



# QUARTERLY STATEMENT

As of September 30, 2012

of the Condition and Affairs of the

## PROGRESSIVE BAYSIDE INSURANCE COMPANY

NAIC Group Code.....155, 155  
(Current Period) (Prior Period)

Organized under the Laws of OH

Incorporated/Organized..... March 27, 1986

Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 17350

State of Domicile or Port of Entry OH

Employer's ID Number..... 31-1193845

Country of Domicile US

Commenced Business..... May 19, 1992

6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... 44143-2182

(Street and Number) (City or Town, State and Zip Code)

6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... 44143-2182

440-461-5000

(Area Code) (Telephone Number)

P.O. BOX 89490..... CLEVELAND ..... OH ..... 44101-6490

(Street and Number or P. O. Box) (City or Town, State and Zip Code)

6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... 44143-2182

440-395-4460

(Area Code) (Telephone Number)

(Street and Number) (City or Town, State and Zip Code)

PROGRESSIVE.COM

MARY BETH ANDREANO

440-395-4460

(Name)

FINANCIAL\_REPORTING@PROGRESSIVE.COM

(Area Code) (Telephone Number) (Extension)

(E-Mail Address)

440-446-7168

(Fax Number)

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

### OFFICERS

Name  
KAREN MARIE BARONE  
THOMAS ALFRED KING

Title  
PRESIDENT  
TREASURER

Name  
DANE ALLEN SHRALLOW

Title  
SECRETARY

MARY BETH ANDREANO  
JAMES LEE KUSMER

(VICE PRESIDENT)  
(ASST. TREASURER)

KATHLEEN MARY CERNY

(ASST. SECRETARY)

### DIRECTORS OR TRUSTEES

KAREN MARIE BARONE  
DAVID LLOYD PRATT

THOMAS HUDSON HOLLYER

KATHRYN MARGARET LEMIEUX

DANIEL PETER MASCARO

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

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

(Signature)  
KAREN MARIE BARONE  
1. (Printed Name)  
PRESIDENT  
(Title)

(Signature)  
KATHLEEN MARY CERNY  
2. (Printed Name)  
ASSISTANT SECRETARY  
(Title)

(Signature)  
THOMAS ALFRED KING  
3. (Printed Name)  
TREASURER  
(Title)

Subscribed and sworn to before me  
This 8TH day of NOVEMBER, 2012

a. Is this an original filing?  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

Yes [ X ] No [ ]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PROGRESSIVE BAYSIDE INSURANCE COMPANY**  
**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.....	.....86,530,807		.....86,530,807	.....84,071,043
2. Stocks:				
2.1 Preferred stocks.....			.....0	
2.2 Common stocks.....			.....0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.....0	
3.2 Other than first liens.....			.....0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.....0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.....0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.....0	
5. Cash (\$.....0), cash equivalents (\$....9,499,572) and short-term investments (\$.....0).....	.....9,499,572		.....9,499,572	
6. Contract loans (including \$.....0 premium notes).....			.....0	
7. Derivatives.....			.....0	
8. Other invested assets.....			.....0	
9. Receivables for securities.....	.....32,750		.....32,750	
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).....	.....96,063,129	.....0	.....96,063,129	.....84,071,043
13. Title plants less \$.....0 charged off (for Title insurers only).....			.....0	
14. Investment income due and accrued.....	.....921,731		.....921,731	.....1,048,288
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	.....1,298,375	.....49,306	.....1,249,069	.....(306,851)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	.....2,461,195		.....2,461,195	.....2,358,577
15.3 Accrued retrospective premiums.....			.....0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	.....115,547		.....115,547	.....(141,831)
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.....	.....2,921,606		.....2,921,606	.....2,604,093
19. Guaranty funds receivable or on deposit.....			.....0	
20. Electronic data processing equipment and software.....			.....0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.....0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0	
23. Receivables from parent, subsidiaries and affiliates.....	.....423,214		.....423,214	.....5,352,127
24. Health care (\$.....0) and other amounts receivable.....			.....0	
25. Aggregate write-ins for other than invested assets.....	.....17,424	.....17,424	.....0	.....0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....104,222,221	.....66,730	.....104,155,491	.....94,985,446
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0	
28. Total (Lines 26 and 27).....	.....104,222,221	.....66,730	.....104,155,491	.....94,985,446

**DETAILS OF WRITE-INS**

1101.....			.....0	
1102.....			.....0	
1103.....			.....0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0	.....0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0	.....0
2501. PREPAID EXPENSES.....	.....16,801	.....16,801	.....0	
2502. MISCELLANEOUS OTHER ASSETS.....	.....623	.....623	.....0	
2503.....			.....0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....17,424	.....17,424	.....0	.....0

**PROGRESSIVE BAYSIDE INSURANCE COMPANY**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....15,494,300)	30,775,491	28,553,958
2. Reinsurance payable on paid losses and loss adjustment expenses	453,823	608,294
3. Loss adjustment expenses	6,220,075	6,022,473
4. Commissions payable, contingent commissions and other similar charges	115,330	129,431
5. Other expenses (excluding taxes, licenses and fees)	4,301,284	2,840,285
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	558,034	590,387
7.1 Current federal and foreign income taxes (including \$....2,553 on realized capital gains (losses))	390,934	399,706
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 \$....7,738,127 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)	28,428,488	25,309,698
10. Advance premium	209,830	142,052
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	(0)	
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	1,071,707	1,485,971
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	34,325	136,122
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	72,559,321	66,218,377
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	72,559,321	66,218,377
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	1,500,000	1,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		
34. Gross paid in and contributed surplus	12,000,000	12,000,000
35. Unassigned funds (surplus)	18,096,170	15,267,069
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)	31,596,170	28,767,069
38. Totals	104,155,491	94,985,446

**DETAILS OF WRITE-INS**

2501. ESCHEATABLE PROPERTY	.33,305	.131,894
2502. UNEARNED FEE RESERVE	.874	1,015
2503. OTHER LIABILITIES	.146	3,213
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)	.34,325	.136,122
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 BAYSIDE 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 \$....15,721,060)	15,896,751	20,443,525	26,357,380
1.2 Assumed..... (written \$....69,436,575)	66,317,785	62,450,946	83,576,661
1.3 Ceded..... (written \$....15,721,060)	15,896,751	20,443,525	26,357,380
1.4 Net..... (written \$....69,436,575)	66,317,785	62,450,946	83,576,661
DEDUCTIONS:			
2. Losses incurred (current accident year \$....42,628,520):			
2.1 Direct.....	7,268,652	10,499,888	12,687,498
2.2 Assumed.....	42,976,075	38,240,703	51,483,958
2.3 Ceded.....	7,268,652	10,499,888	12,687,498
2.4 Net.....	42,976,075	38,240,703	51,483,958
3. Loss adjustment expenses incurred.....	7,003,979	6,453,053	8,652,110
4. Other underwriting expenses incurred.....	14,606,715	14,083,715	18,610,083
5. Aggregate write-ins for underwriting deductions.....	0	2	2
6. Total underwriting deductions (Lines 2 through 5).....	64,586,769	58,777,473	78,746,153
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	1,731,016	3,673,473	4,830,508
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	1,181,405	1,365,930	1,802,511
10. Net realized capital gains (losses) less capital gains tax of \$....236,670.....	431,990	1,004,739	1,167,101
11. Net investment gain (loss) (Lines 9 + 10).....	1,613,395	2,370,669	2,969,612
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....27,680 amount charged off \$....83,699).....	(56,019)	(83,305)	(103,866)
13. Finance and service charges not included in premiums.....	309,871	403,646	514,912
14. Aggregate write-ins for miscellaneous income.....	91,061	34,113	102,476
15. Total other income (Lines 12 through 14).....	344,913	354,454	513,522
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	3,689,324	6,398,596	8,313,642
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).....	3,689,324	6,398,596	8,313,642
19. Federal and foreign income taxes incurred.....	1,186,057	1,797,817	2,110,025
20. Net income (Line 18 minus Line 19) (to Line 22).....	2,503,267	4,600,779	6,203,617
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	28,767,069	27,452,899	27,452,899
22. Net income (from Line 20).....	2,503,267	4,600,779	6,203,617
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	310,624	282,972	81,901
27. Change in nonadmitted assets.....	8,321	(115,955)	28,652
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....	6,889		
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			(5,000,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	2,829,101	4,767,796	1,314,170
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	31,596,170	32,220,695	28,767,069

**DETAILS OF WRITE-INS**

0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW (REFUNDS).....		2	2
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).....	0	2	2
1401. MISCELLANEOUS INCOME.....	82,805	24,796	90,546
1402. SERVICE BUSINESS REVENUE.....	6,659	7,879	10,408
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	1,597	1,438	1,522
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).....	91,061	34,113	102,476
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

**PROGRESSIVE BAYSIDE INSURANCE COMPANY**  
**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.....	67,877,541	62,834,648	84,957,054
2. Net investment income.....	2,315,704	2,474,089	3,270,785
3. Miscellaneous income.....	338,308	342,713	496,704
4. Total (Lines 1 through 3).....	70,531,554	65,651,450	88,724,543
5. Benefit and loss related payments.....	41,166,391	37,734,948	50,183,231
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	19,998,547	19,591,289	27,441,280
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$....321,614 tax on capital gains (losses).....	1,431,499	2,053,976	2,872,401
10. Total (Lines 5 through 9).....	62,596,437	59,380,213	80,496,912
11. Net cash from operations (Line 4 minus Line 10).....	7,935,117	6,271,237	8,227,631
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	31,984,688	36,424,930	40,439,561
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	31,984,688	36,424,930	40,439,561
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	34,783,534	26,180,801	31,821,301
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	32,750		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	34,816,284	26,180,801	31,821,301
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).....	(2,831,596)	10,244,129	8,618,260
<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.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....		7,000,000	12,000,000
16.6 Other cash provided (applied).....	4,396,051	4,684,589	(4,845,891)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	4,396,051	(2,315,411)	(16,845,891)
<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).....	9,499,572	14,199,955	0
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	0	(0)	(0)
19.2 End of period (Line 18 plus Line 19.1).....	9,499,572	14,199,955	0

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 Bayside 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

The Company does not own any loan-backed or structured debt securities.

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

No significant change

## 7. Investment Income

No significant change

## 8. Derivative Instruments

No significant change

## 9. Income Taxes

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

## 1. The components of the DTA in accordance with SSAP 101 - Income Taxes, are as follows:

Description	September 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	\$ 3,552,266	\$ 2,506	\$ 3,554,772	\$ 3,317,590	\$ -	\$ 3,317,590	\$ 234,676	\$ 2,506	\$ 237,182
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	\$ 3,552,266	\$ 2,506	\$ 3,554,772	\$ 3,317,590	\$ -	\$ 3,317,590	\$ 234,676	\$ 2,506	\$ 237,182
(d) Deferred tax assets nonadmitted	-	-	-	6,889	-	6,889	(6,889)	-	(6,889)
(e) Subtotal (net deferred tax assets) (1c-1d)	\$ 3,552,266	\$ 2,506	\$ 3,554,772	\$ 3,310,701	\$ -	\$ 3,310,701	\$ 241,565	\$ 2,506	\$ 244,071
(f) Deferred tax liabilities	600,327	32,839	633,166	679,475	27,133	706,608	(79,148)	5,706	(73,442)
(g) Net admitted deferred tax assets (1e-1f)	\$ 2,951,939	\$ (30,333)	\$ 2,921,606	\$ 2,631,226	\$ (27,133)	\$ 2,604,093	\$ 320,713	\$ (3,200)	\$ 317,513

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

Description	(1) September 30, 2012	(2) December 31, 2011	(3) (Col 1-2) Change
(a) Federal income tax expense (benefit)	\$ 1,191,821	\$ 2,117,896	\$ (926,075)
(b) Foreign income tax expense (benefit)	-	-	-
(c) Prior year underaccrual (overaccrual)	(5,764)	(7,871)	2,107
(d) Subtotal	\$ 1,186,057	\$ 2,110,025	\$ (923,968)
(e) Federal income tax (benefit) on net realized capital gains (losses)	236,656	582,284	(345,628)
(f) Utilization of capital loss carry-forwards	-	-	-
(g) Prior year underaccrual (overaccrual)	14	17,172	(17,158)
(h) Subtotal	\$ 236,670	\$ 599,456	\$ (362,786)
(i) Federal and Foreign income taxes incurred	\$ 1,422,727	\$ 2,709,481	\$ (1,286,754)

**NOTES TO FINANCIAL STATEMENTS****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:

<b>Description</b>	<b>Tax Effect Amount</b>	<b>Effective Tax Rate</b>
Provision computed at statutory rate	\$ 1,374,098	35%
Exempt interest income	(275,034)	-7%
Prior year underaccrual (overaccrual)	421	0%
Impact of nonadmitted assets	2,913	0%
Other	9,706	0%
<b>Total</b>	<b>\$ 1,112,103</b>	<b>28%</b>
Federal and foreign income taxes incurred	\$ 1,422,727	
Change in net deferred income tax	(310,624)	
<b>Total statutory income taxes</b>	<b>\$ 1,112,103</b>	

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

No significant change

**11. Debt**

No significant change

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

No significant change

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

No significant change

**14. Contingencies****E. All Other Contingencies**

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 a 100% pooling reinsurance agreement for which it is allocated litigation expenses.

**15. Leases**

No significant change

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

No significant change

**17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities****C. Wash Sales**

The Company had no wash sales of securities with a 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.

As of September 30, 2012, the Company did not measure and report any securities at fair value on the balance sheet. All bonds were carried at amortized cost.

**NOTES TO FINANCIAL STATEMENTS**

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2. Rollforward of Level 3 Items  
Not applicable

3. Policy on Transfers Into and Out of Level 3  
Not applicable

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values  
Not applicable

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

H. Agents' Balances Certification, Florida Statute 625.012 (5):  
At September 30, 2012, the Company reported net admitted premiums and agents' balances in course of collection of \$1,249,069. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent  
The Company was not impacted by any subsequent events. Subsequent events have been considered through November 9, 2012 for the statutory statement that was available for issuance by November 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 increased by \$359,000 in 2012, which is approximately 1.0% of the total prior year net unpaid losses and LAE of \$34,576,431. The increase is primarily due to an increase in originally anticipated severity of 1.7% for private passenger auto liability reserves for accident year 2011, partially offset by favorable development for years 2009 and prior. This increase was partially offset by a decrease in originally anticipated severity of .4% for accident year 2011 for auto physical damage.

26. Intercompany Pooling Arrangements  
No significant change

27. Structured Settlements  
No significant change

28. Health Care Receivables  
No significant change

29. Participating Accident and Health Policies  
No significant change

30. Premium Deficiency Reserves  
No significant change

31. High Deductibles  
No significant change

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses  
No significant change

33. Asbestos and Environmental Reserves  
No significant change

34. Subscriber Savings Accounts  
No significant change

35. Multiple Peril Crop Insurance  
No significant change

36. Financial Guaranty Insurance  
No significant change

# PROGRESSIVE BAYSIDE 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 [ ] No [X] N/A [ ]  
If yes, attach an explanation.  
\_\_\_\_\_  
\_\_\_\_\_

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

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 6/29/2009.....

6.4 By what department or departments?  
FLORIDA

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 BAYSIDE 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 [X] 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 [X]

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

---

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

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

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

14.2 If yes, please complete the following:

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

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

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

---

16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET NEW YORK, NY 10013

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

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

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

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

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

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
NONE		

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

17.2 If no, list exceptions:

---

**PROGRESSIVE BAYSIDE 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:

---

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
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

**PROGRESSIVE BAYSIDE INSURANCE COMPANY**  
**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

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

**NONE**

**PROGRESSIVE BAYSIDE INSURANCE COMPANY**  
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

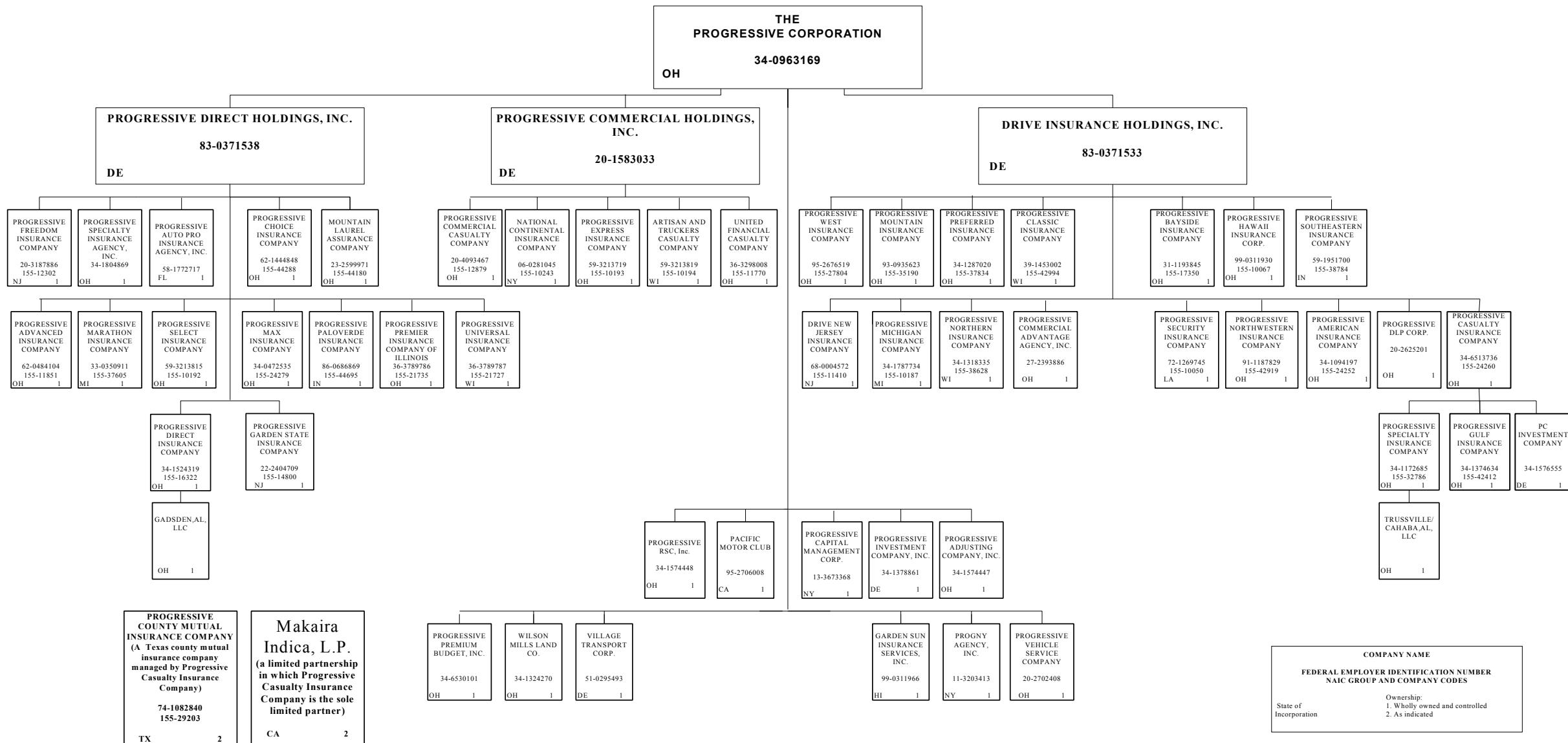
States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....	.AL	.....N.....	.....	.....	.....	.....	.....
2. Alaska.....	.AK	.....N.....	.....	.....	.....	.....	.....
3. Arizona.....	.AZ	.....N.....	.....	.....	.....	.....	.....
4. Arkansas.....	.AR	.....N.....	.....	.....	.....	.....	.....
5. California.....	.CA	.....N.....	.....	.....	.....	.....	.....
6. Colorado.....	.CO	.....N.....	.....	.....	.....	.....	.....
7. Connecticut.....	.CT	.....N.....	.....	.....	.....	.....	.....
8. Delaware.....	.DE	.....N.....	.....	.....	.....	.....	.....
9. District of Columbia.....	.DC	.....N.....	.....	.....	.....	.....	.....
10. Florida.....	.FL	.....L.....	.....	.....(497).....	.....(1,389).....	.....	.....
11. Georgia.....	.GA	.....L.....	15,721,060	19,986,027	8,192,946	12,205,693	5,635,781
12. Hawaii.....	.HI	.....N.....	.....	.....	.....	.....	.....
13. Idaho.....	.ID	.....N.....	.....	.....	.....	.....	.....
14. Illinois.....	.IL	.....N.....	.....	.....	.....	.....	.....
15. Indiana.....	.IN	.....N.....	.....	.....	.....	.....	.....
16. Iowa.....	.IA	.....N.....	.....	.....	.....	.....	.....
17. Kansas.....	.KS	.....N.....	.....	.....	.....	.....	.....
18. Kentucky.....	.KY	.....N.....	.....	.....	.....	.....	.....
19. Louisiana.....	.LA	.....N.....	.....	.....	.....	.....	.....
20. Maine.....	.ME	.....N.....	.....	.....	.....	.....	.....
21. Maryland.....	.MD	.....N.....	.....	.....	.....	.....	.....
22. Massachusetts.....	.MA	.....N.....	.....	.....	.....	.....	.....
23. Michigan.....	.MI	.....N.....	.....	.....	.....	.....	.....
24. Minnesota.....	.MN	.....N.....	.....	.....	.....	.....	.....
25. Mississippi.....	.MS	.....N.....	.....	.....	.....	.....	.....
26. Missouri.....	.MO	.....N.....	.....	.....	.....	.....	.....
27. Montana.....	.MT	.....N.....	.....	.....	.....	.....	.....
28. Nebraska.....	.NE	.....N.....	.....	.....	.....	.....	.....
29. Nevada.....	.NV	.....N.....	.....	.....	.....	.....	.....
30. New Hampshire.....	.NH	.....N.....	.....	.....	.....	.....	.....
31. New Jersey.....	.NJ	.....N.....	.....	.....	.....	.....	.....
32. New Mexico.....	.NM	.....N.....	.....	.....	.....	.....	.....
33. New York.....	.NY	.....N.....	.....	.....	.....	.....	.....
34. North Carolina.....	.NC	.....N.....	.....	.....	.....	.....	.....
35. North Dakota.....	.ND	.....N.....	.....	.....	.....	.....	.....
36. Ohio.....	.OH	.....L.....	.....	.....	.....	.....	.....
37. Oklahoma.....	.OK	.....N.....	.....	.....	.....	.....	.....
38. Oregon.....	.OR	.....N.....	.....	.....	.....	.....	.....
39. Pennsylvania.....	.PA	.....N.....	.....	.....	.....	.....	.....
40. Rhode Island.....	.RI	.....N.....	.....	.....	.....	.....	.....
41. South Carolina.....	.SC	.....N.....	.....	.....	.....	.....	.....
42. South Dakota.....	.SD	.....N.....	.....	.....	.....	.....	.....
43. Tennessee.....	.TN	.....N.....	.....	.....	.....	.....	.....
44. Texas.....	.TX	.....N.....	.....	.....	.....	.....	.....
45. Utah.....	.UT	.....N.....	.....	.....	.....	.....	.....
46. Vermont.....	.VT	.....N.....	.....	.....	.....	.....	.....
47. Virginia.....	.VA	.....N.....	.....	.....	.....	.....	.....
48. Washington.....	.WA	.....N.....	.....	.....	.....	.....	.....
49. West Virginia.....	.WV	.....N.....	.....	.....	.....	.....	.....
50. Wisconsin.....	.WI	.....N.....	.....	.....	.....	.....	.....
51. Wyoming.....	.WY	.....N.....	.....	.....	.....	.....	.....
52. American Samoa.....	.AS	.....N.....	.....	.....	.....	.....	.....
53. Guam.....	.GU	.....N.....	.....	.....	.....	.....	.....
54. Puerto Rico.....	.PR	.....N.....	.....	.....	.....	.....	.....
55. US Virgin Islands.....	.VI	.....N.....	.....	.....	.....	.....	.....
56. Northern Mariana Islands.....	.MP	.....N.....	.....	.....	.....	.....	.....
57. Canada.....	.CN	.....N.....	.....	.....	.....	.....	.....
58. Aggregate Other Alien.....	.OT	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
59. Totals.....	(a).....3	.....15,721,060.....	.....19,986,027.....	.....8,192,449.....	.....12,204,304.....	.....5,635,781.....	.....7,224,626.....

## DETAILS OF WRITE-INS

5801.....	.....XXX.....	.....	.....	.....	.....	.....	.....
5802.....	.....XXX.....	.....	.....	.....	.....	.....	.....
5803.....	.....XXX.....	.....	.....	.....	.....	.....	.....
5898. Summary of remaining write-ins for Line 58 from overflow page.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....

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

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

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 – ORGANIZATIONAL CHART****AS OF 09/30/12**

**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)	*

**Members**

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.....	UDP.....	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.....	.....	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.....	NIA.....	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.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000....	.....	.....	.....	.....	Gadsden, AL, LLC.....	OH.....	NIA.....	Progressive Direct Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....

**SCHEDULE Y****PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *	
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.....	
0155...	The Progressive Insurance Group...	00000.....					Makaira Indica, LP.....	CA.....	NIA.....	Progressive Casualty Insurance Company.....	Other.....			The Progressive Corporation.	1, 3, 4...

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.
4	Makaira Indica, LP is a limited partnership in which Progressive Casualty Insurance Company is the sole limited partner.

# PROGRESSIVE BAYSIDE 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.....	1,331,564	450,107	33.8	40.9
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.....	607,215	33,875	5.6	8.5
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.....	7,925,644	3,995,708	50.4	53.3
19.3, 19.4 Commercial auto liability.....				0.0
21. Auto physical damage.....	6,032,328	2,788,961	46.2	54.9
22. Aircraft (all perils).....				0.0
23. Fidelity.....				0.0
24. Surety.....				0.0
26. Burglary and theft.....				0.0
27. Boiler and machinery.....				0.0
28. Credit.....				0.0
29. International.....				0.0
30. Warranty.....				0.0
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	0.0
35. Totals.....	15,896,751	7,268,651	45.7	51.4

**DETAILS OF WRITE-INS**

3401. ....			0.0	
3402. ....			0.0	
3403. ....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

## PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	476,701	1,448,099	1,725,168
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.....	228,412	671,231	789,758
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.....	2,552,143	7,713,123	9,885,477
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....	1,960,626	5,888,607	7,585,624
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.....	5,217,882	15,721,060	19,986,027

**DETAILS OF WRITE-INS**

3401. ....			
3402. ....			
3403. ....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

## PART 3 (000 omitted)

## LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2012 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2009 + Prior.....	5,759	1,252	7,011	2,770	145	2,915	2,903	198	.688	3,789	(87)	(221)	(307)
2. 2010.....	6,706	1,528	8,234	3,173	285	3,458	3,486	615	.788	4,888	(47)	160	113
3. Subtotals 2010 + Prior.....	12,465	2,779	15,245	5,943	430	6,373	6,389	813	1,476	8,677	(134)	(61)	(195)
4. 2011.....	14,744	4,587	19,332	8,396	1,409	9,805	6,619	1,557	1,905	10,081	.271	283	554
5. Subtotals 2011 + Prior.....	27,210	7,367	34,576	14,339	1,839	16,177	13,008	2,370	3,381	18,758	137	222	359
6. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	31,384	31,384	XXX.....	13,585	4,652	18,237	XXX.....	XXX.....	XXX.....
7. Totals.....	27,210	7,367	34,576	14,339	33,222	47,561	13,008	15,955	.8,033	36,996	.137	.222	.359
8. Prior Year-End's Surplus As Regards Policyholders											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. .....0.5 %	2. .....3.0 %	3. .....1.0 %
											Col. 13, Line 7 Line 8		
											4. .....1.2 %		

**PROGRESSIVE BAYSIDE 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.

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

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**

**NONE**

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

NONE

**SCHEDULE B - VERIFICATION**

## Mortgage Loans

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

NONE

**SCHEDULE BA - VERIFICATION**

## Other Long-Term Invested Assets

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

NONE

**SCHEDULE D - VERIFICATION**

## Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	84,071,043	92,283,117
2. Cost of bonds and stocks acquired.....	34,783,534	31,821,301
3. Accrual of discount.....	17,900	19,139
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	668,660	1,766,557
6. Deduct consideration for bonds and stocks disposed of.....	31,984,688	40,439,561
7. Deduct amortization of premium.....	1,025,642	1,379,510
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	86,530,807	84,071,043
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	86,530,807	84,071,043

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	92,576,348	26,974,141	23,160,000	(360,110)	91,687,450	92,576,348	96,030,379	84,071,043
2. Class 2 (a).....								
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	92,576,348	26,974,141	23,160,000	(360,110)	91,687,450	92,576,348	96,030,379	84,071,043
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	92,576,348	26,974,141	23,160,000	(360,110)	91,687,450	92,576,348	96,030,379	84,071,043

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**Sch. DA-Pt 1**  
**NONE**

**Sch. DA-Verification**  
**NONE**

**Sch. DB-Pt A-Verification**  
**NONE**

**Sch. DB-Pt B-Verification**  
**NONE**

**Sch. DB-Pt C-Sn 1**  
**NONE**

**Sch. DB-Pt C-Sn 2**  
**NONE**

**Sch. DB-Verification**  
**NONE**

**PROGRESSIVE BAYSIDE 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.....	0	
2. Cost of cash equivalents acquired.....	26,598,036	41,299,662
3. Accrual of discount.....	1,536	338
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	17,100,000	41,300,000
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	9,499,572	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	9,499,572	0

**Sch. A-Pt 2**  
**NONE**

**Sch. A-Pt 3**  
**NONE**

**Sch. B-Pt 2**  
**NONE**

**Sch. B-Pt 3**  
**NONE**

**Sch. BA-Pt 2**  
**NONE**

**Sch. BA-Pt 3**  
**NONE**

**SCHEDULE D - PART 3**

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

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

**Bonds - U.S. States, Territories and Possessions**

373384 YJ 9	GEORGIA ST 5.000% 07/01/19.....	.....	07/06/2012	JP Morgan Securities.....	.....	17,474,940	.....	14,000,000	.....	1FE.....
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....	.....			.....	17,474,940	.....	14,000,000	.....	0 XXX.....
8399997.	Total - Bonds - Part 3.....	.....			.....	17,474,940	.....	14,000,000	.....	0 XXX.....
8399999.	Total - Bonds.....	.....			.....	17,474,940	.....	14,000,000	.....	0 XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....	.....			.....	17,474,940	.....	XXX.....	.....	0 XXX.....

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

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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 Other Than Temporary Impairment	14 Total Change in B/A.C.V. (11+12-13)	15 Foreign Exchange Change in B/A.C.V.							

**Bonds - U.S. States, Territories and Possessions**

373383	GC	6	GEORGIA ST 5.750% 08/01/12.....	08/01/2012	Maturity.....	.....	770,000	.....770,000	.....881,388	.....777,950	.....	.....(7,950)	.....	.....(7,950)	.....	.....770,000	.....	.....	.....0	.....44,275	08/01/2012	1FE.....
1799999.			Total - Bonds - U.S. States, Territories & Possessions.....			.....	770,000	.....770,000	.....881,388	.....777,950	.....0	.....(7,950)	.....0	.....(7,950)	.....0	.....770,000	.....0	.....0	.....0	.....44,275	.....XXX..	..XXX..

**Bonds - U.S. Special Revenue and Special Assessment**

74265L	RL	4	PRIVATE COLL & UNIV GA 5.000% 09/01/12.....	09/01/2012	Maturity.....	.....	5,290,000	.....5,290,000	.....5,804,188	.....5,343,686	.....	.....(53,686)	.....	.....(53,686)	.....	.....5,290,000	.....	.....	.....0	.....264,500	09/01/2012	1FE.....
3199999.			Total - Bonds - U.S. Special Revenue & Assessment.....			.....	5,290,000	.....5,290,000	.....5,804,188	.....5,343,686	.....0	.....(53,686)	.....0	.....(53,686)	.....0	.....5,290,000	.....0	.....0	.....0	.....264,500	.....XXX..	..XXX..
8399997.			Total - Bonds - Part 4.....			.....	6,060,000	.....6,060,000	.....6,685,576	.....6,121,636	.....0	.....(61,636)	.....0	.....(61,636)	.....0	.....6,060,000	.....0	.....0	.....0	.....308,775	.....XXX..	..XXX..
8399999.			Total - Bonds.....			.....	6,060,000	.....6,060,000	.....6,685,576	.....6,121,636	.....0	.....(61,636)	.....0	.....(61,636)	.....0	.....6,060,000	.....0	.....0	.....0	.....308,775	.....XXX..	..XXX..
9999999.			Total - Bonds, Preferred and Common Stocks.....			.....	6,060,000	.....XXX.....	.....6,685,576	.....6,121,636	.....0	.....(61,636)	.....0	.....(61,636)	.....0	.....6,060,000	.....0	.....0	.....0	.....308,775	.....XXX..	..XXX..

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

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

**Sch. DB-Pt 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 BAYSIDE 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.....	NEW YORK, NY.....	.....	.....	.....	.....	.....	.....	XXX..
0199999_ Total Open Depositories.....	....XXX.....	....XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..
0399999_ Total Cash on Deposit.....	....XXX.....	....XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..
0599999_ Total Cash.....	....XXX.....	....XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations</b>							
AMERICAN HONDA FINANCE.....		09/12/2012	.....0.100	10/11/2012	.....4,499,875		.....237
BANK NOVA SCOTIA.....		09/20/2012	.....0.100	10/22/2012	.....3,999,767		.....122
DANAHER CORP.....		09/27/2012	.....0.100	10/26/2012	.....999,930		.....11
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					.....9,499,572	.....0	.....370
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					.....9,499,572	.....0	.....370
<b>Total Bonds</b>							
7799999. Subtotals - Issuer Obligations.....					.....9,499,572	.....0	.....370
8399999. Subtotals - Bonds.....					.....9,499,572	.....0	.....370
8699999. Total - Cash Equivalents.....					.....9,499,572	.....0	.....370