



QUARTERLY STATEMENT

As of June 30, 2013

of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

NAIC Group Code.....155, 155	NAIC Company Code..... 37834	Employer's ID Number..... 34-1287020
(Current Period) (Prior Period)		
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 24, 1979	Commenced Business..... April 15, 1980	
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
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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

THOMAS HUDSON HOLLYER	KATHRYN MARGARET LEMIEUX	MARK DONALD NIEHAUS	DAVID LLOYD PRATT
DAVID JAMES SKOVE			

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

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

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

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 PREFERRED 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.....	496,503,244		496,503,244	469,457,662
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....0), cash equivalents (\$.....0) and short-term investments (\$.....0).....			0	9,999,333
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
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).....	496,503,244	0	496,503,244	479,456,995
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	3,326,419		3,326,419	3,049,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	17,610,038	2,314,350	15,295,688	6,563,216
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	90,868,514		90,868,514	90,138,801
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	4,324,723		4,324,723	4,392,715
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.....	19,854,031	106,547	19,747,484	18,711,640
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	38,707,093		38,707,093	18,142,373
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	842,554	175,213	667,341	255,044
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	672,036,616	2,596,110	669,440,506	620,710,187
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	672,036,616	2,596,110	669,440,506	620,710,187

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. STATE TAX CREDITS.....	667,341		667,341	255,044
2502. PREPAID EXPENSES.....	155,664	155,664	0	
2503. MISCELLANEOUS OTHER ASSETS.....	19,549	19,549	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).....	842,554	175,213	667,341	255,044

PROGRESSIVE PREFERRED INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....72,346,254).....	191,791,336	186,126,429
2. Reinsurance payable on paid losses and loss adjustment expenses.....	4,504,710	4,267,287
3. Loss adjustment expenses.....	37,408,940	37,160,753
4. Commissions payable, contingent commissions and other similar charges.....	482,570	888,120
5. Other expenses (excluding taxes, licenses and fees).....	22,226,004	17,082,341
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	3,717,391	4,378,869
7.1 Current federal and foreign income taxes (including \$.....1,295,951 on realized capital gains (losses)).....	10,760,277	4,023,955
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 \$.....189,991,261 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.....	173,515,879	162,100,332
10. Advance premium.....	5,856,727	4,376,306
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	44,002	38,990
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	26,024,658	25,406,313
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.....	650,109	560,273
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	476,982,603	446,409,968
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	476,982,603	446,409,968
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,003,300	3,003,300
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.....	42,712,474	42,712,474
35. Unassigned funds (surplus).....	146,742,129	128,584,445
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).....	192,457,903	174,300,219
38. Totals (Page 2, Line 28, Col. 3).....	669,440,506	620,710,187

DETAILS OF WRITE-INS		
2501. ESCHETABLE PROPERTY.....	293,853	46,218
2502. STATE PLAN LIABILITY.....	276,482	279,108
2503. OTHER LIABILITIES.....	69,491	229,810
2598. Summary of remaining write-ins for Line 25 from overflow page.....	10,283	5,137
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	650,109	560,273
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 PREFERRED 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 \$.....339,606,809).....	333,792,355	329,816,822	662,425,827
1.2 Assumed..... (written \$.....291,286,880).....	279,871,333	262,804,951	534,403,541
1.3 Ceded..... (written \$.....339,606,809).....	333,792,355	329,816,822	662,425,827
1.4 Net..... (written \$.....291,286,880).....	279,871,333	262,804,951	534,403,541
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....171,255,602):			
2.1 Direct.....	199,328,759	208,480,037	423,433,847
2.2 Assumed.....	174,029,779	168,079,781	346,202,683
2.3 Ceded.....	199,328,759	208,480,037	423,433,847
2.4 Net.....	174,029,779	168,079,781	346,202,683
3. Loss adjustment expenses incurred.....	28,244,578	27,984,896	55,249,334
4. Other underwriting expenses incurred.....	61,199,405	59,225,941	115,414,582
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	263,473,762	255,290,618	516,866,599
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	16,397,571	7,514,333	17,536,942
INVESTMENT INCOME			
9. Net investment income earned.....	5,158,062	4,858,315	9,888,922
10. Net realized capital gains (losses) less capital gains tax of \$.....1,295,951.....	2,069,354	542,229	1,790,006
11. Net investment gain (loss) (Lines 9 + 10).....	7,227,416	5,400,544	11,678,928
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....259,639 amount charged off \$.....2,594,794).....	(2,335,155)	(2,862,035)	(5,301,318)
13. Finance and service charges not included in premiums.....	5,468,774	5,995,403	11,854,970
14. Aggregate write-ins for miscellaneous income.....	115,438	85,256	540,457
15. Total other income (Lines 12 through 14).....	3,249,057	3,218,624	7,094,109
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	26,874,044	16,133,501	36,309,979
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).....	26,874,044	16,133,501	36,309,979
19. Federal and foreign income taxes incurred.....	9,464,326	6,473,505	13,614,330
20. Net income (Line 18 minus Line 19) (to Line 22).....	17,409,718	9,659,996	22,695,649
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	174,300,219	164,025,842	164,025,842
22. Net income (from Line 20).....	17,409,718	9,659,996	22,695,649
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(273,190).....	(507,351)	2,163	2,403
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	869,201	836,900	1,577,471
27. Change in nonadmitted assets.....	386,116	794,929	460,512
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.....		38,342	38,342
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			(14,500,000)
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).....	18,157,684	11,332,330	10,274,377
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	192,457,903	175,358,172	174,300,219
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.....	90,470	45,230	463,647
1402. SERVICE BUSINESS REVENUE.....	13,855	27,403	46,998
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	11,113	12,623	29,812
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).....	115,438	85,256	540,457
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

PROGRESSIVE PREFERRED INSURANCE COMPANY
CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	284,025,725	268,409,024	546,508,147
2. Net investment income.....	5,813,695	4,968,082	10,951,110
3. Miscellaneous income.....	3,064,974	3,108,484	7,095,403
4. Total (Lines 1 through 3).....	292,904,394	276,485,590	564,554,660
5. Benefit and loss related payments.....	168,059,457	164,301,919	331,197,700
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	85,119,160	81,975,345	168,642,966
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....215,536 tax on capital gains (losses).....	4,023,955	2,731,366	13,233,237
10. Total (Lines 5 through 9).....	257,202,572	249,008,630	513,073,903
11. Net cash from operations (Line 4 minus Line 10).....	35,701,822	27,476,960	51,480,757
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	196,320,089	23,169,450	108,719,331
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	196,320,089	23,169,450	108,719,331
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	221,713,557	34,356,887	164,007,617
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	221,713,557	34,356,887	164,007,617
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).....	(25,393,468)	(11,187,437)	(55,288,286)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			14,500,000
16.6 Other cash provided (applied).....	(20,307,687)	(17,580,076)	(8,112,420)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(20,307,687)	(17,580,076)	(22,612,420)
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).....	(9,999,333)	(1,290,553)	(26,419,949)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	9,999,333	36,419,282	36,419,282
19.2 End of period (Line 18 plus Line 19.1).....	0	35,128,730	9,999,333

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 Preferred 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	\$ 17,409,718	\$ 22,695,649
(2) Effect of state prescribed practices		--	--
(3) Effect of state permitted practices		--	--
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 17,409,718	\$ 22,695,649
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 192,457,903	\$ 174,300,219
(6) Effect of state prescribed practices		--	--
(7) Effect of state permitted practices		--	--
(8) Policyholders' surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 192,457,903	\$ 174,300,219

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 Company has not recognized any other-than-temporary impairment for loan-backed and structured debt securities since the adoption of SSAP No. 43R.
4. As of June 30, 2013, the Company had \$930,725 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

As of 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	\$ 923,875
2. Twelve months or longer	6,850
Total	\$ 930,725
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 54,745,845
2. Twelve months or longer	319,624
Total	\$ 55,065,469

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

NOTES TO FINANCIAL STATEMENTS

8.	Derivative Instruments	
	No significant change	
9.	Income Taxes	
	No significant change	
10.	Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties	
	No significant change	
11.	Debt	
	No significant change	
12.	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans	
	No significant change	
13.	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	
	No significant change	
14.	Contingencies	
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 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 a loss reserve was established accordingly. 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	
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.	

PROGRESSIVE PREFERRED INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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	\$ --	\$ 28,575,475	\$ --	\$ 28,575,475
Total assets at fair value	\$ --	\$ 28,575,475	\$ --	\$ 28,575,475
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

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

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	\$ 501,113,441	\$ 496,503,244	\$ 134,512,456	\$ 366,600,985	\$ --	\$ --
Cash equivalents	--	--	--	--	--	--
Short term investments	--	--	--	--	--	--
Common stock	--	--	--	--	--	--
Preferred stock	--	--	--	--	--	--
Total	\$ 501,113,441	\$ 496,503,244	\$ 134,512,456	\$ 366,600,985	\$ --	\$ --

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

Not applicable

21. Other Items

No significant change

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 \$3,677,000 in 2013, which is 1.6% of the total prior year net unpaid losses and LAE of \$223,287,182. 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

NOTES TO FINANCIAL STATEMENTS

28.

Health Care Receivables

No significant change
29.

Participating Accident and Health Policies

No significant change
30.

Premium Deficiency Reserves

No significant change
31.

High Deductibles

No significant change
32.

Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No significant change
33.

Asbestos and Environmental Reserves

No significant change
34.

Subscriber Savings Accounts

No significant change
35.

Multiple Peril Crop Insurance

No significant change
36.

Financial Guaranty Insurance

No significant change

PROGRESSIVE PREFERRED INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1

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

Yes [☐] No [☒]
- 1.2

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

Yes [☐] No [☐]
- 2.1

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

Yes [☐] No [☒]
- 2.2

If yes, date of change:

.....
- 3.1

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

Yes [☐] No [☒]
- 3.2

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

- 4.1

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

Yes [☐] No [☒]
- 4.2

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

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

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [☐] No [☒] N/A [☐]
-

- 6.1

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

12/31/2012.....
- 6.2

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

12/31/2007.....
- 6.3

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

4/7/2009.....
- 6.4

By what department or departments?
OHIO

- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [☐] No [☐] N/A [☒]
- 6.6

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

Yes [☒] No [☐] N/A [☐]

- 7.1

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

Yes [☐] No [☒]

- 7.2

If yes, give full information:

- 8.1

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

Yes [☐] No [☒]
- 8.2

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

- 8.3

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

Yes [☐] No [☒]

- 8.4

If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].
- | 1 | 2 | 3 | 4 | 5 | 6 |
|----------------|------------------------|-----|-----|------|-----|
| Affiliate Name | Location (City, State) | FRB | OCC | FDIC | SEC |
| | | | | | |

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [☒] No [☐]

- (a)

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

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

Compliance with applicable governmental laws, rules and regulations;
- (d)

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

Accountability for adherence to the code.

- 9.11

If the response to 9.1 is No, please explain:

- 9.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]

- 9.21

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

- 9.3

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

Yes [☐] No [☒]

- 9.31

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

PART 1 - FINANCIAL

- 10.1

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

Yes [☒] No [☐]
- 10.2

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

\$.....0

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐No ☒

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

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

\$.....0

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

\$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐No ☒

14.2 If yes, please complete the following:

	1	2
	Prior Year-End	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.....	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

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

Yes ☐No ☒

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 ☒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

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 ☒

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
NONE		

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

Yes ☒No ☐

18.2 If no, list exceptions:

PROGRESSIVE PREFERRED 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 PREFERRED 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 PREFERRED 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.....N.....						
2.	Alaska.....	AK.....L.....						
3.	Arizona.....	AZ.....L.....	66,180,958	66,630,686	43,428,005	42,233,282	42,842,885	37,692,055
4.	Arkansas.....	AR.....N.....						
5.	California.....	CA.....N.....						
6.	Colorado.....	CO.....L.....	72,758,805	65,065,983	44,036,886	39,486,284	55,526,463	47,304,545
7.	Connecticut.....	CT.....N.....						
8.	Delaware.....	DE.....L.....						
9.	District of Columbia.....	DC.....L.....						
10.	Florida.....	FL.....N.....						
11.	Georgia.....	GA.....L.....	3,672,584	4,478,577	1,647,918	2,010,601	5,646,855	7,217,500
12.	Hawaii.....	HI.....L.....						
13.	Idaho.....	ID.....L.....						
14.	Illinois.....	IL.....N.....						
15.	Indiana.....	IN.....L.....				(38)		
16.	Iowa.....	IA.....L.....						
17.	Kansas.....	KS.....N.....						
18.	Kentucky.....	KY.....L.....						
19.	Louisiana.....	LA.....N.....						
20.	Maine.....	ME.....L.....						
21.	Maryland.....	MD.....L.....						
22.	Massachusetts.....	MA.....N.....						
23.	Michigan.....	MI.....L.....						
24.	Minnesota.....	MN.....L.....	112,831,249	106,106,148	59,244,542	59,820,174	77,609,988	72,791,857
25.	Mississippi.....	MS.....L.....						
26.	Missouri.....	MO.....L.....	17,016,888	21,897,307	10,065,398	15,750,676	12,869,908	16,107,667
27.	Montana.....	MT.....L.....						
28.	Nebraska.....	NE.....L.....						
29.	Nevada.....	NV.....L.....	3,160,138	3,693,343	1,449,910	2,033,155	2,012,794	2,252,683
30.	New Hampshire.....	NH.....N.....						
31.	New Jersey.....	NJ.....L.....						
32.	New Mexico.....	NM.....L.....	1,087,142	1,177,754	916,462	802,344	1,037,683	1,559,685
33.	New York.....	NY.....L.....	12,915,679	17,133,233	10,997,994	14,310,138	21,325,744	30,435,672
34.	North Carolina.....	NC.....L.....			26	(45)		
35.	North Dakota.....	ND.....N.....						
36.	Ohio.....	OH.....L.....	16,913,773	18,878,238	9,762,932	11,283,905	12,635,572	13,980,329
37.	Oklahoma.....	OK.....L.....			127	(100)		(1)
38.	Oregon.....	OR.....L.....	320,415	364,657	147,320	145,521	195,884	372,411
39.	Pennsylvania.....	PA.....L.....	32,650,361	33,764,783	18,974,056	19,134,277	21,944,417	21,900,418
40.	Rhode Island.....	RI.....L.....						
41.	South Carolina.....	SC.....L.....				7,500		
42.	South Dakota.....	SD.....L.....						
43.	Tennessee.....	TN.....L.....						
44.	Texas.....	TX.....L.....						
45.	Utah.....	UT.....L.....			(267)	(200)		
46.	Vermont.....	VT.....N.....						
47.	Virginia.....	VA.....L.....		1	(5,657)	18,532		5,302
48.	Washington.....	WA.....L.....	98,817	107,998	4,767	(13,069)	49,012	29,853
49.	West Virginia.....	WV.....L.....						
50.	Wisconsin.....	WI.....N.....						
51.	Wyoming.....	WY.....N.....						
52.	American Samoa.....	AS.....N.....						
53.	Guam.....	GU.....N.....						
54.	Puerto Rico.....	PR.....N.....						
55.	US Virgin Islands.....	VI.....N.....						
56.	Northern Mariana Islands.....	MP.....N.....						
57.	Canada.....	CAN.....N.....						
58.	Aggregate Other Alien.....	OT.....XXX.....	0	0	0	0	0	0
59.	Totals.....	(a).....37.....	339,606,809	339,298,708	200,670,421	207,022,937	253,697,204	251,649,976

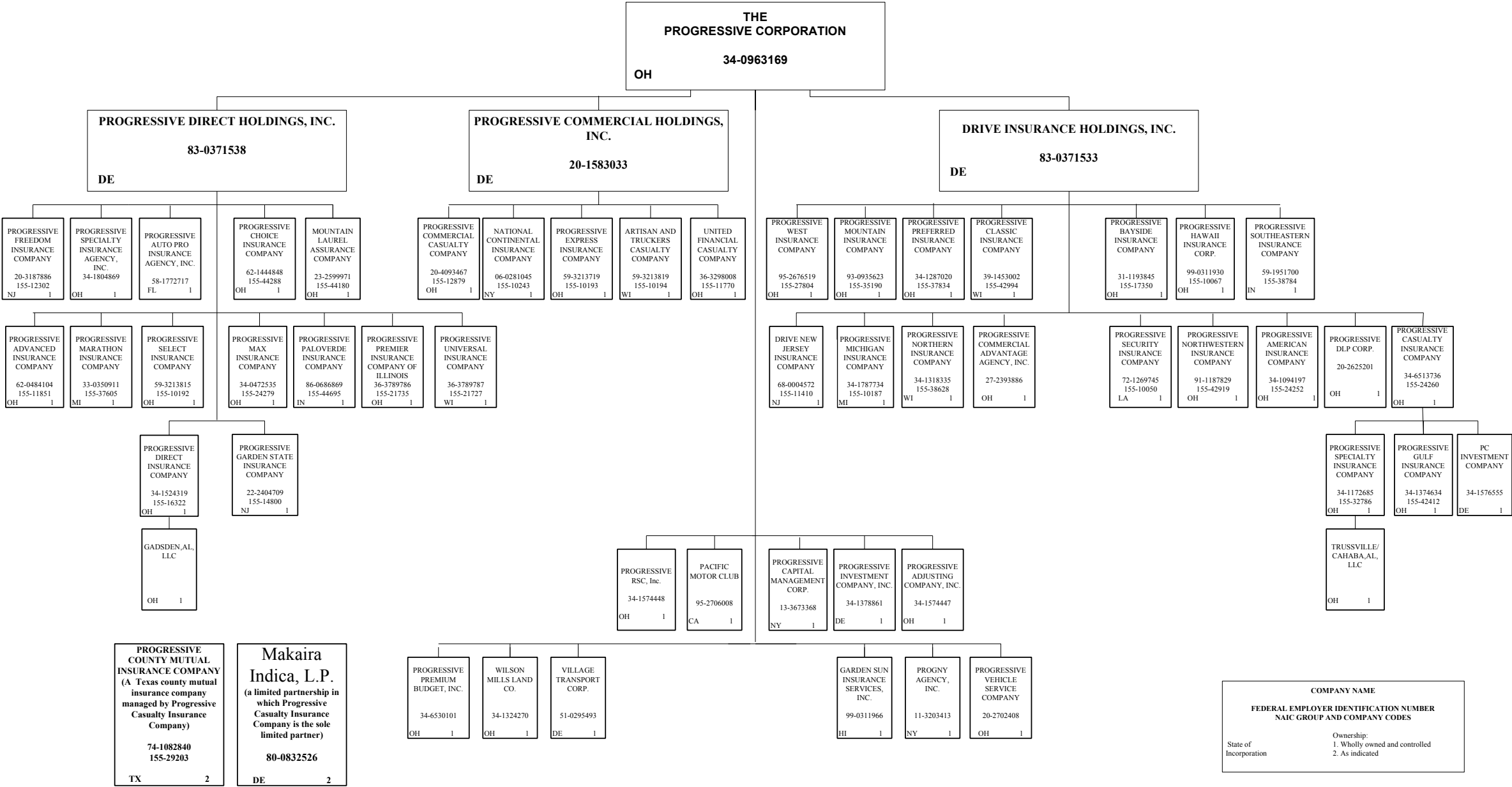
DETAILS OF WRITE-INS

58001.	.....	XXX.....					
58002.	.....	XXX.....					
58003.	.....	XXX.....					
58998.	Summary of remaining write-ins for Line 58 from overflow page....	XXX.....	0	0	0	0	0
58999.	Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX.....	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.....	UDP.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11410.....	68-0004572	.....			Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24252.....	34-1094197	.....			Progressive American Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	17350.....	31-1193845	.....			Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24260.....	34-6513736	.....			Progressive Casualty Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1576555	.....			PC Investment Company.....	DE.....	NIA.....	Progressive Casualty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	29203.....	74-1082840	.....			Progressive County Mutual Insurance Company.....	TX.....	IA.....	Progressive Casualty Insurance Company.....	Management.....	.....	The Progressive Corporation.	2, 3.....
0155.....	The Progressive Insurance Group...	42412.....	34-1374634	.....			Progressive Gulf Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	32786.....	34-1172685	.....			Progressive Specialty Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....		.....			Trussville/Cahaba, AL , LLC.....	OH.....	NIA.....	Progressive Specialty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42994.....	39-1453002	.....			Progressive Classic Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-2625201	.....			Progressive DLP Corp.....	OH.....	NIA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10067.....	99-0311930	.....			Progressive Hawaii Insurance Corp.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10187.....	34-1787734	.....			Progressive Michigan Insurance Company.....	MI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	35190.....	93-0935623	.....			Progressive Mountain Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38628.....	34-1318335	.....			Progressive Northern insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42919.....	91-1187829	.....			Progressive Northwestern Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37834.....	34-1287020	.....			Progressive Preferred Insurance Company.....	OH.....	.....	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 PREFERRED 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.....	1,149,152	568,775	49.5	54.6
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	2,965,328	1,594,367	53.8	45.9
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	1,728,307	1,027,750	59.5	57.0
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....			0.0	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	204,510,821	123,387,585	60.3	62.0
19.3, 19.4 Commercial auto liability.....	4,009,652	801,269	20.0	9.3
21. Auto physical damage.....	119,429,095	71,949,013	60.2	68.1
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	333,792,355	199,328,759	59.7	63.2

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.....	708,230	1,272,957	1,009,638
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	2,753,780	3,862,641	3,246,414
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.....	1,207,582	2,041,448	1,788,849
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.....	103,122,463	206,654,424	208,731,219
19.3 19.4 Commercial auto liability.....	1,992,579	4,020,538	4,838,103
21. Auto physical damage.....	61,813,929	121,754,801	119,684,487
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.....	171,598,564	339,606,809	339,298,710

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.....	34,944	7,215	42,159	13,230	541	13,771	22,540	1,063	5,458	29,062	826	(152)	674
2. 2011.....	40,970	8,979	49,949	14,311	1,102	15,413	26,746	3,030	5,660	35,436	87	814	901
3. Subtotals 2011 + Prior.....	75,914	16,194	92,108	27,541	1,643	29,184	49,286	4,093	11,119	64,498	913	661	1,574
4. 2012.....	98,102	33,078	131,180	44,281	8,244	52,525	54,421	10,292	16,045	80,758	600	1,503	2,103
5. Subtotals 2012 + Prior.....	174,015	49,272	223,287	71,821	9,887	81,709	103,707	14,385	27,164	145,256	1,513	2,164	3,677
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	114,653	114,653	XXX.....	59,837	24,107	83,944	XXX.....	XXX.....	XXX.....
7. Totals.....	174,015	49,272	223,287	71,821	124,540	196,361	103,707	74,222	51,271	229,200	1,513	2,164	3,677
8. Prior Year-End's Surplus As Regards Policyholders	174,300										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		
											4.2.1 %		

PROGRESSIVE PREFERRED 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:



PROGRESSIVE PREFERRED INSURANCE COMPANY
Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2504. UNEARNED FEE RESERVE.....	10,283	5,137
2597. Summary of remaining write-ins for Line 25.....	10,283	5,137

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

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.....	469,457,664	412,824,808
2. Cost of bonds and stocks acquired.....	221,713,555	164,007,617
3. Accrual of discount.....	286,920	212,250
4. Unrealized valuation increase (decrease).....	(780,541)	3,699
5. Total gain (loss) on disposals.....	3,365,305	2,701,503
6. Deduct consideration for bonds and stocks disposed of.....	196,320,090	108,719,331
7. Deduct amortization of premium.....	1,219,569	1,572,882
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).....	496,503,244	469,457,664
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	496,503,244	469,457,664

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

QSI02

	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).....	376,632,223	70,327,164	90,120,944	(344,121)	376,632,223	356,494,322		308,074,183
2. Class 2 (a).....	86,036,666	35,481,137	10,019,288	(65,068)	86,036,666	111,433,447		152,456,278
3. Class 3 (a).....	7,731,550		2,263,085	(105,965)	7,731,550	5,362,500		12,868,612
4. Class 4 (a).....	336,340		15,351	(1,365)	336,340	319,624		343,972
5. Class 5 (a).....	23,347,356	620,945	372,305	(702,645)	23,347,356	22,893,351		5,713,951
6. Class 6 (a).....								
7. Total Bonds.....	494,084,135	106,429,246	102,790,973	(1,219,164)	494,084,135	496,503,244	0	479,456,996
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	494,084,135	106,429,246	102,790,973	(1,219,164)	494,084,135	496,503,244	0	479,456,996

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

PROGRESSIVE PREFERRED INSURANCE COMPANY
SCHEDULE DA - PART 1

Short-Term Investments					
	1 Book/Adjusted Carrying Value	2 Per Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....		XXX.....			

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.....	0	35,519,283
2. Cost of short-term investments acquired.....		
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		35,000,000
7. Deduct amortization of premium.....		519,283
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).....	0	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

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 PREFERRED 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.....	9,999,333	899,999
2. Cost of cash equivalents acquired.....	4,599,959	38,895,734
3. Accrual of discount.....	708	3,600
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	14,600,000	29,800,000
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).....	0	9,999,333
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	9,999,333

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. Government											
912828 VB 3			US TREASURY NOTE 1.750% 05/15/23.....		...05/29/2013	Goldman Sachs.....		9,642,188	10,000,000	7,133	1.....
0599999.			Total - Bonds - U.S. Government.....					9,642,188	10,000,000	7,133	XXX.....
Bonds - U.S. States, Territories and Possessions											
882721 JW 4			TEXAS ST 0.140% 12/01/26.....		...06/13/2013	Goldman Sachs.....		1,200,000	1,200,000	466	1FE.....
1799999.			Total - Bonds - U.S. States, Territories & Possessions.....					1,200,000	1,200,000	466	XXX.....
Bonds - U.S. Special Revenue and Special Assessment											
235036 YN 4			DALLAS-FORT WORTH TX 5.000% 11/01/21.....		...06/13/2013	Goldman Sachs.....		2,255,580	2,000,000	13,056	1FE.....
64971Q 5D 1			NEW YORK N Y CITY 5.000% 11/01/20.....		...04/16/2013	Merrill Lynch.....		20,026,560	16,000,000	2,222	1FE.....
3199999.			Total - Bonds - U.S. Special Revenue & Special Assessments.....					22,282,140	18,000,000	15,278	XXX.....
Bonds - Industrial and Miscellaneous											
125354 AA 8			CGRBS 2013-VN05 A 3.369% 03/13/35.....		...06/13/2013	Citicorp Securities Inc.....		4,890,600	4,940,000	7,859	1FE.....
17776T AL 6			JPMCC 2011-CCHP D 4.650% 07/15/28.....		...05/29/2013	Merrill Lynch.....		5,408,438	5,400,000	14,648	1FM.....
34529Q AD 5			FORDL 2011-A A4 1.340% 09/15/14.....		...05/23/2013	Royal Bank of Scotland.....		16,841,298	16,751,000	8,729	1FE.....
345397 VT 7			FORD MOTOR CREDIT CO 5.000% 05/15/18.....		...06/20/2013	Various.....		18,844,400	17,000,000	225,694	2FE.....
46637Y AL 3			JPMCC 2012-HSBC D 4.524% 07/05/32.....		...06/18/2013	JP Morgan Securities.....		10,062,500	10,000,000	25,972	1FM.....
747262 AA 1			QVC INC 7.500% 10/01/19.....		...06/13/2013	Wells Fargo Bank.....		3,277,500	3,000,000	48,125	2FE.....
75605E CA 6			REALOGY CORP 9.000% 01/15/20.....		...04/02/2013	Citicorp Securities Inc.....		620,945	533,000	10,660	5FE.....
98978V AF 0			ZOETIS INC 1.875% 02/01/18.....		...06/13/2013	Various.....		13,359,237	13,240,000	69,504	2FE.....
3899999.			Total - Bonds - Industrial & Miscellaneous.....					73,304,918	70,864,000	411,191	XXX.....
8399997.			Total - Bonds - Part 3.....					106,429,246	100,064,000	434,068	XXX.....
8399999.			Total - Bonds.....					106,429,246	100,064,000	434,068	XXX.....
9999999.			Total - Bonds, Preferred and Common Stocks.....					106,429,246	XXX.....	434,068	XXX.....

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

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D-Sn 1
NONE

Sch. DB-Pt D-Sn 2
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

PROGRESSIVE PREFERRED 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

NONE