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QUARTERLY STATEMENT

As of June 30, 2011

of the Condition and Affairs of the

PROGRESSIVE SPECIALTY INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period) NAIC Company Code..... 32786 Employer's ID Number..... 34-1172685

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

Incorporated/Organized..... August 4, 1975 Commenced Business..... May 26, 1976

Statutory Home Office	6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... 44143-2182 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... 44143-2182 (Street and Number) (City or Town, State and Zip Code)	440-461-5000 (Area Code) (Telephone Number)
Mail Address	P.O. BOX 89490….. CLEVELAND ..... OH ..... 44101-6490 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... 44143-2182 (Street and Number) (City or Town, State and Zip Code)	440-395-4460 (Area Code) (Telephone Number)
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO (Name)	440-395-4460 (Area Code) (Telephone Number) (Extension)
	FINANCIAL_REPORTING@PROGRESSIVE.COM (E-Mail Address)	440-446-7168 (Fax Number)

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

Name	Title	Name	Title
DAVID JAMES SKOVE	PRESIDENT	PETER JAMES ALBERT	SECRETARY
THOMAS ALFRED KING	TREASURER		

OTHER

PETER JAMES ALBERT	(VICE PRESIDENT)	MARY BETH ANDREANO	(VICE PRESIDENT)
KAREN MARIE BARONE	(VICE PRESIDENT)	KATHLEEN MARY CERNY	(ASST. SECRETARY)
JAMES LEE KUSMER	(ASST. TREASURER)		

DIRECTORS OR TRUSTEES

KAREN MARIE BARONE	KATHRYN MARGARET LEMIEUX	MARK DONALD NIEHAUS	DAVID LLOYD PRATT
DAVID JAMES SKOVE			

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
DAVID JAMES SKOVE	KATHLEEN MARY CERNY	THOMAS ALFRED KING
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
PRESIDENT	ASSISTANT SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 5TH day of AUGUST, 2011

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 Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	812,960,439		812,960,439	842,384,194
2. Stocks:				
2.1 Preferred stocks	125,476,567		125,476,567	123,842,105
2.2 Common stocks	109,034,377		109,034,377	84,965,749
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....1,654), cash equivalents ($.....57,996,544) and short-term investments ($.....171,674)	58,169,872		58,169,872	20,273,334
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	9,269,364	9,269,364	0	0
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,114,910,619	9,269,364	1,105,641,255	1,071,465,382
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	7,691,460		7,691,460	8,196,983
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	28,603,254	5,572,763	23,030,491	12,145,636
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	140,372,753		140,372,753	124,841,562
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	10,259,098		10,259,098	4,527,536
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	20,323,619		20,323,619	20,456,390
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	53,576,576		53,576,576	32,242,013
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	1,767,324	208,183	1,559,141	1,434,812
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,377,504,703	15,050,310	1,362,454,393	1,275,310,314
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,377,504,703	15,050,310	1,362,454,393	1,275,310,314

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS	1,559,141		1,559,141	1,434,812
2502. PREPAID EXPENSES	201,032	201,032	0	
2503. MISCELLANEOUS OTHER ASSETS	7,151	7,151	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,767,324	208,183	1,559,141	1,434,812

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....71,768,346)	197,575,213	195,454,359
2.	Reinsurance payable on paid losses and loss adjustment expenses	6,015,747	3,495,318
3.	Loss adjustment expenses	42,151,273	42,640,274
4.	Commissions payable, contingent commissions and other similar charges	716,331	1,028,775
5.	Other expenses (excluding taxes, licenses and fees)	24,627,727	20,042,455
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	4,304,709	4,626,108
7.1	Current federal and foreign income taxes (including $.....(783,695) on realized capital gains (losses))	14,994,713	6,185,158
7.2	Net deferred tax liability		
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....262,151,691 and including warranty reserves of $..........0)	182,213,122	169,191,997
10.	Advance premium	6,425,913	4,985,580
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	5,498,364	27,721
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	30,934,684	26,183,311
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	1,459,419	1,096,416
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	516,917,215	474,957,472
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	516,917,215	474,957,472
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	3,500,000	3,500,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	80,677,139	80,677,139
35.	Unassigned funds (surplus)	761,360,039	716,175,703
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36)	845,537,178	800,352,842
38.	Totals	1,362,454,393	1,275,310,314

DETAILS OF WRITE-INS

2501.	OTHER LIABILITIES	1,147,483	1,058,426
2502.	ESCHEATABLE PROPERTY	305,227	32,451
2503.	UNEARNED FEE RESERVE	6,709	5,539
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)	1,459,419	1,096,416
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....441,584,884)	415,305,230	368,630,172	764,012,911
1.2 Assumed (written $.....303,466,928)	290,445,803	282,284,248	566,989,790
1.3 Ceded (written $.....441,584,884)	415,305,230	368,630,172	764,012,911
1.4 Net (written $.....303,466,928)	290,445,803	282,284,248	566,989,790
DEDUCTIONS:			
2. Losses incurred (current accident year $.....176,099,058):			
2.1 Direct	269,173,164	215,190,365	460,511,112
2.2 Assumed	174,742,149	165,710,168	337,596,166
2.3 Ceded	269,173,164	215,190,365	460,511,112
2.4 Net	174,742,149	165,710,168	337,596,166
3. Loss adjustment expenses incurred	30,127,682	30,581,319	61,247,830
4. Other underwriting expenses incurred	66,468,665	66,567,571	129,439,981
5. Aggregate write-ins for underwriting deductions	3	(97,702)	(107,966)
6. Total underwriting deductions (Lines 2 through 5)	271,338,499	262,761,356	528,176,011
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	19,107,304	19,522,892	38,813,779
INVESTMENT INCOME			
9. Net investment income earned	19,126,827	18,723,421	38,709,201
10. Net realized capital gains (losses) less capital gains tax of $.....(783,695)	8,771,151	5,372,864	11,962,823
11. Net investment gain (loss) (Lines 9 + 10)	27,897,978	24,096,285	50,672,024
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....265,810 amount charged off $.....6,044,900)	(5,779,090)	(5,291,970)	(10,356,977)
13. Finance and service charges not included in premiums	11,017,742	9,414,552	20,030,139
14. Aggregate write-ins for miscellaneous income	153,493	1,033,397	1,252,130
15. Total other income (Lines 12 through 14)	5,392,145	5,155,979	10,925,292
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	52,397,427	48,775,156	100,411,095
17. Dividends to policyholders			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	52,397,427	48,775,156	100,411,095
19. Federal and foreign income taxes incurred	15,778,408	16,135,782	29,926,772
20. Net income (Line 18 minus Line 19) (to Line 22)	36,619,019	32,639,374	70,484,323
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	800,352,842	719,871,332	719,871,332
22. Net income (from Line 20)	36,619,019	32,639,374	70,484,323
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....2,780,439	5,044,027	(2,688,330)	12,838,218
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(1,618,890)	121,168	(6,685,203)
27. Change in nonadmitted assets	5,140,180	(9,964,475)	3,844,172
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	45,184,336	20,107,737	80,481,510
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	845,537,178	739,979,069	800,352,842

DETAILS OF WRITE-INS

0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW (REFUNDS)	3	(97,702)	(107,966)
0502.			
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)	3	(97,702)	(107,966)
1401. MISCELLANEOUS INCOME	93,351	983,397	1,095,989
1402. SERVICE BUSINESS REVENUE	37,578	19,153	85,203
1403. INTEREST INCOME ON INTERCOMPANY BALANCES	22,564	30,847	70,938
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	153,493	1,033,397	1,252,130
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance	284,401,582	280,782,323	558,910,854
2.	Net investment income	31,881,625	28,105,299	61,435,717
3.	Miscellaneous income	5,570,000	5,331,468	11,274,055
4.	Total (Lines 1 through 3)	321,853,207	314,219,090	631,620,626
5.	Benefit and loss related payments	175,832,428	165,632,782	336,755,947
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	93,133,922	90,822,958	188,587,896
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....(312,059) tax on capital gains (losses)	6,185,158	14,570,819	33,438,375
10.	Total (Lines 5 through 9)	275,151,508	271,026,559	558,782,218
11.	Net cash from operations (Line 4 minus Line 10)	46,701,699	43,192,531	72,838,408
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	210,992,415	205,542,279	343,705,113
	12.2 Stocks	8,106,494	40,050,066	44,693,965
	12.3 Mortgage loans			
	12.4 Real estate			
	12.5 Other invested assets	140,000		196,000
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
	12.7 Miscellaneous proceeds			
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	219,238,909	245,592,345	388,595,078
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	190,309,652	208,332,836	395,887,878
	13.2 Stocks	21,386,298	43,028,982	48,444,308
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets			
	13.6 Miscellaneous applications		11	11
	13.7 Total investments acquired (Lines 13.1 to 13.6)	211,695,950	251,361,829	444,332,197
14.	Net increase (decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	7,542,959	(5,769,484)	(55,737,119)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			
	16.2 Capital and paid in surplus, less treasury stock			
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities			
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	(16,348,120)	(27,795,588)	3,016,667
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(16,348,120)	(27,795,588)	3,016,667
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	37,896,538	9,627,460	20,117,956
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	20,273,334	155,378	155,378
	19.2 End of period (Line 18 plus Line 19.1)	58,169,872	9,782,838	20,273,334

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001				

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

2. Accounting Changes and Corrections of Errors

No significant change

3. Business Combinations and Goodwill

No significant change

4. Discontinued Operations

No significant change

5. Investments

D. Loan-Backed Securities

Effective for the third quarter 2009 reporting period, the Company adopted *Statement of Statutory Accounting Principles ("SSAP")* No. 43R, Loan-backed and Structured Securities. Pursuant to the new standard, the Company analyzes its structured debt securities to determine if the Company intends to sell, or if it is more likely than not that the Company will be required to sell, the security prior to recovery and, if so, the Company writes down the security to its current fair value with the entire amount of the write-down recorded as a realized loss. To the extent that it is more likely than not that the Company will hold the debt security until recovery (which could be maturity), the Company determines if any of the decline in value is due to a credit loss (i.e., where the present value of cash flows expected to be collected is lower than the amortized cost basis of the security) and, if so, the Company recognizes that portion of the impairment as a realized loss.

The sources used to determine prepayment assumptions are derived from updated cash flows from reputable pricing services. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (i.e., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.

As of June 30, 2011, the Company did not intend to sell the loan-backed or structured debt securities on which a credit loss was recognized, and determined that it is more likely than not that the Company will not be required to sell the securities prior to the recovery (which could be maturity) of their respective cost basis.

The following table shows, as of June 30, 2011, the Company's other-than-temporary impairment for loan-backed and structured debt securities since the adoption of SSAP No. 43R.

CUSIP	Amortized cost before current period other-than-temporary impairment	Projected Cash Flows	Recognized other-than-temporary Impairment	Amortized Cost after other-than-temporary Impairment	Fair Value at time of other-than-temporary impairment	Financial Statement date when other-than-temporary impairment was reported
33736XBN8	$ 289,419	$ 234,776	$ 54,643	$ 234,776	$ 169,107	2010 - Q1
33736XBN8	144,263	82,349	61,914	82,349	80,410	2010 - Q2
79548CAR7	87,994	55,617	32,377	55,617	23,757	2010 - Q2
07387AGH2	1,168,204	1,123,318	44,886	1,123,318	1,095,831	2011 - Q2
Total	XXX	XXX	$ 193,820	XXX	XXX	XXX

As of June 30, 2011, the Company had $765,299 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

The following table shows, as of June 30, 2011, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position:

Fair Value	Unrealized Loss	Losses less than 12 Months	Losses greater than 12 months	Market Value of losses less than 12 months	Market Value of losses greater than 12 months
$52,749,294	$ 765,299	$ 444,225	$ 321,074	$ 45,068,769	$ 7,680,525

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change

7. Investment Income

No significant change

8. Derivative Instruments

No significant change

9. Income Taxes

A. Components of the net deferred tax asset (liability) ("DTA"/"(DTL)")

1. The components of the DTA in accordance with SSAP 10R, Income Taxes, are as follows:

	June 30, 2011			December 31, 2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Ordinary Income	Capital gain (loss)	(Col 1+2) Total	Ordinary Income	Capital gain (loss)	(Col 4+5) Total	(Col 1-4) Ordinary Income	(Col 2-5) Capital gain (loss)	(Col 7+8) Total
(a) Gross deferred tax assets	$ 26,219,568	$ 36,945,730	$ 63,165,298	$ 25,457,025	$ 39,529,492	$ 64,986,517	$ 762,543	$ (2,583,762)	$ (1,821,219)
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	$ 26,219,568	$ 36,945,730	$ 63,165,298	$ 25,457,025	$ 39,529,492	$ 64,986,517	$ 762,543	$ (2,583,762)	$ (1,821,219)
(d) Deferred tax liabilities	4,727,192	38,114,487	42,841,679	5,000,635	35,262,935	40,263,570	(273,443)	2,851,552	2,578,109
(e) Subtotal (net deferred tax assets) (1c-1d)	$ 21,492,376	$ (1,168,757)	$ 20,323,619	$ 20,456,390	$ 4,266,557	$ 24,722,947	$ 1,035,986	$ (5,435,314)	$ (4,399,328)
(f) Deferred tax assets nonadmitted	-	-	-	-	4,266,557	4,266,557	-	(4,266,557)	(4,266,557)
(g) Net admitted deferred tax assets (1e-1f)	$ 21,492,376	$ (1,168,757)	$ 20,323,619	$ 20,456,390	$ -	$ 20,456,390	$ 1,035,986	$ (1,168,757)	$ (132,771)

2. The Company has not elected to admit additional DTAs pursuant to SSAP No. 10R, paragraph 10.e. for the reporting period ended June 30, 2011. The current period election does not differ from the prior year-end.

3. Benefits of adopting SSAP No. 10R, paragraph 10.e.

Not applicable

C. Current income taxes consist of the following major components:

1. Current Income Tax:

Description	(1) June 30, 2011	(2) December 31, 2010
(a) Federal income tax expense (benefit)	$ 15,778,408	$ 30,236,552
(b) Foreign income tax expense (benefit)	-	-
(c) Prior year underaccrual (overaccrual)	-	(309,780)
(d) Subtotal	$ 15,778,408	$ 29,926,772
(e) Federal income tax (benefit) on net realized capital gains (losses)	(783,695)	824,494
(f) Utilization of capital loss carry-forwards	-	-
(g) Prior year underaccrual (overaccrual)	-	(5,698,552)
(h) Subtotal	$ (783,695)	$ (4,874,058)
(i) Federal and Foreign income taxes incurred	$ 14,994,713	$ 25,052,714

The change in net deferred income tax is comprised of the following (this analysis excludes nonadmitted assets; the change in nonadmitted assets is reported separately from the change in net deferred income tax in the Statement of Income, Surplus section):

Description	June 30, 2011	December 31, 2010	Change
Total deferred tax assets	$ 63,165,298	$ 64,986,517	$ (1,821,219)
Total deferred tax liabilities	42,841,679	40,263,570	2,578,109
Net deferred tax asset (liability)	$ 20,323,619	$ 24,722,947	$ (4,399,328)
Tax effect of unrealized gains (losses)			(2,780,439)
Change in net deferred income tax			$ (1,618,890)

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

The provision for Federal income taxes is different than that which would be obtained by applying the statutory Federal income tax rate to pre-tax income. At June 30, 2011 the significant book to tax adjustments causing this difference are as follows:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	$ 18,064,806	35%
Exempt interest income	(489,863)	(1)
Dividends received deduction	(345,892)	(1)
Impact of nonadmitted assets	214,892	--
Other	(830,340)	(1)
Total	$ 16,613,603	32%
Federal and foreign income taxes incurred	$ 14,994,713	
Change in net deferred income tax	1,618,890	
Total statutory income taxes	$ 16,613,603	

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change

11. Debt

No significant change

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

No significant change

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

No significant change

14. Contingencies

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid	$ 325,000

The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during the reporting period. The claim count information is disclosed per claimant.

0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	Over 500 Claims
X				

E. All Other Contingencies

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and loss adjustment expense ("LAE") reserves. The Company also has potential exposure relating to lawsuits due to its participation in a 100% pooling reinsurance agreement for which it is allocated litigation expenses.

Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of June 30, 2011, there was a putative class action lawsuit challenging the Company's use of certain automated database vendors or software to assist in the adjustment of bodily injury claims. Plaintiffs allege that these databases or software systematically undervalue the claims.

As of June 30, 2011, the Company was defending a putative statewide class action lawsuit alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of June 30, 2011, there was a putative class action lawsuit challenging the manner in which the Company grants a discount for anti-theft devices.

15. Leases

No significant change

16. Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk

No significant change

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

C. Wash Sales

The Company had no wash sales of securities with a National Association of Insurance Commissioners' rating of 3 or below during the year.

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

No significant change

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

No significant change

20. Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

The Company evaluated whether the market was distressed or inactive in determining the fair value for those securities reported and reviewed certain market level inputs to evaluate whether sufficient activity, volume, and new issuances existed to create an active market. Based on this evaluation, the Company concluded that there was sufficient activity in determining the fair value for those securities reported.

The valuations classified as either Level 1 or Level 2 in the table below are priced exclusively by external sources, including: pricing vendors, dealers/market makers, and exchange-quoted prices. The Company did not have any transfers between Level 1 and Level 2.

Certain securities are carried at fair value in the financial statements. Other securities are periodically measured at fair value, such as when impaired, or for certain bonds which are carried at the lower of amortized cost or fair value.

Fair value measurements at June 30, 2011 are as follows:

Asset Description	Level 1	Level 2	Level 3	Total
Bonds – Industrial & Miscellaneous	$ --	$ 3,256,602	$ --	$ 3,256,602
Common Stock – Industrial & Miscellaneous	109,034,377	--	--	109,034,377
Preferred Stock – Industrial & Miscellaneous	--	116,308,802	--	116,308,802
Total	$ 109,034,377	$ 119,565,404	$ --	$ 228,599,781

2. Rollforward of Level 3 Items

Asset Description	Balance at January 1, 2011	Transfers into level 3	Transfers out of level 3	Total Realized Gains (Losses) included in Net Income	Total Unrealized Gains (Losses) included in Surplus	Purchases, Issuances, Sales and Settlements	Balance at June 30, 2011
Bonds – Industrial & Miscellaneous	$ 153,536	$ --	$ (153,5361)	$ --	$ --	$ --	$ --

With limited exceptions, the Company's Level 3 securities are also priced externally; however, due to several factors (e.g., nature of the securities, level of activity, lack of similar securities trading to obtain observable market level inputs), these valuations are more subjective in nature. Certain private equity investments and fixed-income investments included in the Level 3 category are valued using external pricing supplemented by internal review and analysis.

As of June 30, 2011, there were no securities measured and reported at Level 3.

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

See narrative in Note 20A

5. Derivative Fair Values

Not applicable

C. Other Fair Value Disclosures

Not applicable

D. Reasons Not Practical to Estimate Fair Values

Not applicable

21. Other Items

C. Other Disclosures

1. Nonadmitted Other Invested Assets

In accordance with admissibility requirements of SSAP No. 48, Joint Ventures, Partnerships, and Limited Liability Companies, the Company non-admits its investment in Trussville/Cahaba, AL, LLC ("Trussville/Cahaba"), a non-insurance affiliate incorporated in Ohio that owns investment real estate. As a result of management's decision to not subject Trussville/Cahaba to the annual GAAP audit, the Company is not permitted to admit its investment in Trussville/Cahaba.

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

At June 30, 2011, the Company reported net admitted premiums and agents' balances in course of collection of $23,030,491. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through August 8, 2011 for the statutory statement that was available for issuance by August 15, 2011.

23. Reinsurance

No significant change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior years decreased $2,261,000 in 2011, which is less than 1% of the total prior year net unpaid losses and LAE of $238,094,633. The majority of the favorable development is primarily attributable to accident years 2008 and prior for Private Passenger Auto Liability and Commercial Auto Liability business. In addition, originally anticipated severity of loss and defense and cost containment reserves for accident year 2010 decreased by 0.3% for Private Passenger Auto Liability and 0.4% for Auto Physical Damage, partially offset by an increase of .9% in originally estimated severity for Commercial Auto Liability.

26. Intercompany Pooling Arrangements

No significant change

27. Structured Settlements

No significant change

28. Health Care Receivables

No significant change

29. Participating Accident and Health Policies

No significant change

30. Premium Deficiency Reserves

No significant change

31. High Deductibles

No significant change

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No significant change

33. Asbestos and Environmental Reserves

No significant change

34. Subscriber Savings Accounts

No significant change

35. Multiple Peril Crop Insurance

No significant change

36. Financial Guaranty Insurance

No significant change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: ....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007.......................

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007.......................

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 4/7/2009...........................

6.4 By what department or departments?
OHIO

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $....................53,576,576

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $....................................0

13. Amount of real estate and mortgages held in short-term investments: $....................................0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 9,529,009	$ 9,269,364
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 9,529,009	$ 9,269,364
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. Excluding items in Schedule E-Part 3-Special Deposits, 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 Section 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET NEW YORK, NY 10013
STATE STREET	801 PENNSYLVANIA AVE KANSAS CITY, MO 64105

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
NONE		

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE			

16.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST BOSTON, MA 02110

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
	....	....	....	....	....	0	....	....	....	0
Total.....................................	........XXX...	........XXX........	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written 2 Current Year to Date	3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	7 Prior Year to Date
1. Alabama AL	L	67,591,460	68,245,477	40,762,233	34,266,560	51,952,871	54,090,548
2. Alaska AK	L	12,261,449	11,725,409	7,528,141	5,540,519	7,712,485	6,661,156
3. Arizona AZ	L				1,392		
4. Arkansas AR	L	187,200	205,458	141,858	124,979	183,406	112,755
5. California CA	L			(320)	272		
6. Colorado CO	L	930,331	1,145,608	607,097	681,657	732,990	1,129,112
7. Connecticut CT	L						
8. Delaware DE	L						
9. District of Columbia DC	L						5
10. Florida FL	L			(2,283)	(1,912)		1
11. Georgia GA	L						
12. Hawaii HI	L	1,151,531	1,335,949	1,293,342	784,052	1,646,404	1,724,615
13. Idaho ID	L						
14. Illinois IL	L			(3,602)	181,688		
15. Indiana IN	L			(3,564)	(5,039)		
16. Iowa IA	L			(367)	(1,656)		
17. Kansas KS	L						
18. Kentucky KY	L			2,341	300	2,622	302,601
19. Louisiana LA	N						
20. Maine ME	L						
21. Maryland MD	L	19,986,337	22,485,618	12,186,399	13,327,241	13,826,607	11,811,662
22. Massachusetts MA	N						
23. Michigan MI	L						
24. Minnesota MN	L	8,678,484	10,290,280	3,848,099	5,261,404	4,188,520	6,154,010
25. Mississippi MS	L						
26. Missouri MO	L		(2,336)	42,148	356,721	78,018	332,893
27. Montana MT	L	162,288	197,735	56,465	237,820	296,214	246,438
28. Nebraska NE	L						
29. Nevada NV	L	1,200,207	1,433,531	700,592	988,633	721,128	1,314,495
30. New Hampshire NH	N						
31. New Jersey NJ	L						
32. New Mexico NM	L			38,577	(226)		50,000
33. New York NY	L	51,669,617	39,587,167	24,492,854	14,343,920	28,848,085	18,139,364
34. North Carolina NC	N						
35. North Dakota ND	L						
36. Ohio OH	L	173,834,392	150,228,906	102,019,298	73,778,994	82,648,069	66,885,759
37. Oklahoma OK	L			171	8,600	443	
38. Oregon OR	L	26,334	42,371	24,078	14,326	59,743	22,464
39. Pennsylvania PA	L	99,744,203	92,345,833	59,059,188	54,436,419	66,425,580	59,290,794
40. Rhode Island RI	L						
41. South Carolina SC	L			(267)	3		
42. South Dakota SD	L			(489)	(800)		17,282
43. Tennessee TN	L			(417)	(828)		
44. Texas TX	L						
45. Utah UT	L				(145)		
46. Vermont VT	L	997,066	1,164,573	524,659	778,273	779,078	804,098
47. Virginia VA	L	3,163,984	4,004,083	1,780,095	3,071,561	2,081,882	3,391,201
48. Washington WA	L			(2,753)	(5,163)		
49. West Virginia WV	L						
50. Wisconsin WI	L						
51. Wyoming WY	N						
52. American Samoa AS	N						
53. Guam GU	N						
54. Puerto Rico PR	N						
55. US Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CN	N						
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Totals	(a) 46	441,584,883	404,435,662	255,093,573	208,169,565	262,184,145	232,481,253

DETAILS OF WRITE-INS

	1	2	3	4	5	6	7
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine	4,595,972	2,923,641	63.6	45.5
10. Financial guaranty			0.0	
11.1. Medical professional liability - occurrence			0.0	
11.2. Medical professional liability - claims-made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence	2,002,335	543,573	27.1	(8.3)
17.2 Other liability-claims made			0.0	
17.3 Excess workers' compensation			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	254,838,998	155,560,073	61.0	57.9
19.3, 19.4 Commercial auto liability	11,767,526	7,934,681	67.4	58.6
21. Auto physical damage	142,098,124	102,210,741	71.9	60.3
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety	2,275	455	20.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. Warranty			0.0	
31. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	
35. Totals	415,305,230	269,173,164	64.8	58.4
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	4,262,362	5,891,647	5,373,408
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	1,720,280	2,408,877	2,242,151
17.2 Other liability-claims made			
17.3 Excess workers' compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1 19.2 Private passenger auto liability	133,886,635	269,455,902	246,380,038
19.3 19.4 Commercial auto liability	6,881,573	12,992,499	13,804,339
21. Auto physical damage	75,729,941	150,833,613	136,635,726
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	2,346	2,346	
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. Totals	222,483,137	441,584,884	404,435,662
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior	41,110	8,758	49,869	13,886	224	14,111	26,523	1,254	5,956	33,733	(701)	(1,324)	(2,025)
2. 2009	43,588	10,699	54,288	14,674	974	15,648	28,516	3,550	7,113	39,179	(397)	937	540
3. Subtotals 2009 + Prior	84,699	19,458	104,157	28,561	1,198	29,759	55,039	4,804	13,069	72,913	(1,098)	(386)	(1,485)
4. 2010	102,371	31,567	133,938	45,131	6,120	51,250	55,007	10,514	16,391	81,911	(2,233)	1,457	(777)
5. Subtotals 2010 + Prior	187,070	51,025	238,095	73,692	7,318	81,009	110,046	15,317	29,460	154,824	(3,332)	1,071	(2,261)
6. 2011	XXX	XXX	XXX	XXX	122,228	122,228	XXX	63,154	21,748	84,902	XXX	XXX	XXX
7. Totals	187,070	51,025	238,095	73,692	129,546	203,238	110,046	78,471	51,209	239,726	(3,332)	1,071	(2,261)
8. Prior Year-End's Surplus As Regards Policyholders	800,353												

Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
1. (1.8)%	2. 2.1 %	3. (0.9)%

Col. 13, Line 7 Line 8
4. (0.3)%

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.
2.
3.
4.

Bar Code:

* 3 2 7 8 6 2 0 1 1 4 9 0 0 0 0 0 2 *

* 3 2 7 8 6 2 0 1 1 4 5 5 0 0 0 0 2 *

* 3 2 7 8 6 2 0 1 1 3 6 5 0 0 0 0 2 *

* 3 2 7 8 6 2 0 1 1 5 0 5 0 0 0 0 2 *

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,529,009	9,608,297
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(119,645)	116,712
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	140,000	196,000
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	9,269,364	9,529,009
12. Deduct total nonadmitted amounts	9,269,364	9,529,009
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,051,192,048	991,777,590
2. Cost of bonds and stocks acquired	211,695,948	444,332,186
3. Accrual of discount	613,424	1,295,681
4. Unrealized valuation increase (decrease)	7,944,110	19,571,555
5. Total gain (loss) on disposals	8,032,341	7,276,446
6. Deduct consideration for bonds and stocks disposed of	219,098,904	388,399,078
7. Deduct amortization of premium	12,862,699	24,474,653
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	44,886	187,679
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,047,471,382	1,051,192,048
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,047,471,382	1,051,192,048

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	632,280,381	106,840,707	83,352,753	(5,369,401)	632,280,381	650,398,934		667,656,967
2. Class 2 (a)	210,754,994	4,138,512	7,627,125	(920,797)	210,754,994	206,345,584		180,536,672
3. Class 3 (a)								
4. Class 4 (a)	14,023,200			(70,601)	14,023,200	13,952,599		13,985,281
5. Class 5 (a)								
6. Class 6 (a)	472,951			(41,411)	472,951	431,540		476,928
7. Total Bonds	857,531,526	110,979,219	90,979,878	(6,402,210)	857,531,526	871,128,657	0	862,655,848
PREFERRED STOCK								
8. Class 1	102,899,582			13,409,220	102,899,582	116,308,802		102,506,340
9. Class 2	22,427,765			(13,260,000)	22,427,765	9,167,765		21,335,765
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	125,327,347	0	0	149,220	125,327,347	125,476,567	0	123,842,105
15. Total Bonds and Preferred Stock	982,858,873	110,979,219	90,979,878	(6,252,990)	982,858,873	996,605,224	0	986,497,953

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$..........0; NAIC 2 \$..........0; NAIC 3 \$..........0; NAIC 4 \$..........0; NAIC 5 \$..........0; NAIC 6 \$..........0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	171,674	XXX	171,674	8	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	71,711	153,575
2. Cost of short-term investments acquired	728,251	31,971,498
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	628,288	32,053,362
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	171,674	71,711
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	171,674	71,711

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	20,199,944	
2. Cost of cash equivalents acquired	57,994,281	46,199,337
3. Accrual of discount	2,319	607
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	20,200,000	26,000,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/ adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	57,996,544	20,199,944
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	57,996,544	20,199,944

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership

NONE

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Affiliated																			
000000 00 0	TRUSSVILLE/CAHABA, AL LLC	TRUSSVILLE	AL	Return of Capital	10/20/2006	05/31/2011	140,000					0			140,000			0	
2099999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Affiliated							140,000	0	0	0	0	0	0	0	140,000	0	0	0	0
4099999. Subtotal - Affiliated							140,000	0	0	0	0	0	0	0	140,000	0	0	0	0
4199999. Totals							140,000	0	0	0	0	0	0	0	140,000	0	0	0	0

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
00038A AA 1	ABB TREASURY CENTER USA 2.500% 06/15/16		06/14/2011	Deutsche Bank		19,873,600	20,000,000		1FE
73328U AC 9	PFAST 2011-1 A3 0.840% 01/16/15		06/15/2011	JP Morgan Securities		12,998,112	13,000,000		1FE
73328U AD 7	PFAST 2011-1 A4 1.190% 12/17/18		06/15/2011	JP Morgan Securities		10,497,379	10,500,000		1FE
907818 CV 8	UNION PACIFIC CORP 4.875% 01/15/15		04/05/2011	Jefferies & Co.		4,138,512	3,823,000	42,969	2FE
65504L AE 7	NOBLE HOLDING INTL LTD 3.050% 03/01/16	F	05/24/2011	Wells Fargo Bank		5,037,350	5,000,000	48,292	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					52,544,953	52,323,000	91,261	XXX
8399997.	Total - Bonds - Part 3					52,544,953	52,323,000	91,261	XXX
8399999.	Total - Bonds					52,544,953	52,323,000	91,261	XXX
Common Stocks - Industrial and Miscellaneous									
01741R 10 2	ALLEGHENY TECHNOLOGIES		06/08/2011	State Street Bank	10,700.000	642,505	XXX		L
019344 10 0	ALLIED NEVADA GOLD CORP		06/23/2011	State Street Bank	12,100.000	409,085	XXX		L
084670 70 2	BERKSHIRE HATHAWAY INC		06/08/2011	State Street Bank	18,900.000	1,411,337	XXX		L
125269 10 0	CF INDUSTRIES HOLDINGS		06/23/2011	State Street Bank	3,400.000	479,701	XXX		L
150870 10 3	CELANESE CORP-SERIES A		06/08/2011	State Street Bank	2,300.000	108,071	XXX		L
172967 42 4	CITIGROUP INC		06/08/2011	State Street Bank	64,200.000	2,394,936	XXX		L
20030N 10 1	COMCAST CORP		06/08/2011	State Street Bank	78,300.000	1,897,311	XXX		L
375558 10 3	GILEAD SCIENCES INC		06/08/2011	State Street Bank	9,800.000	403,621	XXX		L
410120 10 9	HANCOCK HOLDING CO		06/04/2011	Tax Free Exchange	3,302.000	75,763	XXX		L
438516 10 6	HONEYWELL INTERNATIONAL		06/08/2011	State Street Bank	19,600.000	1,102,818	XXX		L
444903 10 8	HUMAN GENOME SCIENCES I		06/08/2011	State Street Bank	7,700.000	196,927	XXX		L
517834 10 7	LAS VEGAS SANDS CORP		06/08/2011	State Street Bank	21,800.000	876,306	XXX		L
55616P 10 4	MACY'S INC		06/08/2011	State Street Bank	9,500.000	262,692	XXX		L
571903 20 2	MARRIOTT INTERNATIONAL		06/08/2011	State Street Bank	12,100.000	422,484	XXX		L
594918 10 4	MICROSOFT CORP		06/08/2011	State Street Bank	116,200.000	2,783,745	XXX		L
67066G 10 4	NVIDIA CORP		06/08/2011	State Street Bank	14,800.000	261,127	XXX		L
682680 10 3	ONEOK INC		06/08/2011	State Street Bank	18,300.000	1,263,370	XXX		L
806407 10 2	HENRY SCHEIN INC		06/08/2011	State Street Bank	16,100.000	1,110,021	XXX		L
886547 10 8	TIFFANY & CO		06/08/2011	State Street Bank	7,100.000	517,251	XXX		L
88732J 20 7	TIME WARNER CABLE INC		06/08/2011	State Street Bank	8,500.000	640,410	XXX		L
891027 10 4	TORCHMARK CORP		06/08/2011	State Street Bank	22,900.000	1,455,219	XXX		L
91324P 10 2	UNITEDHEALTH GRP INC		06/08/2011	State Street Bank	9,300.000	448,421	XXX		L
984332 10 6	YAHOO! INC		06/08/2011	State Street Bank	27,700.000	421,558	XXX		L
988498 10 1	YUM! BRANDS INC		06/08/2011	State Street Bank	13,800.000	743,550	XXX		L
00B4BN MY 0	ACCENTURE PLC	F	06/08/2011	State Street Bank	9,400.000	523,533	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					20,851,762	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					20,851,762	XXX	0	XXX
9799999.	Total - Common Stocks					20,851,762	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					20,851,762	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					73,396,715	XXX	91,261	XXX

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:...............0.

Statement for June 30, 2011 of the **PROGRESSIVE SPECIALTY INSURANCE COMPANY**

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
912828 KD 1	US TREASURY NOTE 2.750% 02/15/19		06/08/2011	Barclays Capital		36,354,219	35,500,000	36,269,037	36,143,819		(31,618)		(31,618)		36,112,201		242,018	242,018	795,563	02/15/2019	1
0599999.	Total - Bonds - U.S. Government					36,354,219	35,500,000	36,269,037	36,143,819	0	(31,618)	0	(31,618)	0	36,112,201	0	242,018	242,018	795,563	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
313921 6F 0	FNGT 2001-W3 A 7.000% 09/01/41		06/01/2011	Paydown		26,968	26,968	28,215	28,799		(1,831)		(1,831)		26,968			0	737	11/01/2025	1FE
31392C MS 0	FNW 2002-W1 2A 7.172% 02/25/42		06/01/2011	Paydown		7,701	7,701	8,093	8,250		(549)		(549)		7,701			0	239	01/01/2019	1FE
46246B JS 2	IOWA FIN AUTH HSG 5.000% 07/01/30		04/01/2011	Call 100.0000		450,000	450,000	470,079	456,403		(6,403)		(6,403)		450,000			0	16,875	07/01/2014	1FE
491308 4R 0	KENTUCKY HSG CORP 4.850% 07/01/22		04/01/2011	Call 100.0000		255,000	255,000	255,000	255,000				0		255,000			0	9,276	07/01/2022	1FE
49130P JG 0	KENTUCKY HSG CORP 3.415% 07/01/13		04/01/2011	Call 100.0000		60,000	60,000	60,000	60,000				0		60,000			0	1,537	07/01/2013	1FE
57419P JD 2	MARYLAND CMNTY HSG 5.500% 09/01/39		04/29/2011	Call 100.0000		210,000	210,000	223,222	217,029		(7,029)		(7,029)		210,000			0	7,636	03/01/2016	1FE
575930 YG 1	MASSACHUSETTS ST HSG 4.200% 06/01/19		06/01/2011	Call 100.0000		115,000	115,000	115,887	115,715		(715)		(715)		115,000			0	2,415	06/01/2019	1FE
61212R SP 2	MONTANA ST BRD HSG 5.000% 12/01/35		06/01/2011	Call 100.0000		785,000	785,000	802,309	792,105		(7,105)		(7,105)		785,000			0	19,625	06/01/2013	1FE
613349 Q6 9	MONTGOMERY CNTY MD HSG 5.750% 01/01/38		05/09/2011	Call 100.0000		300,000	300,000	325,293	313,478		(13,478)		(13,478)		300,000			0	14,758	01/01/2016	1FE
646129 N6 9	NEW JERSEY ST HSG 5.250% 10/01/37		04/01/2011	Call 100.0000		425,000	425,000	447,861	438,353		(13,353)		(13,353)		425,000			0	11,156	04/01/2017	1FE
658207 CG 8	NORTH CAROLINA HSG 5.750% 01/01/37		06/01/2011	Call 100.0000		1,055,000	1,055,000	1,130,549	1,090,223		(35,223)		(35,223)		1,055,000			0	55,607	01/01/2015	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					3,689,669	3,689,669	3,866,508	3,775,355	0	(85,686)	0	(85,686)	0	3,689,669	0	0	0	139,861	XXX	XXX
Bonds - Industrial and Miscellaneous																					
02005F AC 1	ALLYA 2009-A A3 2.330% 06/17/13		06/15/2011	Paydown		1,237,357	1,237,357	1,237,201	1,237,286		70		70		1,237,357			0	14,415	06/17/2013	1FE
05950V AG 5	BACM 2006-6 XP IO 0.433% 10/10/45		05/01/2011	Paydown				960,425	728,816		(728,816)		(728,816)					0	140,499	11/01/2013	1FE
06052J AB 8	BAAT 2010-1A A2 0.750% 06/15/12		04/15/2011	Paydown		1,086,001	1,086,001	1,085,971	1,085,996		5		5		1,086,001			0	2,715	06/15/2012	1FE
073879 ZG 6	BSABS 2005-HE7 M1 0.706% 07/25/35		06/25/2011	Paydown		810,373	810,373	759,725	791,407		18,966		18,966		810,373			0	2,477	07/25/2035	1Z*
07387A GH 2	BSARM 2005-12 25A1 3.675% 02/25/36		06/01/2011	Paydown		135	135	92	84	8	43		51		135			0	1	02/25/2036	1Z*
07388N AA 4	BSCMS 2006-T24 A1 4.905% 10/12/41		05/01/2011	Paydown		3,838,721	3,838,721	3,800,245	3,827,080		11,641		11,641		3,838,721			0	77,582	10/12/2041	1Z*
12643C BD 2	CSMC 2010-1R 10A1 5.000% 06/27/47		06/01/2011	Paydown		337,478	337,478	344,438	341,960	1,943	(6,425)		(4,482)		337,478			0	6,652	05/01/2014	1Z*
22540V G6 3	CSFB 2002-9 1A1 7.000% 03/25/32		06/01/2011	Paydown		2,264	2,264	2,296	2,157	254	(146)		108		2,264			0	70	12/01/2031	1Z*
24702R AN 1	DELL INC 2.100% 04/01/14		05/04/2011	Jefferies & Co.		5,079,500	5,000,000	4,998,400			9		9		4,998,409		81,091	81,091	11,375	04/01/2014	1FE
33736X BN 8	FUNBC 2000-C2 IO 1.166% 10/01/32		06/01/2011	Paydown				1,310	2,018		(2,018)		(2,018)					0	5,270	04/01/2012	1FE
33736X CR 8	FUNBC 2001-C2 IO 1.488% 01/01/43		06/01/2011	Paydown				47,255	817		(817)		(817)					0	3,681	07/01/2011	1FE
361849 C6 7	GMACC 2004-C1 A2 4.100% 03/10/38		04/01/2011	Paydown		52,873	52,873	51,349	52,763		110		110		52,873			0	723	03/10/2038	1Z*
36228C BG 7	GSMS 1998-GLII F 22.275% 04/13/31		06/01/2011	Paydown									0					0	44,753	12/01/2010	2FE
36228C WC 3	GSMS 2005-GG4 XP IO 0.711% 07/10/39		06/01/2011	Paydown				368,870	186,330		(186,330)		(186,330)					0	72,152	06/01/2012	1FE
393505 QX 3	GT 1996-9 A5 7.200% 01/15/28		06/15/2011	Paydown		7,507	7,507	7,692	7,483		23		23		7,507			0	221	07/15/2011	1FE
44921A AB 7	HART 2009-A A2 1.110% 02/15/12		04/15/2011	Paydown		445,798	445,798	445,770	445,794		4		4		445,798			0	1,649	02/15/2012	1FE
466247 QC 0	JPMMT 2005-A3 4A1 2.861% 06/25/35		06/01/2011	Paydown		245,096	245,096	238,002	240,478		4,618		4,618		245,096			0	2,950	06/25/2035	1Z*
46625Y NH 2	JPMCC 2005-LDP2 X2 IO 0.526% 07/15/42		06/01/2011	Paydown				80,060	56,725		(56,725)		(56,725)					0	23,419	06/01/2012	1FE
46628F AB 7	JPMCC 2006-LDP7 A2 5.866% 04/15/45		06/01/2011	Paydown		5,479,643	5,479,643	5,493,330	5,469,088		10,555		10,555		5,479,643			0	134,837	07/01/2011	1Z*

Statement for June 30, 2011 of the **PROGRESSIVE SPECIALTY INSURANCE COMPANY**

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
50075N AH 7	KRAFT FOODS INC 6.250% 06/01/12		05/25/2011	Banque National Di Paris		7,744,782	7,342,000	8,003,186	7,743,835		(116,710)		(116,710)		7,627,125		117,657	117,657	229,438	06/01/2012	2FE
52108H BZ 6	LBUBS 2000-C4 X IO 1.013% 07/11/32		06/11/2011	Paydown				30,374	13,522		(13,522)		(13,522)					0	2,247	04/11/2015	1FE
589929 MK 1	MLMI 1996-C2 IO 2.367% 11/21/28		06/01/2011	Paydown				78,894	42,305	1,221	(43,526)		(42,305)					0	7,608	11/01/2018	6
59020U H2 4	MLMI 2005-AR1 A3A4 0.596% 06/25/36		06/25/2011	Paydown		160,677	160,677	151,840	158,934		1,743		1,743		160,677			0	466	06/25/2036	1Z*
59022H CP 5	MLMT 2003-KEY1 A3 4.893% 11/12/35		06/01/2011	Paydown		479,529	479,529	488,403	486,106		(6,576)		(6,576)		479,529			0	9,783	07/01/2013	1Z*
65536H BC 1	NHELI 2005-HE1 M1 0.626% 09/25/35		06/25/2011	Paydown		489,210	489,210	443,171	472,060		17,149		17,149		489,210			0	1,377	09/25/2035	1Z*
743873 AX 9	PFMLT 2005-1 2A1 2.666% 05/25/35		06/01/2011	Paydown		122,883	122,883	119,331	118,691		4,192		4,192		122,883			0	1,292	05/25/2035	1Z*
749930 AR 4	RMF PT 1997-1 X2 IO 1.679% 01/01/19		06/01/2011	Paydown				932	784		(784)		(784)					0	364	07/01/2011	1FE
755111 BS 9	RAYTHEON COMPANY 1.625% 10/15/15		04/06/2011	CSFBdirect		9,518,800	10,000,000	9,956,200	9,957,780		2,418		2,418		9,960,198		(441,398)	(441,398)	77,188	10/15/2015	1FE
79548C AR 7	SBM7 2000-C3 X IO 0.621% 12/01/33		06/01/2011	Paydown				215					0					0	300	07/01/2011	1FE
806605 AE 1	SCHERING-PLOUGH CORP 5.300% 12/01/13		04/05/2011	US Bank		13,760,250	12,500,000	13,527,125	13,213,811		(63,397)		(63,397)		13,150,415		609,835	609,835	233,715	12/01/2013	1FE
929227 4D 5	WAMU 2003-AR6 A1 2.573% 06/25/33		06/01/2011	Paydown		18,028	18,028	18,298	17,765	1,455	(1,192)		263		18,028			0	198	05/01/2033	1Z*
3899999.	Total - Bonds - Industrial & Miscellaneous					50,916,905	49,655,573	52,740,400	46,701,875	4,881	(1,155,438)	0	(1,150,557)	0	50,549,720	0	367,185	367,185	1,109,417	XXX	XXX
8399997.	Total - Bonds - Part 4					90,960,793	88,845,242	92,875,945	86,621,049	4,881	(1,272,742)	0	(1,267,861)	0	90,351,590	0	609,203	609,203	2,044,841	XXX	XXX
8399999.	Total - Bonds					90,960,793	88,845,242	92,875,945	86,621,049	4,881	(1,272,742)	0	(1,267,861)	0	90,351,590	0	609,203	609,203	2,044,841	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
410120 10 9	HANCOCK HOLDING CO		06/21/2011	State Street Bank		6	XXX	5					0		5		2	2		XXX	L
446413 10 6	HUNTINGTON INGALLS INDU		04/13/2011	State Street Bank		13	XXX	11					0		11		2	2		XXX	L
517834 10 7	LAS VEGAS SANDS CORP		05/03/2011	Morgan Stanley	34,500.000	1,638,030	XXX	200,445	1,585,275	(1,384,830)			(1,384,830)		200,445		1,437,585	1,437,585		XXX	L
589405 10 9	MERCURY INTERACTIVE		05/31/2011	Class Action Litigation		9,884	XXX						0				9,884	9,884		XXX	L
686688 10 2	ORMAT TECHNOLOGIES INC		06/23/2011	State Street Bank	11,800.000	260,498	XXX	343,309	349,044	(5,735)			(5,735)		343,309		(82,812)	(82,812)	1,062	XXX	L
919794 10 7	VALLEY NATIONAL BANCORP		06/02/2011	State Street Bank		3	XXX	3	3	(1)			(1)		3			0		XXX	L
92769L 10 1	VIRGIN MEDIA INC		05/03/2011	Morgan Stanley	37,282.000	1,124,777	XXX	160,685	1,015,562	(854,876)			(854,876)		160,685		964,091	964,091	1,491	XXX	U
966612 10 3	WHITNEY HOLDING CORP		06/04/2011	Tax Free Exchange	7,900.000	75,763	XXX	75,763	111,785	(36,022)			(36,022)		75,763			0	158	XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					3,108,974	XXX	780,221	3,061,669	(2,281,464)	0	0	(2,281,464)	0	780,221	0	2,328,752	2,328,752	2,711	XXX	XXX
9799997	Total - Common Stocks - Part 4					3,108,974	XXX	780,221	3,061,669	(2,281,464)	0	0	(2,281,464)	0	780,221	0	2,328,752	2,328,752	2,711	XXX	XXX
9799999.	Total - Common Stocks					3,108,974	XXX	780,221	3,061,669	(2,281,464)	0	0	(2,281,464)	0	780,221	0	2,328,752	2,328,752	2,711	XXX	XXX
9899999.	Total - Preferred and Common Stocks					3,108,974	XXX	780,221	3,061,669	(2,281,464)	0	0	(2,281,464)	0	780,221	0	2,328,752	2,328,752	2,711	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					94,069,767	XXX	93,656,166	89,682,718	(2,276,583)	(1,272,742)	0	(3,549,325)	0	91,131,811	0	2,937,955	2,937,955	2,047,552	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....1.

Sch. DB-Pt A-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Rate of	Amount of Interest Received During	Amount of Interest Accrued at Current	6	7	8	
Depository	Code	Interest	Current Quarter	Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
REGIONS BANK MONTGOMERY, AL					1,654	1,654	1,654	XXX
0199999. Total Open Depositories	XXX	XXX	0	0	1,654	1,654	1,654	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	1,654	1,654	1,654	XXX
0599999. Total Cash	XXX	XXX	0	0	1,654	1,654	1,654	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
U.S. Government Issuer Obligations							
TREASURY BILL		05/26/2011	0.045	08/25/2011	49,996,562		2,250
0199999. U.S. Government Issuer Obligations					49,996,562	0	2,250
0599999. Total - U.S. Government Bonds					49,996,562	0	2,250
Industrial and Miscellaneous (Unaffiliated) Issuer Obligations							
AMERICAN EXPRESS CREDIT		06/28/2011	0.020	07/05/2011	7,999,982		13
3299999. Industrial and Miscellaneous (Unaffiliated) Issuer Obligations					7,999,982	0	13
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					7,999,982	0	13
Total							
7799999. Subtotals - Issuer Obligations					57,996,544	0	2,263
8399999. Subtotals - Bonds					57,996,544	0	2,263
8699999. Total - Cash Equivalents					57,996,544	0	2,263