



# QUARTERLY STATEMENT

As of June 30, 2012  
of the Condition and Affairs of the

## PROGRESSIVE DIRECT INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 16322	Employer's ID Number..... 34-1524319
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 29, 1986	Commenced Business..... January 14, 1987	
Statutory Home Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code)</i>	440-461-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. BOX 89490..... CLEVELAND ..... OH ..... 44101-6490 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code)</i>	440-395-4460 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO <i>(Name)</i> FINANCIAL_REPORTING@PROGRESSIVE.COM <i>(E-Mail Address)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i> 440-446-7168 <i>(Fax Number)</i>

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

#### OFFICERS

<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
SCOTT WESLEY ZIEGLER	PRESIDENT	MICHAEL ROBERT UTH	SECRETARY
JOHN ALLEN CURTISS JR. #	TREASURER		

#### OTHER

TOBY KRAMER ALFRED	(VICE PRESIDENT)	SCOTT EDWARD COLEMAN	(ASST. TREASURER)
JAMES RUSSELL HAAS	(VICE PRESIDENT)	KAREN ANN KOSUDA	(ASST. SECRETARY)
SIMON GREGER LINDSAY	(VICE PRESIDENT)	MARIANN WOJTKUN MARSHALL	(VICE PRESIDENT)

#### DIRECTORS OR TRUSTEES

STEVEN ANTHONY BROZ	BRIAN CHARLES DOMECK	CHARLES ELWOOD JARRETT	SANJAY MAHESH VYAS
SCOTT WESLEY ZIEGLER			

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) SCOTT WESLEY ZIEGLER _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KAREN ANN KOSUDA _____ 2. (Printed Name) ASSISTANT SECRETARY _____ (Title)	_____ (Signature) SCOTT EDWARD COLEMAN _____ 3. (Printed Name) ASSISTANT TREASURER _____ (Title)
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Subscribed and sworn to before me  
This 10TH day of AUGUST, 2012

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 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	2,819,283,653		2,819,283,653	2,591,371,461
2. Stocks:				
2.1 Preferred stocks.....	72,455,245		72,455,245	72,308,280
2.2 Common stocks.....	577,808,909		577,808,909	530,964,903
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).....	182,898,010		182,898,010	187,529,846
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 (\$.....19,438,197), cash equivalents (\$.....78,998,560) and short-term investments (\$.....3,647,182).....	102,083,939		102,083,939	22,697,860
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	6,440,133	6,440,133	(0)	0
9. Receivables for securities.....	228,644		228,644	2,912
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).....	3,761,198,533	6,440,133	3,754,758,400	3,404,875,262
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	21,151,615		21,151,615	22,705,078
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	118,178,537	9,461,673	108,716,864	94,101,543
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	580,196,002		580,196,002	531,957,582
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	12,277,893		12,277,893	8,392,516
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.....	74,537,776		74,537,776	83,041,576
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	2,437,805	2,437,805	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.....	25,227,694		25,227,694	38,901,889
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	3,854,268	998,775	2,855,493	1,620,767
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	4,599,060,123	19,338,386	4,579,721,737	4,185,596,213
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	4,599,060,123	19,338,386	4,579,721,737	4,185,596,213

**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. STATE UNEARNED SURCHARGE RECOVERABLE.....	1,395,865		1,395,865	1,261,612
2502. STATE TAX CREDITS.....	1,077,242		1,077,242	283,900
2503. NET GOODS AND SERVICES TAX RECEIVABLE.....	335,720		335,720	49,596
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,045,441	998,775	46,666	25,659
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,854,268	998,775	2,855,493	1,620,767

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....526,327,968).....	1,344,317,327	1,266,936,613
2. Reinsurance payable on paid losses and loss adjustment expenses.....	208,398,258	181,245,381
3. Loss adjustment expenses.....	288,798,706	277,866,911
4. Commissions payable, contingent commissions and other similar charges.....	216,179	473,508
5. Other expenses (excluding taxes, licenses and fees).....	19,849,538	13,064,092
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	32,920,877	33,685,409
7.1 Current federal and foreign income taxes (including \$.....4,939,482 on realized capital gains (losses)).....	51,061,175	22,354,047
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 \$.....333,982,245 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	1,150,383,289	1,050,386,077
10. Advance premium.....	13,021,365	8,421,546
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	865,861	(4,307,806)
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	726	1,965
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.....	72,143,694	59,807,378
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.....	3,172,975	3,269,844
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	3,185,149,970	2,913,204,965
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	3,185,149,970	2,913,204,965
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,480	3,000,480
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.....	830,270,867	826,029,480
35. Unassigned funds (surplus).....	561,300,420	443,361,288
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).....	1,394,571,767	1,272,391,248
38. Totals.....	4,579,721,737	4,185,596,213

## DETAILS OF WRITE-INS

2501. MISCELLANEOUS OTHER LIABILITIES.....	2,639,573	2,798,566
2502. ESCHEATABLE PROPERTY.....	335,551	330,939
2503. STATE PLAN LIABILITY.....	197,851	140,339
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,172,975	3,269,844
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

# PROGRESSIVE DIRECT INSURANCE COMPANY

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....969,270,367).....	926,371,404	912,707,585	1,820,216,922
1.2 Assumed..... (written \$.....1,822,183,001).....	1,736,053,303	1,559,126,658	3,184,479,802
1.3 Ceded..... (written \$.....628,077,008).....	599,045,559	556,162,705	1,126,056,763
1.4 Net..... (written \$.....2,163,376,360).....	2,063,379,148	1,915,671,538	3,878,639,961
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....1,285,976,247):			
2.1 Direct.....	573,629,938	543,722,023	1,099,927,092
2.2 Assumed.....	1,086,466,007	916,786,482	1,931,084,596
2.3 Ceded.....	373,521,588	328,614,413	681,977,630
2.4 Net.....	1,286,574,357	1,131,894,092	2,349,034,058
3. Loss adjustment expenses incurred.....	231,620,661	215,140,006	432,624,885
4. Other underwriting expenses incurred.....	485,739,348	453,215,403	894,744,140
5. Aggregate write-ins for underwriting deductions.....	(2)	13	44
6. Total underwriting deductions (Lines 2 through 5).....	2,003,934,364	1,800,249,514	3,676,403,127
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	59,444,784	115,422,024	202,236,834
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	49,954,795	49,090,579	100,739,567
10. Net realized capital gains (losses) less capital gains tax of \$.....4,939,482.....	11,256,118	7,888,604	5,813,475
11. Net investment gain (loss) (Lines 9 + 10).....	61,210,913	56,979,183	106,553,042
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....939,872 amount charged off \$.....20,623,566).....	(19,683,694)	(17,190,428)	(35,352,656)
13. Finance and service charges not included in premiums.....	14,272,671	13,581,526	27,705,377
14. Aggregate write-ins for miscellaneous income.....	8,808,133	7,306,545	16,018,942
15. Total other income (Lines 12 through 14).....	3,397,110	3,697,643	8,371,663
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	124,052,807	176,098,850	317,161,539
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).....	124,052,807	176,098,850	317,161,539
19. Federal and foreign income taxes incurred.....	46,126,137	64,202,218	108,779,278
20. Net income (Line 18 minus Line 19) (to Line 22).....	77,926,670	111,896,632	208,382,261
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	1,272,391,248	1,203,907,745	1,203,907,745
22. Net income (from Line 20).....	77,926,670	111,896,632	208,382,261
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....16,328,775.....	30,262,797	15,033,535	(1,235,132)
25. Change in net unrealized foreign exchange capital gain (loss).....	(43,372)	534,433	96,580
26. Change in net deferred income tax.....	7,801,620	3,613,131	725,361
27. Change in nonadmitted assets.....	1,991,417	3,017,810	2,679,257
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			(161,000,000)
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.....	4,241,387	5,020,121	18,835,177
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).....	122,180,519	139,115,662	68,483,504
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	1,394,571,767	1,343,023,407	1,272,391,248
<b>DETAILS OF WRITE-INS</b>			
0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW (REFUNDS).....	(2)	13	44
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).....	(2)	13	44
1401. FINANCE & SERVICE CHARGE REVENUE ASSUMED.....	8,134,301	6,911,059	14,676,715
1402. MISCELLANEOUS OTHER INCOME.....	611,259	329,552	1,255,450
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	62,573	65,934	86,777
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).....	8,808,133	7,306,545	16,018,942
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
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	2,110,863,827	1,967,639,927	3,899,920,235
2. Net investment income.....	74,845,864	77,026,905	157,481,999
3. Miscellaneous income.....	4,081,019	3,933,446	9,382,444
4. Total (Lines 1 through 3).....	2,189,790,710	2,048,600,278	4,066,784,678
5. Benefit and loss related payments.....	1,185,926,143	1,092,544,234	2,269,563,978
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	700,664,627	664,266,594	1,315,013,145
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....(4,143,949) tax on capital gains (losses).....	22,358,491	16,095,831	101,291,568
10. Total (Lines 5 through 9).....	1,908,949,261	1,772,906,659	3,685,868,691
11. Net cash from operations (Line 4 minus Line 10).....	280,841,449	275,693,618	380,915,987
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	485,814,519	527,078,506	789,532,839
12.2 Stocks.....	8,119,370	23,645,697	60,179,019
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....	110,000	110,000	110,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	494,043,889	550,834,203	849,821,858
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	717,130,859	557,827,826	910,664,245
13.2 Stocks.....	7,056,609	196,145,524	226,403,420
13.3 Mortgage loans.....			
13.4 Real estate.....	506,111	1,680,881	3,003,969
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	225,732	111,474	2,912
13.7 Total investments acquired (Lines 13.1 to 13.6).....	724,919,311	755,765,705	1,140,074,546
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).....	(230,875,422)	(204,931,502)	(290,252,688)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....	4,241,387	5,020,121	18,835,177
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			161,000,000
16.6 Other cash provided (applied).....	25,178,665	22,016,716	4,946,167
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	29,420,052	27,036,837	(137,218,656)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	79,386,079	97,798,954	(46,555,357)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	22,697,860	69,253,217	69,253,217
19.2 End of period (Line 18 plus Line 19.1).....	102,083,939	167,052,170	22,697,860

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

20.0001			
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## NOTES TO FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Direct 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

Under SSAP 43R, 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 market 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 widely utilized reputable industry sources. 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 (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.

As of June 30, 2012, the Company did not intend to sell the loan-backed or structured debt securities on which a credit loss was recognized, and determined that it is more likely than not that the Company will not be required to sell the securities prior to the recovery (which could be maturity) of their respective cost basis.

The following table shows, as of June 30, 2012, 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
61748LAD4	\$ 10,977,201	\$ 10,016,108	\$ 961,093	\$ 10,016,108	\$ 7,150,350	2009 - Q3
863579XC7	20,634,751	18,722,138	1,912,613	18,722,138	18,722,138	2009 - Q3
71085PAW3	14,226,110	13,588,558	637,552	13,588,558	8,969,609	2010 - Q1
45660LDG1	5,607,836	5,301,431	306,405	5,301,431	4,436,741	2010 - Q2
71085PAW3	13,588,558	9,081,782	4,506,776	9,081,782	9,081,782	2010 - Q2
855541AB4	4,492,027	4,118,702	373,325	4,118,702	3,952,372	2010 - Q2
32027NRX1	239,447	162,300	77,147	162,300	162,300	2010 - Q3
855541AB4	3,711,737	3,552,306	159,431	3,552,306	3,552,306	2011 - Q1
3622N6AG4	6,307,525	6,122,525	185,000	6,122,525	5,223,707	2011 - Q2
3622N6AG4	5,391,042	5,320,838	70,204	5,320,838	4,780,080	2012 - Q2
32027NRX1	114,572	81,261	33,311	81,261	81,261	2012 - Q2
Total	XXX	XXX	\$ 9,222,857	XXX	XXX	XXX

As of June 30, 2012, the Company had \$6,778,143 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

The following table shows, as of June 30, 2012, the composition of fair market 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 Market Value	Unrealized Loss	Losses less than 12 Months	Losses greater than 12 months	Fair Market Value of losses less than 12 months	Fair Market Value of losses greater than 12 months
\$ 128,517,410	\$ 6,778,143	\$ 215,802	\$ 6,562,341	\$ 65,651,643	\$ 62,865,767

## 6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change

## 7. Investment Income

No significant change

## NOTES TO FINANCIAL STATEMENTS

## 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	June 30, 2012			December 31, 2011			Change		
	(1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Gross deferred tax assets	\$ 120,871,517	\$ 43,055,495	\$ 163,927,012	\$ 112,714,711	\$ 45,381,030	\$ 158,095,741	\$ 8,156,806	\$ (2,325,535)	\$ 5,831,271
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	\$ 120,871,517	\$ 43,055,495	\$ 163,927,012	\$ 112,714,711	\$ 45,381,030	\$ 158,095,741	\$ 8,156,806	\$ (2,325,535)	\$ 5,831,271
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal (net deferred tax assets) (1c-1d)	\$ 120,871,517	\$ 43,055,495	\$ 163,927,012	\$ 112,714,711	\$ 45,381,030	\$ 158,095,741	\$ 8,156,806	\$ (2,325,535)	\$ 5,831,271
(f) Deferred tax liabilities	18,518,681	70,870,555	89,389,236	18,759,644	56,294,521	75,054,165	(240,963)	14,576,034	14,335,071
(g) Net admitted deferred tax assets (1e-1f)	\$ 102,352,836	\$ (27,815,060)	\$ 74,537,776	\$ 93,955,067	\$ (10,913,491)	\$ 83,041,576	\$ 8,397,769	\$ (16,901,569)	\$ (8,503,800)

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

Description	(1) June 30, 2012	(2) December 31, 2011	(3) (Col 1-2) Change
(a) Federal income tax expense (benefit)	\$ 46,126,137	\$ 108,852,146	\$ (62,726,009)
(b) Foreign income tax expense (benefit)	-	-	-
(c) Prior year underaccrual (overaccrual)	-	(72,868)	72,868
(d) Subtotal	\$ 46,126,137	\$ 108,779,278	\$ (62,653,141)
(e) Federal income tax (benefit) on net realized capital gains (losses)	4,939,482	(3,244,378)	8,183,860
(f) Utilization of capital loss carry-forwards	-	-	-
(g) Prior year underaccrual (overaccrual)	-	2,014,884	(2,014,884)
(h) Subtotal	\$ 4,939,482	\$ (1,229,494)	\$ 6,168,976
(i) Federal and Foreign income taxes incurred	\$ 51,065,619	\$ 107,549,784	\$ (56,484,165)

## 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. The significant book to tax adjustments causing this difference are as follows:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 45,147,301	35%
Exempt interest income	(1,072,946)	-1%
Dividends received deduction	(1,261,850)	0%
Impact of nonadmitted assets	636,771	0%
Other	(185,277)	0%
Total	\$ 43,263,999	34%
Federal and foreign income taxes incurred	\$ 51,065,619	
Change in net deferred income tax	(7,801,620)	
Total statutory income taxes	\$ 43,263,999	

## 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

## NOTES TO FINANCIAL STATEMENTS

## 14. Contingencies

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

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

	Direct
Claims related to ECO and bad faith losses paid	\$ 15,000

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

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

## E. All Other Contingencies

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

The following is a discussion of potentially significant pending cases at June 30, 2012. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of June 30, 2012, there was a certified class action lawsuit challenging the Company's use of certain automated database vendors or software to assist in the adjustment of bodily injury claims. Plaintiffs allege that these databases or software systematically undervalue the claims.

As of June 30, 2012, the Company was defending two putative statewide class action lawsuits alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of June 30, 2012, there was a statewide putative class action lawsuit challenging the Company's policy form with regard to rejecting uninsured motorist coverage.

As of June 30, 2012, the Company was defending a putative class action lawsuit challenging the Company's notice of cancellation form for nonpayment of premium and subsequent denial of automobile coverage. An agreement to settle was reached in November 2010 and a loss reserve was established accordingly. As of June 30, 2012, the settlement is still being administered.

As of June 30, 2012, there was a putative class action lawsuit alleging that the Company failed to reimburse legal fees incurred to recover medical damages for personal injury protection benefits.

As of June 30, 2012, the Company was a putative class action lawsuit challenging the Company's sale of personal injury protection coverage in Massachusetts.

## 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 NAIC rating of 3 or below during the reporting period.

## 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.

## NOTES TO FINANCIAL STATEMENTS

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.

Fair Value Measurements at June 30, 2012:

Asset Description	Level 1	Level 2	Level 3	Total
Bonds – Industrial & Miscellaneous	\$ --	\$ 9,848,613	\$ --	\$ 9,848,613
Common Stock – Industrial & Miscellaneous	577,808,909	--	--	577,808,909
Preferred Stock – Industrial & Miscellaneous	--	25,948,330	--	25,948,330
Total	\$ 577,808,909	\$ 35,796,943	\$ --	\$ 613,605,852

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 Note 20A above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Reasons Not Practical to Estimate Fair Values

Not applicable

21. Other Items

A. Other Disclosures

1. Nonadmitted Other Invested Assets

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

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through August 10, 2012 for the statutory statement that was available for issuance by August 15, 2012.

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 accident years decreased by \$206,000 in 2012, which is less than 1% of the total prior year net unpaid losses and LAE of \$1,544,803,524. The decrease is primarily due to a decrease in originally anticipated severity of 1.6% for accident year 2011 auto physical damage case reserves. This decrease was offset by an increase in originally anticipated severity of 1.1% and 0.4% for accident years 2011 and 2010, respectively, for private passenger auto liability.

26. Intercompany Pooling Arrangements

No significant change

27. Structured Settlements

No significant change

28. Health Care Receivables

No significant change

29. Participating Accident and Health Policies

No significant change

30. Premium Deficiency Reserves

No significant change

## NOTES TO FINANCIAL STATEMENTS

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- 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

# PROGRESSIVE DIRECT INSURANCE COMPANY 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 [X] No [ ] N/A [ ]  
If yes, attach an explanation.

AT THE REQUEST OF THE CALIFORNIA DOI, THE JOINT SERVICING AGREEMENT BETWEEN PROGRESSIVE SELECT INSURANCE COMPANY AND PROGRESSIVE DIRECT INSURANCE COMPANY WAS AMENDED TO INCLUDE A 5-YEAR RENEWAL PROVISION EFFECTIVE APRIL 11, 2012.

- 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 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 FDIC	6 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 [X] No [ ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
THE COMPANY'S CODE OF ETHICS POLICIES WERE UPDATED WITH THE FOLLOWING:  
- A NEW SECTION ON ETHICAL DECISION-MAKING.  
- REVISED PROVISIONS ON 1)REPORTING CONCERNS ABOUT POTENTIAL MISCONDUCT, 2)DIVERSITY AND INCLUSION, 3) SOCIAL RESPONSIBILITY, 4)PERSONAL USE OF COMPANY PROVIDED MOBILE DEVICES 5)ALCOHOLIC BEVERAGES, 6)DISCLOSURE OF MINOR TRAFFIC VIOLATIONS, AND 7)CONFLICT OF INTEREST RULES FOR CLAIMS PERSONNEL.

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

**PROGRESSIVE DIRECT INSURANCE COMPANY  
GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

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

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**PART 1 - FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

**PART 1 - 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

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

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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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	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.....	\$ .....6,612,203	\$ .....6,440,133
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....6,612,203	\$ .....6,440,133
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

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.

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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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes  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
CITIGROUP, PTY. LTD.	120 COLLINS STREET, MELBOURNE VIC, 3000 AU

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

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

**PART 1 - INVESTMENT**

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes  No

17.2 If no, list exceptions:

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**PROGRESSIVE DIRECT INSURANCE COMPANY**  
**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:

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4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation 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 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 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)
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**NONE**

**PROGRESSIVE DIRECT INSURANCE COMPANY**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	L	32,244,057	32,348,416	19,866,708	19,506,744	16,267,386	16,370,136
2. Alaska.....AK	L	9,204,616	9,034,731	4,428,110	3,968,256	4,492,075	4,007,847
3. Arizona.....AZ	Q						
4. Arkansas.....AR	L	12,892,373	11,686,243	5,468,084	5,259,219	4,312,484	4,156,459
5. California.....CA	L	23,297,992	21,477,275	9,859,670	8,861,092	6,030,791	6,240,084
6. Colorado.....CO	L	80,338,328	76,156,598	51,469,188	41,919,147	55,449,041	48,207,905
7. Connecticut.....CT	L	37,055,944	34,801,544	20,271,852	17,971,531	31,785,625	28,711,826
8. Delaware.....DE	L	14,253,517	12,947,388	6,425,909	6,624,665	9,641,407	7,556,298
9. District of Columbia.....DC	L	9,092,036	9,098,737	4,814,580	4,399,843	4,772,286	4,504,099
10. Florida.....FL	Q						
11. Georgia.....GA	L	7,182,719	9,094,534	4,160,249	5,231,387	4,588,221	5,233,697
12. Hawaii.....HI	L	10,764,973	10,784,911	3,996,561	3,990,863	5,074,331	4,780,809
13. Idaho.....ID	L	10,031,983	10,088,786	5,020,295	4,402,641	5,094,880	5,010,443
14. Illinois.....IL	L	14,148,792	18,202,478	9,736,012	9,826,762	11,926,980	15,458,897
15. Indiana.....IN	L	1,493	(874)	(45,413)	134,550	282,964	402,049
16. Iowa.....IA	L	(207)	(1,898)	(1,133)	(574)	21,066	46,810
17. Kansas.....KS	L	28,684,629	28,350,669	17,114,681	17,961,319	11,217,253	10,189,132
18. Kentucky.....KY	L	41,967,500	38,625,301	27,262,561	21,437,238	23,632,460	21,937,699
19. Louisiana.....LA	L						
20. Maine.....ME	L	1,438,892	1,287,184	213,948	542,845	407,365	391,973
21. Maryland.....MD	L	12,206,711	14,814,149	7,577,303	8,848,092	9,236,190	11,615,655
22. Massachusetts.....MA	L	61,387,969	60,200,443	35,410,991	43,285,319	48,511,183	58,173,663
23. Michigan.....MI	Q						
24. Minnesota.....MN	L	78,435,478	71,951,278	43,988,987	44,337,108	47,354,192	43,638,621
25. Mississippi.....MS	L						
26. Missouri.....MO	L	14,444,982	20,288,831	11,428,357	15,035,674	12,361,528	13,101,426
27. Montana.....MT	L	10,416,007	10,036,260	5,219,226	4,259,804	3,656,007	4,229,475
28. Nebraska.....NE	L	50	(227)	(8,312)	25,182	1,682	185,499
29. Nevada.....NV	L	37,119,310	36,151,392	21,522,618	17,902,692	29,965,320	29,665,082
30. New Hampshire.....NH	L	7,497	(28,627)	732,054	1,347,475	1,513,999	3,520,297
31. New Jersey.....NJ	Q						
32. New Mexico.....NM	L	29,141,964	29,343,298	16,494,389	15,151,075	22,487,955	19,263,202
33. New York.....NY	L	28,994,554	35,805,730	19,495,660	23,896,136	34,571,713	44,448,276
34. North Carolina.....NC	L						
35. North Dakota.....ND	L	8,001,355	6,542,199	3,714,237	3,374,540	3,333,369	2,306,692
36. Ohio.....OH	L	125,228,594	117,424,250	73,255,263	73,354,566	62,158,479	57,816,874
37. Oklahoma.....OK	L	28,245,138	27,869,474	16,430,742	15,202,323	14,579,014	14,558,364
38. Oregon.....OR	L	(2,394)	307,208	18,328	154,378	29,939	39,002
39. Pennsylvania.....PA	L	23,908,430	28,678,838	14,854,279	21,292,701	21,550,430	24,318,752
40. Rhode Island.....RI	L	16,943,668	14,578,076	8,978,577	8,003,990	13,849,084	11,813,671
41. South Carolina.....SC	L	20,414,190	11,850,365	7,824,688	6,267,268	9,366,984	7,926,736
42. South Dakota.....SD	L	7,277,106	6,947,421	3,613,930	3,871,522	3,750,540	3,477,061
43. Tennessee.....TN	L			(60)	180		
44. Texas.....TX	N						
45. Utah.....UT	L	23,259,471	21,581,384	12,117,815	10,961,843	13,141,031	11,319,236
46. Vermont.....VT	L	7,142,531	6,442,225	3,672,928	2,709,506	3,283,228	3,046,200
47. Virginia.....VA	L	36,767,344	47,449,208	26,166,751	30,513,492	29,953,945	35,538,290
48. Washington.....WA	L	63,141,078	52,900,938	33,777,897	26,954,572	38,074,694	29,947,226
49. West Virginia.....WV	L	50			(5,438)	11,648	40,186
50. Wisconsin.....WI	L	250		(13,111)	(12,488)	2,741	10,137
51. Wyoming.....WY	L	50		(2,684)	3,935	248	58,399
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	4,189,346	2,451,716	2,438,971	982,207	865,853	526,068
59. Totals.....	(a).....46	969,270,366	947,567,852	558,771,686	549,755,182	618,607,611	613,790,253

**DETAILS OF WRITE-INS**

5801. AUSTRALIA.....	XXX	4,189,346	2,451,716	2,438,971	982,207	865,853	526,068
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	4,189,346	2,451,716	2,438,971	982,207	865,853	526,068

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

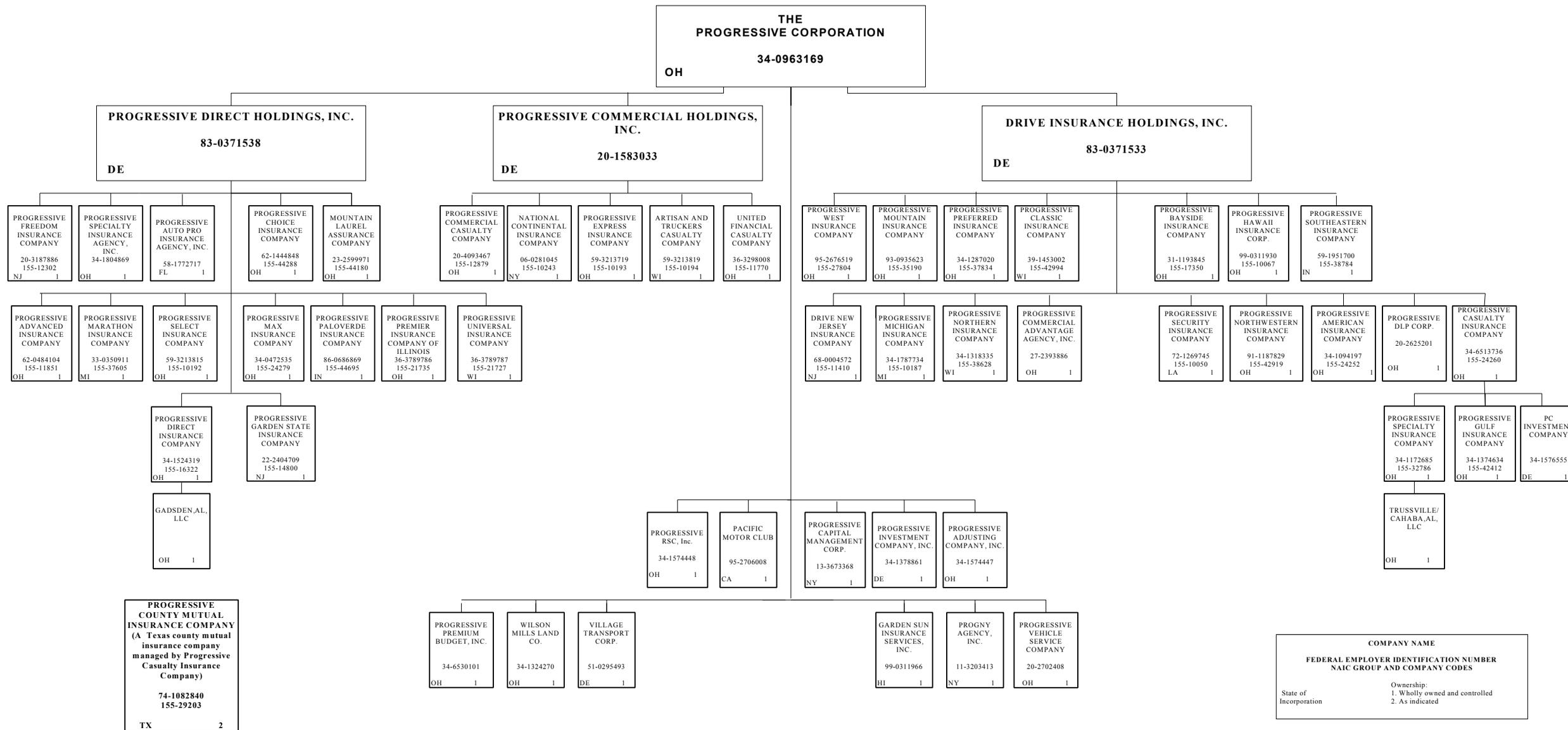
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(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

Q11



COMPANY NAME	
FEDERAL EMPLOYER IDENTIFICATION NUMBER NAIC GROUP AND COMPANY CODES	
State of Incorporation	Ownership: 1. Wholly owned and controlled 2. As indicated

# SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
<b>Members</b>														
0155.....	The Progressive Insurance Group...	00000.....	34-0963169		0000080661	New York Stock Exchange..	The Progressive Corporation.....	OH.....	UIP.....	Board, Management.....	Board.....		The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371533				Drive Insurance Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11410.....	68-0004572				Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24252.....	34-1094197				Progressive American Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	17350.....	31-1193845				Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24260.....	34-6513736				Progressive Casualty Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1576555				PC Investment Company.....	DE.....	NIA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	29203.....	74-1082840				Progressive County Mutual Insurance Company.....	TX.....	IA.....	Progressive Casualty Insurance Company.....	Management.....		The Progressive Corporation.	2, 3.....
0155.....	The Progressive Insurance Group...	42412.....	34-1374634				Progressive Gulf Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	32786.....	34-1172685				Progressive Specialty Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....					Trussville/Cahaba, AL , LLC.....	OH.....	NIA.....	Progressive Specialty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42994.....	39-1453002				Progressive Classic Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-2625201				Progressive DLP Corp.....	OH.....	NIA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10067.....	99-0311930				Progressive Hawaii Insurance Corp.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10187.....	34-1787734				Progressive Michigan Insurance Company.....	MI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	35190.....	93-0935623				Progressive Mountain Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38628.....	34-1318335				Progressive Northern insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42919.....	91-1187829				Progressive Northwestern Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37834.....	34-1287020				Progressive Preferred Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10050.....	72-1269745				Progressive Security Insurance Company.....	LA.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38784.....	59-1951700				Progressive Southeastern Insurance Company.....	IN.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	27804.....	95-2676519				Progressive West Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	27-2393886				Progressive Commercial Advantage Agency, Inc.....	OH.....	NIA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-1583033				Progressive Commercial Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10194.....	59-3213819				Artisan and Truckers Casualty Company.....	WI.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10243.....	06-0281045				National Continental Insurance Company.....	NY.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	12879.....	20-4093467				Progressive Commercial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10193.....	59-3213719				Progressive Express Insurance Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11770.....	36-3298008				United Financial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371538				Progressive Direct Holdings, Inc.....	DE.....	UDP.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44180.....	23-2599971				Mountain Laurel Assurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11851.....	62-0484104				Progressive Advanced Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	58-1772717				Progressive Auto Pro Insurance Agency, Inc.....	FL.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44288.....	62-1444848				Progressive Choice Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	16322.....	34-1524319				Progressive Direct Insurance Company.....	OH.....		Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....					Gadsden, AL, LLC.....	OH.....	DS.....	Progressive Direct Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....

Q12

## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0155.....	The Progressive Insurance Group...	12302.....	20-3187886				Progressive Freedom Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	14800.....	22-2404709				Progressive Garden State Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37605.....	33-0350911				Progressive Marathon Insurance Company.....	MI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24279.....	34-0472535				Progressive Max Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44695.....	86-0686869				Progressive Paloverde Insurance Company.....	IN.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	21735.....	36-3789786				Progressive Premier Insurance Company of Illinois.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10192.....	59-3213815				Progressive Select Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1804869				Progressive Specialty Insurance Agency, Inc.....	OH.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	21727.....	36-3789787				Progressive Universal Insurance Company.....	WI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	99-0311966				Garden Sun Insurance Services, ilc.....	HI.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	95-2706008				Pacific Motor Club.....	CA.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	11-3203413				PROGNY Agency, Inc.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1574447				Progressive Adjusting Company, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	13-3673368				Progressive Capital Management Corp.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1378861				Progressive Investment Company, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-6530101				Progressive Premium Budget, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1574448				Progressive RSC, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-2702408				Progressive Vehicle Service Company.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	51-0295493				Village Transport Corp.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1324270				Wilson Mills Land Co.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....

Q12.1

Asterisk	Explanation
1	Schedule Y Part 1A is a common schedule for all companies in The Progressive Insurance Group, however column 10 requires specific relationship information relative to the reporting entity.
2	Progressive County Mutual Insurance Company is a Texas county mutual insurance company that is controlled, but not owned by Progressive Casualty Insurance Company.
3	None of the companies in The Progressive Insurance Group are Federally chartered or insured institutions and therefore, do not have Federal RSSD numbers.

# PROGRESSIVE DIRECT INSURANCE COMPANY PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 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.....	8,687,842	4,045,925	46.6	63.9
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.....	4,255,904	364,969	8.6	16.8
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.....	598,818,436	342,127,380	57.1	53.7
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....	314,609,222	227,091,663	72.2	71.0
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. 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.....	926,371,404	573,629,937	61.9	59.6

### 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	2	3
	Current Quarter	Current Year to Date	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.....	8,249,817	11,244,142	10,236,298
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.....	3,827,483	5,277,469	5,114,318
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.....	300,255,380	620,471,243	606,936,749
19.3 19.4 Commercial auto liability.....			
21. Auto physical damage.....	166,009,647	332,277,513	325,280,489
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.....	478,342,327	969,270,367	947,567,854

### 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**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2009 + Prior.....	208,431	46,869	255,300	71,814	2,073	73,888	126,355	11,610	32,030	169,995	(10,262)	(1,156)	(11,418)
2. 2010.....	307,322	70,519	377,841	104,673	7,849	112,522	198,707	27,693	47,582	273,982	(3,942)	12,605	8,663
3. Subtotals 2010 + Prior.....	515,752	117,388	633,141	176,488	9,922	186,410	325,062	39,303	79,612	443,977	(14,203)	11,449	(2,754)
4. 2011.....	698,533	213,130	911,663	316,786	32,264	349,050	326,884	123,156	115,122	565,161	(54,863)	57,411	2,548
5. Subtotals 2011 + Prior.....	1,214,285	330,518	1,544,803	493,273	42,186	535,459	651,945	162,459	194,734	1,009,138	(69,066)	68,860	(206)
6. 2012.....	XXX	XXX	XXX	XXX	894,421	894,421	XXX	465,196	158,783	623,979	XXX	XXX	XXX
7. Totals.....	1,214,285	330,518	1,544,803	493,273	936,607	1,429,881	651,945	627,655	353,517	1,633,117	(69,066)	68,860	(206)
8. Prior Year-End's Surplus As Regards Policyholders	1,272,391										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. ....(5.7)%	2. ....20.8%	3. ....(0.0)%
													Col. 13, Line 7 Line 8
													4. ....(0.0)%

Q14

# PROGRESSIVE DIRECT INSURANCE COMPANY 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.

	<b>Response</b>
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:**



Statement for June 30, 2012 of the **PROGRESSIVE DIRECT INSURANCE COMPANY**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. MISCELLANEOUS OTHER ASSETS.....	94,715	48,049	46,666	25,659
2505. PREPAID EXPENSES.....	950,726	950,726	0	
2597. Summary of remaining write-ins for Line 25.....	1,045,441	998,775	46,666	25,659

**PROGRESSIVE DIRECT INSURANCE COMPANY  
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.....	187,529,846	195,195,589
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....	506,111	3,003,969
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.....	134,068	414,121
8. Deduct current year's depreciation.....	5,003,880	10,255,591
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	182,898,010	187,529,846
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	182,898,010	187,529,846

**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.....	6,612,203	6,656,341
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).....	(62,070)	65,862
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....	110,000	110,000
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	6,440,133	6,612,203
12. Deduct total nonadmitted amounts.....	6,440,133	6,612,203
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	3,194,644,644	2,950,012,245
2. Cost of bonds and stocks acquired.....	724,187,465	1,137,067,665
3. Accrual of discount.....	1,743,028	4,758,300
4. Unrealized valuation increase (decrease).....	46,653,642	(2,001,531)
5. Total gain (loss) on disposals.....	17,029,841	6,043,579
6. Deduct consideration for bonds and stocks disposed of.....	493,933,883	849,711,858
7. Deduct amortization of premium.....	20,076,754	50,478,278
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....	700,174	1,045,478
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,469,547,809	3,194,644,644
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	3,469,547,809	3,194,644,644

## 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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	2,182,717,379	244,629,695	144,901,881	(8,625,988)	2,182,717,379	2,273,819,205		1,991,657,487
2. Class 2 (a).....	527,490,697	57,861,190	5,344,472	7,132,679	527,490,697	587,140,094		586,018,824
3. Class 3 (a).....	48,066,435		5,000,000	(7,364,212)	48,066,435	35,702,223		19,349,271
4. Class 4 (a).....	5,211,529			(24,916)	5,211,529	5,186,613		5,113,750
5. Class 5 (a).....								
6. Class 6 (a).....	98,171			(16,910)	98,171	81,261		143,545
7. Total Bonds.....	2,763,584,211	302,490,885	155,246,353	(8,899,347)	2,763,584,211	2,901,929,396	0	2,602,282,877
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....	55,456,915			11,754,000	55,456,915	67,210,915		55,113,680
10. Class 3.....	17,414,950			(12,170,620)	17,414,950	5,244,330		17,194,600
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	72,871,865	0	0	(416,620)	72,871,865	72,455,245	0	72,308,280
15. Total Bonds and Preferred Stock.....	2,836,456,076	302,490,885	155,246,353	(9,315,967)	2,836,456,076	2,974,384,641	0	2,674,591,157

QSI02

(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.

**PROGRESSIVE DIRECT INSURANCE COMPANY**  
**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.....	.....3,647,182	.....XXX.....	.....3,647,182	.....77	.....

**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.....	.....885,945	.....51,064,741
2. Cost of short-term investments acquired.....	.....7,427,823	.....106,257,384
3. Accrual of discount.....	.....	.....151,525
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....4,666,586	.....156,641,667
7. Deduct amortization of premium.....	.....	.....542,017
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....595,979
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).....	.....3,647,182	.....885,945
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....3,647,182	.....885,945

**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**

**PROGRESSIVE DIRECT INSURANCE COMPANY**  
**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.....	10,025,476	3,599,990
2. Cost of cash equivalents acquired.....	93,707,042	348,391,314
3. Accrual of discount.....	204,775	133,835
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	24,600,000	341,799,581
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....	(338,733)	(300,082)
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).....	78,998,560	10,025,476
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	78,998,560	10,025,476

### SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
<b>Acquired by Purchase</b>								
CAMPUS I HOME OFFICE COMPLEX.....	Mayfield Village.....	OH.....	10/01/2007					296,785
DISCOVERY TRAINING CENTER.....	Mayfield Village.....	OH.....	10/01/2007					73,595
0199999. Totals.....					0	0	0	370,380
0399999. Totals.....					0	0	0	370,380

QE01

### SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs, and Expenses Incurred
	2 City	3 State					9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
<b>NONE</b>																		

**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)
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
20775B YR 1	CONN ST HSG FIN AUTH HS 1.100% 05/15/15.....		05/23/2012	Morgan Stanley.....		3,500,000	3,500,000		1FE.....
20775B YT 7	CONN ST HSG FIN AUTH HS 1.350% 05/15/16.....		05/23/2012	Morgan Stanley.....		10,250,000	10,250,000		1FE.....
20775B YU 4	CONN ST HSG FIN AUTH HS 1.450% 11/15/16.....		05/23/2012	Morgan Stanley.....		7,880,000	7,880,000		1FE.....
20775B YV 2	CONN ST HSG FIN AUTH HS 1.600% 05/15/17.....		05/23/2012	Morgan Stanley.....		5,945,000	5,945,000		1FE.....
3137AN MP 7	FHMS 2012-K707 X1 1.560% 12/25/18.....		04/17/2012	Merrill Lynch.....		4,503,795		57,095	1.....
49130T PR 1	KENTUCKY HSG CORP HSG R 4.250% 07/01/33.....		06/06/2012	Citicorp Securities Inc.....		19,705,280	19,000,000		1FE.....
64972F 7M 2	NEW YORK NY CITY MUN 5.000% 06/15/21.....		06/20/2012	Jefferies & Co.....		4,740,238	3,830,000		1FE.....
64972F 7P 5	NEW YORK NY CITY MUN 5.000% 06/15/20.....		06/20/2012	Jefferies & Co.....		7,341,824	5,950,000		1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....					63,866,137	56,355,000	57,095	XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
073730 AD 5	BEAM INC 1.875% 05/15/17.....		05/18/2012	Various.....		11,967,460	12,000,000	521	2FE.....
073730 AE 3	BEAM INC 3.250% 05/15/22.....		05/10/2012	Merrill Lynch.....		6,937,560	7,000,000		2FE.....
12622D AA 2	COMM 2010-C1 A1 3.156% 07/10/46.....		06/20/2012	Various.....		3,389,230	3,235,664	6,046	1FM.....
13342B AH 8	CAMERON INTERNATIONAL C 1.600% 04/30/15.....		05/14/2012	Citicorp Securities Inc.....		6,996,990	7,000,000		2FE.....
225458 DN 5	CSFB 2005-C1 AJ 5.075% 02/15/38.....		05/22/2012	Nomura Securities Intern'l Inc.....		5,104,102	5,000,000	16,917	1FM.....
233050 AF 0	DBUBS 2011-LC1A B 5.471% 01/10/21.....		06/19/2012	Various.....		2,070,775	1,885,000	4,135	1FM.....
30224X AN 4	ESA 2010-ESHA C 4.860% 11/05/27.....		05/16/2012	Royal Bank of Scotland.....		10,148,438	10,000,000	27,002	1FM.....
36162R AC 2	GEEST 2012-1A A3 1.040% 09/21/15.....		05/22/2012	Citicorp Securities Inc.....		7,998,382	8,000,000		1FE.....
36192H AG 9	GSMS 2012-ALOH B 4.049% 04/10/34.....		05/02/2012	Goldman Sachs.....		15,223,881	15,000,000	21,932	1FE.....
44890F AC 1	HALST 2012-A A3 0.920% 08/17/15.....		06/13/2012	Citicorp Securities Inc.....		5,699,392	5,700,000		1FE.....
46637E AC 7	JPMCC 2011-PLSD A2 3.364% 11/13/44.....		04/04/2012	Union Bank of Switzerland.....		1,268,609	1,210,000	113	1FM.....
46637E AL 7	JPMCC 2011-PLSD C 5.143% 11/13/44.....		06/20/2012	Merrill Lynch.....		5,092,053	4,805,000	10,229	1FM.....
50076Q AF 3	KRAFT FOODS INC 3.500% 06/06/22.....		05/30/2012	Royal Bank of Scotland.....		9,910,000	10,000,000		2FE.....
60871R AC 4	MOLSON COORS BREWING CO 3.500% 05/01/22.....		04/26/2012	Morgan Stanley.....		11,957,880	12,000,000		2FE.....
695156 AP 4	PACKAGING CORP OF AMERI 3.900% 06/15/22.....		06/21/2012	Bank of America Corp.....		4,995,550	5,000,000		2FE.....
78446X AA 3	SLMA 2012-B A1 1.342% 12/15/21.....		04/04/2012	Barclays Capital.....		12,000,000	12,000,000		1FE.....
78447B AA 0	SLMA 2012-C A1 1.339% 08/15/23.....		05/23/2012	Barclays Capital.....		23,000,000	23,000,000		1FE.....
502441 AA 6	LVMH MOET HENNESSY LOUI 1.625% 06/29/17.....	F.....	06/26/2012	Citicorp Securities Inc.....		7,229,193	7,250,000		1FE.....
714264 AF 5	PERNOD-RICARD SA 2.950% 01/15/17.....	F.....	04/17/2012	JP Morgan Securities.....		5,095,750	5,000,000	40,153	2FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					156,085,245	155,085,664	127,048	XXX.....
8399997.	Total - Bonds - Part 3.....					219,951,382	211,440,664	184,143	XXX.....
8399999.	Total - Bonds.....					219,951,382	211,440,664	184,143	XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>									
30219G 10 8	EXPRESS SCRIPTS INC.....		04/02/2012	State Street Bank.....	4,860,000	344,641	XXX.....		L.....
49456B 10 1	KINDER MORGAN INC.....		05/25/2012	State Street Bank.....	4,654,000	130,829	XXX.....		L.....
718546 10 4	PHILLIPS 66.....		05/01/2012	Spin Off.....	16,558,000	426,376	XXX.....		L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....					901,846	XXX.....	0	XXX.....
9799997.	Total - Common Stocks - Part 3.....					901,846	XXX.....	0	XXX.....

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### 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)
9799999.	Total - Common Stocks.....					.....901,846	.....XXX.....	.....0	.....XXX.....
9899999.	Total - Preferred and Common Stocks.....					.....901,846	.....XXX.....	.....0	.....XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					.....220,853,228	.....XXX.....	.....184,143	.....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 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Government</b>																					
3620AN RT 9	GNMA PLC 2.990% 04/15/20		06/01/2012	Paydown		393,397	393,397	393,340	393,343		54		54		393,397			0	4,903	04/15/2020	1
912828 SD 3	US TREASURY NOTE 1.250% 01/31/19		05/02/2012	Barclays Capital		12,485,352	12,500,000	12,353,516		4,509		4,509		12,358,024		127,327	127,327	39,921	01/31/2019	1	
0599999	Total - Bonds - U.S. Government					12,878,749	12,893,397	12,746,856	393,343	0	4,563	0	4,563	12,751,421	0	127,327	127,327	44,824	XXX	XXX	
<b>Bonds - U.S. States, Territories and Possessions</b>																					
882721 BG 7	TEXAS ST 0.170% 06/01/35		06/01/2012	Call 100.0000		730,000	730,000	730,000	730,000				0	730,000			0	546	12/01/2034	1FE	
1799999	Total - Bonds - U.S. States, Territories & Possessions					730,000	730,000	730,000	730,000	0	0	0	0	730,000	0	0	0	0	546	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
01030R GB 2	ALABAMA HSG FIN SF 5.500% 10/01/38		04/01/2012	Call 100.0000		150,000	150,000	146,777	148,066		1,934		1,934	150,000			0	4,125	10/01/2015	1FE	
3137AJ MG 6	FHMS 2011-K016 X1 IO 1.584% 10/25/21		06/01/2012	Paydown				20,421	20,056		(20,370)		(20,370)				0	1,304	10/25/2021	1FE	
3137AN MP 7	FHMS 2012-K707 X1 1.560% 12/25/18		06/01/2012	Paydown				2,717			(2,717)		(2,717)				0	63	12/25/2018	1	
313921 6F 0	FNGT 2001-W3 A 7.000% 09/01/41		06/01/2012	Paydown		2,708	2,708	2,833	2,894		(186)		(186)	2,708			0	83	09/01/2041	1	
31392C MS 0	FNW 2002-W1 2A 7.059% 02/25/42		06/01/2012	Paydown		6,334	6,334	6,645	6,687		(353)		(353)	6,334			0	193	02/25/2042	1	
49130N CB 3	KENTUCKY HIGHER ED STUD 0.966% 05/01/20		05/01/2012	Call 100.0000		755,000	755,000	755,000	755,296		(296)		(296)	755,000			0	3,769	08/01/2015	1FE	
61212R TH 9	MONTANA ST BRD HSG 5.600% 12/01/35		06/01/2012	Call 100.0000		670,000	670,000	698,877	680,129		(10,129)		(10,129)	670,000			0	18,760	12/01/2013	1FE	
64468T 4M 6	NEW HAMPSHIRE ST HSG 5.650% 01/01/36		06/15/2012	Call 100.0000		135,000	135,000	143,960	139,880		(4,880)		(4,880)	135,000			0	7,047	07/01/2017	1FE	
64469D FN 6	NEW HAMPSHIRE ST HSG 6.250% 01/01/39		06/01/2012	Call 100.0000		655,000	655,000	705,304	674,052		(19,052)		(19,052)	655,000			0	37,526	07/01/2016	1FE	
647110 FD 2	NEW MEXICO EDL ASSISTAN 1.167% 12/01/20		06/01/2012	Call 100.0000		485,000	485,000	485,000	485,712		(712)		(712)	485,000			0	2,976	12/01/2016	1FE	
662826 EW 2	NORTH TEX HIGHER ED AUT 0.868% 07/01/19		04/01/2012	Call 100.0000		865,000	865,000	865,000	865,038		(38)		(38)	865,000			0	3,828	07/01/2015	1FE	
677377 Q5 5	OHIO HSG FIN AGY 5.000% 11/01/28		05/01/2012	Call 100.0000		925,000	925,000	1,013,708	994,900		(69,900)		(69,900)	925,000			0	23,125	11/01/2019	1FE	
67886R KE 7	OKLAHOMA HSG FIN SF 6.000% 09/01/36		05/01/2012	Call 100.0000		85,000	85,000	93,003	88,509		(3,509)		(3,509)	85,000			0	3,400	09/01/2016	1FE	
686087 LC 9	OREGON ST HSG & CMNTY 5.000% 07/01/30		04/01/2012	Call 100.0000		590,000	590,000	622,267	618,190		(28,190)		(28,190)	590,000			0	22,125	01/01/2022	1FE	
68608R 4E 0	OREGON ST HSG & CMNTY 5.625% 01/01/29		04/01/2012	Call 100.0000		330,000	330,000	354,760	332,220		(2,220)		(2,220)	330,000			0	13,922	07/01/2012	1FE	
83712D QV 1	SOUTH CAROLINA HSG 6.000% 07/01/38		04/01/2012	Call 100.0000		10,000	10,000	10,842	10,629		(629)		(629)	10,000			0	450	01/01/2017	1FE	
88275F MU 0	TEXAS ST HSG & CMNTY 5.625% 03/01/39		06/01/2012	Call 100.0000		215,000	215,000	228,653	220,285		(5,285)		(5,285)	215,000			0	7,992	03/01/2016	1FE	
92418P AW 7	VERMONT HSG FIN SF 6.000% 05/01/36		05/01/2012	Call 100.0000		415,000	415,000	448,445	424,894		(9,894)		(9,894)	415,000			0	12,450	11/01/2013	1FE	
92418P CZ 8	VERMONT HSG FIN SF 5.500% 11/01/37		05/01/2012	Call 100.0000		355,000	355,000	377,113	362,401		(7,401)		(7,401)	355,000			0	9,763	05/01/2014	1FE	
924190 BC 4	VERMONT HSG FIN AGY 5.750% 05/01/36		05/01/2012	Call 100.0000		570,000	570,000	615,412	585,981		(15,981)		(15,981)	570,000			0	16,388	11/01/2014	1FE	
93978T CW 7	WASHINGTON ST HSG 5.750% 12/01/37		06/01/2012	Call 100.0000		875,000	875,000	891,406	885,929		(10,929)		(10,929)	875,000			0	25,156	11/30/2015	1FE	
3199999	Total - Bonds - U.S. Special Revenue & Assessment					8,094,042	8,094,042	8,488,143	8,301,748	0	(210,737)	0	(210,737)	8,094,042	0	0	0	214,445	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous</b>																					
00764M DX 2	AABST 2004-6 M1 0.785% 03/25/35		06/25/2012	Paydown		314,601	314,601	305,163	309,733		4,868		4,868	314,601			0	1,022	03/25/2035	1FM	
03523T AT 5	ANHEUSER-BUSCH INBEV 3.625% 04/15/15		06/20/2012	Deutsche Bank		21,478,900	20,000,000	19,959,400	19,972,101		3,719		3,719	19,975,819		1,503,081	1,503,081	493,403	04/15/2015	1FE	
05532F AE 2	BCAP 2009-RR11 2A1 2.400% 10/26/35		06/01/2012	Paydown		476,312	476,312	466,190	469,254		7,057		7,057	476,312			0	4,782	10/26/2035	1FM	
05532X EZ 2	BCAP 2010-RR4 12A1 4.000% 07/26/36		06/01/2012	Paydown		786,217	786,217	774,915	778,241		7,976		7,976	786,217			0	13,026	07/26/2036	1FM	
055669 AC 9	BMWLT 2010-1 A3 0.820% 04/15/13		06/15/2012	Paydown		6,403,222	6,403,222	6,402,222	6,402,981		241		241	6,403,222			0	21,701	04/15/2013	1FE	

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## 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	Forfeiture	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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
05946X	XP 3		06/01/2012	Paydown		185,559	185,559	150,127	150,127		35,433		35,433		185,559			0	2,135	01/20/2050	1FM
05947U	VC 9		06/01/2012	Paydown		77,815	77,815	82,916	81,114	(3,299)			(3,299)		77,815			0	1,829	06/10/2039	1FM
05950V	AG 5		05/01/2012	Paydown				210,079	146,728	(146,728)			(146,728)					0	38,313	10/10/2045	1FE
06052J	AC 6		06/15/2012	Paydown		1,484,768	1,484,768	1,484,712	1,484,758	11			11		1,484,768			0	8,511	03/17/2014	1FE
07383F	7X 0		06/01/2012	Paydown				1,947,968	498,901	(498,901)			(498,901)					0	195,779	06/11/2041	1FE
07387B	DY 6		05/01/2012	Paydown		1,077,900	1,077,900	1,083,788	1,076,342	1,558			1,558		1,077,900			0	23,197	12/11/2040	1FM
12557Y	AC 1		06/15/2012	Paydown		3,512,336	3,512,336	3,561,728	3,527,279	(14,943)			(14,943)		3,512,336			0	34,995	05/15/2013	1FE
126192	AA 1		06/01/2012	Paydown		386,678	386,678	386,678	386,678	7			7		386,678			0	746	12/10/2044	1FE
124608	GN 7		04/02/2012	BB&T Capital Markets		5,765,150	5,000,000	5,575,250	5,372,437	(27,965)			(27,965)		5,344,472		420,678	420,678	159,722	04/01/2015	2FE
14986D	AL 4		04/01/2012	Paydown				510,186	293,230	(293,230)			(293,230)					0	64,991	10/15/2048	1FE
15231A	AC 0		06/25/2012	Paydown		825,948	825,948	766,067	766,067	59,881			59,881		825,948			0	537	06/25/2036	1FM
17307G	4V 7		06/25/2012	Paydown		1,113,288	1,113,288	907,330	1,058,760	54,527			54,527		1,113,288			0	2,435	01/25/2036	1FM
22540V	G6 3		06/01/2012	Paydown		1,100	1,100	1,116	1,064	95		(59)	36		1,100			0	34	03/25/2040	1FM
22541N	UJ 6		06/01/2012	Paydown		1,532,765	1,532,765	1,508,456	1,526,132	6,633			6,633		1,532,765			0	34,386	12/15/2035	1FM
225458	WL 8		06/01/2012	Paydown				9,283,026	1,019,427	(1,019,427)			(1,019,427)					0	1,275,427	07/15/2037	1FE
29372E	AB 4		06/20/2012	Paydown		1,650,611	1,650,611	1,650,539	1,650,558	53			53		1,650,611			0	10,471	10/20/2016	1FE
32027N	RX 1		06/25/2012	Paydown			450,888	13,527	12,115	1,411		(13,527)	(12,116)					0	1,838	09/25/2035	6FM
34528R	AF 9		06/15/2012	Paydown		5,798,851	5,798,851	6,348,836	5,920,135	(121,284)			(121,284)		5,798,851			0	145,275	05/15/2014	1FE
36161H	AC 5		06/14/2012	Paydown		2,686,054	2,686,054	2,685,940	2,685,960	94			94		2,686,054			0	10,487	07/14/2014	1FE
361849	VV 1		06/01/2012	Paydown		8,211,596	8,211,596	8,626,346	8,324,345	(112,749)			(112,749)		8,211,596			0	167,429	07/10/2039	1FM
3622N6	AG 4		06/01/2012	Paydown		57,746	57,746	56,949	56,949	797			797		57,746			0	663	02/25/2051	1FM
396789	ER 6		06/01/2012	Paydown		713,483	713,483	725,048	717,199	(3,716)			(3,716)		713,483			0	13,829	01/05/2036	1FM
43812W	AC 1		06/15/2012	Paydown		2,590,690	2,590,690	2,590,251	2,590,643	47			47		2,590,690			0	24,709	05/15/2013	1FE
45660L	DG 1		06/01/2012	Paydown		100,130	100,130	83,506	83,506	16,624			16,624		100,130			0	978	03/25/2035	1FM
466247	QX 4		06/01/2012	Paydown		400,705	400,705	412,926	409,789	(9,085)			(9,085)		400,705			0	7,811	06/25/2035	1FM
46628K	AT 7		06/01/2012	Paydown		360,824	360,824	350,183	305,658	65,427	(10,260)		55,167		360,824			0	4,606	08/25/2034	1FM
46637E	AA 1		06/22/2012	CSFBdirect		9,335,620	9,113,132	9,152,997	4,556,549	(3,753)			(3,753)		9,149,232		186,388	186,388	101,452	11/13/2044	1FM
46637E	AA 1		06/09/2012	Paydown		435,209	435,209	437,113	217,604	(1,903)			(1,903)		435,209			0	3,577	11/13/2044	1FM
493268	CG 9		06/27/2012	Paydown		710,340	710,340	684,590	694,732	15,608			15,608		710,340			0	2,359	03/27/2024	1FE
493268	CH 7		06/27/2012	Paydown		203,873	203,873	170,234	182,468	21,406			21,406		203,873			0	781	09/28/2026	1FE
52108H	3H 5		05/22/2012	Various		14,061,906	12,800,000	13,508,000	13,297,785	(58,955)			(58,955)		13,238,831		823,076	823,076	299,959	04/15/2030	1FM
52108H	UL 6		04/25/2012	CSFBdirect		14,950,589	14,862,343	15,024,900	14,866,280	5,390			5,390		14,871,671		78,918	78,918	261,619	09/15/2027	1FM
52108H	UL 6		04/11/2012	Paydown		78,840	78,840	79,702	78,861	(21)			(21)		78,840			0	1,198	09/15/2027	1FM
55312V	AQ 1		06/01/2012	Paydown				106,188	96,669	(96,669)			(96,669)					0	19,527	12/12/2049	1FE
59020U	H2 4		04/25/2012	Paydown		286,420	286,420	270,667	285,355	1,065			1,065		286,420			0	644	06/25/2036	1FM
61748L	AD 4		06/25/2012	Paydown		511,046	511,046	341,246	341,246	169,800			169,800		511,046			0	913	05/25/2042	1FM

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## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
658262 DV 9	NCSEA 2005-P A1 0.577% 06/01/20.....		06/01/2012	Paydown.....		508,167	508,167	494,371	492,688		15,479		15,479		508,167			0	1,594	06/01/2020	1FE.....
76112B HW 3	RAMP 2005-RS1 A14 4.630% 01/25/35.....		06/01/2012	Paydown.....		153,344	153,344	142,993	143,456		9,888		9,888		153,344			0	3,055	01/25/2035	1FM.....
78445Q AA 9	SLMA 2010-C A1 1.892% 12/15/17.....		06/15/2012	Paydown.....		775,364	775,364	775,364	775,461		(97)		(97)		775,364			0	6,279	12/15/2017	1FE.....
78446X AA 3	SLMA 2012-B A1 1.342% 12/15/21.....		06/15/2012	Paydown.....		1,099,023	1,099,023	1,099,023					0		1,099,023			0	1,643	12/15/2021	1FE.....
855541 AB 4	STARM 2007-S1 2A1 2.875% 01/25/37.....		06/01/2012	Paydown.....		31,261	31,261	27,455	27,455		3,806		3,806		31,261			0	343	01/25/2037	1FM.....
863579 XC 7	SARM 2005-18 3A1 2.800% 10/25/50.....		06/01/2012	Paydown.....		541,439	541,439	413,267	413,267		128,172		128,172		541,439			0	6,286	10/25/2050	1FM.....
86360L AC 0	SASC 2006-WF2 A3 0.395% 07/25/36.....		06/25/2012	Paydown.....		1,275,554	1,275,554	1,227,720			47,833		47,833		1,275,554			0	1,710	07/25/2036	1FM.....
92867E AC 2	VWALT 2010-A A3 0.990% 11/20/13.....		06/20/2012	Paydown.....		4,374,783	4,374,783	4,374,366	4,374,506		277		277		4,374,783			0	19,487	11/20/2013	1FE.....
929766 Z7 1	WBCMT 2005-C19 XP 0.834% 05/15/44.....		06/01/2012	Paydown.....				1,520,940	390,876		(390,876)		(390,876)					0	487,094	05/15/2044	1FE.....
983130 AS 4	WYNN LAS VEGAS LLC/CORP 5.375% 03/15/22.....		05/03/2012	Deutsche Bank.....		5,000,000	5,000,000	5,000,000					0		5,000,000			0	41,806	03/15/2022	3FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					122,326,027	118,960,225	133,762,497	108,160,724		66,933		(2,209,197)		119,313,887		3,012,141	3,012,141	4,026,393	....XXX...	....XXX...
8399997.	Total - Bonds - Part 4.....					144,028,818	140,677,664	155,727,496	117,585,815		66,933		(2,415,371)		140,889,350		3,139,468	3,139,468	4,286,208	....XXX...	....XXX...
8399999.	Total - Bonds.....					144,028,818	140,677,664	155,727,496	117,585,815		66,933		(2,415,371)		140,889,350		3,139,468	3,139,468	4,286,208	....XXX...	....XXX...
<b>Common Stocks - Industrial and Miscellaneous</b>																					
20825C 10 4	CONOCOPHILLIPS.....		05/01/2012	Various.....		426,376	XXX	426,376	573,561		(147,184)		(147,184)		426,376			0	....XXX...	L.....	
28336L 10 9	EL PASO CORP.....		05/25/2012	State Street Bank.....		11,000,000	290,695	130,829	292,270		(161,442)		(161,442)		130,829		159,866	159,866	220	....XXX...	L.....
49456B 10 1	KINDER MORGAN INC.....		06/20/2012	State Street Bank.....		3	XXX	3					0		3			0	....XXX...	L.....	
58405U 10 2	MEDCO HEALTH SOLUTIONS.....		04/02/2012	State Street Bank.....		6,000,000	517,441	344,641	335,400		9,241		9,241		344,641		172,800	172,800	....XXX...	L.....	
620097 10 5	MOTOROLA MOBILITY HOLDI.....		05/15/2012	Morgan Stanley.....		6,825,000	268,353	35,414	264,810		(229,396)		(229,396)		35,414		232,939	232,939	....XXX...	L.....	
803111 10 3	SARA LEE CORP.....		06/28/2012	State Street Bank.....		15,200,000	284,454	225,220	287,584		(62,364)		(62,364)		225,220		59,234	59,234	3,496	....XXX...	L.....
00B58J VZ 7	SEAGATE TECHNOLOGY.....	F...	05/15/2012	Morgan Stanley.....		10,569,000	331,225	45,975	173,332		(127,356)		(127,356)		45,975		285,250	285,250	5,285	....XXX...	L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....					2,118,547	XXX	1,208,458	1,926,957		(718,501)		(718,501)		1,208,458		910,089	910,089	9,001	....XXX...	....XXX...
9799997.	Total - Common Stocks - Part 4.....					2,118,547	XXX	1,208,458	1,926,957		(718,501)		(718,501)		1,208,458		910,089	910,089	9,001	....XXX...	....XXX...
9799999.	Total - Common Stocks.....					2,118,547	XXX	1,208,458	1,926,957		(718,501)		(718,501)		1,208,458		910,089	910,089	9,001	....XXX...	....XXX...
9899999.	Total - Preferred and Common Stocks.....					2,118,547	XXX	1,208,458	1,926,957		(718,501)		(718,501)		1,208,458		910,089	910,089	9,001	....XXX...	....XXX...
9999999.	Total - Bonds, Preferred and Common Stocks.....					146,147,365	XXX	156,935,954	119,512,772		(651,568)		(3,066,939)		142,097,808		4,049,557	4,049,557	4,295,209	....XXX...	....XXX...

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(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 B-Sn 1  
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**

**PROGRESSIVE DIRECT INSURANCE COMPANY**  
**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			9 *
					6 First Month	7 Second Month	8 Third Month	

**Open Depositories**

CITIBANK PTY LTD..... SYDNEY, AUSTRALIA.....	.....	.....3.500	.....142,312	.....	.....6,592,982	.....5,052,500	.....18,637,362	XXX..
NATIONAL AUSTRALIAN BANK..... MELBOURNE, VICTORIA.....	.....	.....	.....	.....	.....565,606	.....736,787	.....800,835	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....142,312	.....0	.....7,158,588	.....5,789,287	.....19,438,197	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....142,312	.....0	.....7,158,588	.....5,789,287	.....19,438,197	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	.....142,312	.....0	.....7,158,588	.....5,789,287	.....19,438,197	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
<b>Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations</b>							
GENERAL ELEC CAP CORP.....		06/19/2012	0.060	07/03/2012	49,999,833		1,000
HEWLETT-PACKARD CO.....		06/26/2012	0.250	07/30/2012	4,998,993		174
PRAXAIR INC.....		06/25/2012	0.080	07/06/2012	23,999,734		320
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					78,998,560	.0	1,494
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					78,998,560	.0	1,494
<b>Total Bonds</b>							
7799999. Subtotals - Issuer Obligations.....					78,998,560	.0	1,494
8399999. Subtotals - Bonds.....					78,998,560	.0	1,494
8699999. Total - Cash Equivalents.....					78,998,560	.0	1,494

QE12