



ANNUAL STATEMENT

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

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 71161	Employer's ID Number..... 34-1022982
Organized under the Laws of OHIO	Country of Domicile US	State of Domicile or Port of Entry OHIO
Incorporated..... October 26, 1967		Commenced Business..... March 1, 1968
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> Financial_Reporting@Progressive.com <i>(E-Mail Address)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i> 440-446-7168 <i>(Fax Number)</i>
Policyowner Relations Contact	300 N. COMMONS BLVD. OHT62 MAYFIELD VILLAGE OH 44143-2182 1-800-776-4737 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)</i>	

OFFICERS

President CHARLES CLIFFORD BOUCHERLE Treasurer DIANE MARIE BOICH Secretary DANE ALLEN SHRALLOW

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

CHARLES CLIFFORD BOUCHERLE WILLIAM THOMAS FORRESTER, II THOMAS ALFRED KING JAMES LEE KUSMER
GLENN MORRIS RENWICK

State of..... OHIO
County of..... CUYAHOGA

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	5,863,797		5,863,797	5,881,604
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....			0	
2.2 Common stocks (Schedule D, Part 2, Section 2).....	500		500	500
3. Mortgage loans on real estate (Schedule B, Part 1):				
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. Policy loans.....			0	
6. Premium notes, including \$.....0 for first year premiums.....			0	
7. Cash (\$.....0, Schedule E, Part 1) and short-term investments (\$.....0, Schedule DA, Part 2).....			0	
8. Other invested assets (Schedule BA, Part 1).....			0	
9. Receivable for securities.....			0	
10. Aggregate write-ins for invested assets.....	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10).....	5,864,297	0	5,864,297	5,882,104
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2).....			0	
12.2 Commissions and expense allowances due.....			0	
12.3 Experience rating and other refunds due.....			0	
12.4 Other amounts receivable under reinsurance contracts.....			0	
13. Electronic data processing equipment and software.....			0	
14. Federal and foreign income tax recoverable and interest thereon (including \$.....350 net deferred tax asset).....	7,356	7,006	350	
15. Guaranty funds receivable or on deposit.....			0	
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$.....0 loading).....			0	
17. Accident and health premiums due and unpaid.....			0	
18. Investment income due and accrued.....	77,777		77,777	44,379
19. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....			0	679,008
21. Amounts receivable relating to uninsured accident and health plans.....			0	
22. Amounts due from agents.....			0	
23. Other assets nonadmitted (Exhibit 9).....			0	
24. Aggregate write-ins for other than invested assets.....	712	712	0	0
25. Total assets excluding Separate Accounts business (Lines 11 to 24).....	5,950,142	7,718	5,942,424	6,605,491
26. From Separate Accounts Statement.....			0	
27. Total (Lines 25 and 26).....	5,950,142	7,718	5,942,424	6,605,491

DETAILS OF WRITE-INS

1001.			0	
1002.			0	
1003.			0	
1098. Summary of remaining write-ins for Line 10 from overflow page.....	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	0	0	0	0
2401. NET PREMIUM TAX DEPOSIT.....	712	712	0	
2402.			0	
2403.			0	
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	712	712	0	0

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....0 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....		
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....		
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....		
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year--estimated amounts:		
6.1 Dividends apportioned for payment to (including \$.....0 Modco Reserve).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco Reserve).....		
6.3 Coupons and similar benefits (including \$.....0 Modco Reserve).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (Page 33, Line 6).....	342,486	384,554
10. Commissions to agents due or accrued-life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5).....	1,000	1,000
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	42,170	42,032
15. Federal and foreign income taxes, including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....		13,613
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7).....	14,904	17,751
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.4 Payable to parent, subsidiaries and affiliates.....	3,741	
24.5 Drafts outstanding.....	1,040	2,014
24.6 Liability for amounts held under uninsured accident and health plans.....		
24.7 Funds held under coinsurance.....		
24.8 Payable for securities.....		
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	17	16
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	405,358	460,980
27. From Separate Accounts Statement.....		
28. Total liabilities (Lines 26 and 27).....	405,358	460,980
29. Common capital stock.....	2,500,000	2,500,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	9,364,125	9,364,125
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(6,327,059)	(5,719,614)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	3,037,066	3,644,511
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	5,537,066	6,144,511
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3).....	5,942,424	6,605,491

DETAILS OF WRITE-INS

2501. OUTSIDE SERVICES PAYABLE.....	17	16
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	17	16
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY
SUMMARY OF OPERATIONS
(Excluding Unrealized Capital Gains and Losses)

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....		
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	309,122	475,107
4. Amortization of Interest Maintenance Reserve (IMR) (Page 33, Line 5).....	68,268	52,511
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....		
7. Reserve adjustments on reinsurance ceded.....		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....		
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	0	0
9. Totals (Lines 1 to 8.3).....	377,390	527,618
10. Death benefits.....		(2)
11. Matured endowments (excluding guaranteed annual pure endowments).....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....		
13. Disability benefits and benefits under accident and health contracts.....		
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....		
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....		
18. Payments on supplementary contracts with life contingencies.....		
19. Increase in aggregate reserves for life and accident and health contracts.....		(94)
20. Totals (Lines 10 to 19).....	0	(96)
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....		
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....		
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3).....	808	(43)
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	43,302	38,322
25. Increase in loading on deferred and uncollected premiums.....		
26. Net transfers to or (from) Separate Accounts.....		
27. Aggregate write-ins for deductions.....	13,620	29,126
28. Totals (Lines 20 to 27).....	57,730	67,309
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	319,660	460,309
30. Dividends to policyholders.....		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	319,660	460,309
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	26,915	154,754
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	292,745	305,555
34. Net realized capital gains or (losses) less capital gains tax of \$.....14,108 (excluding taxes of \$.....0 transferred to the IMR).....	14,109	46,034
35. Net income (Line 33 plus Line 34).....	306,854	351,589
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	6,144,511	8,202,979
37. Net income (Line 35).....	306,854	351,589
38. Change in net unrealized capital gains or (losses).....		
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....	20,969	(27,043)
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col.3).....	(7,718)	13,429
42. Change in liability for reinsurance in unauthorized companies.....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....		
44. Change in asset valuation reserve (Page 34, Lines 2 through 5 minus Line 6 plus Lin 11 plus Line 11 plus Line 14 plus Line 15, Column 7).....	2,847	3,557
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....		
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....		
47. Other changes in surplus in Separate Accounts Statement.....		
48. Change in surplus notes.....		
49. Cumulative effect of changes in accounting principles.....		
50. Capital changes:		
50.1 Paid in.....		
50.2 Transferred from surplus (Stock Dividend).....		
50.3 Transferred to surplus.....		
51. Surplus adjustment:		
51.1 Paid in.....		(2,400,000)
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....		
52. Dividends to stockholders.....		
53. Aggregate write-ins for gains and losses in surplus.....	(930,396)	0
54. Net change in capital and surplus for the year (Lines 37 through 53).....	(607,444)	(2,058,468)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	5,537,067	6,144,511
DETAILS OF WRITE-INS		
08.301.		
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	0
2701. INTEREST EXPENSE ON BALANCES PAYABLE TO AFFILIATES.....	13,620	29,126
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).....	13,620	29,126
5301. CORRECTION OF PRIOR YEARS FEDERAL INCOME TAXES.....	(930,396)	
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	(930,396)	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts.....		
2. Charges and fees for deposit-type contracts.....		
3. Considerations for supplementary contracts with life contingencies.....		
4. Net investment income.....	284,622	606,994
5. Commissions and expense allowances on reinsurance ceded.....		
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts.....		
7. Aggregate write-ins for miscellaneous income.....	0	0
8. Total (Lines 1 to 7).....	284,622	606,994
9. Death benefits.....		
10. Matured endowments.....		
11. Annuity benefits.....		
12. Disability benefits and benefits under accident and health contracts.....		
13. Coupons, guaranteed annual pure endowments and similar benefits.....		
14. Surrender benefits and withdrawals for life contracts.....		
15. Group conversions.....		
16. Interest and adjustments on contract or deposit-type contract funds.....		
17. Payments on supplementary contracts with life contingencies.....		
18. Total (Lines 9 to 17).....	0	0
19. Commissions on premiums, annuity considerations and deposit-type contract funds.....		
20. Commissions and expense allowances on reinsurance assumed.....		
21. General insurance expenses.....	808	(43)
22. Insurance taxes, licenses and fees, excluding federal income taxes.....	43,164	42,591
23. Net transfers to or (from) Separate Accounts.....		
24. Aggregate write-ins for deductions.....	13,621	29,124
25. Total (Lines 18 to 24).....	57,593	71,672
26. Dividends paid to policyholders.....		
27. Federal income taxes (excluding tax on capital gains).....	26,915	154,754
28. Total (Lines 25 to 27).....	84,508	226,426
29. Net cash from operations (Line 8 minus Line 28).....	200,114	380,568
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds.....	3,076,977	6,434,684
30.2 Stocks.....		
30.3 Mortgage loans.....		
30.4 Real estate.....		
30.5 Other invested assets.....		
30.6 Net gains (losses) on cash and short-term investments.....		
30.7 Miscellaneous proceeds.....		
30.8 Total investment proceeds (Lines 30.1 to 30.7).....	3,076,977	6,434,684
31. Net tax on capital gains (losses).....		
32. Total (Line 30.8 minus Line 31).....	3,076,977	6,434,684
33. Cost of investments acquired (long-term only):		
33.1 Bonds.....	3,027,758	3,643,968
33.2 Stocks.....		
33.3 Mortgage loans.....		
33.4 Real estate.....		
33.5 Other invested assets.....		
33.6 Miscellaneous applications.....		
33.7 Total investments acquired (lines 33.1 to 33.6).....	3,027,758	3,643,968
34. Net increase (or decrease) in policy loans and premium notes.....		
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34).....	49,219	2,790,716
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in.....		(2,400,000)
36.2 Borrowed money \$.....0 less amounts repaid \$.....0.....		
36.3 Capital notes \$.....0 less amounts repaid \$.....0.....		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies.....		
36.5 Other cash provided.....	682,037	571
36.6 Total (Lines 36.1 to 36.5).....	682,037	(2,399,429)
37. Cash applied:		
37.1 Dividends to stockholders paid.....		
37.2 Interest on indebtedness.....		
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies.....		
37.4 Other applications (net).....	931,370	771,855
37.5 Total (Lines 37.1 to 37.4).....	931,370	771,855
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5).....	(249,333)	(3,171,284)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38).....	(0)	0
40. Cash and short-term investments:		
40.1 Beginning of year.....	0	0
40.2 End of year (Line 39 plus Line 40.1).....	(0)	0
DETAILS OF WRITE-INS		
0701.		
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	0	0
0799. Total (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	0	0
2401. INTEREST EXPENSE ON BALANCES PAYABLE TO AFFILIATES.....	13,621	29,124
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0
2499. Total (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	13,621	29,124

ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	
1. Premiums and annuity considerations for life and accident and health contracts.....	.0										
2. Considerations for supplementary contracts with life contingencies.....	.0										
3. Net investment income.....	309,122					309,122					
4. Amortization of Interest Maintenance Reserve (IMR).....	68,268					68,268					
5. Separate Accounts net gains from operations excluding unrealized gains or losses.....	.0										
6. Commissions and expense allowances on reinsurance ceded.....	.0										
7. Reserve adjustments on reinsurance ceded.....	.0										
8. Miscellaneous Income:											
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	.0										
8.2 Charges and fees for deposit-type contracts.....	.0										
8.3 Aggregate write-ins for miscellaneous income.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Totals (Lines 1 to 8.3).....	377,390	0	0	0	0	377,390	0	0	0	0	0
10. Death benefits.....	.0										
11. Matured endowments (excluding guaranteed annual pure endowments).....	.0										
12. Annuity benefits.....	.0										
13. Disability benefits and benefits under accident and health contracts.....	.0										
14. Coupons, guaranteed annual pure endowments and similar benefits.....	.0										
15. Surrender benefits and withdrawals for life contracts.....	.0										
16. Group conversions.....	.0										
17. Interest and adjustments on contract or deposit-type contract funds.....	.0										
18. Payments on supplementary contracts with life contingencies.....	.0										
19. Increase in aggregate reserves for life and accident and health contracts.....	.0										
20. Totals (Lines 10 to 19).....	.0	0	0	0	0	0	0	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	.0										
22. Commissions and expense allowances on reinsurance assumed.....	.0										
23. General insurance expenses.....	.808					.808					
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	43,302					43,302					
25. Increase in loading on deferred and uncollected premiums.....	.0										
26. Net transfers to or (from) Separate Accounts.....	.0										
27. Aggregate write-ins for deductions.....	13,620	0	0	0	0	13,620	0	0	0	0	0
28. Totals (Lines 20 to 27).....	57,730	0	0	0	0	57,730	0	0	0	0	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	319,660	0	0	0	0	319,660	0	0	0	0	0
30. Dividends to policyholders.....	.0										
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	319,660	0	0	0	0	319,660	0	0	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains).....	26,915					26,915					
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	292,745	0	0	0	0	292,745	0	0	0	0	0

DETAILS OF WRITE-INS

08.301. ....	.0										
08.302. ....	.0										
08.303. ....	.0										
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	.0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	.0	0	0	0	0	0	0	0	0	0	0
2701. INTERESE EXPENSE ON BALANCES PAYABLE TO AFFILIATES.....	13,620					13,620					
2702. ....	.0										
2703. ....	.0										
2798. Summary of remaining write-ins for Line 27 from overflow page.....	.0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	13,620	0	0	0	0	13,620	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1.....0 Line 10.....0 Line 16.....0 Line 23.....0 Line 24.....0.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	.0							
2. Tabular net premiums or considerations.....	.0							
3. Present value of disability claims incurred.....	.0				XXX			
4. Tabular interest.....	.0							
5. Tabular less actual reserve released.....	.0							
6. Increase in reserve on account of change in valuation basis.....	.0							
7. Other increases (net).....	.0							
8. Totals (Lines 1 to 7).....	.0				.0	.0	.0	.0
9. Tabular cost.....	.0				XXX			
10. Reserves released by death.....	.0			XXX	XXX			XXX
11. Reserves released by other terminations (net).....	.0							
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	.0							
13. Net transfers to or (from) Separate Accounts.....	.0							
14. Total deductions (Lines 9 to 13).....	.0	.0	.0	.0	.0	.0	.0	.0
15. Reserve December 31, current year.....	.0	.0	.0	.0	.0	.0	.0	.0

NONE

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....240,338	.....273,736
1.1 Bonds exempt from U.S. tax.....	(a).....42,035	.....42,035
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).....	.....
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....282,373	.....315,771
11. Investment expenses.....	.....	(g).....6,649
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).....	.....	.....6,649
17. Net investment income (Line 10 minus Line 16).....	.....	.....309,122

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 \$.....8,417 accrual of discount less \$.....17,314 amortization of premium and less \$.....39,011 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.....	.....40,309	.....	.....	.....	.....40,309
1.1 Bonds exempt from U.S. tax.....0
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).....	.....40,309	.....0	.....0	.....0	.....40,309

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

Ex. 1-Pt. 1
NONE

Ex. 1-Pt. 2
NONE

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent.....					0
2. Salaries and wages.....					0
3.11 Contributions for benefit plans for employees.....					0
3.12 Contributions for benefit plans for agents.....					0
3.21 Payments to employees under non-funded benefit plans.....					0
3.22 Payments to agents under non-funded benefit plans.....					0
3.31 Other employee welfare.....					0
3.32 Other agent welfare.....					0
4.1 Legal fees and expenses.....					0
4.2 Medical examination fees.....					0
4.3 Inspection report fees.....					0
4.4 Fees of public accountants and consulting actuaries.....	975				975
4.5 Expense of investigation and settlement of policy claims.....					0
5.1 Traveling expenses.....					0
5.2 Advertising.....					0
5.3 Postage, express, telegraph and telephone.....					0
5.4 Printing and stationery.....					0
5.5 Cost or depreciation of furniture and equipment.....					0
5.6 Rental of equipment.....					0
5.7 Cost or depreciation of EDP equipment and software.....					0
6.1 Books and periodicals.....					0
6.2 Bureau and association fees.....					0
6.3 Insurance, except on real estate.....					0
6.4 Miscellaneous losses.....					0
6.5 Collection and bank service charges.....					0
6.6 Sundry general expenses.....	(167)				(167)
6.7 Group service and administration fees.....					0
6.8 Reimbursements by uninsured accident and health plans.....					0
7.1 Agency expense allowance.....					0
7.2 Agents' balances charged off (less \$.....0 recovered).....					0
7.3 Agency conferences other than local meetings.....					0
9.1 Real estate expenses.....					0
9.2 Investment expenses not included elsewhere.....				6,649	6,649
9.3 Aggregate write-ins for expenses.....	0	0	0	0	0
10. General expenses incurred.....	808	0	0	6,649	(a) 7,457
11. General expenses unpaid December 31, prior year.....	1,000				1,000
12. General expenses unpaid December 31, current year.....	1,000				1,000
13. Amounts receivable relating to uninsured accident and health plans, prior year.....					0
14. Amounts receivable relating to uninsured accident and health plans, current year.....					0
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	808	0	0	6,649	7,457

DETAILS OF WRITE-INS

09.301.					0
09.302.					0
09.303.					0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	0	0	0	0	0

(a) Includes management fees of \$.....1,411 to affiliates \$.....1,413 to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....					0
2. State insurance department licenses and fees.....	28,858				28,858
3. State taxes on premiums.....	2,875				2,875
4. Other state taxes, including \$.....0 for employee benefits.....	767				767
5. U.S. Social Security taxes.....					0
6. All other taxes.....	10,801				10,801
7. Taxes, licenses and fees incurred.....	43,301	0	0	0	43,301
8. Taxes, licenses and fees unpaid December 31, prior year.....	42,032				42,032
9. Taxes, licenses and fees unpaid December 31, current year.....	42,170				42,170
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	43,163	0	0	0	43,163

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	Dividends	
	1 Life	2 Accident and Health
1. Applied to pay renewal premiums.....		
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....		
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	0	0
6. Paid-in cash.....		
7. Left on deposit.....		
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	0	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....		
12. Terminal dividends.....		
13. Provision for deferred dividend contracts.....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15. Total Lines 10 through 14.....	0	0
16. Total from prior year.....		
17. Total dividends or refunds (Lines 9 + 15 - 16).....	0	0

NONE

DETAILS OF WRITE-INS

0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0
0899. Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
-------------------------	------------	-----------------	---------------	---------------------------------------	------------

NONE

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [] No [X]
- 1.2 If not, state which kind is issued.....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
- 2.2 If not, state which kind is issued.....
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [] No [X]
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.



- 4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes [] No [X]
 - 4.1 Amount of insurance? \$.....
 - 4.2 Amount of reserve? \$.....
 - 4.3 Basis of reserve:
 - 4.4 Basis of regular assessments:
 - 4.5 Basis of special assessments:
 - 4.6 Assessments collected during year: \$.....
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5 %, not in advance, state the contract loan rate guarantees on any such contracts.
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? Yes [] No [X]
 - 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....
 - 6.2 Which would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$.....
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts, or agreements in effect as of December 31 of the current year? Yes [] No [X]
 - 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....
 - 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
 - 7.3 State the amount of reserves established for this business: \$.....
 - 7.4 Identify where the reserves are reported in the blank.

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due To Change
	2 Changed From	3 Changed To	

NONE

**Ex. 6-Aggregate Reserves for A&H Policies
NONE**

**Ex. 7-Deposit-Type Contracts
NONE**

**Ex. 8-Pt. 1-Claims-Liability End of Current Year
NONE**

**Ex. 8-Pt. 2-Claims-Incurred During the Year
NONE**

EXHIBIT 9 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 17 and 19 to 22, Column 2.....	7,006		(7,006)
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....			.0
2.2 Furniture and equipment.....			.0
2.3 Leasehold improvements.....			.0
2.4 Cash advanced to or in the hands of officers or agents.....			.0
2.5 Loans on personal security, endorsed or not.....			.0
2.6 Supplies, stationery, printed matter.....			.0
2.7 Commuted commissions.....			.0
3. Total (Lines 2.1 to 2.7).....	.0	.0	.0
4. Disallowed interest maintenance reserve.....			.0
5. Aggregate write-ins for other assets.....	712	.0	(712)
6. Total (Line 1 plus Lines 3 to 5).....	7,718	.0	(7,718)

DETAILS OF WRITE-INS

0501. Lines 2.1 and 5 from 2000 Annual Statement.....			.0
0502. NET PREMIUM TAX DEPOSIT.....	712		(712)
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	712	.0	(712)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive American Life 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.

C. 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 owns 100% of the common stock of Progressive Life Insurance Limited, a non-insurance affiliate. This investment is reported on the equity basis as described in the *Purposes and Procedures of the Securities Valuation Office of the NAIC Manual*.
- 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.
- Gains and losses on the Company are deferred in accordance with NAIC regulations. These gains and losses are deferred on a percentage basis as described by the NAIC for recognition in subsequent periods, based on the stated maturity of the asset disposed. During the current year, deferred gain or loss recognition was taken to Summary of Operations quarterly, using the straight-line basis.

2. Accounting Changes and Corrections of Errors

A. Accounting Changes Other than Codification and Correction of Errors

During the current year, the Company discovered errors relating to prior years in the compiling and reporting of the payable to parent and affiliates balance and 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 53 and page 3, line 24.4.

Description	Increase (Decrease) in Surplus
Federal income tax adjustment 1992	\$ (439,861)
Federal income tax adjustment 1995	(490,535)
Total adjustment to surplus	\$ (930,396)

NOTES TO FINANCIAL STATEMENTS**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 was no cumulative effect of a change in accounting principle due to the adoption of the NAIC SAP in 2002 or 2001.

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

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	\$ 19,413	\$ 15,198
Gross deferred tax liabilities	12,057	28,811
Net deferred tax assets (liabilities)	7,356	(13,613)
Non-admitted deferred tax assets	7,006	--
Admitted deferred tax assets (liabilities)	\$ 350	\$ (13,613)
Increase (decrease) in non-admitted deferred tax assets	\$ 7,006	\$ (13,430)

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	\$ 88,939	\$ 154,180
Prior year underaccrual (overaccrual)	(62,024)	574
Current income taxes incurred	\$ 26,915	\$ 154,754

NOTES TO FINANCIAL STATEMENTS

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	\$ 89	\$ 89	\$ --
Non-deductible reserves	15,109	15,109	--
Intercompany deferred losses	4,215	--	4,215
Gross deferred tax assets	\$ 19,413	\$ 15,198	\$ 4,215
Non-admitted deferred tax assets	\$ 7,006	\$ --	\$ 7,006

DTLs Resulting from Statutory/Tax Difference in	December 31, 2002	December 31, 2001	Change
Bond market discount	\$ 1,429	\$ 622	\$ 807
Intercompany deferred gains	10,628	28,189	(17,561)
Gross deferred tax liabilities	\$ 12,057	\$ 28,811	\$ (16,754)

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	\$ 19,413	\$ 15,198	\$ 4,215
Total deferred tax liabilities	12,057	28,811	(16,754)
Net deferred tax asset (liability)	\$ 7,356	\$ (13,613)	20,969
Tax effect of unrealized gains (losses)			--
Change in net deferred income tax			\$ 20,969

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	\$ 116,819	35%
Exempt interest income	(12,350)	(4)
Total	\$ 104,469	31%
Federal and foreign income taxes incurred	\$ 26,915	8%
Change in net deferred income taxes	(20,969)	(6)
Change in deferred from non-admitted assets and intercompany gains (losses)	17,561	5
Other miscellaneous adjustments	80,962	24
Total statutory income taxes	\$ 104,469	31%

E. Operating Loss and Tax Credit Carryforwards

- 1) The Company has no operating loss or tax credit carryforwards available for tax purposes.
- 2) The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately \$88,939 for the current tax year and \$147,971 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 returned capital of \$2,400,000 to TPC in 2001.

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 \$3,741 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. Included in this amount is a \$32,897 payable to TPC for the Company's Federal income tax liability. The intercompany balances are settled quarterly.

E. Guarantees or Contingencies for Related Parties

Not applicable

NOTES TO FINANCIAL STATEMENTS

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 Progressive Casualty Insurance Company, an insurance affiliate domiciled in Ohio. 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 800 shares of \$4,000 par value common stock authorized and 625 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.

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	(7,718)
Separate account business	--
Asset valuation reserve	(14,904)
Provision for reinsurance	--
Total	\$ (22,622)

H. Surplus Notes

Not applicable

I. Quasi Reorganizations

Not applicable

14. Contingencies

Not applicable

NOTES TO FINANCIAL STATEMENTS

15. Leases
- Not applicable
16. Information About Financial Instruments With Off-Balance Sheet Risk And With Concentrations of Credit Risk
- A. Financial Instruments With Off-Balance Sheet Risk
- The Company has no financial instruments with off-balance sheet risk.
 - The Company has no derivative financial instruments.
- B. Financial Instruments with Concentrations of Credit Risk
- Not applicable
17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities
- A. Transfers of Receivables Reported as Sales
- Not applicable
- B. Transfers and Servicing of Financial Assets
- Not applicable
- C. Wash Sales
- The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.
18. Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans
- Not applicable
19. Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators
- Not applicable
20. Other Items
- A. Extraordinary Items
- Not applicable
- B. Troubled Debt Restructuring for Debtors
- Not applicable
- C. Other Disclosures
- At December 31, 2002 and 2001, bonds at the amortized cost of \$5,828,846 and \$5,881,604, respectively, were on deposit with various regulatory agencies to meet statutory requirements.
- D. Uncollectible Premiums Receivable
- Not applicable
- 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
- Not applicable
- 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. Loss/Claim Adjustment Expenses
- Not applicable

NOTES TO FINANCIAL STATEMENTS

- N. Structured Settlements
 Not applicable
- O. Noncash Transactions
 Not applicable
- 21. Events Subsequent
 Not applicable
- 22. Reinsurance
 Not applicable
- 23. Retrospectively Rated Contracts and Contracts Subject to Redetermination
 Not applicable
- 24. Change in Incurred Losses and Loss Adjustment Expenses
 Not applicable
- 25. Intercompany Pooling Arrangement
 Not applicable
- 26. Reserve for Life Contracts and Deposit-Type Contracts
 Not applicable
- 27. Variable Annuities with Guaranteed Living Benefits
 Not applicable
- 28. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics
 Not applicable
- 29. Premium and Annuity Considerations Deferred and Uncollected
 Not applicable
- 30. Separate Accounts
 Not applicable

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY

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.....	4,859,741	82.9	4,859,741	82.9
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	1,004,056	17.1	1,004,056	17.1
1.43 Revenue and assessment obligations.....		0.0		0.0
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.....	500	0.0	500	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.....	5,864,297	100.0	5,864,297	100.0

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?
Price Waterhouse Coopers LLP
BP American Building, 27th Floor 200 Public Square Cleveland, Ohio 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?
Gary D. Lake, FSA, Lake Consulting, Inc.
252 N. Washington St., Falls Church, Virginia 22046
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?

- 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.....	.....800.000	.....625.000	.....4.000.00	.....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 St. 14th Fir. 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)

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? \$.....0

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

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 - LIFE 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 this reporting entity have Separate Accounts?	Yes []	No [X]	
2.2	If yes, has a Separate Accounts statement been filed with this Department?	Yes []	No []	N/A []
2.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?	\$.....		0
2.4	State the authority under which Separate Accounts are maintained:			
<hr/>				
2.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?	Yes []	No [X]	
2.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?	Yes []	No [X]	
3.1	Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?	Yes []	No []	
3.2	Net reimbursement of such expenses between reporting entities:			
3.21	Paid	\$.....		0
3.22	Received	\$.....		0
4.1	Does the reporting entity write any guaranteed interest contracts?	Yes []	No [X]	
4.2	If yes, what amount pertaining to these items is included in:			
4.21	Page 3, Line 3	\$.....		0
4.22	Page 4, Line 1	\$.....		0
5.	For stock reporting entities only:			
5.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$.....		0
6.	Total dividends paid stockholders, since organization of the reporting entity:			
6.11	Cash	\$.....		0
6.12	Stock	\$.....		0
7.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes []	No [X]	
7.11	Name of real estate holding company			
<hr/>				
7.12	Number of parcels involved	.....		0
7.13	Total book/adjusted carrying value	\$.....		0
7.2	If yes, provide explanation			
<hr/>				
<hr/>				

**PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY
GENERAL INTERROGATORIES (continued)**

PART 2 - LIFE INTERROGATORIES (continued)

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Workers' compensation carve-out business is defined as reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No []

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium.....	\$.....0	\$.....0	\$.....0
8.32 Paid claims.....	\$.....0	\$.....0	\$.....0
8.33 Claim liability and reserve (beginning of year).....	\$.....0	\$.....0	\$.....0
8.34 Claim liability and reserve (end of year).....	\$.....0	\$.....0	\$.....0
8.35 Incurred claims.....	\$.....0	\$.....0	\$.....0

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41 < \$25,000.....	\$.....0	\$.....0
8.42 \$25,000 -- 99,999.....	\$.....0	\$.....0
8.43 \$100,000 -- 249,999.....	\$.....0	\$.....0
8.44 \$250,000 -- 999,999.....	\$.....0	\$.....0
8.45 \$1,000,000 or more.....	\$.....0	\$.....0

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....0

FIVE YEAR HISTORICAL DATA

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

Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2002	2 2001	3 2000	4 1999	5 1998
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....					
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....					
3. Credit life (Line 21, Col. 6).....			5	9	13
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	0	0	5	9	13
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....		(5)	(4)	(4)	(10)
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	0	(5)	(4)	(4)	(10)
Premium Income - Lines of Business					
14. Industrial life (Exhibit 1-Part 1, Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Exhibit 1-Part 1, Line 20.4, Col. 3).....					
15.2 Ordinary individual annuities (Exhibit 1-Part 1, Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 5).....					
17.1 Group life insurance (Exhibit 1-Part 1, Line 20.4, Col. 6).....					
17.2 Group annuities (Exhibit 1-Part 1, Line 20.4, Col. 7).....					
18.1 A&H - group (Exhibit 1-Part 1, Line 20.4, Col. 8).....					
18.2 A&H - credit (group and individual) (Exhibit 1-Part 1, Line 20.4, Col. 9).....					
18.3 A&H - other (Exhibit 1-Part 1, Line 20.4, Col. 10).....					
19. Aggregate of all other lines of business (Exhibit 1-Part 1, Line 20.4, Col. 11).....					
20. Deposit-type funds.....	XXX	XXX			
21. Total.....	0	0	0	0	0
Balance Sheet Items (Pages 2 and 3)					
22. Total admitted assets excluding Separate Accounts business (Page 2, Line 25, Col. 3).....	5,942,424	6,605,491	8,717,731	8,362,894	8,130,191
23. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	405,358	460,980	514,752	468,842	529,489
24. Aggregate life reserves (Page 3, Line 1).....			94	256	413
25. Aggregate A&H reserves (Page 3, Line 2).....					
26. Deposit-type contract funds (Page 3, Line 3).....			XXX	XXX	XXX
27. Asset valuation reserve (Page 3, Line 24.1).....	14,904	17,751	21,308	24,253	27,188
28. Capital (Page 3, Lines 29 & 30).....	2,500,000	2,500,000	2,500,000	2,500,000	2,000,000
29. Surplus (Page 3, Line 37).....	3,037,066	3,644,511	5,702,979	5,394,052	5,600,702
Risk-Based Capital Analysis					
30. Total adjusted capital.....	5,551,970	6,162,262	8,224,287	7,918,305	7,627,890
31. Authorized control level risk-based capital.....	3,703	3,762	10,285	13,483	13,031
Percentage Distribution of Assets (Page 2, Col. 3) (Line No. /Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1).....	100.0	100.0	100.0	100.0	96.2
33. Stocks (Lines 2.1 and 2.2).....	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Policy loans (Line 5).....					
37. Premium notes (Line 6).....					
38. Cash and short-term investments (Line 7).....					3.8
39. Other invested assets (Line 8).....					
40. Receivable for securities (Line 9).....					
41. Aggregate write-ins for invested assets (Line 10).....					
42. Cash and invested assets (Line 11).....	100.0	100.0	100.0	100.0	100.0

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY

FIVE YEAR HISTORICAL DATA

(continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated bonds (Sch. D Summary, Line 25 Col. 1).....					
44. Affiliated preferred stocks (Sch. D Summary, Line 39 Col. 1).....					
45. Affiliated common stocks (Sch. D Summary, Line 53 Col. 2).....	.500	.500	.500	.500	.500
46. Affiliated short-term investments (subtotal included in Schedule DA, Part 2 Col. 5, Line 11).....					
47. Affiliated mortgage loans on real estate.....					
48. All other affiliated.....					
49. Total of above Lines 43 to 48.....	.500	.500	.500	.500	.500
Total Nonadmitted and Admitted Assets					
50. Total nonadmitted assets (Page 2, Line 27, Col. 2).....	7,718				
51. Total admitted assets (Page 2, Line 27, Col. 3).....	5,942,424	6,605,491	8,717,731	8,362,894	8,130,191
Investment Data					
52. Net investment income (Exhibit of Net Investment Income).....	309,122	475,107	467,128	433,087	424,393
53. Realized capital gains (losses).....	40,309	131,355	2,669	(4,555)	
54. Unrealized capital gains (losses).....					
55. Total of above Lines 52, 53 and 54.....	349,431	606,462	469,797	428,532	424,393
Benefits and Reserve Increase (Page 6)					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....		(2)	(1)	(2)	(3)
57. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....					
58. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....					
59. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....					
60. Dividends to policyholders (Line 30, Col 1).....					
Operating Percentages					
61. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus group annuity contribution funds) x 100.00.....					
62. Lapse percent (ordinary only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.00 / 1/2 (Lines 1 & 21).....					
63. A&H loss percent (Schedule H, Part 1, Lines 3 & 4, Col. 2).....					
64. A&H expense percent (Schedule H, Part 1, Line 8, Col. 2).....					
A&H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....					
66. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....					
67. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....					
68. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....					
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Col. 2).....					
70. Ordinary - life (Col. 3).....					
71. Ordinary - individual annuities (Col. 4).....					
72. Ordinary - supplementary contracts (Col. 5).....					
73. Credit life (Col. 6).....	292,745	305,555	305,048	292,010	307,911
74. Group life (Col. 7).....					
75. Group annuities (Col. 8).....					
76. A&H - group (Col. 9).....					
77. A&H - credit (Col. 10).....					
78. A&H - other (Col. 11).....					
79. Aggregate of all other lines of business (Col. 12).....					
80. Total (Col. 1).....	292,745	305,555	305,048	292,010	307,911

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....					.....2					.....0
2. Issued during year.....					.....(2)					.....0
3. Reinsurance assumed.....										.....0
4. Revived during year.....										.....0
5. Increased during year (net).....										.....0
6. Subtotals, Lines 2 to 5.....	.....0	.....0	.....0	.....0	.....(2)	.....0	.....0	.....0	.....0	.....0
7. Additions by dividends during year.....	.....XXX		.....XXX		.....XXX		.....XXX	.....XXX		.....0
8. Aggregate write-ins for increases.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9. Totals (Lines 1 and 6 to 8).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
Deductions during year:										
10. Death.....							.....XXX			.....0
11. Maturity.....							.....XXX			.....0
12. Disability.....							.....XXX			.....0
13. Expiry.....										.....0
14. Surrender.....										.....0
15. Lapse.....										.....0
16. Conversion.....							.....XXX	.....XXX	.....XXX	.....0
17. Decreased (net).....										.....0
18. Reinsurance.....										.....0
19. Aggregate write-ins for decreases.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
20. Totals (Lines 10 to 19).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
21. In force end of year (Line 9 minus Line 20).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
22. Reinsurance ceded end of year.....	.....XXX		.....XXX		.....XXX		.....XXX	.....XXX		.....0
23. Line 21 minus Line 22.....	.....XXX	.....0	.....XXX	.....0	.....XXX	(b).....0	.....XXX	.....XXX		.....0

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	.....0	.....0	.....0	.....0	.....0	.....0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1901. ....										.....0
1902. ....										.....0
1903. ....										.....0
1998. Summary of remaining write-ins for Line 19 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1999. Totals (Lines 1901 thru 1903 plus 1998) (Line 19 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) Group \$.....0; Individual \$.....0.

**Ex. of Life Ins.
NONE**

**Ex. of Life Ins.
NONE**

**Ex. of Life Ins.
NONE**

**Ex. of Life Ins.
NONE**

**Ex. of Life Ins.
NONE**

**Ex. of Life Ins.
NONE**

**Ex. of Life Ins.
NONE**

**Ex. of Policies - Supp. Contracts
NONE**

**Ex. of Policies - Annuities
NONE**

**Ex. of Policies - A&H Ins.
NONE**

**Ex. of Policies - Deposits Funds & Dividend Accumulations
NONE**

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States.....	4,859,741	5,249,071	4,875,096	4,845,000
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	4,859,741	5,249,071	4,875,096	4,845,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	1,004,056	1,004,056	1,017,540	1,000,000
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	1,004,056	1,004,056	1,017,540	1,000,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
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. Total Bonds.....	5,863,797	6,253,127	5,892,636	5,845,000
PREFERRED STOCKS					
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. Total Preferred Stocks....	0	0	0	0
COMMON STOCKS					
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.....	500	500	500	
	54. Total Common Stocks.....	500	500	500	
	55. Total Stocks.....	500	500	500	
	56. Total Bonds and Stocks...	5,864,297	6,253,627	5,893,136	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.... 1,004,056.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	5,882,102	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	3,027,758	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.....	(12,754)	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.....	5,864,295
3.4 Column 10, Part 4.....	3,857	(8,897)	
4. Total gain (loss), Column 14, Part 4.....	40,309	8. Total valuation allowance.....	
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	3,076,977	9. Subtotal (Lines 7 plus 8).....	5,864,295
		10. Total nonadmitted amounts.....	
		11. Statement value of bonds and stocks, current period.....	5,864,295

PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Business Only				
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
		2 Life Insurance Premiums	3 Annuity Considerations			
1. Alabama.....	AL	YES				
2. Alaska.....	AK	YES				
3. Arizona.....	AZ	YES				
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				
12. Hawaii.....	HI	NO				
13. Idaho.....	ID	YES				
14. Illinois.....	IL	YES				
15. Indiana.....	IN	YES				
16. Iowa.....	IA	YES				
17. Kansas.....	KS	NO				
18. Kentucky.....	KY	YES				
19. Louisiana.....	LA	YES				
20. Maine.....	ME	NO				
21. Maryland.....	MD	YES				
22. Massachusetts.....	MA	YES				
23. Michigan.....	MI	YES				
24. Minnesota.....	MN	YES				
25. Mississippi.....	MS	YES				
26. Missouri.....	MO	NO				
27. Montana.....	MT	YES				
28. Nebraska.....	NE	YES				
29. Nevada.....	NV	YES				
30. New Hampshire.....	NH	NO				
31. New Jersey.....	NJ	NO				
32. New Mexico.....	NM	YES				
33. New York.....	NY	NO				
34. North Carolina.....	NC	YES				
35. North Dakota.....	ND	YES				
36. Ohio.....	OH	YES				
37. Oklahoma.....	OK	YES				
38. Oregon.....	OR	YES				
39. Pennsylvania.....	PA	NO				
40. Rhode Island.....	RI	YES				
41. South Carolina.....	SC	YES				
42. South Dakota.....	SD	YES				
43. Tennessee.....	TN	YES				
44. Texas.....	TX	YES				
45. Utah.....	UT	YES				
46. Vermont.....	VT	NO				
47. Virginia.....	VA	YES				
48. Washington.....	WA	YES				
49. West Virginia.....	WV	YES				
50. Wisconsin.....	WI	YES				
51. Wyoming.....	WY	NO				
52. American Samoa.....	AS	NO				
53. Guam.....	GU	NO				
54. Puerto Rico.....	PR	NO				
55. US Virgin Islands.....	VI	NO				
56. Canada.....	CN	NO				
57. Aggregate Other Alien.....	OT	XXX	0	0	0	0
58. Subtotal.....	(a) 39		0	0	0	0
91. Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX					
92. Dividends or refunds applied to shorten endowment or premium paying period.....	XXX					
93. Premium or annuity considerations waived under disability or other contract provisions.....	XXX					
94. Aggregate other amounts not allocable by State.....	XXX	0	0	0	0	0
95. Totals (Direct Business).....	XXX	0	0	0	0	0
96. Plus reinsurance assumed.....	XXX					
97. Totals (All Business).....	XXX	0	0	0	0	0
98. Less reinsurance ceded.....	XXX					
99. Totals (All Business) less reinsurance ceded.....	XXX	0	0	(b) 0	0	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
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	XXX	0	0	0	0	0
9401.	XXX					
9402.	XXX					
9403.	XXX					
9498. Summary of remaining write-ins for line 94 from overflow page....	XXX	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	0	0	0	0	0

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9, and 10, or with Schedule H, Part 1, Column, Line 1. Indicate which:

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

PART 1 – ORGANIZATIONAL CHART

THE PROGRESSIVE CORPORATION
(OH) 34-0963169

OWNERSHIP	COMPANY	STATE OF INCORPORATION	FEDERAL IDENTIFICATION NO.	NAIC GROUP AND COMPANY CODES
1	MOUNTAIN LAUREL ASSURANCE COMPANY	PA	23-2599971	155-44180
1	NATIONAL CONTINENTAL INSURANCE COMPANY	NY	06-0281045	155-10243
1	PROGRESSIVE AMERICAN INSURANCE COMPANY	FL	34-1094197	155-24252
1	BAYSIDE UNDERWRITERS INSURANCE AGENCY, INC.	FL	59-2179894	
1	PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY	OH	34-1022982	155-71161
1	PROGRESSIVE LIFE INSURANCE, LTD.	CAICOS		
1	PROGRESSIVE AUTO PRO INSURANCE COMPANY	FL	59-3213815	155-10192
1	PROGRESSIVE CASUALTY INSURANCE COMPANY	OH	34-6513736	155-24260
1	PC INVESTMENT COMPANY	DE	34-1576555	
2	PROGRESSIVE COUNTY MUTUAL INSURANCE COMPANY	TX	74-1082840	155-29203
1	PROGRESSIVE GULF INSURANCE COMPANY	MS	34-1374634	155-42412
2	PROGRESSIVE HOME UNDERWRITERS INSURANCE COMPANY	TX	74-2991115	155-11085
1	PROGRESSIVE SPECIALTY INSURANCE COMPANY	OH	34-1172685	155-32786
1	PROGRESSIVE BAYSIDE INSURANCE COMPANY	FL	31-1193845	155-17350
1	PROGRESSIVE CLASSIC INSURANCE COMPANY	WI	39-1453002	155-42994
1	PROGRESSIVE CONSUMERS INSURANCE COMPANY	FL	59-3213819	155-10194
1	PROGRESSIVE EXPRESS INSURANCE COMPANY	FL	59-3213719	155-10193
1	PROGRESSIVE HALCYON INSURANCE COMPANY	OH	34-1524319	155-16322
1	PROGRESSIVE HAWAII INSURANCE CORP.	OH	99-0311930	155-10067
1	PROGRESSIVE MARATHON INSURANCE COMPANY	CA	33-0350911	155-37605
1	PROGRESSIVE MAX INSURANCE COMPANY	OH	34-0472535	155-24279
1	PROGRESSIVE MICHIGAN INSURANCE COMPANY	MI	34-1787734	155-10187
1	PROGRESSIVE MOUNTAIN INSURANCE COMPANY	CO	93-0935623	155-35190
1	PROGRESSIVE NORTHEASTERN INSURANCE COMPANY	NY	11-3096103	155-10042
1	PROGRESSIVE NORTHERN INSURANCE COMPANY	WI	34-1318335	155-38628
1	PROGRESSIVE PREMIER INSURANCE COMPANY OF ILLINOIS	IL	36-3789786	155-21735
1	PROGRESSIVE UNIVERSAL INSURANCE COMPANY OF ILLINOIS	IL	36-3789787	155-21727
1	PROGRESSIVE NORTHWESTERN INSURANCE COMPANY	WA	91-1187829	155-42919
1	PROGRESSIVE PALOVERDE INSURANCE COMPANY	AZ	86-0686869	155-44695
1	PROGRESSIVE PREFERRED INSURANCE COMPANY	OH	34-1287020	155-37834
1	PROGRESSIVE SECURITY INSURANCE COMPANY	LA	72-1269745	155-10050
1	PROGRESSIVE SOUTHEASTERN INSURANCE COMPANY	FL	59-1951700	155-38784
1	PROGRESSIVE WEST INSURANCE COMPANY	CA	95-2676519	155-27804
1	UNITED FINANCIAL CASUALTY COMPANY	OH	36-3298008	155-11770

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

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

PART 1 – ORGANIZATIONAL CHART

OWNERSHIP	COMPANY	STATE OF INCORPORATION	FEDERAL IDENTIFICATION NO.	NAIC GROUP AND COMPANY CODES
1	PCIC CANADA HOLDINGS, LTD.	CAN		
1	3841189 CANADA, INC.	CAN		
1	1890 INSURANCE AGENCY, INC	WY	83-0322664	
1	MIDLAND FINANCIAL GROUP, INC.	TN	62-1104818	
3	AGENTS FINANCIAL SERVICES, INC. (40%)	FL	65-0121341	
1	MIDLAND RISK SERVICES, INC.	TN	62-1346765	
3	MIDLAND RISK SERVICES-ARIZONA, INC (85%)	AZ	86-0688693	
1	PROGRESSIVE HOME INSURANCE COMPANY	OH	62-0484104	155-11851
1	SPECIALTY RISK INSURANCE COMPANY	OH	62-1444848	155-44288
1	AIRY INSURANCE CENTER, INC.	PA	23-2523368	
1	EXPRESS QUOTE SERVICES, INC.	FL	65-0288746	
1	GARDEN SUN INSURANCE SERVICES, INC.	HI	99-0311966	
1	GREENBERG FINANCIAL INSURANCE SERVICES, INC.	CA	31-1119149	
1	HUSKY SUN INSURANCE SERVICES, INC.	WA	91-1700619	
1	INSURANCE CONFIRMATION SERVICES, INC.	DE	38-2788841	
1	LAKESIDE INSURANCE AGENCY, INC.	OH	34-6521173	
1	MARYLAND AUTO INSURANCE SOLUTIONS, INC.	MD	52-1519929	
1	MOUNTAINSIDE INSURANCE AGENCY, INC.	CO	84-1080317	
1	PACIFIC MOTOR CLUB	CA	95-2706008	
1	PROGNY AGENCY, INC.	NY	11-3203413	
1	PROGRESSIVE ADJUSTING COMPANY, INC.	OH	34-1574447	
1	PROGRESSIVE AGENCY HOLDINGS CORP.	OH	31-1559175	
1	PROGRESSIVE AUTO PRO INSURANCE AGENCY, INC.	FL	58-1772717	
1	PROGRESSIVE CAPITAL MANAGEMENT CORP.	NY	13-3673368	
1	PROGRESSIVE DIRECTRAC SERVICE CORP.	TX	74-2870646	
1	PROGRESSIVE INSURANCE AGENCY, INC.	OH	34-6513737	
1	PROGRESSIVE INVESTMENT COMPANY, INC.	DE	34-1378861	
1	RRM HOLDINGS, INC.	DE	52-2066127	
1	PROGRESSIVE PREMIUM BUDGET, INC.	OH	34-6530101	
1	PROGRESSIVE RESOURCE SERVICES COMPANY	OH	34-1574448	
1	PROGRESSIVE SPECIALTY INSURANCE AGENCY, INC.	OH	34-1804869	
1	SILVER KEY INSURANCE AGENCY, INC.	NV	88-0342601	
1	THE PROGRESSIVE AGENCY, INC.	VA	54-1394194	
1	THE PROGRESSIVE INSURANCE FOUNDATION	OH	30-0013138	
1	UNITED FINANCIAL INSURANCE AGENCY, INC.	WA	91-1709749	
1	VILLAGE TRANSPORT CORP.	DE	51-0295493	
1	WILSON MILLS LAND CO.	OH	34-1324270	

Ownership:

1. Wholly owned and controlled

2. Affiliate - Controlled, not owned

3. As Indicated