



QUARTERLY STATEMENT

As of June 30, 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 440-395-4460 (Name) (Area Code) (Telephone Number) (Extension)

FINANCIAL_REPORTING@PROGRESSIVE.COM 440-446-7168 (E-Mail Address) (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)
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Subscribed and sworn to before me This 6TH day of AUGUST, 2013

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

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.....	652,382,594		652,382,594	544,653,787
2. Stocks:				
2.1 Preferred stocks.....	26,731,025		26,731,025	90,496,775
2.2 Common stocks.....	121,026,896		121,026,896	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 (\$.....0), cash equivalents (\$....599,963) and short-term investments (\$....163,208).....	763,171		763,171	10,915,260
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	9,110,787	9,110,787	0	
9. Receivables for securities.....	30,469		30,469	
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).....	810,044,942	9,110,787	800,934,155	748,994,072
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	4,897,813		4,897,813	4,775,324
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	38,334,523	7,592,007	30,742,516	26,394,451
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	168,361,164		168,361,164	155,965,587
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	6,677,118		6,677,118	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.....	12,693,370		12,693,370	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.....	68,292,055		68,292,055	30,504,711
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	1,281,434	706,369	575,065	566,274
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,110,582,419	17,409,163	1,093,173,256	994,299,409
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,110,582,419	17,409,163	1,093,173,256	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.....	575,065		575,065	566,274
2502. MISCELLANEOUS OTHER ASSETS.....	516,229	516,229	0	
2503. PREPAID EXPENSES.....	190,140	190,140	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).....	1,281,434	706,369	575,065	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 \$....84,403,963).....	223,756,559	217,147,501
2. Reinsurance payable on paid losses and loss adjustment expenses.....	5,255,497	4,978,502
3. Loss adjustment expenses.....	43,643,763	43,354,212
4. Commissions payable, contingent commissions and other similar charges.....	562,999	1,036,140
5. Other expenses (excluding taxes, licenses and fees).....	25,947,497	19,944,840
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,336,956	5,108,680
7.1 Current federal and foreign income taxes (including \$....643,459 on realized capital gains (losses)).....	13,691,932	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 \$....305,329,455 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.....	202,435,192	189,117,054
10. Advance premium.....	7,076,965	4,873,125
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,325,815	42,208
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	362,689	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.....	33,630,188	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.....	1,511,051	1,786,571
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	570,537,103	526,978,216
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	570,537,103	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.....	119,647,077	106,071,065
35. Unassigned funds (surplus).....	399,489,076	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).....	522,636,153	467,321,193
38. Totals (Page 2, Line 28, Col. 3).....	1,093,173,256	994,299,409

DETAILS OF WRITE-INS		
2501. OTHER LIABILITIES.....	1,389,703	1,669,608
2502. ESCHEATABLE PROPERTY.....	109,352	110,970
2503. UNEARNED FEE RESERVE.....	11,996	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).....	1,511,051	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 \$.....520,047,144).....	495,207,842	455,368,542	927,961,038
1.2 Assumed..... (written \$.....339,834,693).....	326,516,555	306,605,776	623,470,798
1.3 Ceded..... (written \$.....520,047,144).....	495,207,842	455,368,542	927,961,038
1.4 Net..... (written \$.....339,834,693).....	326,516,555	306,605,776	623,470,798
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....199,798,202):			
2.1 Direct.....	310,084,902	288,572,871	607,369,903
2.2 Assumed.....	203,034,742	196,093,078	403,903,130
2.3 Ceded.....	310,084,902	288,572,871	607,369,903
2.4 Net.....	203,034,742	196,093,078	403,903,130
3. Loss adjustment expenses incurred.....	32,952,008	32,649,046	64,457,556
4. Other underwriting expenses incurred.....	71,399,306	69,096,931	134,650,346
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	307,386,056	297,839,055	603,011,032
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	19,130,499	8,766,721	20,459,766
INVESTMENT INCOME			
9. Net investment income earned.....	10,178,864	14,899,377	27,785,399
10. Net realized capital gains (losses) less capital gains tax of \$.....643,459.....	41,308,384	7,786,891	21,363,892
11. Net investment gain (loss) (Lines 9 + 10).....	51,487,248	22,686,268	49,149,291
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....370,825 amount charged off \$.....8,653,712).....	(8,282,887)	(7,136,842)	(14,354,119)
13. Finance and service charges not included in premiums.....	13,155,466	12,585,359	25,716,336
14. Aggregate write-ins for miscellaneous income.....	138,499	104,322	645,093
15. Total other income (Lines 12 through 14).....	5,011,078	5,552,839	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).....	75,628,825	37,005,828	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).....	75,628,825	37,005,828	81,616,367
19. Federal and foreign income taxes incurred.....	13,048,473	11,177,322	21,268,871
20. Net income (Line 18 minus Line 19) (to Line 22).....	62,580,352	25,828,506	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).....	62,580,352	25,828,506	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 \$.....(6,622,788).....	(12,301,108)	2,998,897	10,382,633
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(14,363,105)	(1,489,096)	(3,049,019)
27. Change in nonadmitted assets.....	5,822,809	4,765,224	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.....	13,576,012	12,187,018	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).....	55,314,960	44,290,549	(107,416,803)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	522,636,153	619,028,545	467,321,193
DETAILS OF WRITE-INS			
0501.			
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	0	0
1401. MISCELLANEOUS INCOME.....	105,550	52,769	540,919
1402. INTEREST INCOME ON INTERCOMPANY BALANCES.....	16,785	19,583	49,343
1403. SERVICE BUSINESS REVENUE.....	16,164	31,970	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).....	138,499	104,322	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

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.....	334,240,973	309,051,015	612,453,224
2. Net investment income.....	17,591,122	25,186,955	47,288,899
3. Miscellaneous income.....	5,203,091	5,838,942	12,722,059
4. Total (Lines 1 through 3).....	357,035,186	340,076,912	672,464,182
5. Benefit and loss related payments.....	196,160,505	185,130,650	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.....	99,303,971	95,621,188	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).....	302,693,810	285,914,341	601,185,953
11. Net cash from operations (Line 4 minus Line 10).....	54,341,376	54,162,571	71,278,229
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	241,921,326	90,766,802	291,910,623
12.2 Stocks.....	67,377,025	15,841,896	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.....		5,998,409	13,533
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	309,396,351	112,707,107	340,465,966
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	352,435,576	131,124,179	234,729,735
13.2 Stocks.....	3,429,625	1,367,868	1,662,437
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	30,469	6,027,912	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	355,895,670	138,519,959	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).....	(46,499,319)	(25,812,852)	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.....	13,576,012	12,187,018	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).....	(31,570,159)	(25,151,735)	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).....	(17,994,147)	(12,964,717)	(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).....	(10,152,089)	15,385,002	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).....	763,171	15,585,744	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	June 30, 2013	December 31, 2012
Net income			
(1) Net income, state basis	OH	\$ 62,580,352	\$ 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	\$ 62,580,352	\$ 60,347,496
Surplus			
(5) Policyholders’ surplus, state basis	OH	\$ 522,636,153	\$ 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	\$ 522,636,153	\$ 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 June 30, 2013, the Company’s other-than-temporary impairment for loan-backed and structured debt securities since the adoption of SSAP No. 43R.

CUSIP	Amortized cost before current period other-than-temporary impairment	Projected Cash Flows	Recognized other-than-temporary Impairment	Amortized Cost after other-than-temporary Impairment	Fair Value at time of other-than-temporary impairment	Financial Statement date when other-than-temporary impairment was reported
33736XBN8	\$ 289,419	\$ 234,776	\$ 54,643	\$ 234,776	\$ 169,107	2010 - Q1
33736XBN8	144,263	82,349	61,914	82,349	80,410	2010 - Q2
79548CAR7	87,994	55,617	32,377	55,617	23,757	2010 - Q2
07387AGH2	1,168,204	1,123,318	44,886	1,123,318	1,095,831	2011 - Q2
126673BL5	460,935	304,899	156,036	304,899	304,899	2011 - Q3
07387AGH2	1,121,043	1,055,062	65,981	1,055,062	966,930	2011 - Q4
Total	XXX	XXX	\$ 415,837	XXX	XXX	XXX

As of June 30, 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 June 30, 2013, the Company had \$1,778,074 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.

NOTES TO FINANCIAL STATEMENTS

As of June 30, 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	\$ 1,659,367
2. Twelve months or longer	118,707
Total	\$ 1,778,074
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 109,553,160
2. Twelve months or longer	13,475,459
Total	\$ 123,028,619

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
F. Management, Service Contracts, Cost Sharing Arrangements

Effective 5/15/13, the Company terminated its management agreement with Progressive Casualty Insurance Company (“Casualty”), the Company’s parent, and entered into a joint servicing agreement whereby Casualty provides the Company with management, underwriting and loss adjustment services for specific business produced, and the Company may, from time to time, provide Casualty with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company’s use of the other’s services.
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
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 June 30, 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 June 30, 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 June 30, 2013, there was a putative class action lawsuit challenging the manner in which the Company grants a discount for anti-theft devices.

As of June 30, 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 June 30, 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

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 June 30, 2013:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds Industrial & Miscellaneous	\$ --	\$ 3,000,865	\$ --	\$ 3,000,865
Common stock Industrial & Miscellaneous	121,026,895	--	--	121,026,895
Preferred stock Industrial & Miscellaneous	--	18,010,250	--	18,010,250
Total assets at fair value	\$ 121,026,895	\$ 21,011,115	\$ --	\$ 142,038,010
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	\$ 652,887,679	\$ 652,382,596	\$ 169,583,246	\$ 483,304,433	\$ --	\$ --
Cash equivalents	599,963	599,963	599,963	--	--	--
Short term investments	163,207	163,207	163,207	--	--	--
Common stock	121,026,895	121,026,895	121,026,895	--	--	--
Preferred stock	38,356,058	26,731,025	--	38,356,058	--	--
Total	\$ 813,033,802	\$ 800,903,686	\$ 291,373,311	\$ 521,660,491	\$ --	\$ --

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 June 30, 2013, the Company reported net admitted premiums and agents' balances in course of collection of \$30,742,516. 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

Subsequent events have been considered through August 9, 2013 for the statutory statement that was available for issuance by August 15, 2013. There were no subsequent events to report.

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 \$4,290,000 in 2013, which is 1.6% of the total prior year net unpaid losses and LAE of \$260,501,713. Private passenger auto liability and auto physical damage reserve 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 by 3.5% and 1.3%, respectively. The LAE reserves developed unfavorably primarily due to unfavorable adjusting and other expense reserve development.

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 [☒ X]
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes [☐] No [☐]
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [☐] No [☒ X]
- 2.2

If yes, date of change:

.....
- 3.1

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

Yes [☐] No [☒ X]
- 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 [☒ X]
- 4.2

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

1	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?

Yes [☒ X] No [☐] N/A [☐]
- If yes, attach an explanation.

NEW JOINT SERVICING AGREEMENT WITH PROGRESSIVE CASUALTY INSURANCE COMPANY AN AFFILIATED COMPANY DOMICILED IN OHIO EFFECTIVE 05/15/2013 AND WAS APPROVED BY THE STATE OF OHIO DOI. THE NEW AGREEMENT REPLACED A PRIOR MANAGEMENT AGREEMENT WHICH WAS TERMINATED.

- 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 [☒ X]
- 6.6

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

Yes [☒ X] No [☐] N/A [☐]

- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [☐] No [☒ X]
- 7.2

If yes, give full information:

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [☐] No [☒ X]
- 8.2

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

- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [☐] No [☒ X]
- 8.4

If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1	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 [☒ X] No [☐]

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

- 9.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒ X]
- 9.21

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

- 9.3

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

Yes [☐] No [☒ X]
- 9.31

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

PART 1 - FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☒ X] No [☐]
- 10.2

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

\$.....68,292,055

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	\$9,110,787
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$9,210,431	\$9,110,787
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

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

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

16. 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?
3.2 If yes, give full and complete information thereto:

Yes [] No [X]

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?
4.2 If yes, complete the following schedule:

Yes [] No [X]

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

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

0.0 %
0.0 %
0.0 %

6.1 Do you act as a custodian for health savings accounts?
6.2 If yes, please provide the amount of custodial funds held as of the reporting date.
6.3 Do you act as an administrator for health savings accounts?
6.4 If yes, please provide the amount of funds administered as of the reporting date.

Yes [] No [X]
0
Yes [] No [X]
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...	74,441,741	68,515,198	44,691,943	38,842,081	49,666,827	48,223,993
2.	Alaska.....AK	...L...	12,734,830	12,207,002	7,763,324	7,812,217	9,779,724	8,795,448
3.	Arizona.....AZ	...L...						
4.	Arkansas.....AR	...L...	143,140	166,660	33,408	30,182	96,682	142,679
5.	California.....CA	...L...			(1,269)	(1,065)		
6.	Colorado.....CO	...L...	857,098	841,879	721,652	756,485	414,468	782,450
7.	Connecticut.....CT	...L...						
8.	Delaware.....DE	...L...						
9.	District of Columbia.....DC	...L...						
10.	Florida.....FL	...L...			(2,978)	(3,388)		
11.	Georgia.....GA	...L...						
12.	Hawaii.....HI	...L...	791,791	917,255	799,313	803,074	408,222	736,893
13.	Idaho.....ID	...L...						
14.	Illinois.....IL	...L...			(1,173)	(4,119)		
15.	Indiana.....IN	...L...			(4,195)	(2,694)		
16.	Iowa.....IA	...L...				(936)		
17.	Kansas.....KS	...L...						
18.	Kentucky.....KY	...L...				(12,399)		2,622
19.	Louisiana.....LA	...N...						
20.	Maine.....ME	...L...						
21.	Maryland.....MD	...L...	23,919,094	20,800,325	12,827,912	11,461,868	15,811,600	15,197,207
22.	Massachusetts.....MA	...N...						
23.	Michigan.....MI	...L...						
24.	Minnesota.....MN	...L...	6,960,897	7,783,076	3,143,167	3,504,546	3,215,818	4,680,856
25.	Mississippi.....MS	...L...						
26.	Missouri.....MO	...L...			(621)	26,749	744	11,317
27.	Montana.....MT	...L...	122,022	131,645	138,507	83,399	136,906	86,585
28.	Nebraska.....NE	...L...						
29.	Nevada.....NV	...L...	886,785	1,020,735	661,255	681,708	417,227	638,438
30.	New Hampshire.....NH	...N...						
31.	New Jersey.....NJ	...L...						
32.	New Mexico.....NM	...L...				(15)		
33.	New York.....NY	...L...	83,579,690	70,061,387	45,599,426	33,018,309	51,327,528	39,868,607
34.	North Carolina.....NC	...N...						
35.	North Dakota.....ND	...L...						
36.	Ohio.....OH	...L...	192,408,271	180,303,249	116,662,381	102,397,417	106,632,718	101,946,409
37.	Oklahoma.....OK	...L...				285		
38.	Oregon.....OR	...L...	24,155	24,491	21,708	51,568	(714)	33,860
39.	Pennsylvania.....PA	...L...	120,243,448	112,423,541	73,093,334	65,287,145	78,477,818	72,193,900
40.	Rhode Island.....RI	...L...						
41.	South Carolina.....SC	...L...			(300)	(367)		
42.	South Dakota.....SD	...L...						
43.	Tennessee.....TN	...L...			(2,967)	(601)		
44.	Texas.....TX	...L...						
45.	Utah.....UT	...L...						
46.	Vermont.....VT	...L...	747,625	872,618	640,169	695,964	998,916	603,528
47.	Virginia.....VA	...L...	2,186,556	2,567,970	1,905,891	1,500,239	1,633,261	1,670,881
48.	Washington.....WA	...L...			(1,718)	(3,639)		
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	520,047,144	478,637,031	308,688,170	266,924,013	319,017,744	295,615,673

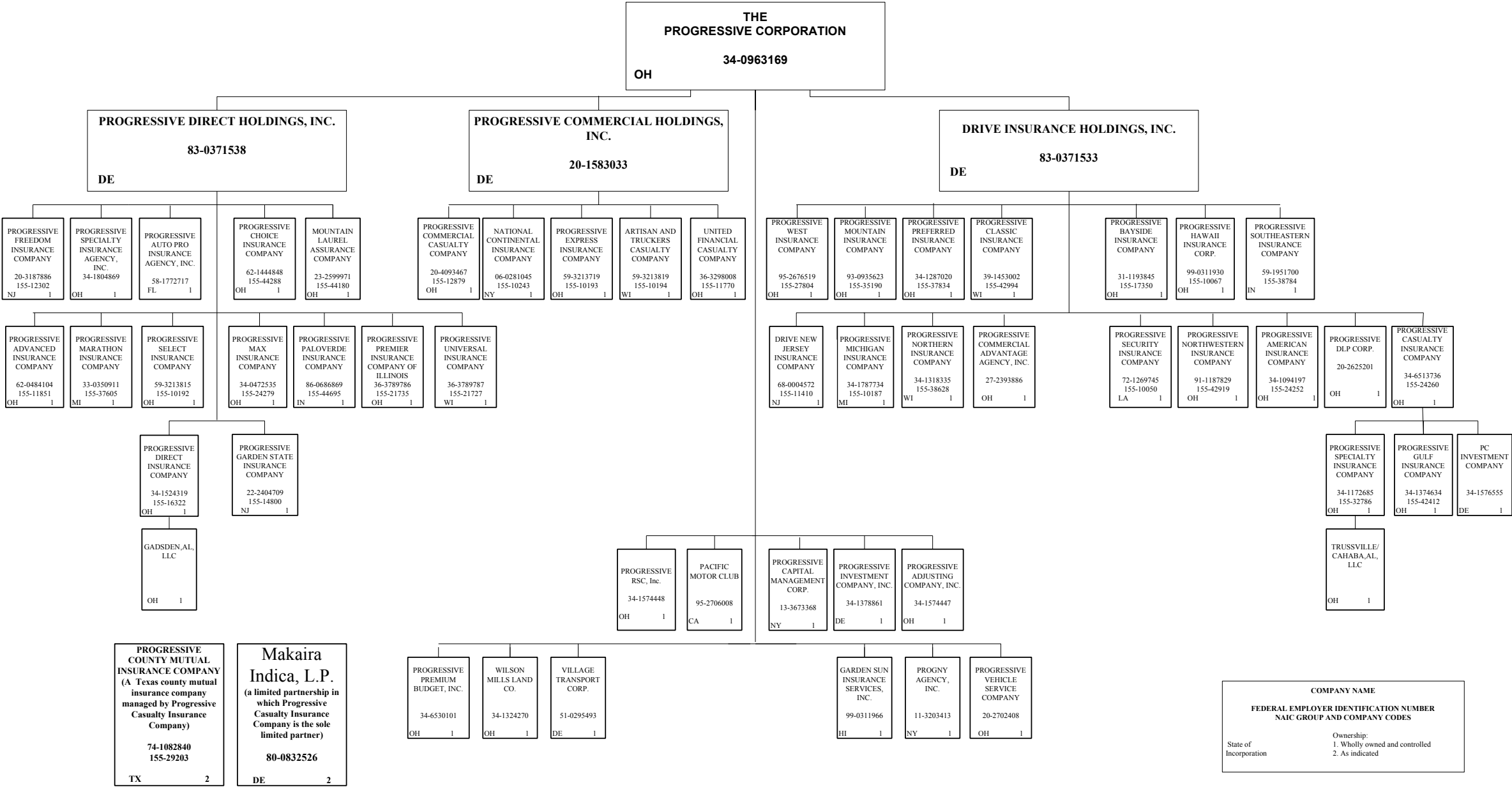
DETAILS OF WRITE-INS

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



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.....	5,378,625	2,373,960	44.1	35.7
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.....	2,279,457	165,284	7.3	36.1
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.....	300,708,772	186,082,478	61.9	64.4
19.3, 19.4 Commercial auto liability.....	13,122,876	8,337,384	63.5	45.2
21. Auto physical damage.....	173,716,943	113,125,796	65.1	64.2
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....	1,170		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.....	495,207,842	310,084,902	62.6	63.4

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	4,674,294	6,572,890	6,275,643
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....	1,712,862	2,618,909	2,380,297
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.....	155,411,329	315,498,253	288,638,465
19.3 19.4 Commercial auto liability.....	6,250,434	13,606,145	13,177,684
21. Auto physical damage.....	90,690,383	181,750,947	168,164,940
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.....	258,739,302	520,047,144	478,637,029

DETAILS OF WRITE-INS

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	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	15,434	631	16,066	26,297	1,240	6,368	33,905	963	(177)	786
2. 2011.....	47,798	10,475	58,274	16,696	1,286	17,982	31,203	3,535	6,604	41,342	101	949	1,051
3. Subtotals 2011 + Prior.....	88,566	18,893	107,459	32,131	1,917	34,048	57,500	4,776	12,972	75,247	1,065	772	1,837
4. 2012.....	114,452	38,591	153,043	51,661	9,618	61,279	63,491	12,007	18,719	94,218	700	1,753	2,454
5. Subtotals 2012 + Prior.....	203,018	57,484	260,502	83,792	11,535	95,327	120,991	16,783	31,691	169,465	1,765	2,525	4,290
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	133,761	133,761	XXX.....	69,810	28,125	97,935	XXX.....	XXX.....	XXX.....
7. Totals.....	203,018	57,484	260,502	83,792	145,296	229,088	120,991	86,593	59,816	267,400	1,765	2,525	4,290
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. ....0.9 %	2. ....4.4 %	3. ....1.6 %
											Col. 13, Line 7 Line 8		
													4.0.9 %

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 2 *



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



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



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

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)	(1,644)	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)	9,110,787	9,210,431
12. Deduct total nonadmitted amounts	9,110,787	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	355,865,200	236,392,172
3. Accrual of discount	393,151	1,210,214
4. Unrealized valuation increase (decrease)	(18,922,251)	15,787,574
5. Total gain (loss) on disposals	42,003,088	22,313,498
6. Deduct consideration for bonds and stocks disposed of	309,298,349	340,312,433
7. Deduct amortization of premium	7,927,898	18,823,550
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	51,245	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	800,140,516	738,078,820
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	800,140,516	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).....	519,094,193	107,081,597	109,860,202	(1,502,081)	519,094,193	514,813,507		415,448,699
2. Class 2 (a).....	87,405,312	52,276,373	131,496	(2,076,531)	87,405,312	137,473,658		118,332,587
3. Class 3 (a).....	50,534		50,518	798,312	50,534	798,328		340,502
4. Class 4 (a).....	846,691		36,689	(810,002)	846,691			21,366,781
5. Class 5 (a).....	70,375			(10,103)	70,375	60,272		80,476
6. Class 6 (a).....								
7. Total Bonds.....	607,467,105	159,357,970	110,078,905	(3,600,405)	607,467,105	653,145,765	0	555,569,045
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....	66,588,775		17,671,750	(22,186,000)	66,588,775	26,731,025		90,496,775
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	66,588,775	0	17,671,750	(22,186,000)	66,588,775	26,731,025	0	90,496,775
15. Total Bonds and Preferred Stock.....	674,055,880	159,357,970	127,750,655	(25,786,405)	674,055,880	679,876,790	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.

QSI02

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.....	163,208	XXX.....	163,208	42	.....

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.....	2,156,337	6,026,835
3. Accrual of discount.....	1,209	8
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	6,409,707	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).....	163,208	4,415,369
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	163,208	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.....	16,598,569	119,389,197
3. Accrual of discount.....	1,503	10,694
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	22,500,000	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).....	599,963	6,499,891
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	599,963	6,499,891

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1	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. States, Territories and Possessions											
57582N 4H 5	MASSACHUSETTS ST 0.160% 03/01/26.....				...04/26/2013	Goldman Sachs.....		15,885,000	15,885,000	1,370	1FE.....
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....							15,885,000	15,885,000	1,370	XXX.....
Bonds - U.S. Special Revenue and Special Assessment											
544712 5G 3	LOS ANGELES CNTY CA TRN 5.000% 07/01/22.....				...05/21/2013	JP Morgan Securities.....		18,200,209	14,450,000		1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....							18,200,209	14,450,000	0	XXX.....
Bonds - Industrial and Miscellaneous											
02005B AB 2	ALLYA 2012-5 A2 0.450% 07/15/15.....				...05/23/2013	Various.....		39,483,040	39,463,000	6,906	1FE.....
029912 BD 3	AMERICAN TOWER CORP 4.500% 01/15/18.....				...06/11/2013	Nomura Securities Intern'l Inc.....		4,307,802	3,984,000	73,952	2FE.....
36197R AQ 0	GSMS 2013-NYC5 D 3.479% 01/10/30.....				...05/14/2013	Goldman Sachs.....		5,687,625	5,470,000	8,941	1FM.....
76112B RM 4	RAMP 2005-EFC1 M2 0.643% 05/25/35.....				...05/17/2013	Wells Fargo Bank.....		692,279	698,390	341	1FE.....
76112B RM 4	RAMP 2005-EFC1 M2 0.643% 05/25/35.....				...05/17/2013	Wells Fargo Bank.....		11,122,162	11,220,340	5,472	1FM.....
78403D AE 0	SBA TOWER TRUST 3.598% 04/15/18.....				...06/17/2013	Various.....		17,052,973	17,040,000	2,209	2FE.....
85172C AC 0	SLFMT 2013-1A M2 3.140% 06/25/58.....				...04/03/2013	Bank of America Corp.....		13,999,635	14,000,000	10,990	1FE.....
485161 AN 3	KANSAS CITY SOUTHERN ME 2.350% 05/15/20.....			F.....	...04/24/2013	JP Morgan Securities.....		4,994,200	5,000,000		2FE.....
485161 AR 4	KANSAS CITY SOUTHERN ME 3.000% 05/15/23.....			F.....	...04/25/2013	Various.....		19,208,748	19,200,000		2FE.....
552081 AG 6	LYONDELLBASELL IND NV 5.000% 04/15/19.....			F.....	...06/10/2013	Various.....		6,712,650	6,000,000	44,583	2FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....							123,261,114	122,075,730	153,394	XXX.....
8399997.	Total - Bonds - Part 3.....							157,346,323	152,410,730	154,764	XXX.....
8399999.	Total - Bonds.....							157,346,323	152,410,730	154,764	XXX.....
Common Stocks - Industrial and Miscellaneous											
23918K 10 8	DAVITA HEALTHCARE PARTN.....				...06/25/2013	State Street Bank.....	8,500,000	1,040,018	XXX.....		L.....
262037 10 4	DRIL-QUIP INC.....				...06/25/2013	State Street Bank.....	16,200,000	1,443,282	XXX.....		L.....
88732J 20 7	TIME WARNER CABLE INC.....				...06/25/2013	State Street Bank.....	8,500,000	845,905	XXX.....		L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....							3,329,205	XXX.....	0	XXX.....
9799997.	Total - Common Stocks - Part 3.....							3,329,205	XXX.....	0	XXX.....
9799999.	Total - Common Stocks.....							3,329,205	XXX.....	0	XXX.....
9899999.	Total - Preferred and Common Stocks.....							3,329,205	XXX.....	0	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....							160,675,528	XXX.....	154,764	XXX.....

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

QE04

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	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				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)

Bonds - U.S. States, Territories and Possessions

57582N	4H	5	MASSACHUSETTS ST	0.160%	03/01/26	.....	05/17/2013	Call	100.0000	.....	.....	.....35,385,000	35,385,000	35,385,000	.....	.....	.....35,385,000	.....	.....	.....0	9,693	03/01/2026	1FE	.....
882720	2Q	7	TEXAS ST	0.070%	06/01/34	.....	06/03/2013	Call	100.0000	.....	.....	.....975,000	975,000	975,000	.....	.....	.....975,000	.....	.....	.....0	738	12/01/2033	1FE	.....
1799999.	Total - Bonds - U.S. States, Territories & Possessions									.....	.....	.....36,360,000	36,360,000	36,360,000	0	0	36,360,000	0	0	0	10,431	XXX	XXX	.....

Bonds - U.S. Special Revenue and Special Assessment

313921	6F	0	FNGT 2001-W3 A 7.000% 09/01/41.....	06/01/2013	Paydown.....	28,169	28,169	29,472	29,917	.....	.....(1,748)	.....	.....(1,748)	.....	.....28,169	.....	.....0	811	09/01/2041	1.....
31392C	MS	0	FNW 2002-W1 2A 6.767% 02/25/42.....	06/01/2013	Paydown.....	3,816	3,816	4,011	4,021	.....	.....(204)	.....	.....(204)	.....	.....3,816	.....	.....0	110	02/25/2042	1.....
49130P	JG	0	KENTUCKY HSG CORP 3.415% 07/01/13.....	05/01/2013	Call 100.0000.....	180,000	180,000	180,000	180,000	.....	.....	.....	.....0	.....	.....180,000	.....	.....0	4,881	07/01/2013	1FE.....
575930	YG	1	MASSACHUSETTS ST HSG 4.200% 06/01/19.....	06/01/2013	Call 100.0000.....	95,000	95,000	95,732	95,495	.....	.....(495)	.....	.....(495)	.....	.....95,000	.....	.....0	1,995	06/01/2019	1FE.....
61212R	SP	2	MONTANA ST BRD HSG 5.000% 12/01/35.....	06/01/2013	Call 100.0000.....	510,000	510,000	521,246	511,461	.....	.....(1,461)	.....	.....(1,461)	.....	.....510,000	.....	.....0	12,750	12/01/2013	1FE.....
646129	N6	9	NEW JERSEY ST HSG 5.250% 10/01/37.....	04/01/2013	Call 100.0000.....	195,000	195,000	205,489	199,256	.....	.....(4,256)	.....	.....(4,256)	.....	.....195,000	.....	.....0	5,119	04/01/2017	1FE.....
658207	CG	8	NORTH CAROLINA HSG 5.750% 01/01/37.....	06/01/2013	Call 100.0000.....	630,000	630,000	675,114	637,260	.....	.....(7,260)	.....	.....(7,260)	.....	.....630,000	.....	.....0	33,206	01/01/2015	1FE.....
83712D	SL	1	SOUTH CAROLINA HSG 4.000% 07/01/34.....	04/01/2013	Call 100.0000.....	45,000	45,000	47,729	47,531	.....	.....(2,531)	.....	.....(2,531)	.....	.....45,000	.....	.....0	925	07/01/2019	1FE.....
88045R	WH	1	TENNESSEE HSG DEV 4.500% 07/01/31.....	04/01/2013	Call 100.0000.....	125,000	125,000	130,938	130,373	.....	.....(5,373)	.....	.....(5,373)	.....	.....125,000	.....	.....0	4,219	07/01/2022	1FE.....
3199999.			Total - Bonds - U.S. Special Revenue & Assessment.....			1,811,985	1,811,985	1,889,731	1,835,314	0	(23,328)	0	(23,328)	0	1,811,985	0	0	64,016	XXX...	XXX...

Bonds - Industrial and Miscellaneous

02005B	AB	2	ALLYA 2012-5 A2	0.450%	07/15/15	.....	06/15/2013	Paydown	.....	.....442,441	442,441	442,666	.....	.....	.....(225)	(225)	442,441	.....	.....	.....0	166	07/15/2015	1FE	.....
02640C	AE	5	AGFMT 2009-1 A5	5.750%	09/25/48	.....	06/01/2013	Paydown	.....	.....3,622,972	3,622,972	3,665,995	3,622,456	.....	.....516	516	3,622,972	.....	.....	.....0	91,947	09/25/2048	1FM	.....
05950V	AG	5	BACM 2006-6 XP IO	0.440%	10/10/45	.....	05/01/2013	Paydown	.....	.....	.....	.....938,517	259,613	.....	.....(259,613)	(259,613)	.....	.....	.....0	140,989	10/10/2045	1FE	.....	
073879	ZG	6	BSABS 2005-HE7 M1	0.713%	07/25/35	.....	06/25/2013	Paydown	.....	.....623,422	623,422	584,458	620,729	.....	.....2,693	2,693	623,422	.....	.....	.....0	1,799	07/25/2035	1FM	.....
07387A	GH	2	BSARM 2005-12 25A1	1.892%	04/25/53	.....	06/01/2013	Paydown	.....	.....34,095	66,381	41,259	33,343	7,916	(7,164)	752	34,095	.....	.....	.....0	965	04/25/2053	4FM	.....
12643C	BD	2	CSMC 2010-1R 10A1	2.805%	06/27/47	.....	06/01/2013	Paydown	.....	.....265,490	265,490	270,966	264,982	.....	.....509	509	265,490	.....	.....	.....0	3,427	06/27/2047	1FM	.....
126673	BL	5	CWL 2004-6 B	3.193%	08/25/34	.....	06/25/2013	Paydown	.....	.....1,715,556	304,899	117,396	117,396	.....	.....	.....0	304,899	1,410,658	1,410,658	27,621	08/25/2034	1FM	.....	
126673	QE	5	CWL 2004-AB2 A3	0.603%	05/25/36	.....	06/25/2013	Paydown	.....	.....959,898	959,898	934,701	941,512	.....	.....18,386	18,386	959,898	.....	.....	.....0	4,106	05/25/2036	1FM	.....
14987B	AA	1	CC HOLDINGS GS V LLC/CR	7.750%	05/01/17	.....	04/01/2013	Various	.....	.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....0	176	05/01/2017	2FE	.....	
22540V	G6	3	CSFB 2002-9 1A1	7.000%	03/25/40	.....	06/01/2013	Paydown	.....	.....2,594	2,594	2,630	2,695	.....	.....(101)	(101)	2,594	.....	.....	.....0	74	03/25/2040	4FM	.....
33736X	BN	8	FUNBC 2000-C2 IO	0.000%	10/15/32	.....	06/01/2013	Paydown	.....	.....	.....	.....4	.....	.....	.....	.....0	.....	.....	.....0	29	10/15/2032	6*	.....	
33736X	BN	8	FUNBC 2000-C2 IO	0.000%	10/15/32	.....	06/01/2013	Return of Capital	.....	.....14,122	.....	.....	.....	.....	.....	.....0	.....	.....14,122	14,122	.....	.....	.....	.....	
33736X	CR	8	FUNBC 2001-C2 IO	1.629%	01/12/43	.....	06/01/2013	Paydown	.....	.....	.....1,151	.....	.....	.....	.....	.....0	.....	.....	.....0	128	01/12/2043	5FE	.....	
36161H	AD	3	GEEMT 2010-1 A4	1.470%	07/14/15	.....	06/14/2013	Paydown	.....	.....1,709,947	1,709,947	1,709,547	1,709,784	.....	.....163	163	1,709,947	.....	.....	.....0	10,233	07/14/2015	1FE	.....
36192R	AA	0	GSMS 2012-BWTR A	2.954%	11/05/34	.....	04/17/2013	Various	.....	.....21,978,966	21,755,000	22,015,970	10,249,278	.....	.....(7,624)	(7,624)	22,007,726	.....	.....(28,761)	(28,761)	206,752	11/05/2034	1FE	.....
393505	QX	3	GT 1996-9 A5	7.200%	01/15/28	.....	06/15/2013	Paydown	.....	.....6,100	6,100	6,251	6,074	.....	.....26	26	6,100	.....	.....	.....0	181	01/15/2028	1FE	.....
396789	ES	4	GCCFC 2003-C2 A4	4.915%	01/05/36	.....	06/01/2013	Paydown	.....	.....5,303,053	5,303,053	5,383,638	5,320,027	.....	.....(16,975)	(16,975)	5,303,053	.....	.....	.....0	128,799	01/05/2036	1FM	.....
458140	AL	4	INTEL CORP	1.350%	12/15/17	.....	04/23/2013	Nomura Securities Intern'l Inc	.....	.....2,516,275	2,500,000	2,497,350	2,497,373	.....	.....158	158	2,497,531	.....	.....18,744	18,744	12,656	12/15/2017	1FE	.....
466247	QC	0	JPMMT 2005-A3 4A1	2.695%	02/25/40	.....	06/01/2013	Paydown	.....	.....275,398	275,398	267,426	275,764	.....	.....(367)	(367)	275,398	.....	.....	.....0	3,265	02/25/2040	1FM	.....
52108H	BZ	6	LBUBS 2000-C4 X IO	1.123%	07/11/32	.....	06/11/2013	Paydown	.....	.....	.....2,321	.....	.....731	.....	.....(731)	(731)	.....	.....	.....	.....0	169	07/11/2032	5FE	.....

SCHEDULE D - PART 4

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

1	2			3 F o r e i g n	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				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- ation or Market Indicator (a)
52108H	UM	4	LBUBS 2003-C7 A4 4.931% 09/15/35.....	....	04/11/2013	Paydown.....	.....	.....8,960,232	8,960,232	9,145,387	8,982,111	.....	.....(21,879)	.....	.....(21,879)	.....	.....8,960,232	.....	.....	.....0	147,276	09/15/2035	1FM....
521865	AR	6	LEAR CORPORATION 7.875% 03/15/18.....	....	04/03/2013	Bank of America Corp.....	.....	.....51,840	48,000	51,780	50,724	.....	.....(207)	.....	.....(207)	.....	.....50,518	.....	.....1,322	1,322	2,132	03/15/2018	3FE....
55313U	AD	1	MMAF 2009-AA A4 3.510% 01/15/30.....	....	06/15/2013	Paydown.....	.....	.....1,212,957	1,212,957	1,262,991	1,232,487	.....	.....(19,530)	.....	.....(19,530)	.....	.....1,212,957	.....	.....	.....0	16,812	01/15/2030	1FE....
589929	MK	1	MLMI 1996-C2 IO 2.385% 11/21/28.....	....	06/01/2013	Paydown.....	.....	.....	.....	.....652	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	71	11/21/2028	6*....
658262	DV	9	NCSEA 2005-P A1 0.385% 06/01/20.....	....	06/01/2013	Paydown.....	.....	.....373,133	373,133	368,644	370,735	.....	.....2,399	.....	.....2,399	.....	.....373,133	.....	.....	.....0	770	06/01/2020	1FE....
743873	AX	9	PFMLT 2005-1 2A1 2.746% 05/25/35.....	....	06/01/2013	Paydown.....	.....	.....131,496	131,496	127,695	132,992	.....	.....(1,496)	.....	.....(1,496)	.....	.....131,496	.....	.....	.....0	1,684	05/25/2035	2FM....
749930	AR	4	RMF PT 1997-1 X2 IO 1.879% 01/15/19.....	....	04/01/2013	Paydown.....	.....	.....	.....	.....6,816	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	2,135	01/15/2019	6*....
749930	AR	4	RMF PT 1997-1 X2 IO 1.879% 01/15/19.....	....	04/01/2013	Return of Capital.....	.....	.....534	.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....534	534	.....	01/15/2019	6*....
76112B	RM	4	RAMP 2005-EFC1 M2 0.643% 05/25/35.....	....	06/25/2013	Paydown.....	.....	.....698,390	698,390	692,279	.....	.....	.....6,111	.....	.....6,111	.....	.....698,390	.....	.....	.....0	655	05/25/2035	1FE....
79548C	AR	7	SBM7 2000-C3 X IO 0.000% 12/18/33.....	....	06/01/2013	Paydown.....	.....	.....	.....	.....20	.....	.....	.....	.....	.....0	.....	.....	.....	.....	.....0	41	12/18/2033	5FE....
79548C	AR	7	SBM7 2000-C3 X IO 0.000% 12/18/33.....	....	06/01/2013	Return of Capital.....	.....	.....4,518	.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....4,518	4,518	.....	12/18/2033	5FE....
929227	4D	5	WAMU 2003-AR6 A1 2.441% 06/25/33.....	....	06/01/2013	Paydown.....	.....	.....14,921	14,921	15,145	15,316	.....	.....(395)	.....	.....(395)	.....	.....14,921	.....	.....	.....0	161	06/25/2033	1FM....
3899999.	Total - Bonds - Industrial & Miscellaneous.....							50,918,350	49,276,724	50,553,655	36,706,122	7,916	(305,346)	0	(297,430)	0	49,497,213	0	1,421,137	1,421,137	805,219	XXX...	XXX...
8399997.	Total - Bonds - Part 4.....							89,090,335	87,448,709	88,803,386	38,541,436	7,916	(328,674)	0	(320,758)	0	87,669,198	0	1,421,137	1,421,137	879,666	XXX...	XXX...
8399999.	Total - Bonds.....							89,090,335	87,448,709	88,803,386	38,541,436	7,916	(328,674)	0	(320,758)	0	87,669,198	0	1,421,137	1,421,137	879,666	XXX...	XXX...
Preferred Stocks - Industrial and Miscellaneous																							
58551T	AA	5	MELLON CAPITAL IV .....	....	05/03/2013	Various.....	25,000,000.000	24,285,000	.....	.....10,531,750	10,531,750	.....	.....	.....	.....0	.....	.....10,531,750	.....	.....13,753,250	13,753,250	348,889	XXX...	P2VFE.
902973	86	6	US BANCORP.....	....	04/18/2013	Various.....	17,000.000	15,649,649	.....	.....7,140,000	14,960,000	(7,820,000)	.....	.....	.....(7,820,000)	.....	.....7,140,000	.....	.....8,509,649	8,509,649	300,805	XXX...	P2LFE.
8499999.	Total - Preferred Stocks - Industrial & Miscellaneous.....							39,934,649	XXX.	17,671,750	25,491,750	(7,820,000)	0	0	(7,820,000)	0	17,671,750	0	22,262,899	22,262,899	649,694	XXX...	XXX....
8999997.	Total - Preferred Stocks - Part 4.....							39,934,649	XXX.	17,671,750	25,491,750	(7,820,000)	0	0	(7,820,000)	0	17,671,750	0	22,262,899	22,262,899	649,694	XXX...	XXX....
8999999.	Total - Preferred Stocks.....							39,934,649	XXX.	17,671,750	25,491,750	(7,820,000)	0	0	(7,820,000)	0	17,671,750	0	22,262,899	22,262,899	649,694	XXX...	XXX....
Common Stocks - Industrial and Miscellaneous																							
423074	10	3	HEINZ H.J. CO.....	....	06/10/2013	State Street Bank.....	12,600.000	913,500	XXX.....	542,490	726,768	(184,278)	.....	.....	.....(184,278)	.....	.....542,490	.....	.....371,010	371,010	6,489	XXX...	L.....
88732J	20	7	TIME WARNER CABLE INC.....	....	04/08/2013	Morgan Stanley.....	3,984.000	388,591	XXX.....	47,133	387,205	(340,072)	.....	.....	.....(340,072)	.....	.....47,133	.....	.....341,458	341,458	2,590	XXX...	L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....							1,302,091	XXX.....	589,623	1,113,973	(524,350)	0	0	(524,350)	0	589,623	0	712,468	712,468	9,079	XXX...	XXX....
9799997	Total - Common Stocks - Part 4.....							1,302,091	XXX.....	589,623	1,113,973	(524,350)	0	0	(524,350)	0	589,623	0	712,468	712,468	9,079	XXX...	XXX....
9799999.	Total - Common Stocks.....							1,302,091	XXX.....	589,623	1,113,973	(524,350)	0	0	(524,350)	0	589,623	0	712,468	712,468	9,079	XXX...	XXX....
9899999.	Total - Preferred and Common Stocks.....							41,236,740	XXX.....	18,261,373	26,605,723	(8,344,350)	0	0	(8,344,350)	0	18,261,373	0	22,975,367	22,975,367	658,773	XXX...	XXX....
9999999.	Total - Bonds, Preferred and Common Stocks.....							130,327,075	XXX.....	107,064,759	65,147,159	(8,336,434)	(328,674)	0	(8,665,108)	0	105,930,571	0	24,396,504	24,396,504	1,538,439	XXX...	XXX....

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

QE05.1

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	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
CITIBANK.....	NEW YORK, NY.....							XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	0	0	0	0	0	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	0	0	0	0	0	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	0	0	0	0	0	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	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							
CPPIB CAPITAL INC.....		06/27/2013	0.100	07/23/2013	599,963	.....	.....7
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					599,963	0	7
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					599,963	0	7
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					599,963	0	7
8399999. Subtotals - Bonds.....					599,963	0	7
8699999. Total - Cash Equivalents.....					599,963	0	7