS AND CLAIMS REPORTING CONTACT</b>	6300 WILSON MILLS ROAD, E61 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 <b>1-800-776-4737</b> <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)</i>		

### OFFICERS

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

### VICE PRESIDENTS

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

### DIRECTORS OR TRUSTEES

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

State 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) GLENN MORRIS RENWICK (Printed Name) President	_____ (Signature) KATHLEEN MARY CERNY (Printed Name) Assistant Secretary	_____ (Signature) JAMES LEE KUSMER (Printed Name) VP/Assistant Treasurer
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Subscribed and sworn to before me this

.....day of February, 2003

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

3. Number of pages attached....

**PROGRESSIVE MAX INSURANCE COMPANY**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	29,465,770		29,465,770	26,208,161
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....			0	
2.2 Common stocks (Schedule D, Part 2, Section 2).....			0	
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 (\$.....0 Schedule E, Part 1) and short-term investments (\$.....0 Schedule DA, Part 2).....			0	6,650,000
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).....	29,465,770	0	29,465,770	32,858,161
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	4,179,222	1,608,763	2,570,459	2,073,505
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	55,727,789		55,727,789	58,053,444
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....	128,861		128,861	39,076
12. Bills receivable, taken for premiums.....			0	
13. Amounts receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8).....	58,261,503		58,261,503	47,999,373
15. Federal and foreign income tax recoverable and interest thereon (including \$.....1,802,389 net deferred tax asset).....	1,885,493	83,104	1,802,389	2,009,793
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....			0	
18. Interest, dividends and real estate income due and accrued.....	392,029		392,029	376,315
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	617,213		617,213	
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).....			0	
25. Aggregate write-ins for other than invested assets.....	153,708	144,536	9,172	304
26. Total assets excluding protected cell assets (Lines 9 through 25).....	150,811,588	1,836,403	148,975,185	143,409,971
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	150,811,588	1,836,403	148,975,185	143,409,971

**DETAILS OF WRITE-INS**

0801. ....			0	
0802. ....			0	
0803. ....			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2501. MISCELLANEOUS OTHER ASSETS.....	13,279	4,107	9,172	304
2502. PREPAID EXPENSES.....	140,429	140,429	0	
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	153,708	144,536	9,172	304

# PROGRESSIVE MAX INSURANCE COMPANY

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	11,869,736	12,416,599
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).....	1,875,304	1,778,152
4. Commissions payable, contingent commissions and other similar charges.....	2,051,622	378,074
5. Other expenses (excluding taxes, licenses and fees).....	120,851	249,113
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	6,455,184	5,355,297
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	0	
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 \$...82,810,744 and including warranty reserves of \$.....0).....	9,200,770	9,024,473
10. Advance premiums.....	1,944,596	1,695,687
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	43,077,153	42,319,401
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.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	14,371,910	14,223,408
19. Payable to parent, subsidiaries and affiliates.....	11,608,308	5,592,553
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.....	9,060,553	15,078,680
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	111,635,986	108,111,437
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	111,635,986	108,111,437
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	3,604,824	3,604,824
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	35,166,521	35,166,521
33. Unassigned funds (surplus).....	(1,432,146)	(3,472,811)
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38).....	37,339,199	35,298,534
36. TOTALS (Page 2, Line 28, Col. 3).....	148,975,185	143,409,971

### DETAILS OF WRITE-INS

2301. RECEIVABLE FACTORING LIABILITY.....	9,000,000	15,000,000
2302. MISCELLANEOUS OTHER LIABILITIES.....	39,570	43,149
2303. STATE PLAN LIABILITY.....	10,898	2,596
2398. Summary of remaining write-ins for Line 23 from overflow page.....	10,085	32,935
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	9,060,553	15,078,680
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

**PROGRESSIVE MAX INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

	1 Current Year	2 Prior Year
<b>STATEMENT OF INCOME</b>		
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4).....	29,251,543	28,049,421
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	17,838,847	18,395,607
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	3,788,104	3,645,452
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	6,971,436	6,579,214
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	28,598,386	28,620,273
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	653,157	(570,852)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	955,620	1,363,685
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)).....	270,960	131,728
11. Net investment gain (loss) (Lines 9 + 10).....	1,226,580	1,495,413
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....26,107 amount charged off \$.....352,926).....	(326,819)	(347,593)
13. Finance and service charges not included in premiums.....	7,481,802	8,645,791
14. Aggregate write-ins for miscellaneous income.....	(6,857,869)	(8,154,339)
15. Total other income (Lines 12 through 14).....	297,114	143,859
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	2,176,851	1,068,420
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	2,176,851	1,068,420
19. Federal and foreign income taxes incurred.....	(58,855)	113,918
20. Net income (Line 18 minus Line 19) (to Line 22).....	2,235,706	954,502
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2).....	35,298,534	32,462,714
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20).....	2,235,706	954,502
23. Net unrealized capital gains or (losses).....		
24. Change in net unrealized foreign exchange capital gains (loss).....		
25. Change in net deferred income tax.....	(169,084)	(356,419)
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3).....	97,961	(48,009)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
28. Change in surplus notes.....		
29. Surplus (contributed to) withdrawn from protected cells.....		
30. Cumulative effect of changes in accounting principles.....		2,285,746
31. Capital changes:		
31.1 Paid in.....		
31.2 Transferred from surplus (Stock Dividend).....		
31.3 Transferred to surplus.....		
32. Surplus adjustments:		
32.1 Paid in.....		
32.2 Transferred to capital (Stock Dividend).....		
32.3. Transferred from capital.....		
33. Net remittances from or (to) Home Office.....		
34. Dividends to stockholders.....		
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1).....		
36. Aggregate write-ins for gains and losses in surplus.....	(123,918)	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36).....	2,040,665	2,835,820
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35).....	37,339,199	35,298,534

**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. FINANCE & SERVICE CHARGE REVENUE CEDED.....	(6,733,622)	(7,781,212)
1402. INTEREST EXPENSE ON INTERCOMPANY BALANCES.....	(95,480)	(288,636)
1403. LOSS ON RECEIVABLE FACTORING.....	(28,767)	(84,491)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(6,857,869)	(8,154,339)
3601. CORRECTION OF PRIOR YEARS SURPLUS. SEE FOOTNOTE 2A.....	(123,918)	
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).....	(123,918)	0

# PROGRESSIVE MAX INSURANCE COMPANY

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	31,928,960	61,614,856
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	32,190,291	51,479,560
3. Underwriting expenses paid.....	4,326,263	5,160,650
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	(4,587,593)	4,974,646
6. Net investment income.....	1,214,153	1,442,524
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(326,656)	(351,606)
7.2 Net funds held under reinsurance treaties.....	(89,785)	19,569
7.3 Net amount withheld or retained for account of others.....		
7.4 Aggregate write-ins for miscellaneous items.....	623,933	491,452
7.5 Total other income (Lines 7.1 to 7.4).....	207,492	159,415
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....		
9. Federal and foreign income taxes (paid) recovered.....	58,856	(113,918)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	(3,107,092)	6,462,667
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	13,320,209	13,755,332
11.2 Stocks.....		
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....		
11.6 Net gains or (losses) on cash and short-term investments.....		
11.7 Miscellaneous proceeds.....		
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	13,320,209	13,755,332
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	16,581,105	14,756,646
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Miscellaneous applications.....		
12.7 Total investments acquired (Lines 12.1 to 12.6).....	16,581,105	14,756,646
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(3,260,896)	(1,001,314)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
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.....	5,412,699	2,267,543
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	456,507	
14.6 Total (Lines 14.1 to 14.5).....	5,869,206	2,267,543
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....		
15.3 Borrowed funds repaid.....		
15.4 Other applications.....	6,151,217	1,078,896
15.5 Total (Lines 15.1 to 15.4).....	6,151,217	1,078,896
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(282,012)	1,188,647
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16).....	(6,650,000)	6,650,000
18. Cash and short-term investments:		
18.1 Beginning of year.....	6,650,000	
18.2 End of year (Line 17 plus Line 18.1).....	0	6,650,000
<b>DETAILS OF WRITE-INS</b>		
7.401 NET FINANCE & SERVICE CHARGE REVENUE.....	748,180	864,579
7.402 LOSS ON RECEIVABLE FACTORING.....	(28,767)	(84,491)
7.403 INTEREST EXPENSE ON INTERCOMPANY BALANCES.....	(95,480)	(288,636)
7.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
7.499 Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above).....	623,933	491,452

**PROGRESSIVE MAX INSURANCE COMPANY**

**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.....	1,226	696	508	1,414
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.....		67		67
17.2	Other liability - claims-made.....	25,000			25,000
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....	17,883,854	5,443,816	5,610,373	17,717,297
19.3, 19.4	Commercial auto liability.....	156,148	72,138	69,560	158,726
21.	Auto physical damage.....	11,361,612	3,507,756	3,520,329	11,349,039
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.....	0	0	0	0
34.	<b>TOTALS.....</b>	<b>29,427,840</b>	<b>9,024,473</b>	<b>9,200,770</b>	<b>29,251,543</b>

**DETAILS OF WRITE-INS**

3301.	.....				0
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).....	0	0	0	0

**PROGRESSIVE MAX INSURANCE COMPANY**

**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.....	.508				508
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.....					0
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.....	5,610,373				5,610,373
19.3, 19.4	Commercial auto liability.....	69,560				69,560
21.	Auto physical damage.....	3,520,329				3,520,329
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.....	0	0	0	0	0
34.	<b>TOTALS.....</b>	<b>9,200,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,200,770</b>
35.	Accrued retrospective premiums based on experience.....					
36.	Earned but unbilled premiums.....					
37.	Balance (sum of Lines 34 through 36).....					9,200,770

**DETAILS OF WRITE-INS**

3301.	0.....					0
3302.	0.....					0
3303.	0.....					0
3398.	Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0
3399.	<b>TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- (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

# PROGRESSIVE MAX INSURANCE COMPANY 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		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
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.....	12,256			11,030		1,226
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.....						.0
17.2 Other liability - claims-made.....	250,000			225,000		25,000
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....	178,870,258			160,954,693	31,711	17,883,854
19.3, 19.4 Commercial auto liability.....	1,561,478			1,405,330		156,148
21. Auto physical damage.....	113,637,085			102,254,508	20,965	11,361,612
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.....	.0	.0	.0	.0	.0	.0
34. TOTALS.....	294,331,077	.0	.0	264,850,561	52,676	29,427,840

### DETAILS OF WRITE-INS

3301. 0.....						.0
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).....	.0	.0	.0	.0	.0	.0

(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				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 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
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.....	4,091		3,682	409	51	48	412	29.1
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.....	1,178		1,060	118	(3)	(2)	117	174.6
17.2 Other liability - claims-made.....	7,231,540		6,508,386	723,154	288,259	986,308	25,105	100.4
18.1 Products liability - occurrence.....				0			0	
18.2 Products liability - claims-made.....				0			0	
19.1, 19.2 Private passenger auto liability.....	104,720,375		94,250,050	10,470,325	8,655,724	8,362,955	10,763,094	60.7
19.3, 19.4 Commercial auto liability.....	1,259,838		1,133,854	125,984	164,081	128,329	161,736	101.9
21. Auto physical damage.....	67,370,791		60,635,153	6,735,638	120,546	161,131	6,695,053	59.0
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	330,083		330,083	2,641,077	2,777,830	193,330	
32. Reinsurance - nonproportional assumed financial lines.....	.XXX			0			0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
34. TOTALS.....	180,587,813	330,083	162,532,185	18,385,711	11,869,735	12,416,599	17,838,847	61.0
<b>DETAILS OF WRITE-INS</b>								
3301. 0.....				0			0	
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).....	0	0	0	0	0	0	0	

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	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)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
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.....				0	516		465	51	16
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	(27)		(24)	(3)	1
17.2 Other liability - claims-made.....				0	2,882,593		2,594,334	288,259	25,943
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	72,776,346		65,499,307	7,277,039	13,787,847		12,409,162	8,655,724	1,710,457
19.3, 19.4 Commercial auto liability.....	1,399,043		1,259,139	139,904	241,779		217,602	164,081	37,436
21. Auto physical damage.....	3,438,839		3,094,440	344,399	(2,237,999)		(2,014,146)	120,546	101,452
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	1,181,077		1,181,077	XXX	2,374,000	914,000	2,641,077	
32. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
34. TOTALS.....	77,614,228	1,181,077	69,852,886	8,942,419	14,674,709	2,374,000	14,121,393	11,869,735	1,875,305

**DETAILS OF WRITE-INS**

3301. 0.....				0				0	
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).....	0	0	0	0	0	0	0	0	0

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	4,122,226			4,122,226
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	3,709,893			3,709,893
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	412,332	0	0	412,332
2. Commission and brokerage:				
2.1 Direct excluding contingent.....		23,042,531		23,042,531
2.2 Reinsurance assumed excluding contingent.....		(350)		(350)
2.3 Reinsurance ceded excluding contingent.....		20,739,497		20,739,497
2.4 Contingent - direct.....		1,948,729		1,948,729
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		1,753,856		1,753,856
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	2,497,556	0	2,497,556
3. Allowances to managers and agents.....				0
4. Advertising.....		419,266		419,266
5. Boards, bureaus and associations.....		9,589		9,589
6. Surveys and underwriting reports.....		210,744		210,744
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	1,880,167	1,792,211	9,264	3,681,642
8.2 Payroll taxes.....	137,305	128,829	936	267,070
9. Employee relations and welfare.....	256,542	201,937	84	458,563
10. Insurance.....				0
11. Directors' fees.....				0
12. Travel and travel items.....	160,441	43,825	49	204,315
13. Rent and rent items.....	215,654	131,324	419	347,397
14. Equipment.....	96,511	140,419	32	236,962
15. Cost or depreciation of EDP equipment and software.....	27,605	227,130		254,735
16. Printing and stationery.....	41,414	51,476	83	92,973
17. Postage, telephone and telegraph, exchange and express.....	311,671	251,728	182	563,581
18. Legal and auditing.....		22,151	5,763	27,914
19. Totals (Lines 3 to 18).....	3,127,310	3,630,629	16,812	6,774,751
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		709,247		709,247
20.2. Insurance department licenses and fees.....		48,488		48,488
20.3. Gross guaranty association assessments.....		14,123		14,123
20.4. All other (excluding federal and foreign income and real estate).....		6,769		6,769
20.5. Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	778,627	0	778,627
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.....	248,460	64,624	1,379	314,463
25. Total expenses incurred.....	3,788,102	6,971,436	18,191	(a).....10,777,729
26. Less unpaid expenses - current year.....	1,875,304	8,627,655		10,502,959
27. Add unpaid expenses - prior year.....	1,778,152	5,982,481		7,760,633
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).....	3,690,950	4,326,262	18,191	8,035,403

## DETAILS OF WRITE-INS

2401. OUTSIDE PROGRAMMING AND IT CHARGES.....	198,768	29,232	1,103	229,103
2402. OUTSIDE SERVICES.....	29,815	11,584	165	41,564
2403. MISCELLANEOUS EXPENSES.....	19,877	23,808	111	43,796
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).....	248,460	64,624	1,379	314,463

(a) Includes management fees of \$.....7,124,500 to affiliates and \$.....0 to non-affiliates.

**PROGRESSIVE MAX INSURANCE COMPANY**

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....118,928	.....129,625
1.1 Bonds exempt from U.S. tax.....	(a).....828,508	.....833,812
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash/short-term investments.....	(e).....10,660	.....10,373
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....958,096	.....973,810
11. Investment expenses.....	.....	(g).....18,191
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).....	.....	.....18,191
17. Net investment income (Line 10 minus Line 16).....	.....	.....955,619

**DETAILS OF WRITE-INS**

0901. ....	.....	.....
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).....	.....0	.....0
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 \$.....5,569 accrual of discount less \$.....279,602 amortization of premium and less \$.....69,388 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.....	.....15,388	.....	.....	.....	.....15,388
1.1 Bonds exempt from U.S. tax.....	.....255,573	.....	.....	.....	.....255,573
1.2 Other bonds (unaffiliated).....	.....	.....	.....	.....	.....0
1.3 Bonds of affiliates.....	.....	.....	.....	.....	.....0
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....	.....	.....0
2.11 Preferred stocks of affiliates.....	.....	.....	.....	.....	.....0
2.2 Common stocks (unaffiliated).....	.....	.....	.....	.....	.....0
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).....	.....270,961	.....0	.....0	.....0	.....270,961

**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.....	1,691,867	1,582,534	(109,333)
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....			0
2.2 Furniture, equipment and supplies.....			0
2.3 Leasehold improvements.....			0
2.4 Loans on personal security, endorsed or not.....			0
3. Total (Lines 2.1 to 2.4).....	0	0	0
4. Aggregate write-ins for other assets.....	144,536	351,830	207,294
5. Total (Line 1 plus Lines 3 and 4).....	1,836,403	1,934,364	97,961

## DETAILS OF WRITE-INS

0401. PREPAID EXPENSES.....	140,429	351,830	211,401
0402. MISCELLANEOUS OTHER ASSETS.....	4,107		(4,107)
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).....	144,536	351,830	207,294

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**NOTES TO FINANCIAL STATEMENTS**


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## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Max Insurance Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

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.

## C. Accounting Policies

Insurance premiums written are earned primarily on a pro-rata basis over the period of risk. 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.

Other income includes finance and service charges collected on premiums receivable. This revenue is offset by finance and service charges ceded under the quota-share reinsurance agreement with Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. The ceded finance and service charges are reported as miscellaneous expense in the statements of income.

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 Notes 24 and 29).

## 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 receivable from parent and affiliates balance and Federal income taxes incurred. 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 2, line 20.

Description	Increase (Decrease) in Surplus
Federal income tax adjustment 1992	\$ 29,383
Federal income tax adjustment 1995	(153,301)
Total adjustment to surplus	<u>\$ (123,918)</u>

#### 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	\$32,462,714
Codification adjustments:	
Assets:	
Deferred tax asset	\$2,164,063
Premium receivable change in non-admitted assets	203,305
Liabilities:	
Bad debt reserve	<u>(81,622)</u>
Total Codification adjustments	<u>2,285,746</u>
Surplus at January 1, 2001 per Codification	<u>\$34,748,460</u>

### 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	\$ 2,019,279	\$ 2,262,681
Gross deferred tax liabilities	133,786	208,104
Net deferred tax assets	1,885,493	2,054,577
Non-admitted deferred tax assets	83,104	44,784
Admitted deferred tax assets	\$ 1,802,389	\$ 2,009,793
Increase (decrease) in non-admitted deferred tax assets	\$ 38,320	\$ (202,148)

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	\$ 188,004	\$ 182,196
Prior year underaccrual (overaccrual)	(246,859)	(68,278)
Current income taxes incurred	\$ (58,855)	\$ 113,918

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	\$ 357,105	\$ 335,461	\$ 21,644
Unearned premiums	748,679	704,424	44,255
Non-admitted assets	563,067	661,353	(98,286)
Non-deductible reserves	303,902	485,995	(182,093)
Intercompany deferred losses	46,526	75,448	(28,922)
Other	--	--	--
Gross deferred tax assets	\$ 2,019,279	\$ 2,262,681	\$ (243,402)
Non-admitted deferred tax assets	\$ 83,104	\$ 44,784	\$ 38,320

DTLs Resulting from Statutory/Tax Difference in	December 31, 2002	December 31, 2001	Change
Bond market discount	\$ 607	\$ 3,861	\$ (3,254)
Salvage and subrogation	29,363	49,350	(19,987)
Intercompany deferred gains	103,479	154,893	(51,414)
Other	337	--	337
Gross deferred tax liabilities	\$ 133,786	\$ 208,104	\$ (74,318)

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	\$ 2,019,279	\$ 2,262,681	\$ (243,402)
Total deferred tax liabilities	133,786	208,104	(74,318)
Net deferred tax asset (liability)	\$ 1,885,493	\$ 2,054,577	\$ (169,084)
Tax effect of unrealized gains (losses)			--
Change in net deferred income tax			\$ (169,084)

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	\$ 761,898	35 %
Exempt interest income	(233,568)	(11)
Other	--	--
Total	\$ 528,330	24 %
Federal and foreign income taxes incurred	\$ (58,855)	(3)%
Change in net deferred income taxes	169,084	8
Change in deferred from non-admitted assets and intercompany gains (losses)	(75,794)	(4)
Other miscellaneous adjustments	493,895	23
Total statutory income taxes	\$ 528,330	24 %

E. Operating Loss and Tax Credit Carryforwards

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

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**NOTES TO FINANCIAL STATEMENTS**


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- 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 \$188,004 for the current tax year and \$20,943 for the first preceding year. The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

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 of 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 transferred \$15,500,000 and \$24,900,000 of premiums receivable to Progressive Investment Company, Inc. ("PICI"), a non-insurance affiliate, for \$15,471,233 and \$24,815,472 in cash and/or securities in 2002 and 2001, respectively. The related premiums receivable remained in the Company's assets, and a corresponding liability was established. As the related cash was collected it was transferred to PICI, and the liability was reduced.

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 \$10,991,095 net 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 \$617,213 receivable from TPC for the Company's Federal income tax recoverable, which is reported separately on page 2, line 20. The intercompany balances are settled quarterly.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management and Service Agreements

The Company does not have employees or facilities. Management, operations and claims services are provided under a management agreement with Casualty. Under the terms of the agreement, the Company is provided underwriting and loss adjustment services for business produced in exchange for a management fee based on the Company's 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 has no direct payroll (see Note 10F).

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

A. Outstanding Shares

The Company has 2,000,000 shares of \$3 par value common stock authorized and 1,201,608.4 shares 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 no dividends 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.

**NOTES TO FINANCIAL STATEMENTS**

- 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	(1,836,403)
Provision for reinsurance	--
Total	\$ (1,836,403)

- H. Surplus Notes  
Not applicable
- I. Quasi Reorganizations  
Not applicable

14. Contingencies

- A. Contingent Commitments  
None

- 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.

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

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**NOTES TO FINANCIAL STATEMENTS**


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## 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 \$5,329,641 and \$5,382,231, 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.

## 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

## 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	\$ --	\$ --	\$ 82,807	\$ --	\$ (82,807)	\$ --
All Other	--	--	4	1	(4)	(1)
Totals	\$ --	\$ --	\$ 82,811	\$ 1	\$ (82,811)	\$ (1)

Direct Unearned Premium Reserve is \$92,012

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

## D. Uncollectible Reinsurance

None

## NOTES TO FINANCIAL STATEMENTS

- E. Commutation of Ceded Reinsurance  
None
- F. Retroactive Reinsurance  
None
23. Retrospectively Rated Contracts and Contracts Subject to Redetermination  
Not applicable
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 \$195,000 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.
25. Intercompany Pooling Arrangement  
Not applicable
26. Structured Settlements  
Not applicable
27. High Deductibles  
Not applicable
28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses  
Not applicable
29. Asbestos/Environmental Reserves (all amounts in 000's)
- A. Because the Company is primarily an insurer of motor vehicles, it has limited exposure for asbestos and environmental claims. The Company's exposure arises from participation in various reinsurance pools from 1965 to 1975, which underwrote general liability insurance. These exposures are recorded by the Company as assumed business.

The Company records case and defense and cost containment expense ("D&CC") reserves based on financial information received from the various external reinsurance pool managers. IBNR reserves are established based on previous experience. The Company's asbestos and environmental loss payments and reserve activity for the five most current calendar years were not reported by the various pool managers.

Asbestos reserves gross and net of external reinsurance are as follows:

Asbestos, Gross of Reinsurance	Calendar Year Ending				
	2002	2001	2000	1999	1998
Beginning reserves	\$ 1,194	\$ 1,123	\$ 1,092	\$ 1,049	\$ 909
Losses and D&CC incurred	420	113	102	99	195
Calendar year payments for losses and D&CC	71	42	71	56	55
Ending reserves	\$ 1,543	\$ 1,194	\$ 1,123	\$ 1,092	\$ 1,049

Asbestos, Net of External Reinsurance	Calendar Year Ending				
	2002	2001	2000	1999	1998
Beginning reserves	\$ 1,194	\$ 1,123	\$ 1,092	\$ 1,049	\$ 909
Losses and D&CC incurred	420	113	102	99	195
Calendar year payments for losses and D&CC	71	42	71	56	55
Ending reserves	\$ 1,543	\$ 1,194	\$ 1,123	\$ 1,092	\$ 1,049

- B,C. The amounts above include IBNR of \$879 and \$446 on a gross and net basis at December 31, 2002 and 2001, respectively, and future D&CC (including coverage dispute costs) of \$0 on a gross and net basis at both December 31, 2002 and 2001.

- D. Environmental reserves gross and net of external reinsurance are as follows:

Environmental, Gross of Reinsurance	Calendar Year Ending				
	2002	2001	2000	1999	1998
Beginning reserves	\$ 530	\$ 682	\$ 425	\$ 351	\$ 368
Losses and D&CC incurred	25	79	298	112	6
Calendar year payments for losses and D&CC	187	231	41	38	23
Ending reserves	\$ 368	\$ 530	\$ 682	\$ 425	\$ 351

Environmental, Net of External Reinsurance	Calendar Year Ending				
	2002	2001	2000	1999	1998
Beginning reserves	\$ 530	\$ 682	\$ 425	\$ 351	\$ 368
Losses and D&CC incurred	25	79	298	112	6
Calendar year payments for losses and D&CC	187	231	41	38	23
Ending reserves	\$ 368	\$ 530	\$ 682	\$ 425	\$ 351

- E,F. The amounts above include IBNR of \$285 and \$322 on a gross and net basis at December 31, 2002 and 2001, respectively, and future D&CC (including coverage dispute costs) of \$0 on a gross and net basis at both December 31, 2002 and 2001.

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## NOTES TO FINANCIAL STATEMENTS

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- 30. Subscriber Savings Accounts  
Not applicable
- 31. Financial Guaranty Insurance Exposures  
Not applicable

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	2,430,695	8.2	2,430,695	8.2
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.....	25,063,381	85.1	25,063,381	85.1
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	468,274	1.6	468,274	1.6
1.43 Revenue and assessment obligations.....	1,503,419	5.1	1,503,419	5.1
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.....		0.0		0.0
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.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....		0.0		0.0
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.....		0.0		0.0
9. Other invested assets.....		0.0		0.0
10. Total invested assets.....	29,465,769	100.0	29,465,769	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 [   ]      No [ X ]

2.2 If yes, date of change: \_\_\_\_\_  
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. 12/31/1997

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. 12/31/1997

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). 09/14/1999

3.4 By what department or departments? OHIO

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.....	.....2,000,000.000	.....1,201,608.400	.....3.00	.....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	_____
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? \$.....39,609

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	39,609

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:		
<hr/>			
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?		
<hr/>			
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:		
<hr/>			
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.		
<hr/>			
<hr/>			
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 company has no exposures in the catastrophe prone states of Florida, Louisiana, and California. The estimate of the PML was made exclusively by Progressive employees.		
<hr/>			
<hr/>			
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. The company carries no external catastrophe reinsurance.		
<hr/>			
<hr/>			
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		
<hr/>			
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 \$.....0  
 10.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0

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): \$.....2,000,000

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. ....1

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
<b>Gross Premiums Written</b> (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).....	180,681,736	166,687,431	170,314,909	167,044,628	126,243,502
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	113,649,341	105,839,452	105,401,967	103,975,086	68,969,154
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).....					
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....		(5,526)			
6. Total (Line 34).....	294,331,077	272,521,357	275,716,876	271,019,714	195,212,656
<b>Net Premiums Written</b> (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).....	18,065,002	16,683,954	16,995,286	15,152,547	14,065,237
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	11,362,838	10,592,303	10,517,261	10,357,571	6,947,847
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).....					
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....		(5,526)			
12. Total (Line 34).....	29,427,840	27,270,731	27,512,547	25,510,118	21,013,084
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (Loss) (Line 8).....	653,157	(570,852)	(1,188,495)	(1,297,379)	(255,440)
14. Net investment gain (loss) (Line 11).....	1,226,580	1,495,413	1,288,537	473,290	781,725
15. Total other income (Line 15).....	297,114	143,859	(939,718)	382,502	657,563
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	(58,855)	113,918	(457,886)	(170,342)	1,375,743
18. Net income (Line 20).....	2,235,706	954,502	(381,790)	(271,245)	(191,895)
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3).....	148,975,185	143,409,971	94,984,614	86,535,198	45,048,607
20. Agents' balances or uncollected premiums (Page 2, Col. 3):					
20.1 In course of collection (Line 10.1).....	2,570,459	2,073,505	2,038,437	3,210,300	2,710,881
20.2 Deferred and not yet due (Line 10.2).....	55,727,789	58,053,444	50,631,045	48,459,861	25,714,611
20.3 Accrued retrospective premiums (Line 10.3).....					
21. Total liabilities excluding Protected Cell (Page 3, Line 24).....	111,635,986	108,111,437	62,521,900	70,377,147	32,977,052
22. Losses (Page 3, Lines 1 & 2).....	11,869,736	12,416,599	11,186,988	9,685,893	8,710,582
23. Loss adjustment expenses (Page 3, Line 3).....	1,875,304	1,778,152	1,550,840	1,307,512	1,103,169
24. Unearned premiums (Page 3, Line 9).....	9,200,770	9,024,473	9,803,161	9,406,961	7,545,085
25. Capital paid up (Page 3, Lines 28 & 29).....	3,604,824	3,604,824	3,604,824	3,604,824	3,604,824
26. Surplus as regards policyholders (Page 3, Line 35).....	37,339,199	35,298,534	32,462,714	16,158,051	12,071,555
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital.....	37,339,199	35,298,534	32,462,714	16,158,051	12,071,555
28. Authorized control level risk-based capital.....	2,411,322	2,263,402	2,165,039	2,981,292	2,200,999
<b>Percentage Distribution of Cash and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1).....	100.0	79.8	100.0	100.0	100.0
30. Stocks (Lines 2.1 & 2.2).....					
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).....		20.2			
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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	.0	.0	.0

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
<b>Capital and Surplus Accounts</b> (Page 4)					
46. Net unrealized capital gains (losses) (Line 23).....					
47. Dividends to stockholders (Line 34).....					
48. Change in surplus as regards policyholders for the year (Line 37).....	2,040,665	2,835,820	16,304,663	4,086,496	(355,677)
<b>Gross Losses Paid</b> (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).....	113,212,931	104,211,324	98,031,826	79,158,548	54,805,521
50. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	67,374,882	63,917,669	70,580,685	55,117,895	38,023,211
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....					
53. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	330,083	371,403	162,833	200,203	141,789
54. Total (Line 34).....	180,917,896	168,500,396	168,775,344	134,476,646	92,970,521
<b>Net Losses Paid</b> (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).....	11,319,581	10,409,498	9,787,955	8,801,066	6,172,508
56. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	6,736,047	6,385,093	7,049,517	5,758,391	4,216,107
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....					
59. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	330,083	371,403	162,833	200,203	141,789
60. Total (Line 34).....	18,385,711	17,165,994	17,000,305	14,759,660	10,530,404
<b>Operating Percentages</b> (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).....	61.0	65.6	68.2	66.5	63.8
63. Loss expenses incurred (Line 3).....	13.0	13.0	12.3	12.4	14.3
64. Other underwriting expenses incurred (Line 4).....	23.8	23.5	23.8	26.6	23.2
65. Net underwriting gain (loss) (Line 8).....	2.2	(2.0)	(4.4)	(5.5)	(1.3)
<b>Other Percentages</b>					
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).....	22.7	23.6	26.9	23.1	18.4
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	73.9	78.6	80.5	78.9	78.2
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).....	78.8	77.3	84.8	157.9	174.1
<b>One Year Loss Development (000 omitted)</b>					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	289	1,145	(91)	(445)	(579)
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).....	0.8	3.5	(0.6)	(3.7)	(4.7)
<b>Two Year Loss Development (000 omitted)</b>					
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).....	1,101	882	(214)	(196)	(4,136)
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).....	3.4	5.5	(1.8)	(1.6)	(52.0)

## 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
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States.....	2,430,695	2,635,674	2,428,965	2,450,000
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	2,430,695	2,635,674	2,428,965	2,450,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	25,063,381	25,294,499	25,350,162	22,550,000
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	25,063,381	25,294,499	25,350,162	22,550,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	468,274	468,274	473,146	467,305
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	468,274	468,274	473,146	467,305
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	1,503,419	1,503,419	1,503,812	1,503,000
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	1,503,419	1,503,419	1,503,812	1,503,000
Public Utilities (unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....				
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. <b>Total Bonds.....</b>	29,465,769	29,901,866	29,756,085	26,970,305
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. <b>Total Preferred Stocks.....</b>	0	0	0	0
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. <b>Total Common Stocks.....</b>	0	0	0	0
	55. <b>Total Stocks.....</b>	0	0	0	0
	56. <b>Total Bonds and Stocks.....</b>	29,465,769	29,901,866	29,756,085	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$....19,480,882.

## SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	26,208,164	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	16,581,105	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....	(202,840)	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....		7. Book/adjusted carrying value at end of current period.....	29,465,773
3.4 Column 10, Part 4.....	(71,408)	8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....	270,961	9. Subtotal (Lines 7 plus 8).....	29,465,773
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4.....	13,320,209	10. Total nonadmitted amounts.....	
		11. Statement value of bonds and stocks, current period.....	29,465,773

## 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							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....	330.....							330.....	XXX.....	
2. 1993.....	5,654.....	275.....	5,379.....	2,966.....	10.....	121.....	16.....	647.....	3.....	33.....	3,705.....	XXX.....	
3. 1994.....	9,493.....	172.....	9,321.....	5,582.....	101.....	111.....	22.....	840.....	8.....	46.....	6,403.....	XXX.....	
4. 1995.....	16,690.....	147.....	16,543.....	12,605.....	983.....	522.....	255.....	1,497.....	53.....	88.....	13,332.....	XXX.....	
5. 1996.....	20,693.....	145.....	20,548.....	15,498.....	3,293.....	644.....	435.....	2,009.....	159.....	123.....	14,263.....	XXX.....	
6. 1997.....	78,547.....	61,650.....	16,897.....	54,853.....	42,404.....	1,814.....	1,593.....	8,618.....	6,018.....	328.....	15,271.....	XXX.....	
7. 1998.....	178,339.....	158,844.....	19,495.....	109,815.....	97,691.....	2,836.....	2,541.....	19,597.....	17,248.....	696.....	14,768.....	XXX.....	
8. 1999.....	242,558.....	218,910.....	23,648.....	152,497.....	136,838.....	2,860.....	2,574.....	25,685.....	22,992.....	1,008.....	18,638.....	XXX.....	
9. 2000.....	271,807.....	244,692.....	27,115.....	176,847.....	159,195.....	2,076.....	1,868.....	29,424.....	26,486.....	1,184.....	20,798.....	XXX.....	
10. 2001.....	280,591.....	252,542.....	28,049.....	154,289.....	138,860.....	725.....	652.....	30,118.....	27,106.....	978.....	18,513.....	XXX.....	
11. 2002.....	292,573.....	263,322.....	29,251.....	121,857.....	109,674.....	255.....	230.....	28,361.....	25,526.....	554.....	15,044.....	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	807,139.....	689,048.....	11,964.....	10,186.....	146,796.....	125,600.....	5,038.....	141,065.....	XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	1,181.....		2,374.....	914.....							2,641.....	XXX.....	
2. 1993.....											0.....	XXX.....	
3. 1994.....											0.....	XXX.....	
4. 1995.....	13.....	12.....			2.....	2.....			1.....	1.....	2.....	XXX.....	
5. 1996.....	20.....	18.....			4.....	3.....			1.....	1.....	2.....	XXX.....	
6. 1997.....	69.....	62.....			13.....	12.....			5.....	4.....	9.....	XXX.....	
7. 1998.....	999.....	899.....			147.....	132.....			48.....	43.....	119.....	XXX.....	
8. 1999.....	2,800.....	2,520.....	995.....	896.....	464.....	418.....	64.....	58.....	271.....	244.....	459.....	XXX.....	
9. 2000.....	10,325.....	9,292.....	1,403.....	1,263.....	1,507.....	1,356.....	137.....	123.....	779.....	701.....	1,415.....	XXX.....	
10. 2001.....	19,351.....	17,416.....	3,179.....	2,862.....	2,394.....	2,155.....	328.....	295.....	1,842.....	1,658.....	2,709.....	XXX.....	
11. 2002.....	44,037.....	39,634.....	9,097.....	8,187.....	3,413.....	3,071.....	978.....	880.....	6,358.....	5,723.....	6,388.....	XXX.....	
12. Totals.....	78,795.....	69,853.....	17,049.....	14,121.....	7,943.....	7,149.....	1,507.....	1,357.....	9,304.....	8,374.....	13,745.....	XXX.....	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	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		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	2,641.....	0.....
2. 1993.....	3,734.....	29.....	3,705.....	66.0.....	10.7.....	68.9.....				0.....	0.....
3. 1994.....	6,534.....	131.....	6,403.....	68.8.....	76.3.....	68.7.....				0.....	0.....
4. 1995.....	14,640.....	1,306.....	13,334.....	87.7.....	888.2.....	80.6.....				1.....	0.....
5. 1996.....	18,174.....	3,909.....	14,266.....	87.8.....	2,695.6.....	69.4.....				2.....	0.....
6. 1997.....	65,372.....	50,092.....	15,280.....	83.2.....	81.3.....	90.4.....				7.....	2.....
7. 1998.....	133,442.....	118,554.....	14,888.....	74.8.....	74.6.....	76.4.....				100.....	19.....
8. 1999.....	185,637.....	166,540.....	19,097.....	76.5.....	76.1.....	80.8.....				380.....	80.....
9. 2000.....	222,498.....	200,284.....	22,214.....	81.9.....	81.9.....	81.9.....				1,173.....	242.....
10. 2001.....	212,226.....	191,004.....	21,222.....	75.6.....	75.6.....	75.7.....				2,253.....	456.....
11. 2002.....	214,356.....	192,924.....	21,432.....	73.3.....	73.3.....	73.3.....				5,313.....	1,075.....
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	11,870.....	1,875.....

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.

**PROGRESSIVE MAX INSURANCE COMPANY**

**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.....	2,366	2,008	2,274	2,399	2,714	3,163	3,647	3,810	4,195	4,388	193	578
2. 1993.....	4,387	3,309	3,423	3,359	3,126	3,103	3,061	3,061	3,061	3,061	(0)	(0)
3. 1994.....	XXX	7,109	6,422	5,821	5,568	5,574	5,573	5,571	5,571	5,571	(0)	(0)
4. 1995.....	XXX	XXX	13,033	12,860	11,959	11,893	11,901	11,892	11,893	11,890	(3)	(2)
5. 1996.....	XXX	XXX	XXX	15,814	12,491	12,382	12,376	12,442	12,414	12,416	2	(25)
6. 1997.....	XXX	XXX	XXX	XXX	13,468	12,633	12,574	12,709	12,690	12,679	(11)	(30)
7. 1998.....	XXX	XXX	XXX	XXX	XXX	13,371	12,549	12,420	12,791	12,534	(257)	114
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	16,463	16,148	16,411	16,377	(34)	229
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,960	19,133	19,198	65	237
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,693	18,026	333	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,961	XXX	XXX
12. Totals.....											289	1,101

**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	206	310	457	545	683	883	1,046	1,417	1,747	XXX	XXX
2. 1993.....	1,764	2,508	2,757	2,946	3,087	3,091	3,061	3,061	3,061	3,061	XXX	XXX
3. 1994.....	XXX	3,620	4,908	5,363	5,555	5,567	5,571	5,571	5,571	5,571	XXX	XXX
4. 1995.....	XXX	XXX	6,017	9,758	11,287	11,854	11,872	11,887	11,889	11,888	XXX	XXX
5. 1996.....	XXX	XXX	XXX	8,471	11,815	12,072	12,310	12,331	12,411	12,414	XXX	XXX
6. 1997.....	XXX	XXX	XXX	XXX	9,959	11,545	12,117	12,564	12,637	12,671	XXX	XXX
7. 1998.....	XXX	XXX	XXX	XXX	XXX	8,155	10,960	11,750	12,215	12,420	XXX	XXX
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	11,099	14,073	15,229	15,945	XXX	XXX
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,820	16,454	17,861	XXX	XXX
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,678	15,501	XXX	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,209	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.....	912	579	575	585	742	898	1,200	1,211	1,337	1,460
2. 1993.....	1,257	155	86	17	5					
3. 1994.....	XXX	1,179	217	96	7	1	2			
4. 1995.....	XXX	XXX	1,372	211	19	7	12		0	
5. 1996.....	XXX	XXX	XXX	1,469	32	14	22		0	
6. 1997.....	XXX	XXX	XXX	XXX	1,166	113	60	26	0	
7. 1998.....	XXX	XXX	XXX	XXX	XXX	1,441	230	70	288	
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	936	238	331	106
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	932	461	154
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,247	351
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,007

**PROGRESSIVE MAX INSURANCE COMPANY**

**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		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)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	YES								
2. Alaska.....AK	NO								
3. Arizona.....AZ	NO								
4. Arkansas.....AR	YES								
5. California.....CA	NO								
6. Colorado.....CO	YES								
7. Connecticut.....CT	YES								
8. Delaware.....DE	YES								
9. District of Columbia.....DC	YES								
10. Florida.....FL	NO								
11. Georgia.....GA	YES	90,562,645	88,300,486		47,593,873	49,264,143	15,800,012	2,350,572	
12. Hawaii.....HI	YES								
13. Idaho.....ID	NO								
14. Illinois.....IL	YES								
15. Indiana.....IN	YES								
16. Iowa.....IA	YES								
17. Kansas.....KS	YES								
18. Kentucky.....KY	YES	36,218,876	39,451,069		24,888,651	26,330,001	12,830,328	782,596	
19. Louisiana.....LA	NO								
20. Maine.....ME	NO								
21. Maryland.....MD	YES								
22. Massachusetts.....MA	NO								
23. Michigan.....MI	NO								
24. Minnesota.....MN	NO								
25. Mississippi.....MS	YES	9,282,964	6,364,024		2,689,483	3,904,317	1,214,834	102,319	
26. Missouri.....MO	YES								
27. Montana.....MT	YES								
28. Nebraska.....NE	YES								
29. Nevada.....NV	YES								
30. New Hampshire.....NH	NO								
31. New Jersey.....NJ	YES								
32. New Mexico.....NM	YES								
33. New York.....NY	YES								
34. North Carolina.....NC	NO								
35. North Dakota.....ND	YES								
36. Ohio.....OH	YES	126,793,995	136,874,534		96,744,606	84,211,568	57,524,944	3,806,052	
37. Oklahoma.....OK	NO								
38. Oregon.....OR	YES								
39. Pennsylvania.....PA	YES								
40. Rhode Island.....RI	YES	1,218,826	358,404		59,242	151,987	92,745	4,609	
41. South Carolina.....SC	YES	5,172,653	4,003,165		1,574,930	2,352,336	777,406	88,754	
42. South Dakota.....SD	YES								
43. Tennessee.....TN	NO								
44. Texas.....TX	NO								
45. Utah.....UT	YES								
46. Vermont.....VT	YES								
47. Virginia.....VA	YES	13,809,070	11,675,262		5,652,563	7,288,642	2,457,706	287,762	
48. Washington.....WA	YES	11,272,048	5,546,214		1,384,463	2,975,424	1,590,961	59,138	
49. West Virginia.....WV	YES								
50. Wisconsin.....WI	YES								
51. Wyoming.....WY	YES								
52. American Samoa.....AS	NO								
53. Guam.....GU	NO								
54. Puerto Rico.....PR	NO								
55. US Virgin Islands.....VI	NO								
56. Canada.....CN	NO								
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
58. Totals.....	(a).....36	294,331,077	292,573,158	0	180,587,811	176,478,418	92,288,936	7,481,802	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	

109.1

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