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QUARTERLY STATEMENT

As of September 30, 2011
of the Condition and Affairs of the

PROGRESSIVE GULF INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period) NAIC Company Code..... 42412 Employer's ID Number..... 34-1374634

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

Incorporated/Organized..... April 20, 1982 Commenced Business..... January 1, 1983

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
KATHRYN MARGARET LEMIEUX	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
DAVID LLOYD PRATT
THOMAS HUDSON HOLLYER
KATHRYN MARGARET LEMIEUX
DANIEL PETER MASCARO

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)
KATHRYN MARGARET LEMIEUX	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 7TH day of NOVEMBER, 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			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	293,932,878		293,932,878	285,567,072
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
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 $.....0 encumbrances)			0	
5. Cash ($.....0), cash equivalents ($.....16,999,972) and short-term investments ($.....0)	16,999,972		16,999,972	9,899,973
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			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)	310,932,850	0	310,932,850	295,467,045
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	2,480,249		2,480,249	1,841,028
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,806,414	1,683,402	8,123,012	5,043,569
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	55,303,533		55,303,533	51,781,974
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	3,407,745		3,407,745	839,220
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	6,465,082	270,303	6,194,779	5,890,280
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	5,719,112		5,719,112	11,635,958
24. Health care ($.....0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	183,270	183,270	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	394,298,255	2,136,975	392,161,280	372,499,074
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	394,298,255	2,136,975	392,161,280	372,499,074

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. PREPAID EXPENSES	179,625	179,625	0	
2502. MISCELLANEOUS OTHER ASSETS	3,645	3,645	0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	183,270	183,270	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....27,493,922)	57,225,763	55,844,102
2.	Reinsurance payable on paid losses and loss adjustment expenses	866,855	998,660
3.	Loss adjustment expenses	12,029,590	12,182,935
4.	Commissions payable, contingent commissions and other similar charges	245,725	293,936
5.	Other expenses (excluding taxes, licenses and fees)	8,047,636	5,723,739
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	1,090,709	1,321,745
7.1	Current federal and foreign income taxes (including $.....(51,601) on realized capital gains (losses))	1,450,958	1,706,727
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 $.....95,366,618 and including warranty reserves of $.....0)	53,282,858	48,340,571
10.	Advance premium	1,676,618	1,385,903
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
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	11,831,849	12,846,071
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	1,147,437	576,061
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	148,895,998	141,220,450
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	148,895,998	141,220,450
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	1,500,000	1,500,000
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	3,188,612	3,188,612
35.	Unassigned funds (surplus)	238,576,670	226,590,012
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)	243,265,282	231,278,624
38.	Totals	392,161,280	372,499,074

DETAILS OF WRITE-INS

2501.	STATE PLAN LIABILITY	613,937	573,075
2502.	ESCHEATABLE PROPERTY	524,978	1,403
2503.	OTHER LIABILITIES	6,395	
2598.	Summary of remaining write-ins for Line 25 from overflow page	2,127	1,583
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,147,437	576,061
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 $.....212,619,123)	207,308,255	206,568,329	276,151,612
1.2 Assumed (written $.....129,844,179)	124,901,892	121,180,782	161,997,083
1.3 Ceded (written $.....212,619,123)	207,308,255	206,568,329	276,151,612
1.4 Net (written $.....129,844,179)	124,901,892	121,180,782	161,997,083
DEDUCTIONS:			
2. Losses incurred (current accident year $.....77,187,422):			
2.1 Direct	126,359,498	123,613,869	164,018,284
2.2 Assumed	76,481,407	71,527,796	96,456,047
2.3 Ceded	126,359,498	123,613,869	164,018,284
2.4 Net	76,481,407	71,527,796	96,456,047
3. Loss adjustment expenses incurred	12,906,106	13,197,467	17,499,380
4. Other underwriting expenses incurred	28,167,429	28,367,952	36,982,852
5. Aggregate write-ins for underwriting deductions	5	(27,913)	(30,847)
6. Total underwriting deductions (Lines 2 through 5)	117,554,947	113,065,302	150,907,432
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	7,346,945	8,115,480	11,089,651
INVESTMENT INCOME			
9. Net investment income earned	6,842,417	7,735,261	10,116,691
10. Net realized capital gains (losses) less capital gains tax of $.....192,335	504,626	(85,449)	291,229
11. Net investment gain (loss) (Lines 9 + 10)	7,347,043	7,649,812	10,407,920
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....136,707 amount charged off $.....2,503,817)	(2,367,110)	(2,464,725)	(3,254,461)
13. Finance and service charges not included in premiums	4,782,716	4,530,565	6,085,915
14. Aggregate write-ins for miscellaneous income	75,359	288,008	361,979
15. Total other income (Lines 12 through 14)	2,490,965	2,353,848	3,193,433
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	17,184,953	18,119,140	24,691,004
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)	17,184,953	18,119,140	24,691,004
19. Federal and foreign income taxes incurred	5,502,379	5,902,388	7,406,369
20. Net income (Line 18 minus Line 19) (to Line 22)	11,682,574	12,216,752	17,284,635
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	231,278,624	212,609,653	212,609,653
22. Net income (from Line 20)	11,682,574	12,216,752	17,284,635
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....(20,755)	(38,545)	717,494	717,494
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	432,503	298,484	(40,597)
27. Change in nonadmitted assets	(89,874)	636,129	707,439
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)	11,986,658	13,868,859	18,668,971
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	243,265,282	226,478,512	231,278,624
DETAILS OF WRITE-INS			
0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW (REFUNDS)	5	(27,913)	(30,847)
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)	5	(27,913)	(30,847)
1401. MISCELLANEOUS INCOME	49,593	261,608	313,140
1402. SERVICE BUSINESS REVENUE	15,759	7,714	24,344
1403. INTEREST INCOME ON INTERCOMPANY BALANCES	10,007	18,686	24,495
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)	75,359	288,008	361,979
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	123,697,139	120,149,886	164,831,803
2.	Net investment income	7,730,983	10,302,600	14,881,427
3.	Miscellaneous income	2,461,778	2,343,595	3,199,013
4.	Total (Lines 1 through 3)	133,889,900	132,796,081	182,912,243
5.	Benefit and loss related payments	77,800,076	69,880,927	94,779,977
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	39,182,235	38,189,502	53,882,257
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....446,762 tax on capital gains (losses)	5,950,483	6,100,987	7,835,162
10.	Total (Lines 5 through 9)	122,932,794	114,171,416	156,497,396
11.	Net cash from operations (Line 4 minus Line 10)	10,957,106	18,624,665	26,414,847
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	130,414,036	22,539,966	59,043,179
	12.2 Stocks			
	12.3 Mortgage loans			
	12.4 Real estate			
	12.5 Other invested assets			
	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)	130,414,036	22,539,966	59,043,179
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	139,669,970	39,137,075	71,066,050
	13.2 Stocks			
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets			
	13.6 Miscellaneous applications			
	13.7 Total investments acquired (Lines 13.1 to 13.6)	139,669,970	39,137,075	71,066,050
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)	(9,255,934)	(16,597,109)	(12,022,871)
	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)	5,398,827	(2,027,556)	(4,492,003)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	5,398,827	(2,027,556)	(4,492,003)
	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)	7,099,999	(0)	9,899,973
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	9,899,973	0	0
	19.2 End of period (Line 18 plus Line 19.1)	16,999,972	(0)	9,899,973

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 Gulf 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 September 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 September 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	$ 184,178	$ 149,405	$ 34,773	$ 149,405	$ 107,613	2010 - Q1
33736XBN8	91,805	52,405	39,400	52,405	51,170	2010 - Q2
855541AB4	5,615,034	5,148,378	466,656	5,148,378	4,940,465	2010 - Q2
855541AB4	4,639,671	4,440,382	199,289	4,440,382	4,440,382	2011 - Q1
07387AGH2	1,947,007	1,872,197	74,810	1,872,197	1,826,385	2011 - Q2
Total	XXX	XXX	$ 814,928	XXX	XXX	XXX

As of September 30, 2011, the Company had $1,881,746 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 September 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
$ 30,263,869	$ 1,881,746	$ 1,459,532	$ 422,213	$ 22,126,800	$ 8,137,069

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:

Description	September 30, 2011 (1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	December 31, 2010 (4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	Change (7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Gross deferred tax assets	$ 7,679,504	$ 33,859	$ 7,713,363	$ 7,302,449	$ 76,085	$ 7,378,534	$ 377,055	$ (42,226)	$ 334,829
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	$ 7,679,504	$ 33,859	$ 7,713,363	$ 7,302,449	$ 76,085	$ 7,378,534	$ 377,055	$ (42,226)	$ 334,829
(d) Deferred tax liabilities	1,152,562	95,719	1,248,281	1,287,782	78,928	1,366,710	(135,220)	16,791	(118,429)
(e) Subtotal (net deferred tax assets) (1c-1d)	$ 6,526,942	$ (61,860)	$ 6,465,082	$ 6,014,667	$ (2,843)	$ 6,011,824	$ 512,275	$ (59,017)	$ 453,258
(f) Deferred tax assets nonadmitted	270,303	-	270,303	121,544	-	121,544	148,759	-	148,759
(g) Net admitted deferred tax assets (1e-1f)	$ 6,256,639	$ (61,860)	$ 6,194,779	$ 5,893,123	$ (2,843)	$ 5,890,280	$ 363,516	$ (59,017)	$ 304,499

2. The Company has not elected to admit additional DTAs pursuant to SSAP No. 10R, paragraph 10.e. for the reporting period ended September 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) September 30, 2011	(2) December 31, 2010
(a) Federal income tax expense (benefit)	$ 5,539,545	$ 7,445,657
(b) Foreign income tax expense (benefit)	-	-
(c) Prior year underaccrual (overaccrual)	(37,166)	(39,288)
(d) Subtotal	$ 5,502,379	$ 7,406,369
(e) Federal income tax (benefit) on net realized capital gains (losses)	219,027	141,884
(f) Utilization of capital loss carry-forwards	-	-
(g) Prior year underaccrual (overaccrual)	(26,692)	(27,730)
(h) Subtotal	$ 192,335	$ 114,154
(i) Federal and Foreign income taxes incurred	$ 5,694,714	$ 7,520,523

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	September 30, 2011	December 31, 2010	Change
Total deferred tax assets	$ 7,713,363	$ 7,378,534	$ 334,829
Total deferred tax liabilities	1,248,281	1,366,710	(118,429)
Net deferred tax asset (liability)	$ 6,465,082	$ 6,011,824	$ 453,258
Tax effect of unrealized gains (losses)			20,755
Change in net deferred income tax			$ 432,503

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 September 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	$ 6,082,051	35%
Exempt interest income	(703,015)	(4)
Prior year underaccrual (overaccrual)	11,149	--
Impact of nonadmitted assets	20,610	--
Tax credits	(170,588)	(1)
Other	22,004	--
Total	$ 5,262,211	30%
Federal and foreign income taxes incurred	$ 5,694,714	
Change in net deferred income tax	(432,503)	
Total statutory income taxes	$ 5,262,211	

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

See Note 22

14. Contingencies

E. All Other Contingencies

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.

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 September 30, 2011 are as follows:

Asset Description	Level 1	Level 2	Level 3	Total
Bonds – Industrial & Miscellaneous	$ --	$ 364,700	$ --	$ 364,700

2. Rollforward of Level 3 Items

Not applicable

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

No significant change

22. Events Subsequent

The Company paid a $23,100,000 ordinary cash dividend and a $51,900,000 extraordinary cash dividend that was declared in October 2011 to Progressive Casualty Insurance Company, an insurance company domiciled in Ohio, in November 2011. The dividend was approved by the Ohio DOI.

Subsequent events have been considered through November 7, 2011 for the statutory statement that was available for issuance by November 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 $1,262,000 in 2011, which is 1.9% of the total prior year net unpaid losses and LAE of $68,027,037. Both loss and defense and cost containment reserves developed favorably. The majority of the favorable development is primarily attributable to accident years 2010 and 2008 and prior for Private Passenger Auto Liability and Commercial Auto Liability business. Originally anticipated severity for accident year 2010 decreased by 0.3% and 0.5% for Private Passenger Auto Liability and Auto Physical Damage, respectively.

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: $.....5,719,112

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 [ ] No [X]

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	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
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

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
NONE		

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	N						
2. Alaska AK	N						
3. Arizona AZ	N						
4. Arkansas AR	N						
5. California CA	N						
6. Colorado CO	N						
7. Connecticut CT	N						
8. Delaware DE	N						
9. District of Columbia DC	N						
10. Florida FL	N						
11. Georgia GA	L	3,562,315	4,760,887	2,024,229	2,910,884	1,327,212	1,737,310
12. Hawaii HI	N						
13. Idaho ID	N						
14. Illinois IL	N						
15. Indiana IN	N						
16. Iowa IA	N						
17. Kansas KS	N						
18. Kentucky KY	N						
19. Louisiana LA	N						
20. Maine ME	N						
21. Maryland MD	N						
22. Massachusetts MA	N						
23. Michigan MI	Q						
24. Minnesota MN	N						
25. Mississippi MS	L	96,973,553	102,609,329	62,953,670	58,725,901	48,570,563	53,802,536
26. Missouri MO	N						
27. Montana MT	N						
28. Nebraska NE	N						
29. Nevada NV	N						
30. New Hampshire NH	N						
31. New Jersey NJ	N						
32. New Mexico NM	N						
33. New York NY	N						
34. North Carolina NC	N						
35. North Dakota ND	N						
36. Ohio OH	L						
37. Oklahoma OK	N						
38. Oregon OR	E						
39. Pennsylvania PA	N						
40. Rhode Island RI	N						
41. South Carolina SC	N						
42. South Dakota SD	N						
43. Tennessee TN	N						
44. Texas TX	N						
45. Utah UT	N						
46. Vermont VT	N						
47. Virginia VA	L	112,083,254	109,548,576	60,249,035	57,559,728	46,389,811	40,540,672
48. Washington WA	N						
49. West Virginia WV	N						
50. Wisconsin WI	N						
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) 4	212,619,122	216,918,792	125,226,934	119,196,513	96,287,586	96,080,518

DETAILS OF WRITE-INS

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 Domicilied 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	3,532,318	1,781,049	50.4	54.3
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	1,912,852	393,480	20.6	23.6
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	116,388,863	70,521,974	60.6	63.5
19.3, 19.4 Commercial auto liability	13,862,181	9,312,653	67.2	59.0
21. Auto physical damage	71,612,041	44,350,343	61.9	55.8
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. 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	207,308,255	126,359,499	61.0	59.8
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	1,376,619	4,152,005	4,379,713
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	730,778	2,237,974	2,478,245
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	38,936,694	119,318,427	118,258,218
19.3 19.4 Commercial auto liability	4,699,718	14,153,631	15,689,751
21. Auto physical damage	23,808,006	72,757,085	76,112,865
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
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	69,551,815	212,619,122	216,918,792
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

Q13

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	11,746	2,502	14,248	5,310	166	5,476	6,034	444	1,247	7,725	(401)	(646)	(1,047)
2. 2009	12,454	3,057	15,511	5,702	548	6,250	6,516	1,153	1,701	9,370	(236)	346	109
3. Subtotals 2009 + Prior	24,200	5,559	29,759	11,012	714	11,726	12,550	1,597	2,948	17,095	(638)	(301)	(938)
4. 2010	29,249	9,019	38,268	15,953	2,526	18,479	12,760	2,952	3,753	19,465	(536)	212	(324)
5. Subtotals 2010 + Prior	53,449	14,579	68,027	26,965	3,240	30,205	25,310	4,548	6,702	36,560	(1,174)	(88)	(1,262)
6. 2011	XXX	XXX	XXX	XXX	57,954	57,954	XXX	24,780	7,916	32,696	XXX	XXX	XXX
7. Totals	53,449	14,579	68,027	26,965	61,194	88,159	25,310	29,328	14,617	69,255	(1,174)	(88)	(1,262)
8. Prior Year-End's Surplus As Regards Policyholders	231,279										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. (2.2)%	2. (0.6)%	3. (1.9)%

Col. 13, Line 7 Line 8
4. (0.5)%

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:

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2504. UNEARNED FEE RESERVE	2,127	1,583
2597. Summary of remaining write-ins for Line 25	2,127	1,583

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	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 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)	0	0
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)	0	0

NONE

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	285,567,073	276,443,533
2.	Cost of bonds and stocks acquired	139,669,969	71,066,050
3.	Accrual of discount	399,899	428,569
4.	Unrealized valuation increase (decrease)	(59,300)	1,103,837
5.	Total gain (loss) on disposals	971,059	946,211
6.	Deduct consideration for bonds and stocks disposed of	130,414,037	59,043,179
7.	Deduct amortization of premium	1,927,686	4,837,120
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized	274,099	540,828
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	293,932,878	285,567,073
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	293,932,878	285,567,073

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)	291,485,372	69,593,895	58,359,588	(374,406)	289,087,084	291,485,372	302,345,273	278,855,789
2. Class 2 (a)	8,255,530			(32,653)	9,904,175	8,255,530	8,222,877	16,187,256
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)	424,000			(59,300)	424,000	424,000	364,700	424,000
7. Total Bonds	300,164,902	69,593,895	58,359,588	(466,359)	299,415,259	300,164,902	310,932,850	295,467,045
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	300,164,902	69,593,895	58,359,588	(466,359)	299,415,259	300,164,902	310,932,850	295,467,045

(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.

Sch. DA-Pt 1
NONE

Sch. DA-Verification
NONE

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	9,899,973	
2. Cost of cash equivalents acquired	84,799,038	18,599,780
3. Accrual of discount	961	193
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	77,700,000	8,700,000
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)	16,999,972	9,899,973
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	16,999,972	9,899,973

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

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 - U.S. Government									
912828 RF 9	US TREASURY NOTE 1.000% 08/31/16		08/23/2011	Goldman Sachs		10,002,920	10,000,000		1
0599999.	Total - Bonds - U.S. Government					10,002,920	10,000,000	0	XXX
Bonds - U.S. States, Territories and Possessions									
605579 4J 7	MISSISSIPPI ST 5.500% 12/01/13		09/23/2011	JP Morgan Securities		2,220,640	2,000,000	35,750	1FE
605579 4M 0	MISSISSIPPI ST 5.500% 12/01/16		09/23/2011	JP Morgan Securities		1,224,680	1,000,000	17,875	1FE
605579 4N 8	MISSISSIPPI ST 5.500% 12/01/17		09/21/2011	JP Morgan Securities		1,270,165	1,020,000	17,921	1FE
605580 DD 8	MISSISSIPPI ST 5.250% 11/01/17		09/26/2011	JP Morgan Securities		9,875,680	8,000,000	172,667	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					14,591,165	12,020,000	244,213	XXX
8399997.	Total - Bonds - Part 3					24,594,085	22,020,000	244,213	XXX
8399999.	Total - Bonds					24,594,085	22,020,000	244,213	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					24,594,085	XXX	244,213	XXX

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

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. States, Territories and Possessions																					
605579 7A 3	MISSISSIPPI ST 5.250% 07/01/11		07/01/2011	Maturity		4,765,000	4,765,000	5,353,239	4,808,337		(43,337)		(43,337)		4,765,000			0	250,163	07/01/2011	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					4,765,000	4,765,000	5,353,239	4,808,337	0	(43,337)	0	(43,337)	0	4,765,000	0	0	0	250,163	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
34074M BP 5	FLORIDA HSG FIN CORP RE 5.500% 01/01/41		07/01/2011	Call 100.0000		160,000	160,000	171,808	168,880		(8,880)		(8,880)		160,000			0	8,800	01/01/2018	1FE
60535G AX 0	MISSISSIPPI HOME CORP 4.500% 12/01/31		09/01/2011	Call 100.0000		15,000	15,000	16,165	16,151		(1,151)		(1,151)		15,000			0	491	12/01/2020	1FE
60535M A4 1	MISSISSIPPI HOME CORP 5.500% 06/01/36		09/01/2011	Call 100.0000		165,000	165,000	177,416	170,162		(5,162)		(5,162)		165,000			0	5,775	08/01/2014	1FE
60535M YY 9	MISSISSIPPI HOME CORP 4.750% 12/01/34		09/01/2011	Call 100.0000		100,000	100,000	104,800	101,803		(1,803)		(1,803)		100,000			0	3,325	08/01/2014	1FE
60535Q DK 3	MISSISSIPPI HOME CORP 5.375% 12/01/38		09/01/2011	Call 100.0000		445,000	445,000	466,307	459,336		(14,336)		(14,336)		445,000			0	15,923	09/01/2018	1FE
60535Q LV 0	MISSISSIPPI HOME CORP 5.000% 12/01/39		09/01/2011	Call 100.0000		50,000	50,000	52,520	52,062		(2,062)		(2,062)		50,000			0	1,813	03/01/2020	1FE
658909 BF 2	NORTH DAKOTA ST HSG FIN 4.500% 07/01/41		07/01/2011	Call 100.0000		45,000	45,000	47,631	47,590		(2,590)		(2,590)		45,000			0	1,176	01/01/2021	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					980,000	980,000	1,036,647	1,015,984	0	(35,984)	0	(35,984)	0	980,000	0	0	0	37,303	XXX	XXX
Bonds - Industrial and Miscellaneous																					
02005G AC 9	ALLYA 2009-B A3 1.980% 10/15/13		09/15/2011	Paydown		592,530	592,530	590,724	591,590		940		940		592,530			0	8,559	10/15/2013	1FE
05947U VC 9	BACM 2004-3 A5 5.544% 06/10/39		09/01/2011	Paydown		428,177	428,177	420,099	424,907		3,270		3,270		428,177			0	14,036	06/10/2039	1Z*
07387A GH 2	BSARM 2005-12 25A1 3.640% 02/25/36		09/01/2011	Paydown		426	6,938	4,556	4,315	403	(4,130)	162	(3,889)		426			0	104	02/25/2036	1Z*
20046F AS 9	COMM 2001-J2A X IO 0.445% 07/01/34		09/01/2011	Paydown				2,417	160		(160)		(160)					0	198	08/01/2016	1FE
33736X BN 8	FUNBC 2000-C2 IO 1.202% 10/01/32		09/01/2011	Paydown				139	214		(214)		(214)					0	859	04/01/2012	1FE
466247 TS 2	JPMMT 2005-A6 2A3 2.789% 08/25/35		09/01/2011	Paydown		831,510	831,510	811,177	814,796		16,714		16,714		831,510			0	16,575	08/25/2035	1Z*
52108H 6T 6	LBUBS 2005-C5 A2 4.885% 09/15/30		09/11/2011	Paydown		22,094	22,094	21,745	21,967		127		127		22,094			0	774	09/15/2030	1Z*
855541 AB 4	STARM 2007-S1 2A1 2.971% 01/25/37		09/01/2011	Paydown		178,866	178,866	157,089	164,077		21,777	6,987	14,790		178,866			0	3,703	01/25/2037	1Z*
929766 KH 5	WBCMT 2003-C7 A1 4.241% 10/15/35		09/01/2011	Paydown		60,985	60,985	59,539	60,652		333		333		60,985			0	1,720	10/15/2035	1Z*
3899999.	Total - Bonds - Industrial & Miscellaneous					2,114,588	2,121,100	2,067,485	2,082,678	403	38,657	7,149	31,911	0	2,114,588	0	0	0	46,528	XXX	XXX
8399997.	Total - Bonds - Part 4					7,859,588	7,866,100	8,457,371	7,906,999	403	(40,664)	7,149	(47,410)	0	7,859,588	0	0	0	333,994	XXX	XXX
8399999.	Total - Bonds					7,859,588	7,866,100	8,457,371	7,906,999	403	(40,664)	7,149	(47,410)	0	7,859,588	0	0	0	333,994	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					7,859,588	XXX	8,457,371	7,906,999	403	(40,664)	7,149	(47,410)	0	7,859,588	0	0	0	333,994	XXX	XXX

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

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
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
CITIBANK..... NEW YORK, NY.....	.....	.....	.....	.....	.....	.....	.....	XXX..
0199999. Total Open Depositories.....	....XXX.....	.....XXX.....	0	0	0	0	0	XXX..
0399999. Total Cash on Deposit.....	....XXX.....	.....XXX.....	0	0	0	0	0	XXX..
0599999. Total Cash.....	....XXX.....	.....XXX.....	0	0	0	0	0	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
Industrial and Miscellaneous (Unaffiliated) Issuer Obligations							
EXXON MOBIL CORP		09/27/2011	0.010	10/07/2011	16,999,972		19
3299999. Industrial and Miscellaneous (Unaffiliated) Issuer Obligations					16,999,972	0	19
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					16,999,972	0	19
Total							
7799999. Subtotals - Issuer Obligations					16,999,972	0	19
8399999. Subtotals - Bonds					16,999,972	0	19
8699999. Total - Cash Equivalents					16,999,972	0	19