



QUARTERLY STATEMENT

As of September 30, 2013  
of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

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

Organized under the Laws of OH  
Incorporated/Organized..... September 24, 1979  
Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 37834

State of Domicile or Port of Entry OH

Country of Domicile US

Commenced Business..... April 15, 1980

6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... US ..... 44143-2182  
(Street and Number) (City or Town, State, Country and Zip Code)

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)

P.O. BOX 89490..... CLEVELAND ..... OH ..... US ..... 44101-6490  
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

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)

PROGRESSIVE.COM

MARY BETH ANDREANO  
(Name)

FINANCIAL\_REPORTING@PROGRESSIVE.COM  
(E-Mail Address)

440-395-4460  
(Area Code) (Telephone Number) (Extension)

440-446-7168  
(Fax Number)

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

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

|                       |                          |                     |                   |
|-----------------------|--------------------------|---------------------|-------------------|
| 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 7TH day of NOVEMBER, 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.....                                                                                                                                        | 548,611,235            |                    | 548,611,235                       | 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).....                                                                                         | 548,611,235            | .0                 | 548,611,235                       | 479,456,995                                |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....                                                                            |                        |                    | .0                                |                                            |
| 14. Investment income due and accrued.....                                                                                                           | 3,213,772              |                    | 3,213,772                         | 3,049,403                                  |
| 15. Premiums and considerations:                                                                                                                     |                        |                    |                                   |                                            |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....                                                                      | 17,021,649             | 2,281,772          | 14,739,877                        | 6,563,216                                  |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)..... | 89,320,613             |                    | 89,320,613                        | 90,138,801                                 |
| 15.3 Accrued retrospective premiums.....                                                                                                             |                        |                    | .0                                |                                            |
| 16. Reinsurance:                                                                                                                                     |                        |                    |                                   |                                            |
| 16.1 Amounts recoverable from reinsurers.....                                                                                                        | 1,989,637              |                    | 1,989,637                         | 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.....                                                                                                                     | 19,390,503             |                    | 19,390,503                        | 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.....                                                                                        | 8,468,803              |                    | 8,468,803                         | 18,142,373                                 |
| 24. Health care (\$.....0) and other amounts receivable.....                                                                                         |                        |                    | .0                                |                                            |
| 25. Aggregate write-ins for other than invested assets.....                                                                                          | 1,389,309              | 244,214            | 1,145,095                         | 255,044                                    |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....                             | 689,405,521            | 2,525,986          | 686,879,535                       | 620,710,187                                |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                                                                     |                        |                    | .0                                |                                            |
| 28. Total (Lines 26 and 27).....                                                                                                                     | 689,405,521            | 2,525,986          | 686,879,535                       | 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.....                                             | 1,016,091 |         | 1,016,091 | 255,044 |
| 2502. NEW YORK STATE ASSESSMENT RECOVERABLE.....                         | 129,004   |         | 129,004   |         |
| 2503. PREPAID EXPENSES.....                                              | 217,513   | 217,513 | .0        |         |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 26,701    | 26,701  | .0        | .0      |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....       | 1,389,309 | 244,214 | 1,145,095 | 255,044 |

PROGRESSIVE PREFERRED INSURANCE COMPANY  
LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                                                                                                                                   | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| 1. Losses (current accident year \$.....97,012,621).....                                                                                                                                                                                                                                          | 195,697,491                    | 186,126,429                    |
| 2. Reinsurance payable on paid losses and loss adjustment expenses.....                                                                                                                                                                                                                           | 3,241,559                      | 4,267,287                      |
| 3. Loss adjustment expenses.....                                                                                                                                                                                                                                                                  | 38,241,039                     | 37,160,753                     |
| 4. Commissions payable, contingent commissions and other similar charges.....                                                                                                                                                                                                                     | 602,260                        | 888,120                        |
| 5. Other expenses (excluding taxes, licenses and fees).....                                                                                                                                                                                                                                       | 26,815,837                     | 17,082,341                     |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....                                                                                                                                                                                                                     | 3,448,807                      | 4,378,869                      |
| 7.1 Current federal and foreign income taxes (including \$.....(54,002) on realized capital gains (losses)).....                                                                                                                                                                                  | 3,881,957                      | 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 \$.....186,580,024 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..... | 177,439,793                    | 162,100,332                    |
| 10. Advance premium.....                                                                                                                                                                                                                                                                          | 5,575,058                      | 4,376,306                      |
| 11. Dividends declared and unpaid:                                                                                                                                                                                                                                                                |                                |                                |
| 11.1 Stockholders.....                                                                                                                                                                                                                                                                            |                                |                                |
| 11.2 Policyholders.....                                                                                                                                                                                                                                                                           |                                |                                |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....                                                                                                                                                                                                                           | 861,684                        | 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.....                                                                                                                                                                                                                                                                       | 29,011,797                     | 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.....                                                                                                                                                                                                                                                      | 912,694                        | 560,273                        |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....                                                                                                                                                                                                              | 485,729,976                    | 446,409,968                    |
| 27. Protected cell liabilities.....                                                                                                                                                                                                                                                               |                                |                                |
| 28. Total liabilities (Lines 26 and 27).....                                                                                                                                                                                                                                                      | 485,729,976                    | 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).....                                                                                                                                                                                                                                                               | 155,433,785                    | 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).....                                                                                                                                                                                                                               | 201,149,559                    | 174,300,219                    |
| 38. Totals (Page 2, Line 28, Col. 3).....                                                                                                                                                                                                                                                         | 686,879,535                    | 620,710,187                    |

| DETAILS OF WRITE-INS                                                     |         |         |
|--------------------------------------------------------------------------|---------|---------|
| 2501. ESCHATEABLE PROPERTY.....                                          | 537,002 | 46,218  |
| 2502. STATE PLAN LIABILITY.....                                          | 250,853 | 279,108 |
| 2503. OTHER LIABILITIES.....                                             | 115,270 | 229,810 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 9,569   | 5,137   |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....       | 912,694 | 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<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|--------------------------------------|
| UNDERWRITING INCOME                                                                                                                                            |                              |                            |                                      |
| 1. Premiums earned:                                                                                                                                            |                              |                            |                                      |
| 1.1 Direct..... (written \$.....500,536,905).....                                                                                                              | 498,133,688                  | 495,979,582                | 662,425,827                          |
| 1.2 Assumed..... (written \$.....437,204,760).....                                                                                                             | 421,865,299                  | 397,906,710                | 534,403,541                          |
| 1.3 Ceded..... (written \$.....500,536,905).....                                                                                                               | 498,133,688                  | 495,979,582                | 662,425,827                          |
| 1.4 Net..... (written \$.....437,204,760).....                                                                                                                 | 421,865,299                  | 397,906,710                | 534,403,541                          |
| DEDUCTIONS:                                                                                                                                                    |                              |                            |                                      |
| 2. Losses incurred (current accident year \$.....260,571,759):                                                                                                 |                              |                            |                                      |
| 2.1 Direct.....                                                                                                                                                | 311,368,422                  | 317,390,295                | 423,433,847                          |
| 2.2 Assumed.....                                                                                                                                               | 263,641,162                  | 257,856,449                | 346,202,683                          |
| 2.3 Ceded.....                                                                                                                                                 | 311,368,422                  | 317,390,295                | 423,433,847                          |
| 2.4 Net.....                                                                                                                                                   | 263,641,162                  | 257,856,449                | 346,202,683                          |
| 3. Loss adjustment expenses incurred.....                                                                                                                      | 42,952,817                   | 42,023,876                 | 55,249,334                           |
| 4. Other underwriting expenses incurred.....                                                                                                                   | 91,511,241                   | 87,640,291                 | 115,414,582                          |
| 5. Aggregate write-ins for underwriting deductions.....                                                                                                        | 2,971                        | 0                          | 0                                    |
| 6. Total underwriting deductions (Lines 2 through 5).....                                                                                                      | 398,108,191                  | 387,520,616                | 516,866,599                          |
| 7. Net income of protected cells.....                                                                                                                          |                              |                            |                                      |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....                                                                                            | 23,757,108                   | 10,386,094                 | 17,536,942                           |
| INVESTMENT INCOME                                                                                                                                              |                              |                            |                                      |
| 9. Net investment income earned.....                                                                                                                           | 8,296,044                    | 7,326,197                  | 9,888,922                            |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....1,241,949.....                                                                        | 1,968,787                    | 1,389,402                  | 1,790,006                            |
| 11. Net investment gain (loss) (Lines 9 + 10).....                                                                                                             | 10,264,831                   | 8,715,599                  | 11,678,928                           |
| OTHER INCOME                                                                                                                                                   |                              |                            |                                      |
| 12. Net gain or (loss) from agents' or premium balances charged off<br>(amount recovered \$.....353,460 amount charged off \$.....3,888,867).....              | (3,535,407)                  | (4,205,083)                | (5,301,318)                          |
| 13. Finance and service charges not included in premiums.....                                                                                                  | 8,253,951                    | 9,032,236                  | 11,854,970                           |
| 14. Aggregate write-ins for miscellaneous income.....                                                                                                          | 374,089                      | 559,538                    | 540,457                              |
| 15. Total other income (Lines 12 through 14).....                                                                                                              | 5,092,633                    | 5,386,691                  | 7,094,109                            |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and<br>foreign income taxes (Lines 8 + 11 + 15).....    | 39,114,572                   | 24,488,384                 | 36,309,979                           |
| 17. Dividends to policyholders.....                                                                                                                            |                              |                            |                                      |
| 18. Net income after dividends to policyholders, after capital gains tax and before all other federal and<br>foreign income taxes (Line 16 minus Line 17)..... | 39,114,572                   | 24,488,384                 | 36,309,979                           |
| 19. Federal and foreign income taxes incurred.....                                                                                                             | 13,400,332                   | 9,805,872                  | 13,614,330                           |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....                                                                                                       | 25,714,240                   | 14,682,512                 | 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).....                                                                                                                             | 25,714,240                   | 14,682,512                 | 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 \$.....(2).....                                                               | (2)                          | 2,289                      | 2,403                                |
| 25. Change in net unrealized foreign exchange capital gain (loss).....                                                                                         |                              |                            |                                      |
| 26. Change in net deferred income tax.....                                                                                                                     | 678,861                      | 1,718,563                  | 1,577,471                            |
| 27. Change in nonadmitted assets.....                                                                                                                          | 456,241                      | 551,476                    | 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).....                                                                                      | 26,849,340                   | 16,993,182                 | 10,274,377                           |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....                                                                             | 201,149,559                  | 181,019,024                | 174,300,219                          |
| DETAILS OF WRITE-INS                                                                                                                                           |                              |                            |                                      |
| 0501. LOSS ON COMMUTATION.....                                                                                                                                 | 2,971                        |                            |                                      |
| 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).....                                                                                              | 2,971                        | 0                          | 0                                    |
| 1401. MISCELLANEOUS INCOME.....                                                                                                                                | 336,324                      | 496,821                    | 463,647                              |
| 1402. SERVICE BUSINESS REVENUE.....                                                                                                                            | 22,985                       | 39,952                     | 46,998                               |
| 1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....                                                                                                            | 14,780                       | 22,765                     | 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).....                                                                                             | 374,089                      | 559,538                    | 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<br>Current Year<br>to Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|--------------------------------------|
| CASH FROM OPERATIONS                                                                                                |                              |                            |                                      |
| 1. Premiums collected net of reinsurance.....                                                                       | 432,596,643                  | 408,787,434                | 546,508,147                          |
| 2. Net investment income.....                                                                                       | 9,490,239                    | 8,359,887                  | 10,951,110                           |
| 3. Miscellaneous income.....                                                                                        | 4,927,815                    | 5,479,543                  | 7,095,403                            |
| 4. Total (Lines 1 through 3).....                                                                                   | 447,014,697                  | 422,626,864                | 564,554,660                          |
| 5. Benefit and loss related payments.....                                                                           | 252,692,750                  | 245,051,087                | 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.....                                           | 124,869,169                  | 119,991,957                | 168,642,966                          |
| 8. Dividends paid to policyholders.....                                                                             |                              |                            |                                      |
| 9. Federal and foreign income taxes paid (recovered) net of \$..... 1,511,487 tax on capital gains (losses).....    | 14,784,279                   | 9,435,372                  | 13,233,237                           |
| 10. Total (Lines 5 through 9).....                                                                                  | 392,346,198                  | 374,478,416                | 513,073,903                          |
| 11. Net cash from operations (Line 4 minus Line 10).....                                                            | 54,668,499                   | 48,148,448                 | 51,480,757                           |
| CASH FROM INVESTMENTS                                                                                               |                              |                            |                                      |
| 12. Proceeds from investments sold, matured or repaid:                                                              |                              |                            |                                      |
| 12.1 Bonds.....                                                                                                     | 226,579,117                  | 66,665,425                 | 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).....                                                            | 226,579,117                  | 66,665,425                 | 108,719,331                          |
| 13. Cost of investments acquired (long-term only):                                                                  |                              |                            |                                      |
| 13.1 Bonds.....                                                                                                     | 303,880,524                  | 124,111,370                | 164,007,617                          |
| 13.2 Stocks.....                                                                                                    |                              |                            |                                      |
| 13.3 Mortgage loans.....                                                                                            |                              |                            |                                      |
| 13.4 Real estate.....                                                                                               |                              |                            |                                      |
| 13.5 Other invested assets.....                                                                                     |                              |                            |                                      |
| 13.6 Miscellaneous applications.....                                                                                |                              | 489,938                    |                                      |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....                                                           | 303,880,524                  | 124,601,308                | 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).....                                          | (77,301,407)                 | (57,935,883)               | (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).....                                                                             | 12,633,575                   | 2,267,146                  | (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)..... | 12,633,575                   | 2,267,146                  | (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)                  | (7,520,289)                | (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                            | 28,898,993                 | 9,999,333                            |

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

|         |  |  |  |
|---------|--|--|--|
| 20.0001 |  |  |  |
|---------|--|--|--|

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive 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 | September 30, 2013 | December 31, 2012 |
|-----------------------------------------------------|-------------------|--------------------|-------------------|
| Net income                                          |                   |                    |                   |
| (1) Net income, state basis                         | OH                | \$ 25,714,240      | \$ 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                | \$ 25,714,240      | \$ 22,695,649     |
| Surplus                                             |                   |                    |                   |
| (5) Policyholders' surplus, state basis             | OH                | \$ 201,149,559     | \$ 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                | \$ 201,149,559     | \$ 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 September 30, 2013, the Company had \$990,423 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 September 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                                   | \$ 983,880    |
| 2. Twelve months or longer                                   | 6,543         |
| Total                                                        | \$ 990,423    |
| b. Aggregate fair value of securities with unrealized losses |               |
| 1. Less than twelve months                                   | \$ 67,792,380 |
| 2. Twelve months or longer                                   | 308,612       |
| Total                                                        | \$ 68,100,992 |

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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|     | <p>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.</p> <p>The following is a discussion of a potentially significant pending case at September 30, 2013. The Company does not consider a loss from this case to be probable and is unable to estimate a range of loss, if any, at this time.</p> <p>As of September 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|     | <p>The Company had no wash sales of securities with a NAIC rating of 3 or below during the reporting period.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|     | <p>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:</p> <p>Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).</p> <p>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.</p> <p>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.</p> <p>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.</p> |

NOTES TO FINANCIAL STATEMENTS

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 September 30, 2013:

| Asset Description                             | Level 1 | Level 2    | Level 3 | Total      |
|-----------------------------------------------|---------|------------|---------|------------|
| a. Assets on balance sheet at fair value      |         |            |         |            |
| Bonds Industrial & Miscellaneous              | \$ --   | \$ 308,612 | \$ --   | \$ 308,612 |
| Total assets at fair value                    | \$ --   | \$ 308,612 | \$ --   | \$ 308,612 |
| 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 at September 30, 2013, 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                        | \$ 554,466,350       | \$ 548,611,235  | \$ 135,121,214 | \$ 419,345,136 | \$ --   | \$ --                            |
| Cash equivalents             | --                   | --              | --             | --             | --      | --                               |
| Short term investments       | --                   | --              | --             | --             | --      | --                               |
| Common stock                 | --                   | --              | --             | --             | --      | --                               |
| Preferred stock              | --                   | --              | --             | --             | --      | --                               |
| Total                        | \$ 554,466,350       | \$ 548,611,235  | \$ 135,121,214 | \$ 419,345,136 | \$ --   | \$ --                            |

- 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 November 8, 2013 for the statutory statement that was available for issuance by November 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 \$3,983,000 in 2013, which is 1.8% 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 years 2012 and 2011 increasing by 3.5% and 0.8%, respectively. The LAE reserves developed unfavorably primarily due to unfavorable adjusting and other expense reserve development in private passenger auto liability.
26.

Intercompany Pooling Arrangements

No significant change



NOTES TO FINANCIAL STATEMENTS

|     |                                                                                  |
|-----|----------------------------------------------------------------------------------|
| 27. | Structured Settlements                                                           |
|     | No significant change                                                            |
| 28. | Health Care Receivables                                                          |
|     | No significant change                                                            |
| 29. | Participating Accident and Health Policies                                       |
|     | No significant change                                                            |
| 30. | Premium Deficiency Reserves                                                      |
|     | No significant change                                                            |
| 31. | High Deductibles                                                                 |
|     | No significant change                                                            |
| 32. | Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses |
|     | No significant change                                                            |
| 33. | Asbestos and Environmental Reserves                                              |
|     | No significant change                                                            |
| 34. | Subscriber Savings Accounts                                                      |
|     | No significant change                                                            |
| 35. | Multiple Peril Crop Insurance                                                    |
|     | No significant change                                                            |
| 36. | Financial Guaranty Insurance                                                     |
|     | No significant change                                                            |

PROGRESSIVE 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<br>Company Code | State of<br>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.

12/31/2012.....
- 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).

8/6/2013.....
- 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?  
(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.

Yes [ ☒ ]      No [ ☐ ]
- 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<br><br>Line of Business | 2<br><br>Maximum Interest | 3<br><br>Disc. Rate | Total Discount         |                     |               |                | Discount Taken During Period |                     |                |                 |
|---------------------------|---------------------------|---------------------|------------------------|---------------------|---------------|----------------|------------------------------|---------------------|----------------|-----------------|
|                           |                           |                     | 4<br><br>Unpaid Losses | 5<br><br>Unpaid LAE | 6<br><br>IBNR | 7<br><br>Total | 8<br><br>Unpaid Losses       | 9<br><br>Unpaid LAE | 10<br><br>IBNR | 11<br><br>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 percent0.0 %

5.2 A&H cost containment percent0.0 %

5.3 A&H expense percent excluding cost containment expenses0.0 %

6.1 Do you act as a custodian for health savings accounts?Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date.0

6.3 Do you act as an administrator for health savings accounts?Yes [ ] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date.0

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

Showing All New Reinsurers - Current Year to Date

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

NONE

PROGRESSIVE PREFERRED INSURANCE COMPANY  
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

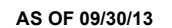
|              |                                 | 1<br><br>Active<br>Status | Direct Premiums Written          |                                | Direct Losses Paid (Deducting Salvage) |                                | Direct Losses Unpaid             |                                |
|--------------|---------------------------------|---------------------------|----------------------------------|--------------------------------|----------------------------------------|--------------------------------|----------------------------------|--------------------------------|
|              |                                 |                           | 2<br><br>Current Year<br>to Date | 3<br><br>Prior Year<br>to Date | 4<br><br>Current Year<br>to Date       | 5<br><br>Prior Year<br>to Date | 6<br><br>Current Year<br>to Date | 7<br><br>Prior Year<br>to Date |
| States, Etc. |                                 |                           |                                  |                                |                                        |                                |                                  |                                |
| 1.           | Alabama.....AL                  | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 2.           | Alaska.....AK                   | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 3.           | Arizona.....AZ                  | ..L.....                  | .....100,139,336                 | .....100,750,234               | .....64,004,578                        | .....64,393,050                | .....43,780,218                  | .....38,312,924                |
| 4.           | Arkansas.....AR                 | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 5.           | California.....CA               | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 6.           | Colorado.....CO                 | ..L.....                  | .....109,421,110                 | .....99,704,001                | .....71,382,587                        | .....62,370,743                | .....58,819,470                  | .....48,668,927                |
| 7.           | Connecticut.....CT              | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 8.           | Delaware.....DE                 | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 9.           | District of Columbia.....DC     | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 10.          | Florida.....FL                  | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 11.          | Georgia.....GA                  | ..L.....                  | .....5,131,235                   | .....6,173,411                 | .....2,094,042                         | .....3,621,994                 | .....5,759,120                   | .....7,016,082                 |
| 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.....                  | .....167,410,079                 | .....158,147,863               | .....94,548,573                        | .....90,325,004                | .....79,021,504                  | .....75,109,509                |
| 25.          | Mississippi.....MS              | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 26.          | Missouri.....MO                 | ..L.....                  | .....24,634,726                  | .....31,607,675                | .....14,621,933                        | .....21,763,202                | .....12,609,180                  | .....15,546,680                |
| 27.          | Montana.....MT                  | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 28.          | Nebraska.....NE                 | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 29.          | Nevada.....NV                   | ..L.....                  | .....4,588,414                   | .....5,382,844                 | .....2,489,745                         | .....3,142,712                 | .....2,016,571                   | .....2,309,359                 |
| 30.          | New Hampshire.....NH            | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 31.          | New Jersey.....NJ               | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 32.          | New Mexico.....NM               | ..L.....                  | .....1,625,255                   | .....1,795,952                 | .....1,199,491                         | .....1,221,704                 | .....1,083,825                   | .....1,351,607                 |
| 33.          | New York.....NY                 | ..L.....                  | .....13,609,069                  | .....24,834,053                | .....15,171,303                        | .....20,792,042                | .....19,654,388                  | .....27,875,672                |
| 34.          | North Carolina.....NC           | ..L.....                  |                                  |                                | .....26                                | .....(45)                      |                                  |                                |
| 35.          | North Dakota.....ND             | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 36.          | Ohio.....OH                     | ..L.....                  | .....24,677,725                  | .....27,869,712                | .....16,011,877                        | .....17,072,723                | .....10,551,736                  | .....13,619,901                |
| 37.          | Oklahoma.....OK                 | ..L.....                  |                                  |                                | .....127                               | .....(100)                     |                                  |                                |
| 38.          | Oregon.....OR                   | ..L.....                  | .....442,594                     | .....515,032                   | .....188,992                           | .....260,537                   | .....168,528                     | .....256,923                   |
| 39.          | Pennsylvania.....PA             | ..L.....                  | .....48,710,145                  | .....50,100,649                | .....28,704,125                        | .....29,310,258                | .....22,473,842                  | .....23,189,128                |
| 40.          | Rhode Island.....RI             | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 41.          | South Carolina.....SC           | ..L.....                  |                                  |                                |                                        | .....4,854                     |                                  |                                |
| 42.          | South Dakota.....SD             | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 43.          | Tennessee.....TN                | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 44.          | Texas.....TX                    | ..L.....                  |                                  |                                |                                        |                                |                                  |                                |
| 45.          | Utah.....UT                     | ..L.....                  |                                  |                                | .....(467)                             | .....(400)                     |                                  |                                |
| 46.          | Vermont.....VT                  | ..N.....                  |                                  |                                |                                        |                                |                                  |                                |
| 47.          | Virginia.....VA                 | ..L.....                  |                                  | .....(5,599)                   | .....(5,657)                           | .....13,134                    |                                  | .....4,791                     |
| 48.          | Washington.....WA               | ..L.....                  | .....147,217                     | .....156,103                   | .....8,334                             | .....(8,759)                   | .....49,296                      | .....39,054                    |
| 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                | .....500,536,905                 | .....507,031,930               | .....310,419,610                       | .....314,282,615               | .....255,987,678                 | .....253,300,557               |

DETAILS OF WRITE-INS

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

## PART 1 – ORGANIZATIONAL CHART



**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) | *         |
| <b>Members</b> |                                    |                   |                   |              |            |                                                                        |                                                   |                      |                                  |                                                |                                                                                  |                                            |                                            |           |
| 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..... |

Q12



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<br>Code | Group<br>Name                      | NAIC<br>Company<br>Code | Federal<br>ID<br>Number | Federal<br>RSSD | CIK   | Name of<br>Securities<br>Exchange<br>if Publicly<br>Traded<br>(U.S. or<br>International) | Names of<br>Parent, Subsidiaries<br>or Affiliates      | Domiciliary<br>Location | Relationship<br>to Reporting<br>Entity | Directly Controlled by<br>(Name of Entity/Person) | Type of<br>Control<br>(Ownership<br>Board,<br>Management<br>Attorney-in-Fact,<br>Influence, Other) | If Control is<br>Ownership<br>Provide<br>Percentage | Ultimate Controlling<br>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<br>Direct Loss<br>Percentage |
|-----------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------------------|
|                                                                       | 1<br>Direct Premiums<br>Earned | 2<br>Direct Losses<br>Incurred | 3<br>Direct<br>Loss Percentage |                                                 |
| 1. Fire.....                                                          |                                |                                | 0.0                            |                                                 |
| 2. Allied lines.....                                                  |                                |                                | 0.0                            |                                                 |
| 3. Farmowners multiple peril.....                                     |                                |                                | 0.0                            |                                                 |
| 4. Homeowners multiple peril.....                                     | 1,776,979                      | 672,337                        | 37.8                           | 43.8                                            |
| 5. Commercial multiple peril.....                                     |                                |                                | 0.0                            |                                                 |
| 6. Mortgage guaranty.....                                             |                                |                                | 0.0                            |                                                 |
| 8. Ocean marine.....                                                  |                                |                                | 0.0                            |                                                 |
| 9. Inland marine.....                                                 | 4,606,398                      | 2,784,831                      | 60.5                           | 55.4                                            |
| 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.....                                  | 2,617,560                      | 1,910,480                      | 73.0                           | 67.8                                            |
| 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.....                      | 304,924,553                    | 189,057,304                    | 62.0                           | 63.0                                            |
| 19.3, 19.4 Commercial auto liability.....                             | 5,914,130                      | 1,477,777                      | 25.0                           | 35.8                                            |
| 21. Auto physical damage.....                                         | 178,294,068                    | 115,465,693                    | 64.8                           | 67.2                                            |
| 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.....                                                       | 498,133,688                    | 311,368,422                    | 62.5                           | 64.0                                            |
| DETAILS OF WRITE-INS                                                  |                                |                                |                                |                                                 |
| 3401. ....                                                            |                                |                                | 0.0                            |                                                 |
| 3402. ....                                                            |                                |                                | 0.0                            |                                                 |
| 3403. ....                                                            |                                |                                | 0.0                            |                                                 |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page..... | 0                              | 0                              | 0.0                            | XXX                                             |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....          | 0                              | 0                              | 0.0                            |                                                 |

PART 2 - DIRECT PREMIUMS WRITTEN

| Lines of Business                                                     | 1<br>Current<br>Quarter | 2<br>Current<br>Year to Date | 3<br>Prior Year<br>Year to Date |
|-----------------------------------------------------------------------|-------------------------|------------------------------|---------------------------------|
| 1. Fire.....                                                          |                         |                              |                                 |
| 2. Allied lines.....                                                  |                         |                              |                                 |
| 3. Farmowners multiple peril.....                                     |                         |                              |                                 |
| 4. Homeowners multiple peril.....                                     | 740,192                 | 2,013,149                    | 1,629,010                       |
| 5. Commercial multiple peril.....                                     |                         |                              |                                 |
| 6. Mortgage guaranty.....                                             |                         |                              |                                 |
| 8. Ocean marine.....                                                  |                         |                              |                                 |
| 9. Inland marine.....                                                 | 1,903,812               | 5,766,452                    | 4,815,379                       |
| 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.....                                  | 1,008,083               | 3,049,531                    | 2,620,979                       |
| 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.....                       | 97,661,230              | 304,315,654                  | 311,470,679                     |
| 19.3 19.4 Commercial auto liability.....                              | 1,626,503               | 5,647,041                    | 6,699,464                       |
| 21. Auto physical damage.....                                         | 57,990,276              | 179,745,077                  | 179,796,419                     |
| 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.....                                                       | 160,930,095             | 500,536,905                  | 507,031,930                     |
| 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                                              | .....17,799                                                        | .....1,039                                                           | .....18,838                                    | .....18,882                                                                                 | .....1,163                                                                                             | .....4,766                           | .....24,811                                        | .....1,738                                                                                                | .....(246)                                                                                              | .....1,491                                                                               |  |  |  |  |  |  |              |              |              |
| 2. 2011.....                                         | .....40,970                                     | .....8,979                                | .....49,949                                              | .....19,471                                                        | .....1,836                                                           | .....21,308                                    | .....21,240                                                                                 | .....3,688                                                                                             | .....4,658                           | .....29,586                                        | .....(258)                                                                                                | .....1,203                                                                                              | .....944                                                                                 |  |  |  |  |  |  |              |              |              |
| 3. Subtotals 2011 + Prior.....                       | .....75,914                                     | .....16,194                               | .....92,108                                              | .....37,270                                                        | .....2,876                                                           | .....40,146                                    | .....40,123                                                                                 | .....4,851                                                                                             | .....9,424                           | .....54,397                                        | .....1,479                                                                                                | .....956                                                                                                | .....2,436                                                                               |  |  |  |  |  |  |              |              |              |
| 4. 2012.....                                         | .....98,102                                     | .....33,078                               | .....131,180                                             | .....55,195                                                        | .....11,365                                                          | .....66,560                                    | .....43,651                                                                                 | .....10,069                                                                                            | .....12,447                          | .....66,167                                        | .....744                                                                                                  | .....803                                                                                                | .....1,547                                                                               |  |  |  |  |  |  |              |              |              |
| 5. Subtotals 2012 + Prior.....                       | .....174,015                                    | .....49,272                               | .....223,287                                             | .....92,465                                                        | .....14,241                                                          | .....106,706                                   | .....83,774                                                                                 | .....14,920                                                                                            | .....21,870                          | .....120,564                                       | .....2,223                                                                                                | .....1,760                                                                                              | .....3,983                                                                               |  |  |  |  |  |  |              |              |              |
| 6. 2013.....                                         | .....XXX.....                                   | .....XXX.....                             | .....XXX.....                                            | .....XXX.....                                                      | .....189,237                                                         | .....189,237                                   | .....XXX.....                                                                               | .....83,141                                                                                            | .....30,234                          | .....113,374                                       | .....XXX.....                                                                                             | .....XXX.....                                                                                           | .....XXX.....                                                                            |  |  |  |  |  |  |              |              |              |
| 7. Totals.....                                       | .....174,015                                    | .....49,272                               | .....223,287                                             | .....92,465                                                        | .....203,478                                                         | .....295,943                                   | .....83,774                                                                                 | .....98,061                                                                                            | .....52,104                          | .....233,938                                       | .....2,223                                                                                                | .....1,760                                                                                              | .....3,983                                                                               |  |  |  |  |  |  |              |              |              |
| 8. Prior Year-End's Surplus As Regards Policyholders | .....174,300                                    |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    | Col. 11, Line 7<br>As % of Col. 1,<br>Line 7                                                              | Col. 12, Line 7<br>As % of Col. 2,<br>Line 7                                                            | Col. 13, Line 7<br>As % of Col. 3,<br>Line 7                                             |  |  |  |  |  |  |              |              |              |
|                                                      |                                                 |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    |                                                                                                           |                                                                                                         |                                                                                          |  |  |  |  |  |  | 1. ....1.3 % | 2. ....3.6 % | 3. ....1.8 % |
|                                                      |                                                 |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    |                                                                                                           |                                                                                                         |                                                                                          |  |  |  |  |  |  |              |              |              |
|                                                      |                                                 |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    |                                                                                                           |                                                                                                         |                                                                                          |  |  |  |  |  |  |              |              |              |
|                                                      |                                                 |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    |                                                                                                           |                                                                                                         |                                                                                          |  |  |  |  |  |  |              |              |              |
|                                                      |                                                 |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    |                                                                                                           |                                                                                                         | Col. 13, Line 7<br>Line 8                                                                |  |  |  |  |  |  |              |              |              |
|                                                      |                                                 |                                           |                                                          |                                                                    |                                                                      |                                                |                                                                                             |                                                                                                        |                                      |                                                    |                                                                                                           |                                                                                                         | 4. ....2.3 %                                                                             |  |  |  |  |  |  |              |              |              |

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?          | <div>NO</div> |
| 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?          | <div>NO</div> |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | <div>NO</div> |
| 4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?     | <div>NO</div> |

Explanation:

1.
2.
3.
4.

Bar Code:



PROGRESSIVE PREFERRED INSURANCE COMPANY  
Overflow Page for Write-Ins

Additional Write-ins for Assets:

|                                                       | Current Statement Date |                                |                                                  | 4<br><br>December 31,<br>Prior Year Net<br>Admitted Assets |
|-------------------------------------------------------|------------------------|--------------------------------|--------------------------------------------------|------------------------------------------------------------|
|                                                       | 1<br><br>Assets        | 2<br><br>Nonadmitted<br>Assets | 3<br><br>Net Admitted<br>Assets<br>(Cols. 1 - 2) |                                                            |
| 2504. MISCELLANEOUS OTHER ASSETS.....                 | .....26,701            | .....26,701                    | .....0                                           | .....                                                      |
| 2597. Summary of remaining write-ins for Line 25..... | .....26,701            | .....26,701                    | .....0                                           | .....0                                                     |

Additional Write-ins for Liabilities:

|                                                       | 1<br>Current<br>Statement Date | 2<br>December 31,<br>Prior Year |
|-------------------------------------------------------|--------------------------------|---------------------------------|
| 2504. UNEARNED FEE RESERVE.....                       | .....9,569                     | .....5,137                      |
| 2597. Summary of remaining write-ins for Line 25..... | .....9,569                     | .....5,137                      |

PROGRESSIVE PREFERRED INSURANCE COMPANY  
SCHEDULE A - VERIFICATION

Real Estate

|                                                                                        | 1            | 2                               |
|----------------------------------------------------------------------------------------|--------------|---------------------------------|
|                                                                                        | Year to Date | Prior Year Ended<br>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<br>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<br>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<br>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 .....                                                | 303,880,522  | 164,007,617                     |
| 3. Accrual of discount .....                                                              | 570,347      | 212,250                         |
| 4. Unrealized valuation increase (decrease) .....                                         | (4)          | 3,699                           |
| 5. Total gain (loss) on disposals .....                                                   | 3,210,736    | 2,701,503                       |
| 6. Deduct consideration for bonds and stocks disposed of .....                            | 226,579,118  | 108,719,331                     |
| 7. Deduct amortization of premium .....                                                   | 1,928,911    | 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) ..... | 548,611,236  | 469,457,664                     |
| 11. Deduct total nonadmitted amounts .....                                                |              |                                 |
| 12. Statement value at end of current period (Line 10 minus Line 11) .....                | 548,611,236  | 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

|                                          | 1                                                               | 2                                         | 3                                         | 4                                                 | 5                                                       | 6                                                        | 7                                                       | 8                                                         |
|------------------------------------------|-----------------------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|
|                                          | Book/Adjusted Carrying<br>Value Beginning<br>of Current Quarter | Acquisitions<br>During<br>Current Quarter | Dispositions<br>During<br>Current Quarter | Non-Trading Activity<br>During<br>Current Quarter | Book/Adjusted Carrying<br>Value End of<br>First Quarter | Book/Adjusted Carrying<br>Value End of<br>Second Quarter | Book/Adjusted Carrying<br>Value End of<br>Third Quarter | Book/Adjusted Carrying<br>Value December 31<br>Prior Year |
| BONDS                                    |                                                                 |                                           |                                           |                                                   |                                                         |                                                          |                                                         |                                                           |
| 1. Class 1 (a).....                      | 356,494,322                                                     | 60,242,197                                | 17,794,122                                | 8,583,438                                         | 376,632,223                                             | 356,494,322                                              | 407,525,835                                             | 308,074,183                                               |
| 2. Class 2 (a).....                      | 111,433,447                                                     | 21,924,770                                | 6,991,511                                 | (114,989)                                         | 86,036,666                                              | 111,433,447                                              | 126,251,717                                             | 152,456,278                                               |
| 3. Class 3 (a).....                      | 5,362,500                                                       |                                           | 5,491,298                                 | 128,798                                           | 7,731,550                                               | 5,362,500                                                |                                                         | 12,868,612                                                |
| 4. Class 4 (a).....                      | 319,624                                                         |                                           | 11,031                                    | 14,525,091                                        | 336,340                                                 | 319,624                                                  | 14,833,684                                              | 343,972                                                   |
| 5. Class 5 (a).....                      | 22,893,351                                                      |                                           | 125,635                                   | (22,767,716)                                      | 23,347,356                                              | 22,893,351                                               |                                                         | 5,713,951                                                 |
| 6. Class 6 (a).....                      |                                                                 |                                           |                                           |                                                   |                                                         |                                                          |                                                         |                                                           |
| 7. Total Bonds.....                      | 496,503,244                                                     | 82,166,967                                | 30,413,597                                | 354,622                                           | 494,084,135                                             | 496,503,244                                              | 548,611,236                                             | 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..... | 496,503,244                                                     | 82,166,967                                | 30,413,597                                | 354,622                                           | 494,084,135                                             | 496,503,244                                              | 548,611,236                                             | 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                               | 2         | 3              | 4                                  | 5                                         |
|                        | Book/Adjusted<br>Carrying Value | Per Value | Actual<br>Cost | Interest Collected<br>Year To Date | Paid for Accrued Interest<br>Year To Date |
| 9199999.....           |                                 | XXX.....  |                |                                    |                                           |

SCHEDULE DA - VERIFICATION

| Short-Term Investments                                                                   |                   |                                      |
|------------------------------------------------------------------------------------------|-------------------|--------------------------------------|
|                                                                                          | 1<br>Year to Date | 2<br>Prior Year Ended<br>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<br>Year to Date | 2<br>Prior Year Ended<br>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<br>Identification                             | Description                                                     | Foreign | Date<br>Acquired | Name of Vendor                | Number of<br>Shares of Stock | Actual Cost     | Par Value       | Paid for<br>Accrued Interest<br>and Dividends | NAIC Designation<br>or Market<br>Indicator (a) |
| Bonds - U.S. Government                             |                                                                 |         |                  |                               |                              |                 |                 |                                               |                                                |
| 912828 RE 2                                         | US TREASURY NOTE 1.500% 08/31/18.....                           | .....   | ...09/25/2013    | Barclays Capital.....         | .....                        | .....804,000    | .....800,000    | .....862                                      | 1.....                                         |
| 0599999.                                            | Total - Bonds - U.S. Government.....                            |         |                  |                               |                              | .....804,000    | .....800,000    | .....862                                      | .....XXX.....                                  |
| Bonds - U.S. Special Revenue and Special Assessment |                                                                 |         |                  |                               |                              |                 |                 |                                               |                                                |
| 235036 M7 2                                         | DALLAS-FORT WORTH TX 5.000% 11/01/18.....                       | .....   | ...08/15/2013    | Citicorp Securities Inc.....  | .....                        | .....12,360,150 | .....11,000,000 | .....                                         | 1FE.....                                       |
| 392274 VQ 6                                         | GTR ORLANDO FL AVIATION 5.000% 10/01/19.....                    | .....   | ...09/25/2013    | Citicorp Securities Inc.....  | .....                        | .....3,350,670  | .....3,000,000  | .....74,583                                   | 1FE.....                                       |
| 3199999.                                            | Total - Bonds - U.S. Special Revenue & Special Assessments..... |         |                  |                               |                              | .....15,710,820 | .....14,000,000 | .....74,583                                   | .....XXX.....                                  |
| Bonds - Industrial and Miscellaneous                |                                                                 |         |                  |                               |                              |                 |                 |                                               |                                                |
| 03072S TB 1                                         | AMSI 2004-R7 A1 0.619% 08/25/34.....                            | .....   | ...08/19/2013    | Barclays Capital.....         | .....                        | .....636,738    | .....654,743    | .....321                                      | 1FE.....                                       |
| 03072S TB 1                                         | AMSI 2004-R7 A1 0.619% 08/25/34.....                            | .....   | ...08/19/2013    | Barclays Capital.....         | .....                        | .....11,905,719 | .....12,242,384 | .....5,999                                    | 1FE.....                                       |
| 233851 AZ 7                                         | DAIMLER FINANCE NA LLC 1.450% 08/01/16.....                     | .....   | ...07/24/2013    | Deutsche Bank.....            | .....                        | .....7,492,125  | .....7,500,000  | .....                                         | 1FE.....                                       |
| 44921S AE 2                                         | HALST 2013-A A3 0.660% 06/15/16.....                            | .....   | ...07/23/2013    | Royal Bank of Scotland.....   | .....                        | .....4,987,109  | .....5,000,000  | .....1,008                                    | 1FE.....                                       |
| 46637Y AL 3                                         | JPMCC 2012-HSBC D 4.524% 07/05/32.....                          | .....   | ...08/21/2013    | Various.....                  | .....                        | .....661,453    | .....685,000    | .....1,386                                    | 1FM.....                                       |
| 91830C AL 2                                         | VNDO 2012-6AVE D 3.337% 11/15/30.....                           | .....   | ...09/13/2013    | Various.....                  | .....                        | .....4,253,906  | .....4,850,000  | .....6,519                                    | 1FE.....                                       |
| 92343V BQ 6                                         | VERIZON COMMUNICATIONS 4.500% 09/15/20.....                     | .....   | ...09/11/2013    | Banque National Di Paris..... | .....                        | .....10,232,550 | .....10,000,000 | .....                                         | 2FE.....                                       |
| 92935V AC 2                                         | WFRBS 2011-C3 A2 3.240% 03/15/44.....                           | .....   | ...08/08/2013    | Wells Fargo Bank.....         | .....                        | .....8,791,125  | .....8,400,000  | .....9,072                                    | 1FM.....                                       |
| 98160L AD 5                                         | WOLS 2013-A A3 1.100% 12/15/16.....                             | .....   | ...09/11/2013    | CSFBdirect.....               | .....                        | .....4,999,202  | .....5,000,000  | .....                                         | 1FE.....                                       |
| 423012 AB 9                                         | HEINEKEN NV 1.400% 10/01/17.....                                | F.....  | ...08/29/2013    | Deutsche Bank.....            | .....                        | .....11,692,220 | .....12,000,000 | .....71,400                                   | 2FE.....                                       |
| 3899999.                                            | Total - Bonds - Industrial & Miscellaneous.....                 |         |                  |                               |                              | .....65,652,147 | .....66,332,127 | .....95,705                                   | .....XXX.....                                  |
| 8399997.                                            | Total - Bonds - Part 3.....                                     |         |                  |                               |                              | .....82,166,967 | .....81,132,127 | .....171,150                                  | .....XXX.....                                  |
| 8399999.                                            | Total - Bonds.....                                              |         |                  |                               |                              | .....82,166,967 | .....81,132,127 | .....171,150                                  | .....XXX.....                                  |
| 9999999.                                            | Total - Bonds, Preferred and Common Stocks.....                 |         |                  |                               |                              | .....82,166,967 | .....XXX.....   | .....171,150                                  | .....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<br>Acquired | Rate of<br>Interest | Maturity<br>Date | Book/Adjusted<br>Carrying Value | Amount of Interest<br>Due & Accrued | Amount Received<br>During Year |

NONE