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QUARTERLY STATEMENT

As of September 30, 2011

of the Condition and Affairs of the

PROGRESSIVE NORTHWESTERN INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period) NAIC Company Code..... 42919 Employer's ID Number..... 91-1187829

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

Incorporated/Organized..... September 24, 1982 Commenced Business..... September 26, 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
MARK DONALD NIEHAUS	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

THOMAS HUDSON HOLLYER	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)
MARK DONALD NIEHAUS	PETER JAMES ALBERT	THOMAS ALFRED KING
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
PRESIDENT	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	825,035,802		825,035,802	910,833,735
2. Stocks:				
2.1 Preferred stocks	6,096,440		6,096,440	8,321,510
2.2 Common stocks	104,391,226		104,391,226	84,153,129
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 ($.....100,799,398) and short-term investments ($.....30,681,317)	131,480,714		131,480,714	153,467
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	14,281
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)	1,067,004,182	0	1,067,004,182	1,003,476,122
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	5,716,694		5,716,694	7,353,581
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	19,194,757	2,273,108	16,921,649	(6,177,454)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	67,401,751		67,401,751	62,727,590
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	2,776,120		2,776,120	1,564,758
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	24,261,054		24,261,054	16,506,095
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	20,767,632		20,767,632	13,871,215
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	290,254	290,254	0	39,171
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,207,412,444	2,563,362	1,204,849,082	1,099,361,078
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,207,412,444	2,563,362	1,204,849,082	1,099,361,078

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	286,847	286,847	0	
2502. MISCELLANEOUS OTHER ASSETS	3,407	3,407	0	
2503. STATE GUARANTY REFUNDS			0	39,171
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)	290,254	290,254	0	39,171

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....164,963,531)	343,354,575	335,064,616
2.	Reinsurance payable on paid losses and loss adjustment expenses	5,201,147	5,991,975
3.	Loss adjustment expenses	72,177,541	73,097,612
4.	Commissions payable, contingent commissions and other similar charges	1,474,348	1,763,614
5.	Other expenses (excluding taxes, licenses and fees)	48,312,908	34,347,164
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	6,544,256	7,930,471
7.1	Current federal and foreign income taxes (including $.....5,326,381 on realized capital gains (losses))	12,293,018	6,193,445
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 $.....157,336,301 and including warranty reserves of $..........0)	319,697,149	290,043,424
10.	Advance premium	4,175,307	3,373,651
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	40,471	32,632
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	22,022,534	18,310,835
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	4,845,511	3,944,521
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	840,138,765	780,093,960
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	840,138,765	780,093,960
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	3,000,025	3,000,025
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	146,299,975	146,299,975
35.	Unassigned funds (surplus)	215,410,317	169,967,118
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)	364,710,317	319,267,118
38.	Totals	1,204,849,082	1,099,361,078

DETAILS OF WRITE-INS

2501.	STATE PLAN LIABILITY	3,633,127	3,558,181
2502.	ESCHEATABLE PROPERTY	728,061	172,412
2503.	OTHER LIABILITIES	471,563	204,432
2598.	Summary of remaining write-ins for Line 25 from overflow page	12,760	9,496
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	4,845,511	3,944,521
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 $.....365,529,084)	352,403,517	364,109,079	483,005,496
1.2 Assumed (written $.....779,065,079)	749,411,354	727,084,690	971,982,497
1.3 Ceded (written $.....365,529,084)	352,403,517	364,109,079	483,005,496
1.4 Net (written $.....779,065,079)	749,411,354	727,084,690	971,982,497
DEDUCTIONS:			
2. Losses incurred (current accident year $.....463,124,533):			
2.1 Direct	209,078,608	195,939,218	257,134,624
2.2 Assumed	458,888,442	429,166,779	578,736,284
2.3 Ceded	209,078,608	195,939,218	257,134,624
2.4 Net	458,888,442	429,166,779	578,736,284
3. Loss adjustment expenses incurred	77,436,638	79,184,799	104,996,280
4. Other underwriting expenses incurred	169,004,574	170,207,710	221,897,110
5. Aggregate write-ins for underwriting deductions	28	(167,476)	(185,085)
6. Total underwriting deductions (Lines 2 through 5)	705,329,682	678,391,812	905,444,589
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	44,081,672	48,692,878	66,537,908
INVESTMENT INCOME			
9. Net investment income earned	20,744,192	22,194,913	30,550,316
10. Net realized capital gains (losses) less capital gains tax of $.....3,602,556	5,092,017	10,515,353	12,153,712
11. Net investment gain (loss) (Lines 9 + 10)	25,836,209	32,710,266	42,704,028
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....242,244 amount charged off $.....3,431,820)	(3,189,576)	(3,447,368)	(4,567,041)
13. Finance and service charges not included in premiums	7,492,992	7,429,708	9,753,765
14. Aggregate write-ins for miscellaneous income	412,538	1,658,966	2,078,730
15. Total other income (Lines 12 through 14)	4,715,954	5,641,306	7,265,454
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	74,633,835	87,044,450	116,507,390
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)	74,633,835	87,044,450	116,507,390
19. Federal and foreign income taxes incurred	25,867,992	27,212,099	34,307,028
20. Net income (Line 18 minus Line 19) (to Line 22)	48,765,843	59,832,351	82,200,362
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	319,267,118	326,317,119	326,317,119
22. Net income (from Line 20)	48,765,843	59,832,351	82,200,362
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....(4,000,648)	(7,429,775)	2,206,259	6,579,824
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	3,754,311	(5,826,324)	(9,387,631)
27. Change in nonadmitted assets	352,820	199,379	157,444
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			(86,600,000)
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)	45,443,199	56,411,665	(7,050,001)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	364,710,317	382,728,784	319,267,118

DETAILS OF WRITE-INS

0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW (REFUNDS)	28	(167,476)	(185,085)
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)	28	(167,476)	(185,085)
1401. MISCELLANEOUS INCOME	297,556	1,569,649	1,878,838
1402. SERVICE BUSINESS REVENUE	94,552	46,285	146,063
1403. INTEREST INCOME ON INTERCOMPANY BALANCES	20,430	43,032	53,829
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)	412,538	1,658,966	2,078,730
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	752,505,385	745,284,123	998,879,015
2.	Net investment income	37,313,682	41,009,493	53,972,680
3.	Miscellaneous income	4,627,709	5,441,875	7,099,994
4.	Total (Lines 1 through 3)	794,446,776	791,735,491	1,059,951,689
5.	Benefit and loss related payments	452,600,673	428,123,348	574,112,530
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	235,071,048	229,142,697	323,293,538
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....(2,625,451) tax on capital gains (losses)	23,370,975	30,180,358	31,073,650
10.	Total (Lines 5 through 9)	711,042,696	687,446,403	928,479,718
11.	Net cash from operations (Line 4 minus Line 10)	83,404,080	104,289,088	131,471,971
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	643,675,239	306,027,152	363,971,183
	12.2 Stocks	3,006,830	2,801,744	3,900,607
	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	14,281	2,813	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	646,696,350	308,831,709	367,871,790
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	565,222,052	380,874,652	411,679,269
	13.2 Stocks	31,343,542	2,312,689	3,668,987
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets			
	13.6 Miscellaneous applications		13,959	14,281
	13.7 Total investments acquired (Lines 13.1 to 13.6)	596,565,594	383,201,300	415,362,537
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)	50,130,756	(74,369,591)	(47,490,747)
	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			86,600,000
	16.6 Other cash provided (applied)	(2,207,589)	(4,798,687)	2,612,535
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(2,207,589)	(4,798,687)	(83,987,465)
	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)	131,327,247	25,120,810	(6,241)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	153,467	159,708	159,708
	19.2 End of period (Line 18 plus Line 19.1)	131,480,714	25,280,517	153,467

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

20.0001				

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Northwestern 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
68389FKP8	$ 4,569,061	$ 4,487,142	$ 81,919	$ 4,487,142	$ 3,319,450	2009 - Q4
46625YGS6	1,564,093	1,447,266	116,827	1,447,266	1,409,227	2010 - Q2
46628KAV2	3,159,735	3,090,173	69,562	3,090,173	2,733,250	2011 - Q1
3622N6AG4	3,143,546	3,051,346	92,200	3,051,346	2,603,392	2011 - Q2
46628KAV2	2,948,611	2,879,270	69,341	2,879,270	2,522,134	2011 - Q2
Total	XXX	XXX	$ 429,849	XXX	XXX	XXX

As of September 30, 2011, the Company had $3,611,621 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
$103,592,966	$ 3,611,621	$ 1,543,675	$ 2,067,946	$ 89,455,106	$ 14,137,860

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	$ 41,787,309	$ 6,751,280	$ 48,538,589	$ 39,494,403	$ 8,602,369	$ 48,096,772	$ 2,292,906	$ (1,851,089)	$ 441,817
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	$ 41,787,309	$ 6,751,280	$ 48,538,589	$ 39,494,403	$ 8,602,369	$ 48,096,772	$ 2,292,906	$ (1,851,089)	$ 441,817
(d) Deferred tax liabilities	6,928,933	17,348,602	24,277,535	7,734,555	23,856,122	31,590,677	(805,622)	(6,507,520)	(7,313,142)
(e) Subtotal (net deferred tax assets) (1c-1d)	$ 34,858,376	$ (10,597,322)	$ 24,261,054	$ 31,759,848	$ (15,253,753)	$ 16,506,095	$ 3,098,528	$ 4,656,431	$ 7,754,959
(f) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(g) Net admitted deferred tax assets (1e-1f)	$ 34,858,376	$ (10,597,322)	$ 24,261,054	$ 31,759,848	$ (15,253,753)	$ 16,506,095	$ 3,098,528	$ 4,656,431	$ 7,754,959

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)	$ 25,941,416	$ 35,744,439
(b) Foreign income tax expense (benefit)	-	-
(c) Prior year underaccrual (overaccrual)	(73,424)	(1,437,411)
(d) Subtotal	$ 25,867,992	$ 34,307,028
(e) Federal income tax (benefit) on net realized capital gains (losses)	1,639,039	(1,667,692)
(f) Utilization of capital loss carry-forwards	-	-
(g) Prior year underaccrual (overaccrual)	1,963,517	(6,167,802)
(h) Subtotal	$ 3,602,556	$ (7,835,494)
(i) Federal and Foreign income taxes incurred	$ 29,470,548	$ 26,471,534

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	$ 48,538,589	$ 48,096,772	$ 441,817
Total deferred tax liabilities	24,277,535	31,590,677	(7,313,142)
Net deferred tax asset (liability)	$ 24,261,054	$ 16,506,095	$ 7,754,959
Tax effect of unrealized gains (losses)			4,000,648
Change in net deferred income tax			$ 3,754,311

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	$ 27,382,737	35%
Exempt interest income	(534,271)	(1)
Dividends received deduction	(263,825)	--
Prior year underaccrual (overaccrual)	(32,334)	--
Impact of nonadmitted assets	123,487	--
Tax credits	(1,023,527)	(1)
Other	63,970	--
Total	$ 25,716,237	33%
Federal and foreign income taxes incurred	$ 29,470,548	
Change in net deferred income tax	(3,754,311)	
Total statutory income taxes	$ 25,716,237	

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

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.

As of September 30, 2011, there were two putative class action lawsuits 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. 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.

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	$ --	$ 12,717,196	$ --	$ 12,717,196
Common Stock – Industrial & Miscellaneous	104,391,226	--	--	104,391,226
Preferred Stock – Industrial & Miscellaneous	--	6,096,440	--	6,096,440
Total	$ 104,391,226	$ 18,813,636	$ --	$ 123,204,862

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 was not impacted by any subsequent events. 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 $7,573,000 in 2011, which is 1.9% of the total prior year net unpaid losses and LAE of $408,162,228. 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

NOTES TO FINANCIAL STATEMENTS

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: $....................................0

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? If no, attach a description with this statement. Yes [ ] No [ ]

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

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, Etc.	Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama AL	N						
2. Alaska AK	L	4,156,922	4,627,664	1,657,279	1,939,100	1,155,575	1,367,720
3. Arizona AZ	L	2,972,153	3,747,501	1,933,554	1,749,821	727,776	1,025,362
4. Arkansas AR	L	47,239,494	47,279,553	25,080,752	24,024,861	13,556,377	11,843,574
5. California CA	L						(107)
6. Colorado CO	L						
7. Connecticut CT	L	18,795,508	16,108,568	9,378,795	9,104,727	17,689,234	15,286,469
8. Delaware DE	L			99,600	124,697	1	65,491
9. District of Columbia DC	L						
10. Florida FL	N						
11. Georgia GA	L			(2,943)	24,733	(1)	35,350
12. Hawaii HI	L	519,644	662,471	312,236	475,343	193,127	485,772
13. Idaho ID	L	28,238,247	27,689,565	14,070,469	12,340,627	10,248,919	9,238,950
14. Illinois IL	N						
15. Indiana IN	L	4,333,424	5,236,279	2,588,887	2,411,259	1,439,133	2,414,161
16. Iowa IA	L						
17. Kansas KS	L	65,913,103	63,439,108	42,126,242	34,860,971	17,240,326	17,859,342
18. Kentucky KY	L			318	84,000	14	1,475
19. Louisiana LA	L						
20. Maine ME	L	40,691,972	39,356,631	22,705,584	20,305,137	18,048,629	16,994,597
21. Maryland MD	L						
22. Massachusetts MA	N						
23. Michigan MI	Q						
24. Minnesota MN	L			242,692	638,072	493,618	811,163
25. Mississippi MS	L						
26. Missouri MO	L	23,372,437	26,227,558	12,013,841	13,679,756	7,223,500	7,651,535
27. Montana MT	L	24,487,356	21,715,967	13,571,902	12,697,847	7,958,788	7,829,214
28. Nebraska NE	L						
29. Nevada NV	L	1,037,400	1,258,046	482,382	833,695	265,758	404,796
30. New Hampshire NH	N						
31. New Jersey NJ	L						
32. New Mexico NM	L	(2,099)		288,607	1,152,490	1,465,068	1,907,393
33. New York NY	L	38,032,689	42,829,012	19,725,009	21,698,763	17,467,304	21,355,239
34. North Carolina NC	L						
35. North Dakota ND	L	26,842,142	24,920,664	15,926,358	14,484,419	9,121,681	9,270,025
36. Ohio OH	L						
37. Oklahoma OK	L			(1,143)		1,017	
38. Oregon OR	L	(13)	(2,497)	388,648	490,279	215,575	2,358,516
39. Pennsylvania PA	N						
40. Rhode Island RI	L	776,891	901,031	517,514	727,992	923,449	1,161,585
41. South Carolina SC	L						
42. South Dakota SD	L						
43. Tennessee TN	L			(1,616)	(3,241)		
44. Texas TX	L						
45. Utah UT	L		(1,878)	341,696	1,111,032	20	644,232
46. Vermont VT	N						
47. Virginia VA	L	5,854,377	7,456,377	3,155,516	5,687,323	5,380,214	7,029,523
48. Washington WA	L	32,267,438	45,250,956	24,583,541	32,092,590	27,463,721	34,552,859
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) 42	365,529,085	378,702,576	211,185,720	212,736,293	158,278,823	171,594,236

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 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	7,835,778	4,761,756	60.8	53.0
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	5,140,990	1,173,465	22.8	24.0
17.2 Other liability-claims made	30,180	(82,190)	(272.3)	462.0
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	191,042,075	111,597,436	58.4	54.2
19.3, 19.4 Commercial auto liability	16,575,321	9,536,123	57.5	32.0
21. Auto physical damage	131,779,173	82,092,018	62.3	56.9
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. 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	352,403,517	209,078,608	59.3	53.8
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	2,933,688	9,213,485	8,857,340
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	1,564,917	5,564,290	5,351,697
17.2 Other liability-claims made		5,670	32,245
17.3 Excess workers' compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1 19.2 Private passenger auto liability	64,138,319	197,950,150	205,367,260
19.3 19.4 Commercial auto liability	5,613,690	17,128,489	16,786,549
21. Auto physical damage	43,179,056	135,667,000	142,307,484
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	117,429,670	365,529,084	378,702,575
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	70,475	15,015	85,489	31,862	994	32,856	36,206	2,662	7,481	46,349	(2,407)	(3,877)	(6,284)
2. 2009	74,723	18,342	93,065	34,210	3,290	37,500	39,094	6,918	10,208	56,220	(1,419)	2,074	655
3. Subtotals 2009 + Prior	145,198	33,356	178,554	66,072	4,284	70,356	75,300	9,580	17,689	102,569	(3,826)	(1,803)	(5,629)
4. 2010	175,493	54,115	229,608	95,718	15,158	110,876	76,558	17,709	22,520	116,788	(3,217)	1,273	(1,944)
5. Subtotals 2010 + Prior	320,691	87,471	408,162	161,790	19,442	181,232	151,858	27,289	40,209	219,357	(7,043)	(530)	(7,573)
6. 2011	XXX	XXX	XXX	XXX	347,723	347,723	XXX	148,681	47,494	196,175	XXX	XXX	XXX
7. Totals	320,691	87,471	408,162	161,790	367,165	528,955	151,858	175,970	87,704	415,532	(7,043)	(530)	(7,573)
8. Prior Year-End's Surplus As Regards Policyholders	319,267												

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. (2.4)%

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:

* 4 2 9 1 9 2 0 1 1 4 9 0 0 0 0 0 3 *

* 4 2 9 1 9 2 0 1 1 4 5 5 0 0 0 0 3 *

* 4 2 9 1 9 2 0 1 1 3 6 5 0 0 0 0 3 *

* 4 2 9 1 9 2 0 1 1 5 0 5 0 0 0 0 3 *

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2504. UNEARNED FEE RESERVE	12,760	9,496
2597. Summary of remaining write-ins for Line 25	12,760	9,496

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	1,003,308,395	964,776,537
2. Cost of bonds and stocks acquired	596,565,592	415,348,256
3. Accrual of discount	1,376,379	2,313,442
4. Unrealized valuation increase (decrease)	(11,430,423)	10,122,806
5. Total gain (loss) on disposals	8,925,677	5,364,282
6. Deduct consideration for bonds and stocks disposed of	646,682,065	367,871,790
7. Deduct amortization of premium	16,308,982	25,699,077
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	231,104	1,046,061
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	935,523,469	1,003,308,395
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	935,523,469	1,003,308,395

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)	763,513,018	285,520,500	236,945,733	(20,447,412)	773,294,750	763,513,018	791,640,373	754,616,463
2. Class 2 (a)	101,964,643		4,986,690	15,669,666	114,247,947	101,964,643	112,647,619	108,981,333
3. Class 3 (a)	17,501,312	5,345,259		(273,070)	17,510,684	17,501,312	22,573,501	17,520,024
4. Class 4 (a)	29,734,264			(79,241)	29,861,704	29,734,264	29,655,023	29,844,153
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	912,713,237	290,865,759	241,932,423	(5,130,057)	934,915,085	912,713,237	956,516,516	910,961,973
PREFERRED STOCK								
8. Class 1	5,923,610			172,830	5,634,580	5,923,610	6,096,440	8,321,510
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	5,923,610	0	0	172,830	5,634,580	5,923,610	6,096,440	8,321,510
15. Total Bonds and Preferred Stock	918,636,847	290,865,759	241,932,423	(4,957,227)	940,549,665	918,636,847	962,612,956	919,283,483

(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	30,681,317	XXX	30,737,748	15	

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	128,237	134,708
2. Cost of short-term investments acquired	32,003,067	1,547,486
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	0	
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,393,555	1,553,957
7. Deduct amortization of premium	56,431	
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)	30,681,317	128,237
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	30,681,317	128,237

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	0	
2. Cost of cash equivalents acquired	399,290,353	67,798,729
3. Accrual of discount	8,928	1,271
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	298,499,883	67,800,000
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)	100,799,398	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	100,799,398	0

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		25,007,299	25,000,000		1
0599999.	Total - Bonds - U.S. Government					25,007,299	25,000,000	0	XXX
Bonds - Industrial and Miscellaneous									
12621U AD 9	CNH 2010-B A4 1.740% 01/17/17		07/21/2011	Barclays Capital		14,112,998	13,935,000	7,409	1FE
345397 VP 5	FORD MOTOR CREDIT CO 6.625% 08/15/17		08/01/2011	Progressive Investment Co Inc		5,345,259	4,880,000	149,077	3FE
52108H E4 2	LBUBS 2004-C4 A4 5.321% 06/15/29		09/26/2011	Societe Generale		25,538,416	23,742,000	65,257	1Z*
65475H AD 3	NALT 2011-A A3 1.040% 08/15/14		07/14/2011	JP Morgan Securities		17,998,326	18,000,000		1FE
92936C AC 3	WFRBS 2011-C4 A2 3.454% 06/15/44		07/21/2011	Wells Fargo Bank		13,887,253	13,750,000	10,554	1Z*
801060 AA 2	SANOFI 1.200% 09/30/14	F	09/27/2011	Citicorp Securities Inc		6,991,390	7,000,000		1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					83,873,642	81,307,000	232,297	XXX
8399997.	Total - Bonds - Part 3					108,880,941	106,307,000	232,297	XXX
8399999.	Total - Bonds					108,880,941	106,307,000	232,297	XXX
Common Stocks - Industrial and Miscellaneous									
019344 10 0	ALLIED NEVADA GOLD CORP		09/27/2011	State Street Bank	7,400.000	275,106	XXX		L
060505 10 4	BANK OF AMERICA CORP		09/27/2011	State Street Bank	40,700.000	346,883	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					621,989	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					621,989	XXX	0	XXX
9799999.	Total - Common Stocks					621,989	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					621,989	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					109,502,930	XXX	232,297	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. Government																					
912828 QJ 2	US TREASURY NOTE 2.125% 02/29/16		09/26/2011	Barclays Capital		26,488,281	25,000,000	24,951,172			4,693		4,693		24,955,865		1,532,416	1,532,416	305,031	02/29/2016	1
0599999.	Total - Bonds - U.S. Government					26,488,281	25,000,000	24,951,172	0	0	4,693	0	4,693	0	24,955,865	0	1,532,416	1,532,416	305,031	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
31392C MS 0	FNW 2002-W1 2A 7.126% 02/25/42		09/01/2011	Paydown		13,467	13,467	14,153	14,427		(960)		(960)		13,467			0	677	01/01/2019	1FE
34073N 5Z 9	FLORIDA HSG FIN CORP 6.450% 01/01/39		07/01/2011	Call 100.0000		890,000	890,000	956,074	957,124		(67,124)		(67,124)		890,000			0	57,405	07/01/2037	1FE
34074M BP 5	FLORIDA HSG FIN CORP RE 5.500% 01/01/41		07/01/2011	Call 100.0000		235,000	235,000	252,343	248,042		(13,042)		(13,042)		235,000			0	12,925	01/01/2018	1FE
49130P FX 7	KENTUCKY HSG CORP 3.350% 01/01/27		07/01/2011	Call 100.0000		255,000	255,000	255,000	255,000				0		255,000			0	8,543	01/01/2027	1FE
49130P JG 0	KENTUCKY HSG CORP 3.415% 07/01/13		09/01/2011	Call 100.0000		900,000	900,000	900,000	900,000				0		900,000			0	30,849	07/01/2013	1FE
64468T D3 8	NEW HAMPSHIRE ST HSG 4.750% 07/01/33		07/01/2011	Call 100.0000		25,000	25,000	26,559	25,121		(121)		(121)		25,000			0	1,188	01/02/2012	1FE
647199 2F 4	NEW MEXICO MTG FIN HSG 5.250% 03/01/34		09/01/2011	Call 100.0000		105,000	105,000	112,823	107,481		(2,481)		(2,481)		105,000			0	5,513	09/01/2013	1FE
647200 TH 7	NEW MEXICO MTG FIN AGY 5.600% 01/01/38		07/01/2011	Call 100.0000		525,000	525,000	565,688	561,434		(36,434)		(36,434)		525,000			0	29,400	07/01/2022	1FE
65888M 6B 2	NORTH DAKOTA ST HSG 5.500% 01/01/37		07/01/2011	Call 100.0000		715,000	715,000	753,968	729,201		(14,201)		(14,201)		715,000			0	39,325	01/01/2015	1FE
676907 KV 9	OHIO HSG FIN AGY 5.500% 03/01/36		09/01/2011	Call 100.0000		505,000	505,000	538,981	518,316		(13,316)		(13,316)		505,000			0	27,775	09/01/2016	1FE
83712D QV 1	SOUTH CAROLINA HSG 6.000% 07/01/38		07/01/2011	Call 100.0000		130,000	130,000	140,951	139,628		(9,628)		(9,628)		130,000			0	7,800	01/01/2017	1FE
83755G 5A 1	SOUTH DAKOTA HSG 5.500% 11/01/37		08/15/2011	Call 100.0000		20,000	20,000	19,796	19,851		149		149		20,000			0	868	11/01/2037	1FE
93978K K5 6	WASHINGTON ST HSG 4.000% 12/01/17		09/01/2011	Call 100.0000		60,000	60,000	60,000	60,000				0		60,000			0	1,800	12/01/2017	1FE
97689P 2N 7	WISCONSIN HSG & ECON 6.000% 09/01/36		09/01/2011	Call 100.0000		625,000	625,000	668,938	638,005		(13,005)		(13,005)		625,000			0	37,500	09/01/2013	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					5,003,467	5,003,467	5,265,274	5,173,630	0	(170,163)	0	(170,163)	0	5,003,467	0	0	0	261,568	XXX	XXX
Bonds - Industrial and Miscellaneous																					
02005G AC 9	ALLYA 2009-B A3 1.980% 10/15/13		09/15/2011	Paydown		1,185,060	1,185,060	1,181,449	1,183,180		1,880		1,880		1,185,060			0	17,118	10/15/2013	1FE
05533E AU 8	BCAP 2010-RR8 3A1 3.000% 05/26/35		09/01/2011	Paydown		887,797	887,797	895,011	893,950		(6,152)		(6,152)		887,797			0	17,382	09/01/2013	1Z*
05947U VC 9	BACM 2004-3 A5 5.544% 06/10/39		09/01/2011	Paydown		214,089	214,089	213,629	214,175		(87)		(87)		214,089			0	7,018	06/10/2039	1Z*
07387B DY 6	BSCMS 2005-PW10 A2 5.270% 12/11/40		09/01/2011	Paydown		193,930	193,930	194,989	193,654		276		276		193,930			0	9,099	11/01/2011	1Z*
12557T AC 2	CITEC 2009-VT1 A3 3.070% 08/15/16		09/15/2011	Paydown		1,187,534	1,187,534	1,202,425	1,193,316		(5,782)		(5,782)		1,187,534			0	24,273	01/15/2012	1FE
12557Y AC 1	CITEC 2010-VT1A A3 2.410% 05/15/13		09/15/2011	Paydown		1,029,833	1,029,833	1,044,315			(14,482)		(14,482)		1,029,833			0	16,511	09/15/2012	1FE
149123 BU 4	CATERPILLAR INC 1.375% 05/27/14		09/21/2011	Various		30,312,600	30,000,000	29,977,200			2,159		2,159		29,979,359		333,241	333,241	128,715	05/27/2014	1FE
20046F AE 0	COMM 2001-J2A A2 6.096% 07/16/34		09/01/2011	Paydown		40,803	40,803	42,825	41,699		(896)		(896)		40,803			0	1,651	03/01/2013	1Z*
20046F AS 9	COMM 2001-J2A X IO 0.445% 07/01/34		09/01/2011	Paydown				1,209	80		(80)		(80)					0	99	08/01/2016	1FE
22540V G6 3	CSFB 2002-9 1A1 7.000% 03/25/40		09/01/2011	Paydown		4,199	4,199	4,258	4,000	471	(271)		200		4,199			0	196	03/01/2040	1Z*
33736X AH 2	FUNBC 2000-C1 IO 1.014% 05/01/32		09/01/2011	Paydown				3,184	3,870		(3,870)		(3,870)					0	1,047	06/01/2016	1FE
33736X CR 8	FUNBC 2001-C2 IO 1.498% 01/01/43		09/01/2011	Paydown				14,797	256		(256)		(256)					0	1,953	06/01/2013	1FE
36228C TP 8	GSMS 2004-GG2 XP IO 0.395% 08/01/38		08/01/2011	Paydown				2,632,944	263,537		(263,537)		(263,537)					0	271,468	08/01/2011	1FE
3622N6 AG 4	GSR 2007-AR2 4A1 2.836% 05/25/37		09/01/2011	Paydown		166,553	166,553	164,255	167,810		3,706	4,963	(1,257)		166,553			0	2,887	05/25/2037	1Z*
459200 GT 2	INTL BUSINESS MACHINES 1.000% 08/05/13		09/21/2011	CSFBdirect		10,070,600	10,000,000	9,959,100	9,964,526		9,946		9,946		9,974,472		96,128	96,128	114,167	08/05/2013	1FE
46625Y GS 6	JPMCC 2005-LDP1 X2 IO 0.183% 03/15/46		09/01/2011	Paydown				128,364	91,468		(91,468)		(91,468)					0	58,716	03/01/2012	1FE

Statement for September 30, 2011 of the **PROGRESSIVE NORTHWESTERN 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)
46628F AB 7	JPMCC 2006-LDP7 A2 5.864% 04/15/45		09/01/2011	Paydown		741,096	741,096	742,947	739,668		1,427		1,427		741,096			0	29,269	10/01/2011	1Z*
46628K AT 7	JPMMT 2006-A3 6A1 2.785% 08/25/34		09/01/2011	Paydown		479,765	479,765	465,615	447,131	38,890	(6,257)		32,633		479,765			0	9,220	08/25/2034	1Z*
46628K AV 2	JPMMT 2006-A3 7A1 2.780% 04/25/35		09/01/2011	Paydown		165,963	165,963	160,536	145,991	21,233	6,306	7,567	19,972		165,963			0	3,106	04/25/2035	1Z*
493268 AS 5	KSLT 1999-B A2 0.742% 08/25/27		08/25/2011	Paydown		1,077,723	1,077,723	1,054,460	1,057,077		20,646		20,646		1,077,723			0	5,813	08/25/2027	1FE
50075N BB 9	KRAFT FOODS INC 4.125% 02/09/16		07/27/2011	Morgan Stanley		5,409,900	5,000,000	4,982,900	4,985,020		1,670		1,670		4,986,690		423,210	423,210	201,667	02/09/2016	2FE
65476A AD 7	NAROT 2009-A A3 3.200% 02/15/13		09/15/2011	Paydown		1,718,122	1,718,122	1,745,773	1,725,960		(7,838)		(7,838)		1,718,122			0	36,619	02/15/2012	1FE
65535V AA 6	NAA 2001-R1A A1 7.000% 02/01/30		09/01/2011	Paydown		11,365	11,365	11,518	11,274	202	(111)		91		11,365			0	499	05/01/2027	1Z*
68389F KP 8	OOMLT 2006-1 2A3 0.425% 01/25/36		09/25/2011	Paydown		160,667	160,667	144,712	144,712		15,955		15,955		160,667			0	465	01/25/2036	1Z*
74929Q AA 3	RBSCF 2010-MB1 A1 2.367% 02/15/15		09/01/2011	Paydown		391,255	391,255	391,247	391,194		61		61		391,255			0	6,154	02/15/2015	1Z*
78444V AA 9	SLCLT 2010-B A1 4.000% 07/15/42		09/15/2011	Paydown		334,906	334,906	334,906	336,025		(1,119)		(1,119)		334,906			0	9,059	07/15/2042	1FE
88522A AC 5	TMST 2006-4 A2B 5.602% 07/25/36		07/25/2011	Call 100.0000		9,834,639	9,834,639	9,281,440	9,669,177		165,461		165,461		9,834,639			0	20,177	07/25/2036	1Z*
88522A AC 5	TMST 2006-4 A2B 5.602% 07/25/36		07/25/2011	Paydown		178,455	178,455	168,417	175,452		3,002		3,002		178,455			0	366	07/25/2036	1Z*
88522E AE 3	TMST 2007-1 A3A 0.320% 03/25/37		09/25/2011	Paydown		514,216	514,216	485,934	501,573		12,642		12,642		514,216			0	1,165	03/25/2037	1Z*
928664 AD 3	VWALT 2009-A A4 4.590% 03/17/14		08/15/2011	Paydown		2,200,000	2,200,000	2,299,773	2,244,227		(44,227)		(44,227)		2,200,000			0	67,320	08/15/2011	1FE
92887B AC 4	VFET 2010-1A A3 1.560% 06/17/13		09/15/2011	Paydown		638,889	638,889	638,879	638,882		6		6		638,889			0	7,475	06/17/2013	1FE
949802 AA 0	WFMBS 2003-I A1 2.537% 09/25/33		09/01/2011	Paydown		75,863	75,863	74,870	74,722		1,141		1,141		75,863			0	1,420	09/25/2033	1Z*
98157V AC 0	WOLS 2009-A A3 1.650% 02/15/13		09/15/2011	Paydown		4,576,239	4,576,239	4,588,216	4,582,379		(6,140)		(6,140)		4,576,239			0	50,240	12/15/2011	1FE
80105N AD 7	SANOFI-AVENTIS 2.625% 03/29/16	F	09/27/2011	Various		15,453,250	15,000,000	14,923,350			6,324		6,324		14,929,674		523,576	523,576	175,729	03/29/2016	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					89,255,311	88,008,961	90,155,447	42,085,985	60,796	(199,965)	12,530	(151,699)	0	87,879,156	0	1,376,155	1,376,155	1,298,063	XXX	XXX
8399997.	Total - Bonds - Part 4					120,747,059	118,012,428	120,371,893	47,259,615	60,796	(365,435)	12,530	(317,169)	0	117,838,488	0	2,908,571	2,908,571	1,864,662	XXX	XXX
8399999.	Total - Bonds					120,747,059	118,012,428	120,371,893	47,259,615	60,796	(365,435)	12,530	(317,169)	0	117,838,488	0	2,908,571	2,908,571	1,864,662	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
031652 10 0	AMKOR TECHNOLOGY		08/23/2011	Class Action Litigation		6,685	XXX						0				6,685	6,685		XXX	L
04010L 10 3	ARES CAPITAL CORP		07/15/2011	State Street Bank	1.000	10	XXX	3	10	(7)			(7)		3		6	6		XXX	L
060505 10 4	BANK OF AMERICA		09/12/2011	Class Action Litigation		3,739	XXX						0				3,739	3,739		XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					10,434	XXX	3	10	(7)	0	0	(7)	0	3	0	10,430	10,430	0	XXX	XXX
9799997	Total - Common Stocks - Part 4					10,434	XXX	3	10	(7)	0	0	(7)	0	3	0	10,430	10,430	0	XXX	XXX
9799999.	Total - Common Stocks					10,434	XXX	3	10	(7)	0	0	(7)	0	3	0	10,430	10,430	0	XXX	XXX
9899999.	Total - Preferred and Common Stocks					10,434	XXX	3	10	(7)	0	0	(7)	0	3	0	10,430	10,430	0	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					120,757,493	XXX	120,371,896	47,259,625	60,789	(365,435)	12,530	(317,176)	0	117,838,491	0	2,919,001	2,919,001	1,864,662	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 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 6 First Month	7 Second Month	8 Third Month	9 *
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							
BANK OF MONTREAL		09/26/2011	0.030	10/14/2011	41,399,552		173
CHEVRON CORPORATION		09/21/2011	0.020	10/06/2011	49,999,861		278
CANADIAN IMPERIAL HOLDINGS		09/30/2011	0.010	10/03/2011	400,000		
CANADIAN IMPERIAL HOLDINGS		09/29/2011	0.030	10/03/2011	8,999,985		15
3299999. Industrial and Miscellaneous (Unaffiliated) Issuer Obligations					100,799,398	0	466
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					100,799,398	0	466
Total							
7799999. Subtotals - Issuer Obligations					100,799,398	0	466
8399999. Subtotals - Bonds					100,799,398	0	466
8699999. Total - Cash Equivalents					100,799,398	0	466