



QUARTERLY STATEMENT

As of March 31, 2013
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 US 44143-2182 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-461-5000 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)	
Mail Address	P.O. BOX 89490..... CLEVELAND OH US 44101-6490 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)	
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO (Name) FINANCIAL_REPORTING@PROGRESSIVE.COM (E-Mail Address)	440-395-4460 (Area Code) (Telephone Number) (Extension) 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 BARONE BAILO	(VICE PRESIDENT)	KATHLEEN MARY CERNY	(ASST. SECRETARY)
JAMES LEE KUSMER	(ASST. TREASURER)		

DIRECTORS OR TRUSTEES

KAREN BARONE BAILO	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) DAVID JAMES SKOVE 1. (Printed Name) PRESIDENT (Title)	(Signature) KATHLEEN MARY CERNY 2. (Printed Name) ASSISTANT SECRETARY (Title)	(Signature) THOMAS ALFRED KING 3. (Printed Name) TREASURER (Title)
Subscribed and sworn to before me This 6TH day of MAY, 2013	a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No [] _____ _____ _____

PROGRESSIVE SPECIALTY INSURANCE COMPANY

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds.....	586,307,567		586,307,567	544,653,787
2. Stocks:				
2.1 Preferred stocks.....	66,588,775		66,588,775	90,496,775
2.2 Common stocks.....	115,339,910		115,339,910	102,928,250
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 (\$.....16,223), cash equivalents (\$.....15,998,824) and short-term investments (\$.....5,160,714).....	21,175,761		21,175,761	10,915,260
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....	8,990,609	8,990,609	.0	
9. Receivables for securities.....	771,294		771,294	
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).....	799,173,916	8,990,609	790,183,307	748,994,072
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	4,073,504		4,073,504	4,775,324
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	36,412,317	8,258,203	28,154,114	26,394,451
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	169,685,717		169,685,717	155,965,587
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,624,643		1,624,643	6,665,302
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.....	13,693,322		13,693,322	20,433,688
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.....	41,259,545		41,259,545	30,504,711
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	1,542,138	1,072,728	469,410	566,274
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,067,465,102	18,321,540	1,049,143,562	994,299,409
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	1,067,465,102	18,321,540	1,049,143,562	994,299,409

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.....	469,410		469,410	566,274
2502. MISCELLANEOUS OTHER ASSETS.....	934,531	934,531	.0	
2503. PREPAID EXPENSES.....	138,197	138,197	.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).....	1,542,138	1,072,728	469,410	566,274

PROGRESSIVE SPECIALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....49,887,597).....	219,635,027	217,147,501
2. Reinsurance payable on paid losses and loss adjustment expenses.....	3,462,406	4,978,502
3. Loss adjustment expenses.....	43,390,494	43,354,212
4. Commissions payable, contingent commissions and other similar charges.....	389,156	1,036,140
5. Other expenses (excluding taxes, licenses and fees).....	24,944,418	19,944,840
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,652,227	5,108,680
7.1 Current federal and foreign income taxes (including \$.762,811 on realized capital gains (losses)).....	7,973,662	7,229,334
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 \$298,379,304 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.....	196,792,275	189,117,054
10. Advance premium.....	7,616,795	4,873,125
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2,464,900	42,208
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	318,077	262,564
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	32,723,404	32,097,485
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$0 and interest thereon \$0.....		
25. Aggregate write-ins for liabilities.....	1,761,409	1,786,571
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	546,124,250	526,978,216
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	546,124,250	526,978,216
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.....	113,274,582	106,071,065
35. Unassigned funds (surplus).....	386,244,730	357,750,128
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).....	503,019,312	467,321,193
38. Totals (Page 2, Line 28, Col. 3).....	1,049,143,562	994,299,409

DETAILS OF WRITE-INS		
2501. OTHER LIABILITIES.....	1,432,890	1,669,608
2502. ESCHEATABLE PROPERTY.....	322,286	110,970
2503. UNEARNED FEE RESERVE.....	6,233	5,993
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).....	1,761,409	1,786,571
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

PROGRESSIVE SPECIALTY INSURANCE COMPANY
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 \$.....261,307,842).....	243,418,691	223,271,950	927,961,038
1.2 Assumed..... (written \$.....169,348,026).....	161,672,805	150,808,776	623,470,798
1.3 Ceded..... (written \$.....261,307,842).....	243,418,691	223,271,950	927,961,038
1.4 Net..... (written \$.....169,348,026).....	161,672,805	150,808,776	623,470,798
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....96,208,115):			
2.1 Direct.....	158,435,248	140,709,360	607,369,903
2.2 Assumed.....	98,497,692	91,891,295	403,903,130
2.3 Ceded.....	158,435,248	140,709,360	607,369,903
2.4 Net.....	98,497,692	91,891,295	403,903,130
3. Loss adjustment expenses incurred.....	16,211,241	16,058,548	64,457,556
4. Other underwriting expenses incurred.....	35,496,232	34,348,568	134,650,346
5. Aggregate write-ins for underwriting deductions.....	0	1	0
6. Total underwriting deductions (Lines 2 through 5).....	150,205,165	142,298,412	603,011,032
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	11,467,640	8,510,364	20,459,766
INVESTMENT INCOME			
9. Net investment income earned.....	5,959,992	7,831,767	27,785,399
10. Net realized capital gains (losses) less capital gains tax of \$.....762,811.....	16,843,774	7,000,836	21,363,892
11. Net investment gain (loss) (Lines 9 + 10).....	22,803,766	14,832,603	49,149,291
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....194,604 amount charged off \$.....3,673,223).....	(3,478,619)	(2,975,550)	(14,354,119)
13. Finance and service charges not included in premiums.....	6,437,822	6,084,424	25,716,336
14. Aggregate write-ins for miscellaneous income.....	104,551	89,618	645,093
15. Total other income (Lines 12 through 14).....	3,063,754	3,198,492	12,007,310
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	37,335,160	26,541,459	81,616,367
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).....	37,335,160	26,541,459	81,616,367
19. Federal and foreign income taxes incurred.....	7,210,851	6,694,642	21,268,871
20. Net income (Line 18 minus Line 19) (to Line 22).....	30,124,309	19,846,817	60,347,496
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	467,321,193	574,737,996	574,737,996
22. Net income (from Line 20).....	30,124,309	19,846,817	60,347,496
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....112,717.....	87,509	10,941,751	10,382,633
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(6,627,648)	(2,614,120)	(3,049,019)
27. Change in nonadmitted assets.....	4,910,432	7,872,047	1,072,059
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.....	7,203,517	7,111,479	23,830,028
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			(200,000,000)
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).....	35,698,119	43,157,974	(107,416,803)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	503,019,312	617,895,970	467,321,193
DETAILS OF WRITE-INS			
0501. 2008 NORTH CAROLINA PRIVATE PASSENGER AUTO ESCROW		1	
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	1	0
1401. MISCELLANEOUS INCOME.....	87,641	68,499	540,919
1402. INTEREST INCOME ON INTERCOMPANY BALANCES.....	10,759	8,488	49,343
1403. SERVICE BUSINESS REVENUE.....	6,151	12,631	54,831
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).....	104,551	89,618	645,093
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

PROGRESSIVE SPECIALTY INSURANCE COMPANY
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.....	159,878,595	146,191,243	612,453,224
2. Net investment income.....	10,651,409	12,043,427	47,288,899
3. Miscellaneous income.....	2,408,046	2,803,523	12,722,059
4. Total (Lines 1 through 3).....	172,938,050	161,038,193	672,464,182
5. Benefit and loss related payments.....	92,485,603	84,886,371	384,284,184
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	47,775,050	44,967,856	196,750,123
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$..... 1,780,643 tax on capital gains (losses).....	7,229,334	5,162,503	20,151,646
10. Total (Lines 5 through 9).....	147,489,987	135,016,730	601,185,953
11. Net cash from operations (Line 4 minus Line 10).....	25,448,063	26,021,463	71,278,229
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	152,830,991	48,872,012	291,910,623
12.2 Stocks.....	26,140,285	14,674,197	48,401,810
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....	98,000	100,000	140,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....		103,569	13,533
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	179,069,276	63,749,778	340,465,966
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	195,089,253	86,303,151	234,729,735
13.2 Stocks.....	100,420	1,332,963	1,662,437
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	771,294	762,136	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	195,960,967	88,398,250	236,392,172
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).....	(16,891,691)	(24,648,472)	104,073,794
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.....	7,203,517	7,111,479	23,830,028
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			200,000,000
16.6 Other cash provided (applied).....	(5,499,388)	(8,557,376)	11,532,467
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	1,704,129	(1,445,897)	(164,637,505)
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).....	10,260,501	(72,906)	10,714,518
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	10,915,260	200,742	200,742
19.2 End of period (Line 18 plus Line 19.1).....	21,175,761	127,836	10,915,260

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive 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 as illustrated in the table below:

Description	State of Domicile	March 31, 2013	December 31, 2012
Net income			
(1) Net income, state basis	OH	\$ 30,124,309	\$ 60,347,496
(2) Effect of state prescribed practices		--	--
(3) Effect of state permitted practices		--	--
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 30,124,309	\$ 60,347,496
Surplus			
(5) Policyholders’ surplus, state basis	OH	\$ 503,019,312	\$ 467,321,193
(6) Effect of state prescribed practices		--	--
(7) Effect of state permitted practices		--	--
(8) Policyholders’ surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 503,019,312	\$ 467,321,193

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

1.

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.
2.

Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment

Not applicable
3.

The following table shows, as of March 31, 2013, the Company’s other-than-temporary impairment for loan-backed and structured debt securities since the adoption of SSAP No. 43R.

(1) CUSIP	(2) Amortized cost before current period other-than- temporary impairment	(3) Projected Cash Flows	(4) Recognized other-than- temporary Impairment	(5) Amortized Cost after other- than-temporary Impairment	(6) Fair Value at time of other- than-temporary impairment	(7) 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 March 31, 2013, 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 recovery (which could be maturity) of their respective cost basis.

4.

As of March 31, 2013, the Company had \$443,333 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.

As of March 31, 2013, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position is as follows:

Description	Amount
a. Aggregate amount of unrealized losses	
1. Less than twelve months	\$ 331,212
2. Twelve months or longer	112,121
Total	\$ 443,333
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 36,833,920
2. Twelve months or longer	14,381,128
Total	\$ 51,215,048

NOTES TO FINANCIAL STATEMENTS

5.

Under SSAP No. 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.
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

No significant change
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

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

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations (“ECO”) or bad faith claims stemming from lawsuits:

Description	Direct
Claims related ECO and bad faith losses paid	\$ 70,000

The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

(f) Per Claim [] (g) Per Claimant [x]

F. 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 March 31, 2013. 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 March 31, 2013, 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 March 31, 2013, there was a putative class action lawsuit challenging the manner in which the Company grants a discount for anti-theft devices.

As of March 31, 2013, 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. An agreement to settle was reached in 2013 and as of March 31, 2013, the settlement was still being administered.

15.

Leases

No significant change
16.

Information About Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk

No significant change

PROGRESSIVE SPECIALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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 in the Company's Financial Statements

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's management evaluated whether the market was distressed or inactive in determining the fair value of the Company's securities 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, management concluded that there was sufficient activity in determining the fair market value of the Company's securities.

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. 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.

Fair Value Measurements at March 31, 2013:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds Industrial & Miscellaneous	\$ --	\$ 1,121,813	\$ --	\$ 1,121,813
Common stock Industrial & Miscellaneous	115,339,908	--	--	115,339,908
Preferred stock Industrial & Miscellaneous	--	57,868,000	--	57,868,000
Total assets at fair value	\$ 115,339,908	\$ 58,989,813	\$ --	\$ 174,329,721
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

This table excludes investment in Trussville/Cahaba as this investment is reported on the equity basis as described in the *Purposes and Procedures Manual of the Securities Valuation Office* of the NAIC.

2. Roll forward of Level 3 Items

Not applicable

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

See Note 20A above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Fair Values for all Financial Instruments by Levels 1, 2, and 3

The table below represents the fair value of all financial instruments however, not all financial instruments are reported at fair value in the Company's financial statements.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 595,782,474	\$ 586,307,567	\$ 171,561,586	\$ 424,220,888	\$ --	\$ --
Cash equivalents	15,998,824	15,998,824	15,998,824	--	--	--
Short term investments	5,160,713	5,160,713	5,160,713	--	--	--
Common stock	115,339,908	115,339,908	115,339,908	--	--	--
Preferred stock	78,679,902	66,588,775	--	78,679,902	-	-
Total	\$ 810,961,821	\$ 789,395,787	\$ 308,061,031	\$ 502,900,790	\$ --	\$ --

D. Financial Instruments for Which it is Not Practicable to Estimate Fair Values

Not applicable

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 March 31, 2013, the Company reported net admitted premiums and agents' balances in course of collection of \$28,154,114. 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 May 10, 2013 for the statutory statement that was available for issuance by May 15, 2013.

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 \$3,384,000 in 2013, which is 1.3% of the total prior year net unpaid losses and LAE of \$260,501,713. Private passenger auto liability reserves development was unfavorable due to late emerging losses for accident year 2012. Commercial auto liability reserves developed unfavorably due to originally anticipated severity for accident year's 2012 and 2011 increasing 2.6% and 1.2%, respectively. The Adjusting and other expense reserves developed unfavorably.

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

NOTES TO FINANCIAL STATEMENTS

35.

Multiple Peril Crop Insurance

No significant change
36.

Financial Guaranty Insurance

No significant change

PROGRESSIVE SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [☐] No [☒]
- 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 [☒]
- 2.2

If yes, date of change:

.....
- 3.1

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [☐] No [☒]
- 3.2

If the response to 3.1 is yes, provide a brief description of those changes.

- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [☐] No [☒]
- 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	2	3
Name of Entity	NAIC Company Code	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?
If yes, attach an explanation.

Yes [☐] No [☒] N/A [☐]
-

- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012.....
- 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 [☒]
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [☒] 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 [☒]
- 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 [☒]
- 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 [☒]
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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 [☒] No [☐]

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

- 9.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐] No [☒]
- 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 [☒] No [☐]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....41,259,545

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	2
	Prior Year-End	Current Quarter
	Book/Adjusted Carrying Value	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.....	\$9,210,431	\$8,990,609
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$9,210,431	\$8,990,609
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes []No [X]

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

Yes []No []

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0

16.3 Total payable for securities lending reporting on the liability page: \$.....0

17. 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 []

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

1	2
Name of Custodian(s)	Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET NEW YORK, NY 10013
STATE STREET	801 PENNSYLVANIA AVE KANSAS CITY, MO 64105

17.2 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	2	3
Name(s)	Location(s)	Complete Explanation(s)
NONE		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes []No [X]

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

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

17.5 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	2	3
Central Registration Depository	Name(s)	Address
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST BOSTON, MA 02110

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

Yes [X]No []

18.2 If no, list exceptions:

PROGRESSIVE SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

Yes [] No [X] N/A []

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?
If yes, attach an explanation.

Yes [] No [X]

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			
	Maximum Interest	Disc. Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
Line of Business	.....	.....	.....	.....	.....	.....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

PROGRESSIVE SPECIALTY INSURANCE COMPANY
SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

PROGRESSIVE SPECIALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

		1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
States, Etc.								
1.	Alabama.....AL	...L...	38,499,157	34,593,154	21,485,170	20,611,865	49,470,768	45,148,454
2.	Alaska.....AK	...L...	6,295,097	6,048,700	4,383,715	4,455,268	10,364,081	8,975,571
3.	Arizona.....AZ	...L...						
4.	Arkansas.....AR	...L...	63,066	78,054	27,170	22,572	96,580	101,507
5.	California.....CA	...L...			(1,029)	(825)		
6.	Colorado.....CO	...L...	479,629	452,329	443,594	437,266	518,467	730,167
7.	Connecticut.....CT	...L...						
8.	Delaware.....DE	...L...						
9.	District of Columbia.....DC	...L...						
10.	Florida.....FL	...L...			(2,362)	(1,755)		
11.	Georgia.....GA	...L...						
12.	Hawaii.....HI	...L...	436,906	529,242	203,867	489,381	921,443	899,099
13.	Idaho.....ID	...L...						
14.	Illinois.....IL	...L...			(475)	(2,280)		
15.	Indiana.....IN	...L...			(3,730)	(522)		
16.	Iowa.....IA	...L...				(536)		
17.	Kansas.....KS	...L...						
18.	Kentucky.....KY	...L...				(12,399)	2,713	2,622
19.	Louisiana.....LA	...N...						
20.	Maine.....ME	...L...						
21.	Maryland.....MD	...L...	12,163,091	10,547,189	6,585,810	5,752,949	15,083,006	14,351,943
22.	Massachusetts.....MA	...N...						
23.	Michigan.....MI	...L...						
24.	Minnesota.....MN	...L...	2,158,172	2,418,367	1,231,358	1,025,590	3,800,717	4,902,542
25.	Mississippi.....MS	...L...						
26.	Missouri.....MO	...L...			(449)	2,020	1,468	38,649
27.	Montana.....MT	...L...	68,758	69,813	95,728	58,148	101,692	77,607
28.	Nebraska.....NE	...L...						
29.	Nevada.....NV	...L...	478,361	548,210	322,774	443,928	519,448	569,597
30.	New Hampshire.....NH	...N...						
31.	New Jersey.....NJ	...L...						
32.	New Mexico.....NM	...L...						
33.	New York.....NY	...L...	43,176,839	36,881,178	23,171,703	16,031,961	49,730,982	34,938,911
34.	North Carolina.....NC	...N...						
35.	North Dakota.....ND	...L...						
36.	Ohio.....OH	...L...	94,367,899	89,378,328	60,228,414	51,424,767	106,981,050	95,697,516
37.	Oklahoma.....OK	...L...				285		
38.	Oregon.....OR	...L...	8,631	9,091	19,652	1,549	3,278	78,965
39.	Pennsylvania.....PA	...L...	61,535,257	57,023,375	39,870,583	33,058,884	76,088,207	70,756,465
40.	Rhode Island.....RI	...L...						
41.	South Carolina.....SC	...L...			(100)	(100)		
42.	South Dakota.....SD	...L...						
43.	Tennessee.....TN	...L...			(2,900)	(10)		
44.	Texas.....TX	...L...						
45.	Utah.....UT	...L...						
46.	Vermont.....VT	...L...	400,687	476,268	323,294	442,199	1,041,554	597,153
47.	Virginia.....VA	...L...	1,176,291	1,357,360	1,076,726	725,629	1,873,169	1,845,308
48.	Washington.....WA	...L...			(876)	(1,734)		
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.....CAN	...N...						
58.	Aggregate Other Alien.....OT	...XXX...	0	0	0	0	0	0
59.	Totals.....	(a).....46	261,307,842	240,410,658	159,457,639	134,964,100	316,598,622	279,712,076

DETAILS OF WRITE-INS

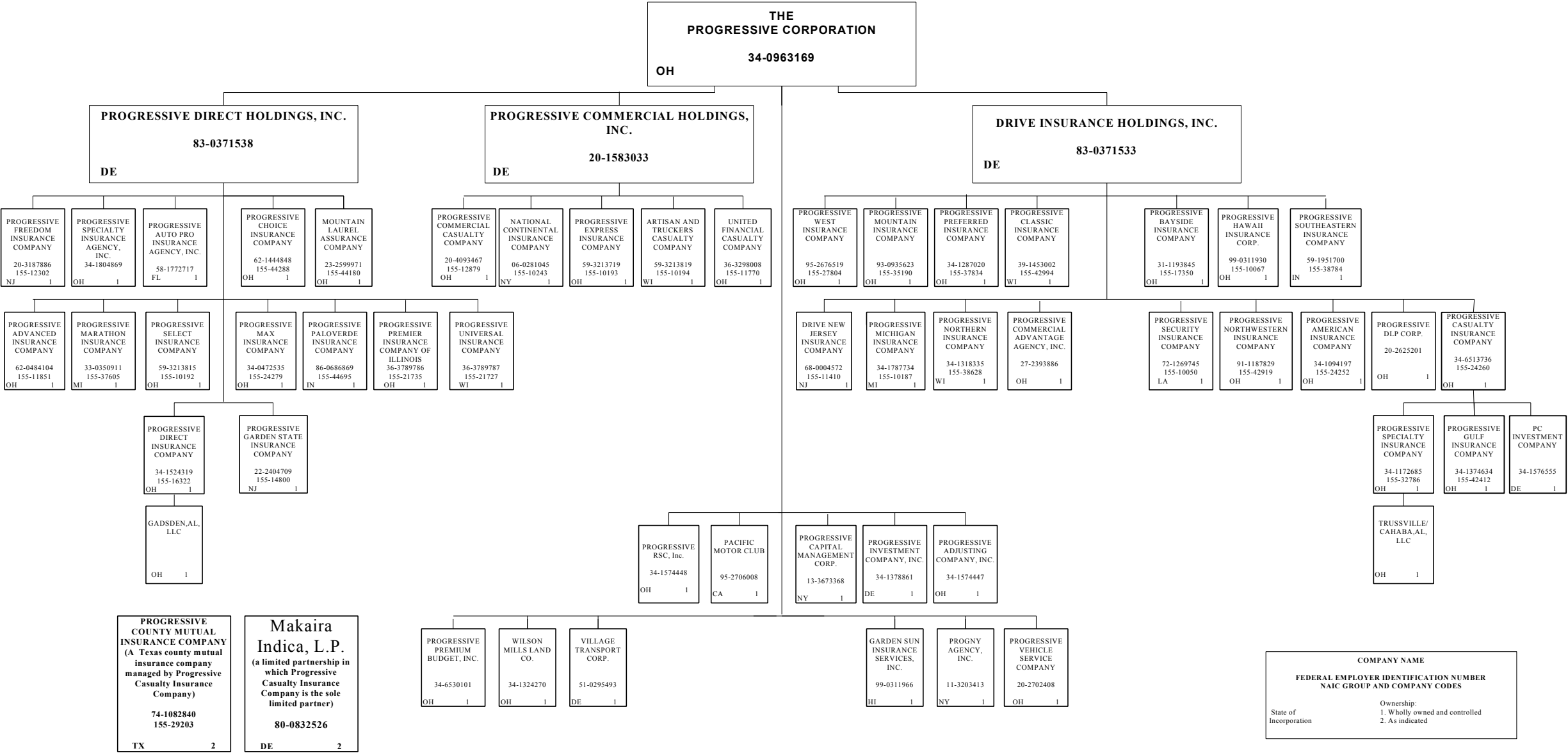
58001.	...XXX...						
58002.	...XXX...						
58003.	...XXX...						
58998. Summary of remaining write-ins for Line 58 from overflow page....	...XXX.....	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	...XXX.....	0	0	0	0	0	0

(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

Q11



PROGRESSIVE SPECIALTY INSURANCE COMPANY

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
Members														
0155.....	The Progressive Insurance Group...	00000.....	34-0963169	.....	0000080661	New York Stock Exchange..	The Progressive Corporation.....	OH.....	UIP.....	Board, Management.....	Board.....	.....	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371533	.....			Drive Insurance Holdings, Inc.....	DE.....	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	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0155.....	The Progressive Insurance Group...	12302.....	20-3187886	.....	.....	.....	Progressive Freedom Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	14800.....	22-2404709	.....	.....	.....	Progressive Garden State Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37605.....	33-0350911	.....	.....	.....	Progressive Marathon Insurance Company.....	MI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24279.....	34-0472535	.....	.....	.....	Progressive Max Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44695.....	86-0686869	.....	.....	.....	Progressive Paloverde Insurance Company.....	IN.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	21735.....	36-3789786	.....	.....	.....	Progressive Premier Insurance Company of Illinois.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10192.....	59-3213815	.....	.....	.....	Progressive Select Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1804869	.....	.....	.....	Progressive Specialty Insurance Agency, Inc.....	OH.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	21727.....	36-3789787	.....	.....	.....	Progressive Universal Insurance Company.....	WI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	99-0311966	.....	.....	.....	Garden Sun Insurance Services, ilc.....	HI.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	95-2706008	.....	.....	.....	Pacific Motor Club.....	CA.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	11-3203413	.....	.....	.....	PROGNY Agency, Inc.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1574447	.....	.....	.....	Progressive Adjusting Company, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	13-3673368	.....	.....	.....	Progressive Capital Management Corp.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1378861	.....	.....	.....	Progressive Investment Company, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-6530101	.....	.....	.....	Progressive Premium Budget, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1574448	.....	.....	.....	Progressive RSC, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-2702408	.....	.....	.....	Progressive Vehicle Service Company.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	51-0295493	.....	.....	.....	Village Transport Corp.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1324270	.....	.....	.....	Wilson Mills Land Co.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	80-0832526	.....	.....	.....	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.

Q12.1

PROGRESSIVE SPECIALTY INSURANCE COMPANY
PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	2,660,122	876,325	32.9	22.3
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	1,245,312	(12,576)	(1.0)	19.0
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.....	147,298,896	93,627,575	63.6	63.5
19.3, 19.4 Commercial auto liability.....	6,557,297	4,077,684	62.2	23.0
21. Auto physical damage.....	85,656,479	59,866,239	69.9	67.2
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....	585		0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	243,418,691	158,435,248	65.1	63.0

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	1,898,595	1,898,595	1,765,937
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.....	906,047	906,047	683,777
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.....	160,086,924	160,086,924	147,245,546
19.3 19.4 Commercial auto liability.....	7,355,711	7,355,711	6,712,656
21. Auto physical damage.....	91,060,564	91,060,564	84,002,742
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	261,307,842	261,307,842	240,410,658

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

PROGRESSIVE SPECIALTY INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13									
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2013 Loss and LAE Payments on Claims Reported as of Prior Year-End	2013 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2013 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)									
1. 2010 + Prior.....	40,768	8,417	49,185	8,281	137	8,418	32,870	922	7,206	40,998	384	(152)	232									
2. 2011.....	47,798	10,475	58,274	9,077	436	9,513	38,867	2,462	8,286	49,616	146	709	855									
3. Subtotals 2011 + Prior.....	88,566	18,893	107,459	17,359	573	17,932	71,738	3,385	15,492	90,614	531	557	1,087									
4. 2012.....	114,452	38,591	153,043	34,775	5,521	40,297	79,867	10,971	24,206	115,044	190	2,107	2,297									
5. Subtotals 2012 + Prior.....	203,018	57,484	260,502	52,134	6,094	58,228	151,605	14,355	39,697	205,658	721	2,663	3,384									
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	53,957	53,957	XXX.....	38,249	19,118	57,368	XXX.....	XXX.....	XXX.....									
7. Totals.....	203,018	57,484	260,502	52,134	60,051	112,185	151,605	52,605	58,816	263,026	721	2,663	3,384									
8. Prior Year-End's Surplus As Regards Policyholders	467,321										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7									
																				1. ....0.4 %	2. ....4.6 %	3. ....1.3 %
																				Col. 13, Line 7 Line 8		
																				4.0.7 %		

PROGRESSIVE SPECIALTY INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.
2.
3.
4.

Bar Code:



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



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



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



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

PROGRESSIVE SPECIALTY INSURANCE COMPANY
Overflow Page for Write-Ins

NONE

PROGRESSIVE SPECIALTY INSURANCE COMPANY
SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	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

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,210,431	9,229,720
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)	(121,822)	120,711
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	98,000	140,000
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)	8,990,609	9,210,431
12. Deduct total nonadmitted amounts	8,990,609	9,210,431
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	738,078,820	821,511,345
2. Cost of bonds and stocks acquired	195,189,673	236,392,172
3. Accrual of discount	293,426	1,210,214
4. Unrealized valuation increase (decrease)	322,049	15,787,574
5. Total gain (loss) on disposals	17,606,583	22,313,498
6. Deduct consideration for bonds and stocks disposed of	178,971,276	340,312,433
7. Deduct amortization of premium	4,283,023	18,823,550
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)	768,236,252	738,078,820
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	768,236,252	738,078,820

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	415,448,699	197,620,818	90,254,852	(3,720,472)	519,094,193			415,448,699
2. Class 2 (a).....	118,332,587	14,211,695	44,719,051	(419,919)	87,405,312			118,332,587
3. Class 3 (a).....	340,502		14,117	(275,851)	50,534			340,502
4. Class 4 (a).....	21,366,781		21,109,917	589,827	846,691			21,366,781
5. Class 5 (a).....	80,476			(10,101)	70,375			80,476
6. Class 6 (a).....								
7. Total Bonds.....	555,569,045	211,832,513	156,097,937	(3,836,516)	607,467,105	0	0	555,569,045
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....	90,496,775		11,371,750	(12,536,250)	66,588,775			90,496,775
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	90,496,775	0	11,371,750	(12,536,250)	66,588,775	0	0	90,496,775
15. Total Bonds and Preferred Stock.....	646,065,820	211,832,513	167,469,687	(16,372,766)	674,055,880	0	0	646,065,820

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

PROGRESSIVE SPECIALTY INSURANCE COMPANY
SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	5,160,714	XXX.....	5,160,008	16	.....

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.....	4,415,369	199,149
2. Cost of short-term investments acquired.....	744,648	6,026,835
3. Accrual of discount.....	697	8
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....	.....1,810,623
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).....	5,160,714	4,415,369
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	5,160,714	4,415,369

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

PROGRESSIVE SPECIALTY INSURANCE COMPANY
SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	6,499,891	
2. Cost of cash equivalents acquired.....	15,998,612	119,389,197
3. Accrual of discount.....	321	10,694
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	6,500,000	112,900,000
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	15,998,824	6,499,891
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	15,998,824	6,499,891

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		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
		3 City	4 State									

NONE

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Changes in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Affiliated																			
000000 00 0	TRUSSVILLE/CAHABA, AL LLC.....	TRUSSVILLE.....	AL.....	CHALKVILLE VENTURES, LLC.....	10/20/2006	02/28/2013	98,000	.....	.....	.....	.....	.....0	.....	.....	.....98,000	.....	.....	.....0	.....
2099999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Affiliated.....							98,000	0	0	0	0	0	0	0	98,000	0	0	0	0
4099999. Subtotal - Affiliated.....							98,000	0	0	0	0	0	0	0	98,000	0	0	0	0
4199999. Totals.....							98,000	0	0	0	0	0	0	0	98,000	0	0	0	0

QE03

SCHEDULE D - PART 3

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

1	2			3	4	5		6	7	8	9	10
CUSIP Identification	Description			Foreign	Date Acquired	Name of Vendor		Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government												
912828 UJ 7	US TREASURY NOTE 0.875% 01/31/18.....				...02/21/2013	Various.....			70,068,750	70,000,000	36,378	1.....
0599999.	Total - Bonds - U.S. Government.....								70,068,750	70,000,000	36,378	XXX.....
Bonds - U.S. States, Territories and Possessions												
57582N 4H 5	MASSACHUSETTS ST 0.150% 03/01/26.....				...03/27/2013	Goldman Sachs.....			19,500,000	19,500,000	1,413	1FE.....
882720 2Q 7	TEXAS ST 0.140% 06/01/34.....				...03/18/2013	Goldman Sachs.....			32,615,000	32,615,000	13,741	1FE.....
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....								52,115,000	52,115,000	15,154	XXX.....
Bonds - Industrial and Miscellaneous												
02666Q M2 6	AMERICAN HONDA FINANCE 1.600% 02/16/18.....				...02/12/2013	Citicorp Securities Inc.....			14,991,450	15,000,000		1FE.....
029912 BD 3	AMERICAN TOWER CORP 4.500% 01/15/18.....				...03/14/2013	Nomura Securities Intern'l Inc.....			14,211,695	12,937,000	103,496	2FE.....
36162W AC 1	GEET 2013-1 A3 0.690% 11/25/16.....				...03/12/2013	Bank of America Corp.....			13,998,807	14,000,000		1FE.....
36192R AA 0	GSMS 2012-BWTR A 2.954% 11/05/34.....				...02/25/2013	Various.....			11,766,072	11,755,000	27,582	1FM.....
36197R AQ 0	GSMS 2013-NYC5 D 3.479% 01/10/30.....				...03/18/2013	Goldman Sachs.....			17,937,479	17,500,000	45,662	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....								72,905,503	71,192,000	176,740	XXX.....
8399997.	Total - Bonds - Part 3.....								195,089,253	193,307,000	228,272	XXX.....
8399999.	Total - Bonds.....								195,089,253	193,307,000	228,272	XXX.....
Common Stocks - Industrial and Miscellaneous												
26885G 10 9	ERA GROUP INC.....				...02/01/2013	Spin Off.....		6,100,000	96,986	XXX.....		L.....
531229 10 2	LIBERTY MEDIA CORP.....				...01/14/2013	Spin Off.....		236,000	3,434	XXX.....		L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....								100,420	XXX.....	0	XXX.....
9799997.	Total - Common Stocks - Part 3.....								100,420	XXX.....	0	XXX.....
9799999.	Total - Common Stocks.....								100,420	XXX.....	0	XXX.....
9899999.	Total - Preferred and Common Stocks.....								100,420	XXX.....	0	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....								195,189,673	XXX.....	228,272	XXX.....

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

SCHEDULE D - PART 4

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

1	2			3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
												11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
CUSIP Identification	Description																						

Bonds - U.S. Government

912828	KJ	8	US TREASURY NOTE 1.750% 03/31/14.....	03/28/2013	Barclays Capital.....			507,910	500,000	504,193	501,070	.....	.....(198)	.....	.....(198)	.....	.....500,872	.....	.....7,038	7,038	4,303	03/31/2014	1.....
912828	UJ	7	US TREASURY NOTE 0.875% 01/31/18.....	02/27/2013	Barclays Capital.....			15,078,516	15,000,000	14,996,484		9	.....	.....	.....9	.....	.....14,996,494	.....	.....82,022	82,022	10,152	01/31/2018	1.....
0599999.	Total - Bonds - U.S. Government.....							15,586,426	15,500,000	15,500,677	501,070	0	(189)	0	(189)	0	15,497,366	0	89,060	89,060	14,455	XXX...	XXX...

Bonds - U.S. Special Revenue and Special Assessment

041083	JS	6	ARKANSAS ST HSG 5.000% 01/01/34.....	01/01/2013	Call 100.0000.....			290,000	290,000	300,028	293,258	.....	.....(3,258)	.....	.....(3,258)	.....	.....290,000	.....	.....	.....	.....0	7,250	01/01/2015	1FE.....
313921	6F	0	FNGT 2001-W3 A 7.000% 09/01/41.....	03/01/2013	Paydown.....			44,850	44,850	46,924	47,632	.....	.....(2,782)	.....	.....(2,782)	.....	.....44,850	.....	.....	.....	.....0	571	09/01/2041	1.....
31392C	MS	0	FNW 2002-W1 2A 6.898% 02/25/42.....	03/01/2013	Paydown.....			8,369	8,369	8,795	8,817	.....	.....(448)	.....	.....(448)	.....	.....8,369	.....	.....	.....	.....0	109	02/25/2042	1.....
462467	CU	3	IOWA FIN AUTH SF MTG 5.750% 07/01/37.....	01/02/2013	Call 100.0000.....			190,000	190,000	206,009	198,900	.....	.....(8,900)	.....	.....(8,900)	.....	.....190,000	.....	.....	.....	.....0	5,493	07/01/2017	1FE.....
46246B	JS	2	IOWA FIN AUTH HSG 5.000% 07/01/30.....	01/02/2013	Call 100.0000.....			395,000	395,000	412,625	396,855	.....	.....(1,855)	.....	.....(1,855)	.....	.....395,000	.....	.....	.....	.....0	9,930	07/01/2014	1FE.....
49130P	JG	0	KENTUCKY HSG CORP 3.415% 07/01/13.....	03/01/2013	Call 100.0000.....			150,000	150,000	150,000	150,000	.....	.....	.....	.....0	.....	.....150,000	.....	.....	.....	.....0	2,874	07/01/2013	1FE.....
60636X	WJ	8	MISSOURI ST HSG SF 6.000% 03/01/37.....	03/01/2013	Call 100.0000.....			310,000	310,000	338,613	320,299	.....	.....(10,299)	.....	.....(10,299)	.....	.....310,000	.....	.....	.....	.....0	9,300	09/01/2016	1FE.....
613349	Q6	9	MONTGOMERY CNTY MD HSG 5.750% 01/01/38..	01/17/2013	Call 100.0000.....			265,000	265,000	287,342	272,197	.....	.....(7,197)	.....	.....(7,197)	.....	.....265,000	.....	.....	.....	.....0	8,296	01/01/2016	1FE.....
65888M	6B	2	NORTH DAKOTA ST HSG 5.500% 01/01/37.....	01/01/2013	Call 100.0000.....			645,000	645,000	680,153	650,809	.....	.....(5,809)	.....	.....(5,809)	.....	.....645,000	.....	.....	.....	.....0	17,738	01/01/2015	1FE.....
658909	CL	8	NORTH DAKOTA ST HSG FIN 4.500% 01/01/35....	01/01/2013	Call 100.0000.....			155,000	155,000	160,132	158,726	.....	.....(3,726)	.....	.....(3,726)	.....	.....155,000	.....	.....	.....	.....0	3,488	07/01/2020	1FE.....
676907	KV	9	OHIO HSG FIN AGY 5.500% 03/01/36.....	03/01/2013	Call 100.0000.....			350,000	350,000	373,552	356,641	.....	.....(6,641)	.....	.....(6,641)	.....	.....350,000	.....	.....	.....	.....0	9,625	09/01/2016	1FE.....
83712D	SL	1	SOUTH CAROLINA HSG 4.000% 07/01/34.....	01/01/2013	Call 100.0000.....			5,000	5,000	5,303	5,281	.....	.....(281)	.....	.....(281)	.....	.....5,000	.....	.....	.....	.....0	53	07/01/2019	1FE.....
88045R	WH	1	TENNESSEE HSG DEV 4.500% 07/01/31.....	01/01/2013	Call 100.0000.....			75,000	75,000	78,563	78,224	.....	.....(3,224)	.....	.....(3,224)	.....	.....75,000	.....	.....	.....	.....0	1,688	07/01/2022	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....							2,883,219	2,883,219	3,048,039	2,937,639	0	(54,420)	0	(54,420)	0	2,883,219	0	0	0	0	76,415	XXX...	XXX...

Bonds - Industrial and Miscellaneous

00038A	AA	1	ABB TREASURY CENTER USA 2.500% 06/15/16...	03/01/2013	CSFBdirect.....			26,708,906	25,490,000	25,566,236	25,578,467	.....	.....(5,250)	.....	.....(5,250)	.....	.....25,573,217	.....	.....1,135,689	1,135,689	136,437	06/15/2016	1FE.....
02666Q	J5	3	AMERICAN HONDA FINANCE 1.850% 09/19/14....	02/12/2013	Deutsche Bank.....			15,276,300	15,000,000	14,993,100	14,995,841	.....	.....340	.....	.....340	.....	.....14,996,181	.....	.....280,119	280,119	112,542	09/19/2014	1FE.....
03027W	AE	2	AMTT 2007-1A D 5.957% 04/15/14.....	03/15/2013	Paydown.....			13,990,000	13,990,000	13,880,503	13,956,388	.....	.....33,612	.....	.....33,612	.....	.....13,990,000	.....	.....	.....0	458,304	04/15/2014	2AM.....
03027W	AF	9	AMTT 2007-1A E 6.249% 04/15/37.....	03/15/2013	Paydown.....			6,300,000	6,300,000	6,225,625	6,278,564	.....	.....21,436	.....	.....21,436	.....	.....6,300,000	.....	.....	.....0	217,126	04/15/2037	2AM.....
03027W	AG	7	AMTT 2007-1A F 6.639% 04/15/37.....	03/15/2013	Paydown.....			10,520,000	10,520,000	11,161,488	10,735,200	23,439	(238,640)	.....	.....(215,201)	.....	.....10,520,000	.....	.....	.....0	386,452	04/15/2037	4AM.....
073879	ZG	6	BSABS 2005-HE7 M1 0.724% 07/25/35.....	03/25/2013	Paydown.....			635,987	635,987	596,238	633,240	.....	.....2,747	.....	.....2,747	.....	.....635,987	.....	.....	.....0	661	07/25/2035	1FM.....
07387A	GH	2	BSARM 2005-12 25A1 1.898% 04/25/51.....	03/01/2013	Paydown.....			27,074	96,429	59,936	48,436	11,499	(32,862)	.....	.....(21,363)	.....	.....27,074	.....	.....	.....0	542	04/25/2051	1FM.....
12643C	BD	2	CSMC 2010-1R 10A1 3.029% 06/27/47.....	03/01/2013	Paydown.....			170,057	170,057	173,564	169,731	.....	.....326	.....	.....326	.....	.....170,057	.....	.....	.....0	640	06/27/2047	1FM.....
126673	QE	5	CWL 2004-AB2 A3 0.614% 05/25/36.....	03/25/2013	Paydown.....			893,300	893,300	869,851	876,190	.....	.....17,110	.....	.....17,110	.....	.....893,300	.....	.....	.....0	1,391	05/25/2036	1FM.....
14987B	AA	1	CC HOLDINGS GS V LLC/CR 7.750% 05/01/17.....	01/10/2013	Call 103.8750.....			3,375,938	3,250,000	3,554,688	3,410,950	.....	.....(35,013)	.....	.....(35,013)	.....	.....3,375,938	.....	.....	.....0	119,568	05/01/2017	2FE.....
22540V	G6	3	CSFB 2002-9 1A1 7.000% 03/25/40.....	03/01/2013	Paydown.....			2,443	2,443	2,477	2,538	.....	.....(95)	.....	.....(95)	.....	.....2,443	.....	.....	.....0	27	03/25/2040	4FM.....
260543	BW	2	DOW CHEMICAL COMPANY 7.600% 05/15/14.....	03/25/2013	Call 100.0000.....			5,943,000	5,943,000	6,821,603	6,253,227	.....	.....(310,227)	.....	.....(310,227)	.....	.....5,943,000	.....	.....	.....0	628,743	05/15/2014	2FE.....
33736X	BN	8	FUNBC 2000-C2 IO 0.000% 10/15/32.....	03/01/2013	Paydown.....			.....	.....	.....4	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	8	10/15/2032	6*.....
33736X	CR	8	FUNBC 2001-C2 IO 1.874% 01/12/43.....	03/01/2013	Paydown.....			.....	.....	.....427	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	18	01/12/2043	5FE.....
33736X	CR	8	FUNBC 2001-C2 IO 1.874% 01/12/43.....	03/01/2013	Return of Capital.....			6,329	.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....6,329	6,329	18	01/12/2043	5FE.....
36161H	AD	3	GEEMT 2010-1 A4 1.470% 07/14/15.....	03/14/2013	Paydown.....			435,458	435,458	435,356	435,416	.....	.....42	.....	.....42	.....	.....435,458	.....	.....	.....0	1,600	07/14/2015	1FE.....

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		F o r e i g n	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 Design- nation or Market Indicator (a)
393505 QX 3	GT 1996-9 A5	7.200% 01/15/28.....	....	03/15/2013	Paydown.....		5,713	5,713	5,855	5,689	.....	.....24	.....	.....24	.....	.....5,713	.....	.....	.....0	68	01/15/2028	1FE....
396789 ES 4	GCCFC 2003-C2 A4	4.915% 01/05/36.....	....	03/01/2013	Paydown.....		1,858,478	1,858,478	1,886,719	1,864,427	.....	.....(5,949)	.....	.....(5,949)	.....	.....1,858,478	.....	.....	.....0	20,720	01/05/2036	1FM....
458140 AL 4	INTEL CORP	1.350% 12/15/17.....	....	02/12/2013	Morgan Stanley.....		4,994,850	5,000,000	4,994,700	4,994,745	.....	.....110	.....	.....110	.....	.....4,994,855	.....	.....(5)	(5)	12,000	12/15/2017	1FE....
466247 QC 0	JPMMT 2005-A3 4A1	2.694% 06/25/35.....	....	03/01/2013	Paydown.....		183,539	183,539	178,227	183,784	.....	.....(244)	.....	.....(244)	.....	.....183,539	.....	.....	.....0	909	06/25/2035	1FM....
52108H BZ 6	LBUBS 2000-C4 X IO	1.344% 07/11/32.....	....	03/11/2013	Paydown.....		.....	.....	.....26,875	8,464	.....	.....(8,464)	.....	.....(8,464)	.....	.....	.....	.....	.....0	389	07/11/2032	5FE....
52108H UM 4	LBUBS 2003-C7 A4	4.931% 09/15/35.....	....	03/11/2013	Paydown.....		5,925,768	5,925,768	6,048,219	5,940,238	.....	.....(14,470)	.....	.....(14,470)	.....	.....5,925,768	.....	.....	.....0	57,814	09/15/2035	1FM....
521865 AR 6	LEAR CORPORATION	7.875% 03/15/18.....	....	03/26/2013	Call 103.0000.....		6,180	6,000	6,473	6,341	.....	.....(161)	.....	.....(161)	.....	.....6,180	.....	.....	.....0	251	03/15/2018	3FE....
552953 CA 7	MGM RESORTS INTERNATION	6.625% 12/15/21..	....	03/11/2013	Various.....		11,011,875	10,500,000	10,590,000	10,500,000	89,594	(2,120)	.....	.....87,474	.....	.....10,587,474	.....	.....424,401	424,401	162,313	12/15/2021	4FE....
55313U AD 1	MMAF 2009-AA A4	3.510% 01/15/30.....	....	03/15/2013	Paydown.....		1,897,337	1,897,337	1,975,602	1,927,886	.....	.....(30,549)	.....	.....(30,549)	.....	.....1,897,337	.....	.....	.....0	8,652	01/15/2030	1FE....
589929 MK 1	MLMI 1996-C2 IO	2.393% 11/21/28.....	....	03/01/2013	Paydown.....		.....	.....	.....637	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	28	11/21/2028	6*.....
59022H CP 5	MLMT 2003-KEY1 A3	4.893% 11/12/35.....	....	02/01/2013	Paydown.....		308,873	308,873	314,589	308,663	.....	.....210	.....	.....210	.....	.....308,873	.....	.....	.....0	1,843	11/12/2035	1FM....
65536H BC 1	NHELI 2005-HE1 M1	0.644% 09/25/35.....	....	01/25/2013	Paydown.....		63,863	63,863	57,853	63,665	.....	.....198	.....	.....198	.....	.....63,863	.....	.....	.....0	35	09/25/2035	1FM....
658262 DV 9	NCSEA 2005-P A1	0.397% 06/01/20.....	....	03/01/2013	Paydown.....		404,567	404,567	399,699	401,966	.....	.....2,601	.....	.....2,601	.....	.....404,567	.....	.....	.....0	416	06/01/2020	1FM....
743873 AX 9	PFMLT 2005-1 2A1	2.771% 05/25/35.....	....	03/01/2013	Paydown.....		155,299	155,299	150,810	157,066	.....	.....(1,767)	.....	.....(1,767)	.....	.....155,299	.....	.....	.....0	724	05/25/2035	2FE....
749930 AR 4	RMF PT 1997-1 X2 IO	0.000% 01/15/19.....	....	03/01/2013	Paydown.....		.....	.....	.....1,082	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	169	01/15/2019	6*.....
749930 AR 4	RMF PT 1997-1 X2 IO	0.000% 01/15/19.....	....	03/01/2013	Return of Capital.....		1,770	.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....1,770	.....	.....1,770	169	01/15/2019	6*.....
79548C AR 7	SBM7 2000-C3 X IO	0.000% 12/18/33.....	....	03/01/2013	Paydown.....		.....	.....	.....20	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	17	12/18/2033	5FE....
79548C AR 7	SBM7 2000-C3 X IO	0.000% 12/18/33.....	....	03/01/2013	Return of Capital.....		4,905	.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....4,905	.....	.....4,905	17	12/18/2033	5FE....
929227 4D 5	WAMU 2003-AR6 A1	2.444% 06/25/33.....	....	03/01/2013	Paydown.....		7,937	7,937	8,056	8,147	.....	.....(210)	.....	.....(210)	.....	.....7,937	.....	.....	.....0	36	06/25/2033	3FM....
929766 EB 5	WBCMT 2003-C4 B	4.945% 04/15/35.....	....	03/01/2013	Paydown.....		7,000,000	7,000,000	6,856,719	6,980,276	.....	.....19,724	.....	.....19,724	.....	.....7,000,000	.....	.....	.....0	80,702	04/15/2035	1FM....
705012 AA 0	PEARSON FUNDING TWO	4.000% 05/17/16.....	F...	02/25/2013	Various.....		16,245,600	15,000,000	14,921,700	14,953,029	.....	.....1,785	.....	.....1,785	.....	.....14,954,814	.....	.....1,290,786	1,290,786	165,556	05/17/2016	2FE....
3899999.	Total - Bonds - Industrial & Miscellaneous.....						134,361,346	131,044,048	132,764,931	131,678,574	124,532	(585,756)	0	(461,224)	0	131,217,352	0	3,143,994	3,143,994	2,576,905	XXX...	XXX...
8399997.	Total - Bonds - Part 4.....						152,830,991	149,427,267	151,313,647	135,117,283	124,532	(640,365)	0	(515,833)	0	149,597,937	0	3,233,054	3,233,054	2,667,775	XXX...	XXX...
8399999.	Total - Bonds.....						152,830,991	149,427,267	151,313,647	135,117,283	124,532	(640,365)	0	(515,833)	0	149,597,937	0	3,233,054	3,233,054	2,667,775	XXX...	XXX...

Preferred Stocks - Industrial and Miscellaneous

58551T AA 5	MELLON CAPITAL IV .....	....	03/07/2013	Various.....	25,000,000.000	23,887,500	.....	.....10,531,750	10,531,750	.....	.....	.....	.....	.....0	.....	.....10,531,750	.....	.....13,355,750	13,355,750	158,333	XXX...	P2VFE.
902973 86 6	US BANCORP.....	....	02/15/2013	Piper Jaffray & Co.....	2,000.000	1,819,959	.....	.....840,000	1,760,000	(920,000)	.....	.....	.....	.....(920,000)	.....	.....840,000	.....	.....979,959	979,959	17,889	XXX...	P2LFE..
8499999.	Total - Preferred Stocks - Industrial & Miscellaneous.....						25,707,459	XXX.....	11,371,750	12,291,750	(920,000)	0	0	(920,000)	0	11,371,750	0	14,335,709	14,335,709	176,222	XXX...	XXX....
8999997.	Total - Preferred Stocks - Part 4.....						25,707,459	XXX.....	11,371,750	12,291,750	(920,000)	0	0	(920,000)	0	11,371,750	0	14,335,709	14,335,709	176,222	XXX...	XXX....
8999999.	Total - Preferred Stocks.....						25,707,459	XXX.....	11,371,750	12,291,750	(920,000)	0	0	(920,000)	0	11,371,750	0	14,335,709	14,335,709	176,222	XXX...	XXX....

Common Stocks - Industrial and Miscellaneous

200525 10 3	COMMERCE BANCSHARES INC.....	....	01/16/2013	State Street Bank.....	1.000	25	XXX.....	21	25	(3)	.....	.....	.....	.....(3)	.....	.....21	.....	.....4	4	.....	.....XXX...	L.....
29273R 10 9	ENERGY TRANSFER PARTNER.....	....	03/22/2013	State Street Bank.....	6,764.000	332,381	XXX.....	294,565	290,379	4,187	.....	.....	.....	.....4,187	.....	.....294,565	.....	.....37,816	37,816	6,045	XXX...	L.....
811904 10 1	SEACOR HOLDINGS INC.....	....	02/01/2013	Spin Off.....	.....	.....96,986	XXX.....	96,986	114,576	(17,590)	.....	.....	.....	.....(17,590)	.....	.....96,986	.....	.....	.....0	.....	.....XXX...	L.....
85571Q 10 2	STARZ - LIBERTY CAPITAL.....	....	01/14/2013	Spin Off.....	.....	.....3,434	XXX.....	3,434	24,244	(20,810)	.....	.....	.....	.....(20,810)	.....	.....3,434	.....	.....	.....0	.....	.....XXX...	L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....						432,826	XXX.....	395,006	429,224	(34,216)	0	0	(34,216)	0	395,006	0	37,820	37,820	6,045	XXX...	XXX....

QE05.1

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	F o r e i g n	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 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)
9799997	Total - Common Stocks - Part 4.....					432,826	XXX.....	395,006	429,224	(34,216)	0	0	(34,216)	0	395,006	0	37,820	37,820	6,045	XXX...	..XXX....
9799999.	Total - Common Stocks.....					432,826	XXX.....	395,006	429,224	(34,216)	0	0	(34,216)	0	395,006	0	37,820	37,820	6,045	XXX...	..XXX....
9899999.	Total - Preferred and Common Stocks.....					26,140,285	XXX.....	11,766,756	12,720,974	(954,216)	0	0	(954,216)	0	11,766,756	0	14,373,529	14,373,529	182,267	XXX...	..XXX....
9999999.	Total - Bonds, Preferred and Common Stocks.....					178,971,276	XXX.....	163,080,403	147,838,257	(829,684)	(640,365)	0	(1,470,049)	0	161,364,693	0	17,606,583	17,606,583	..2,850,042	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-Sn 1
NONE

Sch. DB-Pt D-Sn 2
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

PROGRESSIVE SPECIALTY INSURANCE COMPANY
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
STATE STREET BANK..... KANSAS CITY, MO.....							16,223	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	0	0	0	0	16,223	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	0	0	0	0	16,223	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	0	0	0	0	16,223	XXX..

PROGRESSIVE SPECIALTY INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
ARCHER DANIELS MIDLAND.....		03/27/2013	0.090	04/26/2013	10,999,312	.....	.....137
CARGILL GLOBAL FUND PLC.....		03/26/2013	0.090	05/10/2013	4,999,512	.....	.....75
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					15,998,824	0	212
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					15,998,824	0	212
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					15,998,824	0	212
8399999. Subtotals - Bonds.....					15,998,824	0	212
8699999. Total - Cash Equivalents.....					15,998,824	0	212