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QUARTERLY STATEMENT

As of September 30, 2012

of the Condition and Affairs of the

PROGRESSIVE SPECIALTY INSURANCE COMPANY

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

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

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

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

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

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

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

Subscribed and sworn to before me
This 8TH day of NOVEMBER, 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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	634,738,135		634,738,135	611,441,045
2. Stocks:				
2.1 Preferred stocks	99,675,600		99,675,600	108,377,098
2.2 Common stocks	102,495,522		102,495,522	101,693,201
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 ($.....97,897,327) and short-term investments ($.....239,131)	98,136,458		98,136,458	200,742
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	9,090,253	9,090,253	0	
9. Receivables for securities	775,669		775,669	13,533
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)	944,911,637	9,090,253	935,821,384	821,725,619
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	5,107,234		5,107,234	6,665,931
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	35,041,437	7,689,946	27,351,491	19,385,073
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	160,247,830		160,247,830	141,511,047
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,531,221		3,531,221	8,294,002
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	21,685,377		21,685,377	21,395,830
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	38,736,938		38,736,938	45,657,714
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	5,709,742	5,220,161	489,581	1,134,189
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	1,214,971,416	22,000,360	1,192,971,056	1,065,769,405
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	1,214,971,416	22,000,360	1,192,971,056	1,065,769,405

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS	489,581		489,581	1,134,189
2502. MISCELLANEOUS OTHER ASSETS	4,867,529	4,867,529	0	
2503. PREPAID EXPENSES	352,632	352,632	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)	5,709,742	5,220,161	489,581	1,134,189

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....108,460,099)	215,428,437	199,877,709
2.	Reinsurance payable on paid losses and loss adjustment expenses	3,176,757	4,258,048
3.	Loss adjustment expenses	43,540,524	42,157,315
4.	Commissions payable, contingent commissions and other similar charges	807,309	906,016
5.	Other expenses (excluding taxes, licenses and fees)	30,133,161	19,890,497
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	3,906,241	4,132,708
7.1	Current federal and foreign income taxes (including $.....(513,090) on realized capital gains (losses))	4,129,368	5,162,503
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 $.....290,354,066 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	198,999,419	177,167,886
10.	Advance premium	6,498,595	4,462,525
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	8,440,366	38,252
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	163,033	
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	31,784,386	31,754,199
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	2,155,533	1,223,751
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	549,163,129	491,031,409
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	549,163,129	491,031,409
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	3,500,000	3,500,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	99,177,001	82,241,037
35.	Unassigned funds (surplus)	541,130,926	488,996,959
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)	643,807,927	574,737,996
38.	Totals	1,192,971,056	1,065,769,405

DETAILS OF WRITE-INS

2501.	OTHER LIABILITIES	1,711,712	1,086,735
2502.	ESCHEATABLE PROPERTY	437,701	129,908
2503.	UNEARNED FEE RESERVE	6,120	7,108
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)	2,155,533	1,223,751
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....721,507,696)	689,887,878	630,191,035	848,927,992
1.2 Assumed (written $.....486,056,029)	464,224,496	437,156,623	585,036,630
1.3 Ceded (written $.....721,507,696)	689,887,878	630,191,035	848,927,992
1.4 Net (written $.....486,056,029)	464,224,496	437,156,623	585,036,630
DEDUCTIONS:			
2. Losses incurred (current accident year $.....298,399,643):			
2.1 Direct	450,147,729	405,595,095	547,522,610
2.2 Assumed	300,832,524	267,684,924	360,387,703
2.3 Ceded	450,147,729	405,595,095	547,522,610
2.4 Net	300,832,524	267,684,924	360,387,703
3. Loss adjustment expenses incurred	49,027,855	45,171,372	60,564,769
4. Other underwriting expenses incurred	102,247,007	98,586,002	130,270,580
5. Aggregate write-ins for underwriting deductions	0	17	17
6. Total underwriting deductions (Lines 2 through 5)	452,107,386	411,442,315	551,223,069
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	12,117,110	25,714,308	33,813,561
INVESTMENT INCOME			
9. Net investment income earned	21,492,384	27,932,674	36,087,753
10. Net realized capital gains (losses) less capital gains tax of $.....(831,037)	11,601,397	7,796,701	9,344,803
11. Net investment gain (loss) (Lines 9 + 10)	33,093,781	35,729,375	45,432,556
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....482,286 amount charged off $.....11,155,577)	(10,673,291)	(9,011,568)	(11,899,436)
13. Finance and service charges not included in premiums	19,215,272	17,070,973	23,194,523
14. Aggregate write-ins for miscellaneous income	662,151	258,392	738,773
15. Total other income (Lines 12 through 14)	9,204,132	8,317,797	12,033,860
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	54,415,023	69,761,480	91,279,977
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)	54,415,023	69,761,480	91,279,977
19. Federal and foreign income taxes incurred	15,819,931	21,852,593	27,257,170
20. Net income (Line 18 minus Line 19) (to Line 22)	38,595,092	47,908,887	64,022,807
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	574,737,996	800,352,842	800,352,842
22. Net income (from Line 20)	38,595,092	47,908,887	64,022,807
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....6,495,178	12,063,008	(15,901,705)	(10,684,473)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(827,801)	176,979	(1,403,536)
27. Change in nonadmitted assets	2,303,670	(7,304,380)	(4,113,542)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in	16,935,962		1,563,898
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			(275,000,000)
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)	69,069,931	24,879,781	(225,614,846)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	643,807,927	825,232,623	574,737,996

DETAILS OF WRITE-INS

0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW (REFUNDS)		17	17
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	17	17
1401. MISCELLANEOUS INCOME	579,625	173,574	633,846
1402. SERVICE BUSINESS REVENUE	46,610	55,155	72,854
1403. INTEREST INCOME ON INTERCOMPANY BALANCES	35,916	29,663	32,073
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)	662,151	258,392	738,773
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance	468,762,319	422,686,097	566,915,075
2.	Net investment income	37,256,076	46,137,394	62,589,624
3.	Miscellaneous income	9,786,743	8,812,740	12,656,336
4.	Total (Lines 1 through 3)	515,805,138	477,636,231	642,161,035
5.	Benefit and loss related payments	281,600,306	264,030,377	358,968,089
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	139,974,163	137,120,125	192,088,963
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....(560,008) tax on capital gains (losses)	16,022,029	21,179,911	28,107,048
10.	Total (Lines 5 through 9)	437,596,498	422,330,413	579,164,100
11.	Net cash from operations (Line 4 minus Line 10)	78,208,640	55,305,818	62,996,935
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	151,324,086	233,620,898	440,678,103
	12.2 Stocks	35,842,669	8,106,494	11,848,844
	12.3 Mortgage loans			
	12.4 Real estate			
	12.5 Other invested assets	140,000	140,000	180,000
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
	12.7 Miscellaneous proceeds		86	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	187,306,755	241,867,478	452,706,947
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	186,073,784	221,506,521	228,907,191
	13.2 Stocks	1,367,868	21,913,055	25,989,459
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets			
	13.6 Miscellaneous applications	762,136		13,533
	13.7 Total investments acquired (Lines 13.1 to 13.6)	188,203,788	243,419,576	254,910,183
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)	(897,033)	(1,552,098)	197,796,764
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			
	16.2 Capital and paid in surplus, less treasury stock	16,935,964		1,563,898
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities			
	16.5 Dividends to stockholders			275,000,000
	16.6 Other cash provided (applied)	3,688,145	13,522,697	(7,430,189)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	20,624,109	13,522,697	(280,866,291)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	97,935,716	67,276,417	(20,072,592)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	200,742	20,273,334	20,273,334
	19.2 End of period (Line 18 plus Line 19.1)	98,136,458	87,549,751	200,742

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

20.0001				

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Specialty Insurance Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

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

2. Accounting Changes and Corrections of Errors

No significant change

3. Business Combinations and Goodwill

No significant change

4. Discontinued Operations

No significant change

5. Investments

D. Loan-Backed Securities

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 September 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 September 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
33736XBN8	$ 289,419	$ 234,776	$ 54,643	$ 234,776	$ 169,107	2010 - Q1
33736XBN8	144,263	82,349	61,914	82,349	80,410	2010 - Q2
79548CAR7	87,994	55,617	32,377	55,617	23,757	2010 - Q2
07387AGH2	1,168,204	1,123,318	44,886	1,123,318	1,095,831	2011 - Q2
126673BL5	460,935	304,899	156,036	304,899	304,899	2011 - Q3
07387AGH2	1,121,043	1,055,062	65,981	1,055,062	966,930	2011 - Q4
Total	XXX	XXX	$ 415,837	XXX	XXX	XXX

As of September 30, 2012, the Company had $245,719 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

The following table shows, as of September 30, 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
$ 31,125,543	$ 245,719	$ 32,825	$ 212,894	$ 10,323,464	$ 20,802,079

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 (1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	December 31, 2011 (4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	Change (7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Gross deferred tax assets	$ 30,604,977	$ 30,783,082	$ 61,388,059	$ 26,814,853	$ 36,828,170	$ 63,643,023	$ 3,790,124	$ (6,045,088)	$ (2,254,964)
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a-1b)	$ 30,604,977	$ 30,783,082	$ 61,388,059	$ 26,814,853	$ 36,828,170	$ 63,643,023	$ 3,790,124	$ (6,045,088)	$ (2,254,964)
(d) Deferred tax assets nonadmitted	-	-	-	-	7,612,526	7,612,526	-	(7,612,526)	(7,612,526)
(e) Subtotal (net deferred tax assets) (1c-1d)	$ 30,604,977	$ 30,783,082	$ 61,388,059	$ 26,814,853	$ 29,215,644	$ 56,030,497	$ 3,790,124	$ 1,567,438	$ 5,357,562
(f) Deferred tax liabilites	4,969,905	34,732,777	39,702,682	5,419,023	29,215,644	34,634,667	(449,118)	5,517,133	5,068,015
(g) Net admitted deferred tax assets (1e-1f)	$ 25,635,072	$ (3,949,695)	$ 21,685,377	$ 21,395,830	$ -	$ 21,395,830	$ 4,239,242	$ (3,949,695)	$ 289,547

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)	$ 15,812,475	$ 27,414,722	$ (11,602,247)
(b) Foreign income tax expense (benefit)	-	-	-
(c) Prior year underaccrual (overaccrual)	7,456	(157,552)	165,008
(d) Subtotal	$ 15,819,931	$ 27,257,170	$ (11,437,239)
(e) Federal income tax (benefit) on net realized capital gains (losses)	(833,212)	504,264	(1,337,476)
(f) Utilization of capital loss carry-forwards	-	-	-
(g) Prior year underaccrual (overaccrual)	2,175	(677,041)	679,216
(h) Subtotal	$ (831,037)	$ (172,777)	$ (658,260)
(i) Federal and Foreign income taxes incurred	$ 14,988,894	$ 27,084,393	$ (12,095,499)

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	$ 18,754,395	35%
Exempt interest income	(532,010)	-1%
Dividends received deduction	(569,867)	0%
Prior year underaccrual (overaccrual)	2,947	0%
Impact of nonadmitted assets	(1,906,912)	-4%
Other	68,142	0%
Total	$ 15,816,695	30%
Federal and foreign income taxes incurred	$ 14,988,894	
Change in net deferred income tax	827,801	
Total statutory income taxes	$ 15,816,695	

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

No significant change

11. Debt

No significant change

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

No significant change

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

No significant change

14. Contingencies

E. All Other Contingencies

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and 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.

The following is a discussion of potentially significant pending cases at September 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 September 30, 2012, the Company was defending a putative statewide class action lawsuit alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of September 30, 2012, there was a putative class action lawsuit challenging the manner in which the Company grants a discount for anti-theft devices.

As of September 30, 2012, the Company was defending a putative class action lawsuit alleging that the Company failed to properly reimburse sales tax on replacement vehicles.

As of September 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.

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.

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 September 30, 2012:

Asset Description	Level 1	Level 2	Level 3	Total
Bonds – Industrial & Miscellaneous	$ --	$ 195,892	$ --	$ 195,892
Common Stock – Industrial & Miscellaneous	102,495,522	--	--	102,495,522
Preferred Stock – Industrial & Miscellaneous	--	90,954,825	--	90,954,825
Total	$ 102,495,522	$ 91,150,717	$ --	$ 193,646,239

.

2. Rollforward of Level 3 Items

Asset Description	Balance at Jan. 1, 2012	Transfers into level 3	Transfers out of level 3	Total Realized Gains (Losses) included in Net Income	Total Unrealized Gains (Losses) included in Surplus	Purchases, Issuances, Sales and Settlements	Balance at September 30, 2012
Bonds – Industrial & Miscellaneous	$ --	$ 12,704	$ (12,704)	$ --	$ --	$ --	$ --

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

No significant change

B. Other Fair Value Disclosures

No significant change

C. Reasons Not Practical to Estimate Fair Values

No significant change

21. Other Items

C. Other Disclosures

1. Nonadmitted Other Invested Assets

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

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 $27,351,491. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through 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 $2,516,000 in 2012, which is approximately 1.0% of the total prior year net unpaid losses and LAE of $242,035,024. 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

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

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

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

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

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

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

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

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

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

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

6.4 By what department or departments?
OHIO

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

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

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

7.2 If yes, give full information:

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

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

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

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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: $..................38,736,938

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 [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 9,229,720	$ 9,090,253
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 9,229,720	$ 9,090,253
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
STATE STREET	801 PENNSYLVANIA AVE KANSAS CITY, MO 64105

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST BOSTON, MA 02110

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]
3.2 If yes, give full and complete information thereto:

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

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

5. Operating Percentages:
   5.1 A&H loss percent 0.0 %
   5.2 A&H cost containment percent 0.0 %
   5.3 A&H expense percent excluding cost containment expenses 0.0 %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]
6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0
6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]
6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
States, Etc.	Active Status	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	102,747,160	100,307,030	57,766,303	59,848,763	51,045,724	50,395,233
2. Alaska AK	L	18,409,373	18,094,628	11,430,726	10,743,604	9,115,606	7,330,898
3. Arizona AZ	L						
4. Arkansas AR	L	236,353	272,477	160,489	242,327	63,748	110,778
5. California CA	L			(1,305)	(1,360)		
6. Colorado CO	L	1,297,596	1,413,253	1,062,785	923,418	807,518	986,368
7. Connecticut CT	L						
8. Delaware DE	L						
9. District of Columbia DC	L						
10. Florida FL	L			(3,948)	(3,330)		
11. Georgia GA	L						
12. Hawaii HI	L	1,345,323	1,663,579	916,873	1,770,014	956,972	1,323,212
13. Idaho ID	L						
14. Illinois IL	L			(5,133)	(5,050)		
15. Indiana IN	L			(2,910)	(4,029)		
16. Iowa IA	L			(1,498)	(633)		
17. Kansas KS	L						
18. Kentucky KY	L			(11,540)	2,566	2,648	2,622
19. Louisiana LA	N						
20. Maine ME	L						
21. Maryland MD	L	32,016,142	30,277,826	18,296,555	18,635,977	15,499,933	13,741,064
22. Massachusetts MA	N						
23. Michigan MI	L						
24. Minnesota MN	L	11,560,412	12,745,300	6,142,059	7,149,512	3,991,867	4,768,405
25. Mississippi MS	L						
26. Missouri MO	L			26,344	45,663	6,388	70,227
27. Montana MT	L	204,894	254,448	115,490	109,112	84,426	262,488
28. Nebraska NE	L						
29. Nevada NV	L	1,531,623	1,774,843	938,080	1,123,322	576,155	540,932
30. New Hampshire NH	N						
31. New Jersey NJ	L						
32. New Mexico NM	L			(15)	34,717		
33. New York NY	L	107,157,586	80,058,768	50,774,783	38,513,889	44,717,449	30,566,356
34. North Carolina NC	N						
35. North Dakota ND	L						
36. Ohio OH	L	271,824,379	260,067,339	161,504,775	151,096,233	107,167,023	88,202,745
37. Oklahoma OK	L			285	171		443
38. Oregon OR	L	36,752	39,992	52,133	24,195	42,460	62,213
39. Pennsylvania PA	L	167,900,381	150,894,947	99,908,641	89,422,193	75,176,548	69,541,916
40. Rhode Island RI	L						
41. South Carolina SC	L			(467)	330		
42. South Dakota SD	L				(489)		
43. Tennessee TN	L			(1,568)	(517)		
44. Texas TX	L						
45. Utah UT	L						
46. Vermont VT	L	1,290,809	1,506,958	852,079	899,954	695,250	593,974
47. Virginia VA	L	3,948,914	4,780,804	2,274,136	2,604,623	1,974,694	2,028,820
48. Washington WA	L			(4,015)	(4,218)		
49. West Virginia WV	L						
50. Wisconsin WI	L						
51. Wyoming WY	N						
52. American Samoa AS	N						
53. Guam GU	N						
54. Puerto Rico PR	N						
55. US Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CN	N						
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Totals	(a) 46	721,507,697	664,152,192	412,190,137	383,170,957	311,924,409	270,528,694

DETAILS OF WRITE-INS

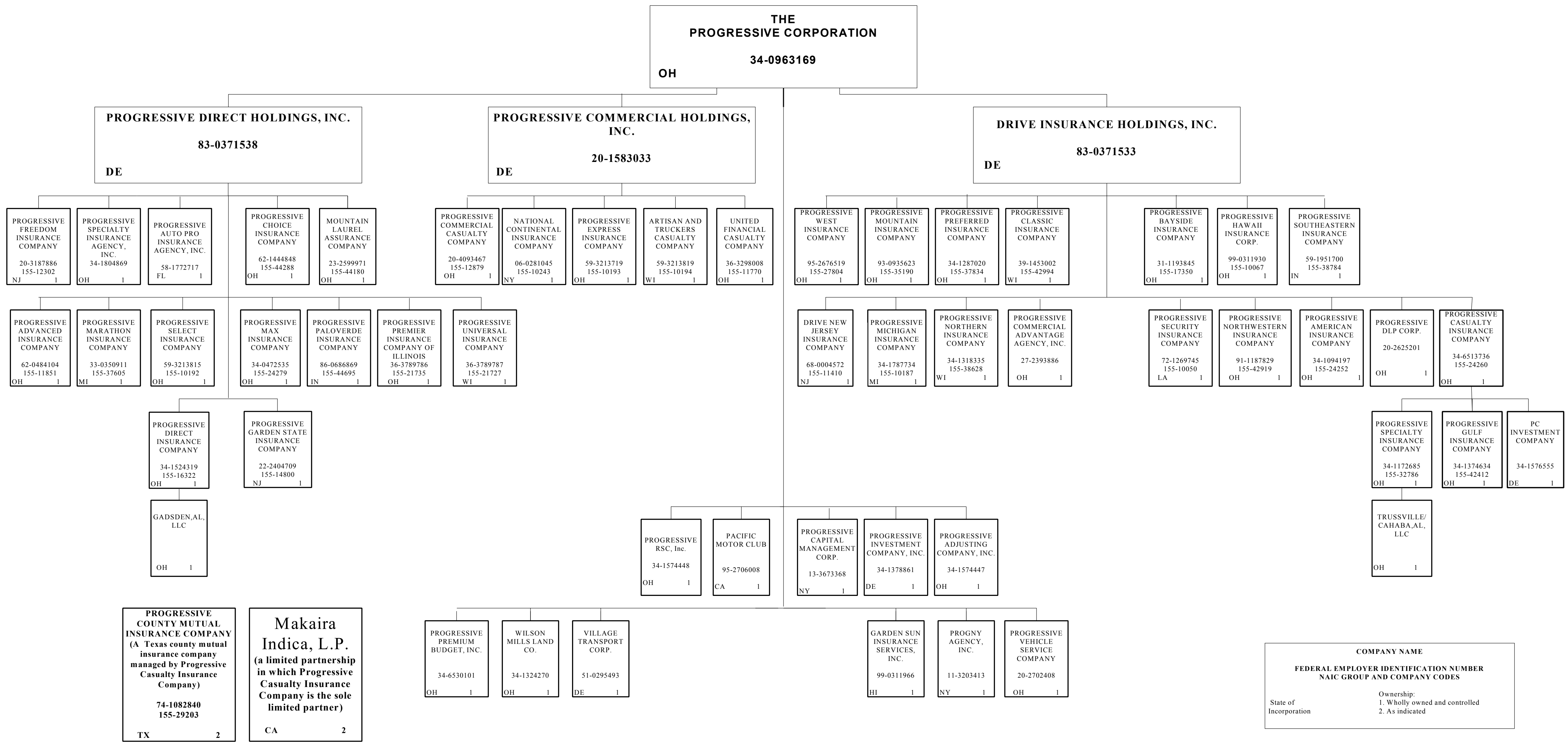
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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 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 *
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	UIP	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	UDP	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		Progressive Casualty Insurance Company	Ownership	100.000	The Progressive Corporation.	1, 3
0155	The Progressive Insurance Group	00000					Trussville/Cahaba, AL , LLC	OH	DS	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, llc.	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

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.

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine	7,620,856	4,032,211	52.9	72.1
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	3,083,634	1,407,713	45.7	75.9
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	419,879,927	274,616,002	65.4	61.1
19.3, 19.4 Commercial auto liability	18,772,178	10,300,890	54.9	60.8
21. Auto physical damage	240,529,532	159,790,913	66.4	70.1
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety	1,751		0.0	4.1
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	689,887,878	450,147,729	65.2	64.4
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	3,183,075	9,458,718	8,748,601
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	1,259,575	3,639,872	3,616,119
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	146,373,719	435,012,185	405,323,407
19.3 19.4 Commercial auto liability	6,370,035	19,547,719	18,703,889
21. Auto physical damage	85,681,917	253,846,857	227,755,483
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	2,346	2,346	4,692
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	242,870,667	721,507,697	664,152,191
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	40,315	8,761	49,076	19,388	1,014	20,402	20,321	1,388	4,813	26,523	(606)	(1,546)	(2,151)
2. 2010	46,942	10,695	57,637	22,212	1,996	24,207	24,399	4,302	5,518	34,219	(332)	1,121	789
3. Subtotals 2010 + Prior	87,257	19,456	106,713	41,599	3,010	44,609	44,721	5,690	10,331	60,742	(937)	(425)	(1,362)
4. 2011	103,210	32,112	135,322	58,772	9,861	68,632	46,335	10,897	13,335	70,567	1,896	1,982	3,878
5. Subtotals 2011 + Prior	190,467	51,568	242,035	100,371	12,870	113,241	91,055	16,588	23,666	131,309	959	1,557	2,516
6. 2012	XXX	XXX	XXX	XXX	219,685	219,685	XXX	95,094	32,565	127,660	XXX	XXX	XXX
7. Totals	190,467	51,568	242,035	100,371	232,555	332,926	91,055	111,682	56,232	258,969	959	1,557	2,516
8. Prior Year-End's Surplus As Regards Policyholders	574,738										Col. 11, Line 7 As % of Col. 1, Line 7 1. 0.5 %	Col. 12, Line 7 As % of Col. 2, Line 7 2. 3.0 %	Col. 13, Line 7 As % of Col. 3, Line 7 3. 1.0 %
													Col. 13, Line 7 Line 8 4. 0.4 %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.
2.
3.
4.

Bar Code:

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

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

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

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

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,229,720	9,529,009
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)	533	(119,289)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	140,000	180,000
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	9,090,253	9,229,720
12. Deduct total nonadmitted amounts	9,090,253	9,229,720
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	821,511,345	1,051,192,048
2. Cost of bonds and stocks acquired	187,441,650	254,896,650
3. Accrual of discount	851,837	1,071,867
4. Unrealized valuation increase (decrease)	18,557,653	(16,254,131)
5. Total gain (loss) on disposals	10,770,360	9,438,926
6. Deduct consideration for bonds and stocks disposed of	187,166,756	452,526,947
7. Deduct amortization of premium	15,056,832	26,040,165
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		266,903
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	836,909,257	821,511,345
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	836,909,257	821,511,345

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	522,733,388	153,312,875	76,327,637	(4,286,982)	511,104,862	522,733,388	595,431,644	496,028,265
2. Class 2 (a)	126,464,020		20,496	(256,585)	121,502,114	126,464,020	126,186,939	101,726,551
3. Class 3 (a)	63,883		6,180	(417)	2,719,522	63,883	57,286	2,725,876
4. Class 4 (a)	10,847,367			(44,101)	10,890,947	10,847,367	10,803,266	10,759,330
5. Class 5 (a)	102,473			(11,915)	113,531	102,473	90,558	
6. Class 6 (a)	317,602			(12,703)	390,334	317,602	304,899	400,172
7. Total Bonds	660,528,733	153,312,875	76,354,313	(4,612,703)	646,721,310	660,528,733	732,874,592	611,640,194
PREFERRED STOCK								
8. Class 1								62,892,000
9. Class 2	80,463,435			7,536,090	101,814,615	80,463,435	87,999,525	45,485,098
10. Class 3	14,552,200		3,830,750	954,625		14,552,200	11,676,075	
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	95,015,635	0	3,830,750	8,490,715	101,814,615	95,015,635	99,675,600	108,377,098
15. Total Bonds and Preferred Stock	755,544,368	153,312,875	80,185,063	3,878,012	748,535,925	755,544,368	832,550,192	720,017,292

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	239,131	XXX	239,131	28	

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	199,149	71,711
2. Cost of short-term investments acquired	1,850,606	2,261,262
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,810,624	2,133,824
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)	239,131	199,149
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	239,131	199,149

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	20,199,944
2. Cost of cash equivalents acquired	112,889,395	215,492,152
3. Accrual of discount	7,932	7,713
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	15,000,000	235,699,809
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)	97,897,327	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	97,897,327	0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

SCHEDULE BA - PART 2

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

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

NONE

SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	Location 3 City	 4 State	5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value 9 Unrealized Valuation Increase (Decrease)	 10 Current Year's (Depreciation) or (Amortization)/ Accretion	 11 Current Year's Other Than Temporary Impairment Recognized	 12 Capitalized Deferred Interest and Other	 13 Total Change in B./A.C.V (9+10-11+12)	 14 Total Foreign Exchange Change in B./A.C.V.	15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Affiliated																			
000000 00 0	TRUSSVILLE/CAHABA, AL LLC	TRUSSVILLE	AL	RETURN OF CAPITAL	10/20/2006	08/31/2012	40,000					0			40,000			0	
2099999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Affiliated							40,000	0	0	0	0	0	0	0	40,000	0	0	0	0
4099999. Subtotal - Affiliated							40,000	0	0	0	0	0	0	0	40,000	0	0	0	0
4199999. Totals							40,000	0	0	0	0	0	0	0	40,000	0	0	0	0

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 QX 1	US TREASURY NOTE 1.500% 07/31/16		07/18/2012	Barclays Capital		10,406,250	10,000,000	70,055	1
912828 RE 2	US TREASURY NOTE 1.500% 08/31/18		08/01/2012	CSFBdirect		20,795,313	20,000,000	126,359	1
912828 TG 5	US TREASURY NOTE 0.500% 07/31/17		08/14/2012	Barclays Capital		14,819,531	15,000,000	3,057	1
0599999.	Total - Bonds - U.S. Government					46,021,094	45,000,000	199,471	XXX
Bonds - U.S. Special Revenue and Special Assessment									
83712D SL 1	SOUTH CAROLINA HSG 4.000% 07/01/34		09/14/2012	Citicorp Securities Inc.		1,166,704	1,100,000		1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					1,166,704	1,100,000	0	XXX
Bonds - Industrial and Miscellaneous									
617458 AC 8	MSC 2011-C1 A2 3.884% 09/15/47		08/15/2012	Morgan Stanley		7,761,807	7,184,000	14,726	1FM
3899999.	Total - Bonds - Industrial & Miscellaneous					7,761,807	7,184,000	14,726	XXX
8399997.	Total - Bonds - Part 3					54,949,605	53,284,000	214,197	XXX
8399999.	Total - Bonds					54,949,605	53,284,000	214,197	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					54,949,605	XXX	214,197	XXX

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

Statement for September 30, 2012 of the **PROGRESSIVE SPECIALTY INSURANCE COMPANY**

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
414003 3P 6	HARRIS CNTY TX TOLL CAP 0.000% 08/15/12		08/15/2012	Maturity		9,115,000	9,115,000	8,825,781	9,047,657		67,343		67,343		9,115,000			0		08/15/2012	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					9,115,000	9,115,000	8,825,781	9,047,657	0	67,343	0	67,343	0	9,115,000	0	0	0	0	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
041083 JS 6	ARKANSAS ST HSG 5.000% 01/01/34		07/01/2012	Call 100.0000		300,000	300,000	310,374	305,001		(5,001)		(5,001)		300,000			0	15,000	01/01/2015	1FE
313921 6F 0	FNGT 2001-W3 A 7.000% 09/01/41		09/01/2012	Paydown		19,732	19,732	20,645	21,086		(1,353)		(1,353)		19,732			0	921	09/01/2041	1
31392C MS 0	FNW 2002-W1 2A 7.014% 02/25/42		09/01/2012	Paydown		8,392	8,392	8,820	8,905		(513)		(513)		8,392			0	402	02/25/2042	1
462467 CU 3	IOWA FIN AUTH SF MTG 5.750% 07/01/37		07/19/2012	Call 100.0000		345,000	345,000	374,070	360,048		(15,048)		(15,048)		345,000			0	20,829	07/01/2017	1FE
46246B JS 2	IOWA FIN AUTH HSG 5.000% 07/01/30		08/30/2012	Call 100.0000		415,000	415,000	433,517	419,542		(4,542)		(4,542)		415,000			0	21,844	07/01/2014	1FE
49130P JG 0	KENTUCKY HSG CORP 3.415% 07/01/13		07/01/2012	Call 100.0000		145,000	145,000	145,000	145,000				0		145,000			0	4,952	01/01/2013	1FE
60636X WJ 8	MISSOURI ST HSG SF 6.000% 03/01/37		09/01/2012	Call 100.0000		325,000	325,000	354,998	338,218		(13,218)		(13,218)		325,000			0	19,500	09/01/2016	1FE
658207 CG 8	NORTH CAROLINA HSG 5.750% 01/01/37		08/01/2012	Call 100.0000		605,000	605,000	648,324	616,325		(11,325)		(11,325)		605,000			0	37,686	01/01/2015	1FE
65888M 6B 2	NORTH DAKOTA ST HSG 5.500% 01/01/37		07/01/2012	Call 100.0000		665,000	665,000	701,243	674,686		(9,686)		(9,686)		665,000			0	36,575	01/01/2015	1FE
658909 CL 8	NORTH DAKOTA ST HSG FIN 4.500% 01/01/35		07/01/2012	Call 100.0000		110,000	110,000	113,642	113,005		(3,005)		(3,005)		110,000			0	4,950	07/01/2020	1FE
676907 KV 9	OHIO HSG FIN AGY 5.500% 03/01/36		09/01/2012	Call 100.0000		440,000	440,000	469,608	449,501		(9,501)		(9,501)		440,000			0	24,200	09/01/2016	1FE
68608R 4E 0	OREGON ST HSG & CMNTY 5.625% 01/01/29		07/01/2012	Call 100.0000		125,000	125,000	134,379	125,841		(841)		(841)		125,000			0	7,031	07/01/2012	1FE
88045R WH 1	TENNESSEE HSG DEV 4.500% 07/01/31		07/01/2012	Call 100.0000		200,000	200,000	209,500	209,393		(9,393)		(9,393)		200,000			0	5,250	07/01/2022	1FE
97689P 7B 8	WISCONSIN HSG & ECON 6.000% 03/01/38		09/01/2012	Call 100.0000		2,255,000	2,255,000	2,255,000	2,255,000				0		2,255,000			0	135,300	12/01/2012	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					5,958,124	5,958,124	6,179,120	6,041,551	0	(83,426)	0	(83,426)	0	5,958,124	0	0	0	334,440	XXX	XXX
Bonds - Industrial and Miscellaneous																					
073879 ZG 6	BSABS 2005-HE7 M1 0.737% 07/25/35		09/25/2012	Paydown		617,762	617,762	579,152	609,405		8,358		8,358		617,762			0	3,275	07/25/2035	1FM
07387A GH 2	BSARM 2005-12 25A1 3.821% 04/25/51		09/01/2012	Paydown		61,450	46,720	29,039	56,990		4,460		4,460		61,450			0	1,012	04/25/2051	1FM
07388L AK 6	BSCMS 2006-PW13 X2 IO 0.436% 09/11/41		09/01/2012	Paydown				1,531,192	904,272		(904,272)		(904,272)					0	481,784	09/11/2041	1FE
12643C BD 2	CSMC 2010-1R 10A1 2.887% 06/27/47		09/01/2012	Paydown		260,049	260,049	265,413	258,848		1,201		1,201		260,049			0	6,912	06/27/2047	1FM
126673 QE 5	CWL 2004-AB2 A3 0.627% 05/25/36		09/25/2012	Paydown		1,323,914	1,323,914	1,289,161			34,753		34,753		1,323,914			0	2,272	05/25/2036	1FM
22540V G6 3	CSFB 2002-9 1A1 7.000% 03/25/40		09/01/2012	Paydown		2,772	2,772	2,811	2,682	239	(149)		90		2,772			0	130	03/25/2040	1FM
22541N UJ 6	CSFB 2002-CP5 A2 4.940% 12/15/35		09/01/2012	Paydown		20,801,936	20,801,936	20,577,258	20,730,122		71,814		71,814		20,801,936			0	653,743	12/15/2035	1FM
22545M BA 4	CSMC 2006-C4 ASP IO 0.560% 09/15/39		09/01/2012	Paydown				1,397,122	824,884		(824,884)		(824,884)					0	411,870	09/15/2039	1FE
33736X BN 8	FUNBC 2000-C2 IO 0.000% 10/15/32		09/01/2012	Paydown				1,303					0					0	11,525	10/15/2032	6*
33736X BN 8	FUNBC 2000-C2 IO 0.000% 10/15/32		09/01/2012	Return of Capital		12,381							0				12,381	12,381		10/15/2032	6*
33736X CR 8	FUNBC 2001-C2 IO 1.573% 01/12/43		09/01/2012	Paydown				3,427					0					0	546	01/12/2043	5FE
36159J BM 2	GE CAPITAL CC 2009-2 A 3.690% 07/15/15		07/15/2012	Paydown		20,000,000	20,000,000	20,730,469	20,183,676		(183,676)		(183,676)		20,000,000			0	430,500	07/15/2015	1FE
393505 QX 3	GT 1996-9 A5 7.200% 01/15/28		09/15/2012	Paydown		6,490	6,490	6,651	6,463		27		27		6,490			0	316	01/15/2028	1FE
466247 QC 0	JPMMT 2005-A3 4A1 2.612% 06/25/35		09/01/2012	Paydown		216,785	216,785	210,510	215,085		1,700		1,700		216,785			0	3,673	06/25/2035	1FM
46628F AB 7	JPMCC 2006-LDP7 A2 5.857% 04/15/45		07/01/2012	Paydown		229,446	229,446	230,019	228,925		521		521		229,446			0	7,950	04/15/2045	1FM
52108H BZ 6	LBUBS 2000-C4 X IO 1.046% 07/11/32		09/11/2012	Paydown				31,855	12,526		(12,526)		(12,526)					0	3,148	07/11/2032	5FE

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
521865 AR 6	LEAR CORPORATION 7.875% 03/15/18		08/24/2012	Call 103.0000		6,180	6,000	6,473	6,435		(255)		(255)		6,180			0	445	03/15/2018	3FE
589929 MK 1	MLMI 1996-C2 IO 2.406% 11/21/28		09/01/2012	Paydown				27,505	18,937		(18,937)		(18,937)					0	4,613	11/21/2028	6*
59022H CP 5	MLMT 2003-KEY1 A3 4.893% 11/12/35		09/01/2012	Paydown		1,015,198	1,015,198	1,033,983	1,024,933		(9,735)		(9,735)		1,015,198			0	55,920	11/12/2035	1FM
65536H BC 1	NHELI 2005-HE1 M1 0.657% 09/25/35		09/25/2012	Paydown		307,518	307,518	278,578	300,877		6,641		6,641		307,518			0	1,491	09/25/2035	1FM
658262 DV 9	NCSEA 2005-P A1 0.528% 06/01/20		09/01/2012	Paydown		579,733	579,733	572,758	573,928		5,805		5,805		579,733			0	2,701	06/01/2020	1FE
743873 AX 9	PFMLT 2005-1 2A1 2.822% 05/25/35		09/01/2012	Paydown		20,496	20,496	19,903	20,469		27		27		20,496			0	379	05/25/2035	2FM
749930 AR 4	RMF PT 1997-1 X2 IO 0.000% 01/15/19		09/01/2012	Paydown				1,031					0					0	646	01/15/2019	6*
749930 AR 4	RMF PT 1997-1 X2 IO 0.000% 01/15/19		09/01/2012	Return of Capital		2,265							0				2,265	2,265		01/15/2019	6*
79548C AR 7	SBM7 2000-C3 X IO 0.000% 12/18/33		09/01/2012	Paydown				3,658					0					0	8,455	12/18/2033	5FE
79548C AR 7	SBM7 2000-C3 X IO 0.000% 12/18/33		09/01/2012	Return of Capital		7,265							0				7,265	7,265		12/18/2033	5FE
929227 4D 5	WAMU 2003-AR6 A1 2.444% 06/25/33		09/01/2012	Paydown		12,520	12,520	12,708	12,729		(210)		(210)		12,520			0	214	06/25/2033	1FM
929766 3L 5	WBCMT 2005-C20 XP IO 0.238% 07/15/42		08/01/2012	Paydown				5,271,530	697,430		(697,430)		(697,430)					0	979,903	07/15/2042	1FE
3899999.	Total - Bonds - Industrial & Miscellaneous					45,484,160	45,447,339	54,113,509	46,689,616	239	(2,516,767)	0	(2,516,528)	0	45,462,249	0	21,911	21,911	3,073,423	XXX	XXX
8399997.	Total - Bonds - Part 4					60,557,284	60,520,463	69,118,410	61,778,824	239	(2,532,850)	0	(2,532,611)	0	60,535,373	0	21,911	21,911	3,407,863	XXX	XXX
8399999.	Total - Bonds					60,557,284	60,520,463	69,118,410	61,778,824	239	(2,532,850)	0	(2,532,611)	0	60,535,373	0	21,911	21,911	3,407,863	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous																					
05530R AB 4	BBVA INTL PREF UNIPERSO	F	09/07/2012	Morgan Stanley	9,625,000.000	6,858,750		3,830,750	3,830,750				0		3,830,750		3,028,000	3,028,000	512,782	XXX	P3VFE.
8499999.	Total - Preferred Stocks - Industrial & Miscellaneous					6,858,750	XXX	3,830,750	3,830,750	0	0	0	0	0	3,830,750	0	3,028,000	3,028,000	512,782	XXX	XXX
8999997.	Total - Preferred Stocks - Part 4					6,858,750	XXX	3,830,750	3,830,750	0	0	0	0	0	3,830,750	0	3,028,000	3,028,000	512,782	XXX	XXX
8999999.	Total - Preferred Stocks					6,858,750	XXX	3,830,750	3,830,750	0	0	0	0	0	3,830,750	0	3,028,000	3,028,000	512,782	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
01741R 10 2	ALLEGHENY TECHNOLOGIES		08/27/2012	State Street Bank	10,700.000	325,574	XXX	642,505	511,460	131,045			131,045		642,505		(316,931)	(316,931)	3,852	XXX	L
019344 10 0	ALLIED NEVADA GOLD CORP		08/27/2012	State Street Bank	10,600.000	338,284	XXX	358,372	320,968	37,404			37,404		358,372		(20,088)	(20,088)		XXX	L
150870 10 3	CELANESE CORP-SERIES A		08/27/2012	State Street Bank	2,200.000	87,764	XXX	103,372	97,394	5,978			5,978		103,372		(15,608)	(15,608)	429	XXX	L
165167 10 7	CHESAPEAKE ENERGY CORP		08/27/2012	State Street Bank	19,600.000	378,509	XXX	473,585	436,884	36,701			36,701		473,585		(95,076)	(95,076)	5,145	XXX	L
171798 10 1	CIMAREX ENERGY CO		08/27/2012	State Street Bank	100.000	5,778	XXX	3,710	6,190	(2,480)			(2,480)		3,710		2,068	2,068	34	XXX	L
17275R 10 2	CISCO SYSTEMS INC		08/27/2012	State Street Bank	15,900.000	306,496	XXX	373,650	287,472	86,178			86,178		373,650		(67,154)	(67,154)	3,498	XXX	L
219350 10 5	CORNING INC		08/27/2012	State Street Bank	47,400.000	548,391	XXX	839,231	615,252	223,979			223,979		839,231		(290,840)	(290,840)	7,110	XXX	L
247916 20 8	DENBURY RESOURCES INC		08/27/2012	State Street Bank	1,595.000	24,675	XXX	24,611	24,085	526			526		24,611		64	64		XXX	L
293561 10 6	ENRON		07/01/2012	Class Action Litigation		10,963	XXX						0				10,963	10,963		XXX	L
345370 86 0	FORD MOTOR CO		08/27/2012	State Street Bank	94,000.000	884,971	XXX	1,013,846	1,011,440	2,406			2,406		1,013,846		(128,875)	(128,875)	14,100	XXX	L
369550 10 8	GENERAL DYNAMICS CORP		08/27/2012	State Street Bank	100.000	6,587	XXX	5,539	6,641	(1,102)			(1,102)		5,539		1,048	1,048	149	XXX	L
42809H 10 7	HESS CORP		08/27/2012	State Street Bank	12,000.000	600,194	XXX	686,357	681,600	4,757			4,757		686,357		(86,163)	(86,163)	3,600	XXX	L
45666Q 10 2	INFORMATICA CORP		08/27/2012	State Street Bank	14,100.000	452,042	XXX	515,836	520,713	(4,877)			(4,877)		515,836		(63,794)	(63,794)		XXX	L
459902 10 2	INTERNATIONAL GAME TECH		08/27/2012	State Street Bank	700.000	8,503	XXX	9,080	12,040	(2,960)			(2,960)		9,080		(577)	(577)	126	XXX	L
524901 10 5	LEGG MASON INC		08/27/2012	State Street Bank	10,500.000	264,248	XXX	257,883	252,525	5,358			5,358		257,883		6,364	6,364	2,835	XXX	L

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	11	12	13	14	15	16	17	18	19	20	21	22
										Change in Book/Adjusted Carrying Value											
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
58933Y 10 5	MERCK & CO INC		08/27/2012	State Street Bank	14,294.000	615,822	XXX	346,174	538,884	(192,710)			(192,710)		346,174		269,648	269,648	18,010	XXX	L
59156R 10 8	METLIFE INC		08/27/2012	State Street Bank	42,301.000	1,458,679	XXX	1,420,733	1,318,945	101,788			101,788		1,420,733		37,946	37,946		XXX	L
665859 10 4	NORTHERN TRUST CORP		08/27/2012	State Street Bank	14,800.000	685,654	XXX	489,233	586,968	(97,735)			(97,735)		489,233		196,421	196,421	12,728	XXX	L
68389X 10 5	ORACLE CORPORATION		08/27/2012	State Street Bank	11,100.000	353,833	XXX	150,724	284,715	(133,991)			(133,991)		150,724		203,110	203,110	1,998	XXX	L
78454L 10 0	SM ENERGY CO		08/27/2012	State Street Bank	7,800.000	365,247	XXX	559,888	570,180	(10,292)			(10,292)		559,888		(194,641)	(194,641)	390	XXX	L
806407 10 2	HENRY SCHEIN INC		08/27/2012	State Street Bank	16,100.000	1,227,089	XXX	1,110,021	1,037,323	72,698			72,698		1,110,021		117,068	117,068		XXX	L
845467 10 9	SOUTHWESTERN ENERGY CO		08/27/2012	State Street Bank	12,000.000	384,920	XXX	496,363	383,280	113,083			113,083		496,363		(111,443)	(111,443)		XXX	L
879433 82 9	TELEPHONE & DATA SYSTEM		08/27/2012	State Street Bank	13,804.000	331,606	XXX	258,464					0		258,464		73,142	73,142	3,382	XXX	L
891027 10 4	TORCHMARK CORP		08/27/2012	State Street Bank	34,300.000	1,752,303	XXX	1,453,101	1,488,277	(35,176)			(35,176)		1,453,101		299,202	299,202	14,406	XXX	L
902973 30 4	US BANCORP		08/27/2012	State Street Bank	21,200.000	703,924	XXX	309,732	573,460	(263,728)			(263,728)		309,732		394,192	394,192	10,918	XXX	L
913903 10 0	UNIVERSAL HEALTH SERVIC		08/27/2012	State Street Bank	12,000.000	478,286	XXX	449,794	466,320	(16,526)			(16,526)		449,794		28,493	28,493	1,200	XXX	L
92769L 10 1	VIRGIN MEDIA INC		08/27/2012	State Street Bank	2,318.000	62,700	XXX	9,991	49,559	(39,568)			(39,568)		9,991		52,709	52,709	185	XXX	L
98956P 10 2	ZIMMER HOLDINGS INC		08/27/2012	State Street Bank	4,500.000	275,071	XXX	248,553	240,390	8,163			8,163		248,553		26,517	26,517	1,620	XXX	L
806857 10 8	SCHLUMBERGER LTD	F	08/27/2012	State Street Bank	35.000	2,628	XXX	1,352	2,391	(1,039)			(1,039)		1,352		1,276	1,276	28	XXX	L
G6359F 10 3	NABORS INDUSTRIES LTD	F	08/27/2012	State Street Bank	13,200.000	201,282	XXX	278,818	228,888	49,930			49,930		278,818		(77,536)	(77,536)		XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					13,142,023	XXX	12,890,518	12,554,244	77,810	0	0	77,810	0	12,890,518	0	251,505	251,505	105,743	XXX	XXX
9799997	Total - Common Stocks - Part 4					13,142,023	XXX	12,890,518	12,554,244	77,810	0	0	77,810	0	12,890,518	0	251,505	251,505	105,743	XXX	XXX
9799999.	Total - Common Stocks					13,142,023	XXX	12,890,518	12,554,244	77,810	0	0	77,810	0	12,890,518	0	251,505	251,505	105,743	XXX	XXX
9899999.	Total - Preferred and Common Stocks					20,000,773	XXX	16,721,268	16,384,994	77,810	0	0	77,810	0	16,721,268	0	3,279,505	3,279,505	618,525	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					80,558,057	XXX	85,839,678	78,163,818	78,049	(2,532,850)	0	(2,454,801)	0	77,256,641	0	3,301,416	3,301,416	4,026,388	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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Rate	Amount of Interest Received During	Amount of Interest Accrued at Current	6	7	8	
Depository	Code	of Interest	Current Quarter	Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
REGIONS BANK MONTGOMERY, AL					1,135			XXX
0199999. Total Open Depositories	XXX	XXX	0	0	1,135	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	1,135	0	0	XXX
0599999. Total Cash	XXX	XXX	0	0	1,135	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
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
THE BANK OF NEW YORK MELLON		09/12/2012	0.100	10/05/2012	14,999,833		792
BANK NOVA SCOTIA		09/20/2012	0.100	10/22/2012	14,999,125		458
DANAHER CORP		09/27/2012	0.100	10/26/2012	1,999,861		22
JP MORGAN CHASE & CO		09/06/2012	0.100	10/09/2012	24,999,444		1,736
WAL-MART STORES INC		09/06/2012	0.100	10/05/2012	14,999,833		1,042
WAL-MART STORES INC		09/27/2012	0.100	10/31/2012	899,925		10
BANK OF MONTREAL		09/11/2012	0.100	10/11/2012	24,999,306		1,389
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					97,897,327	0	5,449
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					97,897,327	0	5,449
Total Bonds							
7799999. Subtotals - Issuer Obligations					97,897,327	0	5,449
8399999. Subtotals - Bonds					97,897,327	0	5,449
8699999. Total - Cash Equivalents					97,897,327	0	5,449