



ANNUAL STATEMENT

For the Year Ended December 31, 2013
of the Condition and Affairs of the

PROGRESSIVE CASUALTY INSURANCE COMPANY

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

NAIC Company Code..... 24260

Employer's ID Number..... 34-6513736

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... November 17, 1956

Commenced Business..... December 11, 1956

Statutory Home Office

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

Main Administrative Office

6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US..... 44143-2182 440-461-5000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address

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

Primary Location of Books and Records

6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address

PROGRESSIVE.COM

Statutory Statement Contact

MARY BETH ANDREANO
(Name)

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(Area Code) (Telephone Number) (Extension)

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(E-Mail Address)

440-446-7168
(Fax Number)

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

OFFICERS

Name	Title	Name	Title
DAVID JAMES SKOVE	PRESIDENT	DANE ALLEN SHRALLOW	SECRETARY
THOMAS ALFRED KING	TREASURER		

OTHER

PETER JAMES ALBERT	(VICE PRESIDENT)	MARY BETH ANDREANO	(VICE PRESIDENT)
KAREN BARONE BAILO	(VICE PRESIDENT)	WILLIAM THOMAS CASSELLA	(VICE PRESIDENT)
KATHLEEN MARY CERNY	(ASST. SECRETARY)	BRIAN JOSEPH CHYLIK #	(VICE PRESIDENT)
MICHAEL VINCENT ESPOSITO	(VICE PRESIDENT)	SARAH ELIZABETH FRYE	(VICE PRESIDENT)
JAMES EDWARD GLENN JR.	(VICE PRESIDENT)	JULIA KATHERINE HORNACK	(VICE PRESIDENT)
RICHARD ASHTON HUTCHINSON	(VICE PRESIDENT)	JAMES LEE KUSMER	(ASST. TREASURER)
NEIL JOSEPH LENANE #	(VICE PRESIDENT)	LYNN NAVARRE MAJOR #	(VICE PRESIDENT)
RONALD PAUL MAROTTO	(VICE PRESIDENT)	ROBERT RICHARD NICOLAY, III	(VICE PRESIDENT)
CARRIE FISHER RADIVOYEVITCH	(VICE PRESIDENT)	DAVID LLOYD PRATT	(VICE PRESIDENT)
ANDREW JOHN QUIGG	(VICE PRESIDENT)	RAYMOND MARVIN VOELKER	(VICE PRESIDENT)

DIRECTORS OR TRUSTEES

KAREN BARONE BAILO	RICHARD RUSSELL CRAWLEY #	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 13TH day of FEBRUARY, 2014

a. Is this an original filing? Yes [X] No []

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,913,247,450		1,913,247,450	1,357,239,037
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	71,270,400		71,270,400	
2.2 Common stocks.....	1,875,682,220		1,875,682,220	1,782,335,799
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	528,020,112		528,020,112	495,795,377
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	5,030,965		5,030,965	
4.3 Properties held for sale (less \$.....0 encumbrances).....	12,558,982		12,558,982	8,634,994
5. Cash (\$.....52,025,377, Schedule E-Part 1), cash equivalents (\$.....254,503,747, Schedule E-Part 2) and short-term investments (\$.....94,383,458, Schedule DA).....	400,912,581		400,912,581	696,999,058
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	132,526,936	100,000	132,426,936	99,439,620
9. Receivables for securities.....	709,536		709,536	3,242,617
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,939,959,182	100,000	4,939,859,182	4,443,686,502
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	12,510,815		12,510,815	10,822,154
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	128,815,756	13,683,684	115,132,072	108,262,440
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	590,259,609		590,259,609	566,073,172
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	35,790,360		35,790,360	41,870,662
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.....	58,631,855		58,631,855	128,009,074
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	77,970,038	59,040,261	18,929,777	26,590,346
21. Furniture and equipment, including health care delivery assets (\$.....0).....	68,786,888	68,786,888	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	99,564,159	98,244,239	1,319,920	6,820,100
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	6,012,288,662	239,855,072	5,772,433,590	5,332,134,450
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	6,012,288,662	239,855,072	5,772,433,590	5,332,134,450

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 UNEARNED SURCHARGE RECOVERABLE.....	1,319,920		1,319,920	1,297,484
2502. PREPAID EXPENSES.....	89,050,552	89,050,552	0	
2503. MISCELLANEOUS OTHER ASSETS.....	9,193,687	9,193,687	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	5,522,616
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	99,564,159	98,244,239	1,319,920	6,820,100

PROGRESSIVE CASUALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,617,478,370	1,520,032,504
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	211,869,282	238,016,136
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	316,543,561	303,479,486
4. Commissions payable, contingent commissions and other similar charges.....	6,238,399	7,252,981
5. Other expenses (excluding taxes, licenses and fees).....	176,687,469	149,640,637
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	37,066,901	39,182,307
7.1 Current federal and foreign income taxes (including \$.....13,153,891 on realized capital gains (losses)).....	37,296,465	28,229,761
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....1,427,679,022 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).....	1,370,134,504	1,323,819,379
10. Advance premium.....	6,146,988	5,106,396
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(40,788,819)	(38,134,866)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....	4,428,158	7,304,679
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	66,713,557	56,222,125
19. Payable to parent, subsidiaries and affiliates.....	406,040,442	233,459,002
20. Derivatives.....		
21. Payable for securities.....	5,027,558	942,193
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.....	8,440,454	9,107,551
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	4,229,323,289	3,883,660,271
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	4,229,323,289	3,883,660,271
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	830,263,402	811,934,876
35. Unassigned funds (surplus).....	709,846,899	633,539,303
36. Less treasury stock, at cost:		
36.10.000 shares common (value included in Line 30 \$.....0).....		
36.20.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	1,543,110,301	1,448,474,179
38. TOTALS (Page 2, Line 28, Col. 3).....	5,772,433,590	5,332,134,450

DETAILS OF WRITE-INS		
2501. OTHER LIABILITIES.....	7,481,993	8,767,701
2502. STATE PLAN LIABILITY.....	586,597	
2503. ESCHEATABLE PROPERTY.....	314,914	297,896
2598. Summary of remaining write-ins for Line 25 from overflow page.....	56,950	41,954
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	8,440,454	9,107,551
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 CASUALTY INSURANCE COMPANY
STATEMENT OF INCOME

UNDERWRITING INCOME		1	2
		Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....	4,611,445,626	4,364,295,585
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7).....	2,892,429,015	2,827,321,912
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	470,503,651	451,202,891
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	983,688,937	942,552,423
5.	Aggregate write-ins for underwriting deductions.....	24,261	0
6.	Total underwriting deductions (Lines 2 through 5).....	4,346,645,864	4,221,077,226
7.	Net income of protected cells.....		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	264,799,762	143,218,359
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	300,966,956	332,170,228
10.	Net realized capital gains (losses) less capital gains tax of \$.....20,997,265 (Exhibit of Capital Gains (Losses)).....	49,948,462	14,172,928
11.	Net investment gain (loss) (Lines 9 + 10).....	350,915,418	346,343,156
OTHER INCOME			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....582,903 amount charged off \$.....38,211,316).....	(37,628,413)	(33,930,140)
13.	Finance and service charges not included in premiums.....	16,934,363	15,390,820
14.	Aggregate write-ins for miscellaneous income.....	20,283,088	20,834,864
15.	Total other income (Lines 12 through 14).....	(410,962)	2,295,544
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	615,304,218	491,857,059
17.	Dividends to policyholders.....		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	615,304,218	491,857,059
19.	Federal and foreign income taxes incurred.....	114,035,482	85,136,375
20.	Net income (Line 18 minus Line 19) (to Line 22).....	501,268,736	406,720,684
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,448,474,179	1,359,871,058
22.	Net income (from Line 20).....	501,268,736	406,720,684
23.	Net transfers (to) from Protected Cell accounts.....		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....64,148,056.....	24,819,308	(61,355,669)
25.	Change in net unrealized foreign exchange capital gain (loss).....		
26.	Change in net deferred income tax.....	(4,553,598)	20,283,801
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	5,518,528	1,157,090
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29.	Change in surplus notes.....		
30.	Surplus (contributed to) withdrawn from protected cells.....		
31.	Cumulative effect of changes in accounting principles.....		
32.	Capital changes:		
32.1	Paid in.....		
32.2	Transferred from surplus (Stock Dividend).....		
32.3	Transferred to surplus.....		
33.	Surplus adjustments:		
33.1	Paid in.....	18,328,526	17,937,643
33.2	Transferred to capital (Stock Dividend).....		
33.3.	Transferred from capital.....		
34.	Net remittances from or (to) Home Office.....		
35.	Dividends to stockholders.....	(452,000,000)	(298,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37.	Aggregate write-ins for gains and losses in surplus.....	1,254,622	1,859,572
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	94,636,122	88,603,121
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,543,110,301	1,448,474,179
DETAILS OF WRITE-INS			
0501.	LOSS ON COMMUTATION.....	24,261	
0502.		
0503.		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	24,261	0
1401.	FINANCE AND SERVICE CHARGE REVENUE ASSUMED.....	16,195,468	17,441,172
1402.	MISCELLANEOUS INCOME.....	4,275,483	3,786,449
1403.	SERVICE BUSINESS REVENUE.....	258,426	383,817
1498.	Summary of remaining write-ins for Line 14 from overflow page.....	(446,289)	(776,574)
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	20,283,088	20,834,864
3701.	CHANGE IN ELIMINATION IN DEFERRED UNREALIZED GAIN PER SSAP 25.....	1,254,622	1,859,572
3702.		
3703.		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	1,254,622	1,859,572

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	4,624,536,225	4,419,187,294
2.	Net investment income.....	334,790,956	399,027,466
3.	Miscellaneous income.....	397,270	3,247,794
4.	Total (Lines 1 through 3).....	4,959,724,451	4,821,462,553
5.	Benefit and loss related payments.....	2,815,049,701	2,705,586,613
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	1,415,227,790	1,377,250,894
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....11,482,242 tax on capital gains (losses).....	125,966,043	89,677,915
10.	Total (Lines 5 through 9).....	4,356,243,534	4,172,515,422
11.	Net cash from operations (Line 4 minus Line 10).....	603,480,917	648,947,131
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	1,542,123,332	644,005,008
12.2	Stocks.....	96,534,823	140,277,583
12.3	Mortgage loans.....		
12.4	Real estate.....	475,000	554,450
12.5	Other invested assets.....	5,035,041	544,090
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7	Miscellaneous proceeds.....	6,618,446	18,251,000
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	1,650,786,642	803,632,131
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	2,110,698,380	726,361,437
13.2	Stocks.....	140,993,785	92,442,585
13.3	Mortgage loans.....		
13.4	Real estate.....	58,079,119	37,765,602
13.5	Other invested assets.....	6,796,858	101,518,357
13.6	Miscellaneous applications.....		62,919,352
13.7	Total investments acquired (Lines 13.1 to 13.6).....	2,316,568,142	1,021,007,333
14.	Net increase (decrease) in contract loans and premium notes.....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(665,781,500)	(217,375,202)
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.....	18,328,526	17,937,643
16.3	Borrowed funds.....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5	Dividends to stockholders.....	452,000,000	298,000,000
16.6	Other cash provided (applied).....	199,885,580	(66,252,997)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(233,785,894)	(346,315,354)
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).....	(296,086,477)	85,256,575
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	696,999,058	611,742,483
19.2	End of year (Line 18 plus Line 19.1).....	400,912,581	696,999,058

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

20.0001		
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PROGRESSIVE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....			0
2.	Allied lines.....			0
3.	Farmowners multiple peril.....			0
4.	Homeowners multiple peril.....14,865,5727,164,9467,769,85614,260,662
5.	Commercial multiple peril.....			0
6.	Mortgage guaranty.....			0
8.	Ocean marine.....			0
9.	Inland marine.....77,727,06335,465,47536,852,59176,339,948
10.	Financial guaranty.....			0
11.1	Medical professional liability - occurrence.....			0
11.2	Medical professional liability - claims-made.....14,7001,3661,41014,656
12.	Earthquake.....			0
13.	Group accident and health.....			0
14.	Credit accident and health (group and individual).....			0
15.	Other accident and health.....			0
16.	Workers' compensation.....			0
17.1	Other liability - occurrence.....32,365,19915,140,98615,280,55532,225,630
17.2	Other liability - claims-made.....(39,841)177,38053,18284,357
17.3	Excess workers' compensation.....			0
18.1	Products liability - occurrence.....			0
18.2	Products liability - claims-made.....			0
19.1, 19.2	Private passenger auto liability.....2,670,057,503692,406,665719,593,8602,642,870,308
19.3, 19.4	Commercial auto liability.....276,521,043129,156,925130,336,130275,341,839
21.	Auto physical damage.....1,586,247,482444,302,281460,244,9721,570,304,791
22.	Aircraft (all perils).....			0
23.	Fidelity.....	1,091115977
24.	Surety.....2,0252,2651,8362,455
26.	Burglary and theft.....			0
27.	Boiler and machinery.....			0
28.	Credit.....			0
29.	International.....			0
30.	Warranty.....			0
31.	Reinsurance - nonproportional assumed property.....			0
32.	Reinsurance - nonproportional assumed liability.....			0
33.	Reinsurance - nonproportional assumed financial lines.....			0
34.	Aggregate write-ins for other lines of business.....0000
35.	TOTALS.....4,657,760,7461,323,819,3811,370,134,5054,611,445,622

DETAILS OF WRITE-INS

3401.0
3402.0
3403.0
3498.	Summary of remaining write-ins for Line 34 from overflow page....0000
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....0000

PROGRESSIVE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....					0
2.	Allied lines.....					0
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....	7,769,856				7,769,856
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	36,852,591				36,852,591
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....	1,410				1,410
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....	15,280,555				15,280,555
17.2	Other liability - claims-made.....	235	52,947			53,182
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	719,593,860				719,593,860
19.3, 19.4	Commercial auto liability.....	130,336,130				130,336,130
21.	Auto physical damage.....	460,244,972				460,244,972
22.	Aircraft (all perils).....					0
23.	Fidelity.....		115			115
24.	Surety.....	1,836				1,836
26.	Burglary and theft.....					0
27.	Boiler and machinery.....					0
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	1,370,081,443	53,062	0	0	1,370,134,505
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					1,370,134,505

DETAILS OF WRITE-INS					
3401.				0
3402.				0
3403.				0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0

(a) State here basis of computation used in each case: Pro Rata

PROGRESSIVE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....	14,588,424	15,779,126		15,472,331	29,647	14,865,572
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	34,071,255	124,555,406		80,899,598		77,727,063
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....	30,000			15,300		14,700
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....	13,793,347	53,799,494		33,686,227	1,541,415	32,365,199
17.2 Other liability - claims-made.....	(29,789)			(41,468)	51,520	(39,841)
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....	591,160,134	4,857,949,073		2,779,039,442	12,262	2,670,057,503
19.3, 19.4 Commercial auto liability.....	76,502,189	489,106,655		287,807,616	1,280,185	276,521,043
21. Auto physical damage.....	308,200,203	2,929,199,777		1,650,992,278	160,220	1,586,247,482
22. Aircraft (all perils).....					0
23. Fidelity.....	3,224				3,2240
24. Surety.....	4,215			2,108	82	2,025
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....	XXX				0
32. Reinsurance - nonproportional assumed liability.....	XXX				0
33. Reinsurance - nonproportional assumed financial lines.....	XXX				0
34. Aggregate write-ins for other lines of business.....000000
35. TOTALS.....	1,038,323,202	8,470,389,5310	4,847,873,432	3,078,555	4,657,760,746

DETAILS OF WRITE-INS

3401.0
3402.0
3403.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....000000
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....000000

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
If yes: 1. The amount of such installment premiums \$.....0.
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire.....				0			0	0.0
2.	Allied lines.....				0			0	0.0
3.	Farmowners multiple peril.....				0			0	0.0
4.	Homeowners multiple peril.....	6,681,647	6,667,708	6,808,171	6,541,184	1,436,796	1,814,597	6,163,383	43.2
5.	Commercial multiple peril.....				0			0	0.0
6.	Mortgage guaranty.....				0			0	0.0
8.	Ocean marine.....				0			0	0.0
9.	Inland marine.....	14,077,680	56,791,360	36,143,210	34,725,830	4,204,905	4,504,839	34,425,895	45.1
	Financial guaranty.....				0			0	0.0
11.1	Medical professional liability - occurrence.....				0			0	0.0
11.2	Medical professional liability - claims-made.....				0	733	731	2	0.0
12.	Earthquake.....				0			0	0.0
13.	Group accident and health.....				0			0	0.0
14.	Credit accident and health (group and individual).....				0			0	0.0
15.	Other accident and health.....				0			0	0.0
16.	Workers' compensation.....	605	56,138	28,939	27,804	341,955	360,825	8,934	0.0
17.1	Other liability - occurrence.....	5,314,004	18,492,447	12,531,890	11,274,561	17,458,057	15,453,050	13,279,568	41.2
17.2	Other liability - claims-made.....	28,138,791	152,565	25,424,317	2,867,039	4,292,727	4,395,745	2,764,020	3,276.6
17.3	Excess workers' compensation.....				0			0	0.0
18.1	Products liability - occurrence.....				0			0	0.0
18.2	Products liability - claims-made.....				0			0	0.0
19.1, 19.2	Private passenger auto liability.....	326,218,143	2,896,590,775	1,643,883,397	1,578,925,521	1,332,434,740	1,259,138,604	1,652,221,657	62.5
19.3, 19.4	Commercial auto liability.....	22,632,181	279,276,024	155,194,402	146,713,803	230,632,195	214,956,592	162,389,406	59.0
21.	Auto physical damage.....	187,313,206	1,879,994,169	1,054,343,203	1,012,964,172	22,964,380	14,897,404	1,021,031,148	65.0
22.	Aircraft (all perils).....				0			0	0.0
23.	Fidelity.....	2,796,544		2,164,499	632,045	108,148	339,653	400,540	41,015.0
24.	Surety.....				0	5,657	12,877	(7,220)	(294.1)
26.	Burglary and theft.....				0			0	0.0
27.	Boiler and machinery.....				0			0	0.0
28.	Credit.....				0			0	0.0
29.	International.....				0			0	0.0
30.	Warranty.....				0			0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			0			0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX	635,084	323,893	311,191	3,598,082	4,157,582	(248,309)	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	TOTALS.....	593,172,801	5,138,656,270	2,936,845,921	2,794,983,150	1,617,478,375	1,520,032,501	2,892,429,024	62.7
DETAILS OF WRITE-INS									
3401.				0			0	0.0
3402.				0			0	0.0
3403.				0			0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire.....				.0				.0	
2.	Allied lines.....				.0				.0	
3.	Farmowners multiple peril.....				.0				.0	
4.	Homeowners multiple peril.....	1,006,210	630,142	834,540	801,812	660,438	635,447	660,901	1,436,796	283,022
5.	Commercial multiple peril.....				.0				.0	
6.	Mortgage guaranty.....				.0				.0	
8.	Ocean marine.....				.0				.0	
9.	Inland marine.....	981,228	2,909,102	1,984,068	1,906,262	1,017,196	3,673,911	2,392,465	4,204,905	724,799
10.	Financial guaranty.....				.0				.0	
11.1	Medical professional liability - occurrence.....				.0				.0	
11.2	Medical professional liability - claims-made.....				.0	1,496		763	733	642
12.	Earthquake.....				.0				.0	
13.	Group accident and health.....				.0				(a).0	
14.	Credit accident and health (group and individual).....				.0				.0	
15.	Other accident and health.....				.0				(a).0	
16.	Workers' compensation.....	34,694	663,173	355,912	341,955				341,955	18,466
17.1	Other liability - occurrence.....	10,032,879	18,195,077	15,408,465	12,819,491	4,410,530	6,909,498	6,681,462	17,458,057	2,939,948
17.2	Other liability - claims-made.....	21,173,798	68,945	19,264,069	1,978,674	34,089,593	277,148	32,052,689	4,292,727	552,846
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.....	264,975,474	1,820,489,891	1,064,090,738	1,021,374,627	64,472,668	570,343,889	323,756,444	1,332,434,740	262,994,192
19.3, 19.4	Commercial auto liability.....	39,523,148	353,794,392	201,385,958	191,931,582	7,988,364	71,471,663	40,759,413	230,632,195	38,903,836
21.	Auto physical damage.....	11,610,514	97,626,348	55,714,568	53,522,294	(5,419,121)	(56,942,084)	(31,803,291)	22,964,380	10,088,979
22.	Aircraft (all perils).....				.0				.0	
23.	Fidelity.....	783,200		712,616	70,585	580,242		542,678	108,148	22,171
24.	Surety.....				.0	44,941		39,284	5,657	14,658
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			.0	XXX			.0	
32.	Reinsurance - nonproportional assumed liability.....	XXX	1,565,632	798,472	767,160	XXX	5,777,392	2,946,470	3,598,082	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			.0	XXX			.0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	.0	0	0	0	.0	0
35.	TOTALS.....	350,121,145	2,295,942,702	1,360,549,405	1,285,514,442	107,846,347	602,146,864	378,029,278	1,617,478,375	316,543,558
DETAILS OF WRITE-INS										
3401.0				.0	
3402.0				.0	
3403.0				.0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	.0	0	0	0	.0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	.0	0	0	0	.0	0
(a)	Including \$.....0 for present value of life indemnity claims.									

PROGRESSIVE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	35,293,922			35,293,922
1.2 Reinsurance assumed.....	126,751,746			126,751,746
1.3 Reinsurance ceded.....	88,390,703			88,390,703
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	73,654,966	0	0	73,654,966
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		105,575,107		105,575,107
2.2 Reinsurance assumed, excluding contingent.....		793,896,665		793,896,665
2.3 Reinsurance ceded, excluding contingent.....		458,974,285		458,974,285
2.4 Contingent - direct.....		1,286,852		1,286,852
2.5 Contingent - reinsurance assumed.....		12,405,946		12,405,946
2.6 Contingent - reinsurance ceded.....		6,983,327		6,983,327
2.7 Policy and membership fees.....			0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	447,206,958	0	447,206,958
3. Allowances to manager and agents.....		2,116,659		2,116,659
4. Advertising.....		39,832,059		39,832,059
5. Boards, bureaus and associations.....	1,295,803	1,925,076		3,220,879
6. Surveys and underwriting reports.....		32,134,533		32,134,533
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	260,834,623	206,095,403	2,207,036	469,137,061
8.2 Payroll taxes.....	18,287,682	14,886,001	68,582	33,242,266
9. Employee relations and welfare.....	45,337,026	35,254,685	83,882	80,675,593
10. Insurance.....	580,046	807,599		1,387,646
11. Directors' fees.....				0
12. Travel and travel items.....	14,110,679	5,797,281	14,285	19,922,245
13. Rent and rent items.....	19,883,557	16,899,372	60,383	36,843,312
14. Equipment.....	1,371,320	6,065,013		7,436,334
15. Cost or depreciation of EDP equipment and software.....	17,444,591	35,506,590	23,673	52,974,854
16. Printing and stationery.....	1,619,473	3,784,646	3,722	5,407,841
17. Postage, telephone and telegraph, exchange and express.....	14,287,724	28,605,038	15,984	42,908,745
18. Legal and auditing.....	1,245,117	6,918,070	1,254,766	9,417,953
19. Totals (Lines 3 to 18).....	396,297,641	436,628,025	3,732,313	836,657,979
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....21,883.....		77,213,960		77,213,960
20.2 Insurance department licenses and fees.....	441,613	5,266,471		5,708,084
20.3 Gross guaranty association assessments.....		(192,067)		(192,067)
20.4 All other (excluding federal and foreign income and real estate).....	118,257	14,500,511		14,618,768
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	559,870	96,788,875	0	97,348,745
21. Real estate expenses.....			24,367,291	24,367,291
22. Real estate taxes.....			7,186,864	7,186,864
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	(8,825)	3,065,079	361,513	3,417,767
25. Total expenses incurred.....	470,503,652	983,688,937	35,647,981	(a).....1,489,840,570
26. Less unpaid expenses - current year.....	316,543,561	208,428,156	11,564,613	536,536,329
27. Add unpaid expenses - prior year.....	303,479,486	182,503,172	13,572,752	499,555,410
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	457,439,577	957,763,952	37,656,121	1,452,859,650

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES.....	(8,825)	3,065,079	361,513	3,417,767
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	(8,825)	3,065,079	361,513	3,417,767

(a) Includes management fees of \$.....840,075,746 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....5,102,1915,524,786
1.1 Bonds exempt from U.S. tax.....	(a).....4,587,4304,529,234
1.2 Other bonds (unaffiliated).....	(a).....33,811,17933,707,390
1.3 Bonds of affiliates.....	(a).....
2.1 Preferred stocks (unaffiliated).....	(b).....(910,043)69,609
2.11 Preferred stocks of affiliates.....	(b).....
2.2 Common stocks (unaffiliated).....14,397,14614,713,218
2.21 Common stocks of affiliates.....225,000,000225,000,000
3. Mortgage loans.....	(c).....
4. Real estate.....	(d).....66,519,94566,568,162
5. Contract loans.....
6. Cash, cash equivalents and short-term investments.....	(e).....834,872918,981
7. Derivative instruments.....	(f).....
8. Other invested assets.....1,461,8171,461,817
9. Aggregate write-ins for investment income.....00
10. Total gross investment income.....350,804,537352,493,197
11. Investment expenses.....		(g).....35,647,981
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i).....15,878,206
15. Aggregate write-ins for deductions from investment income.....	0
16. Total deductions (Lines 11 through 15).....	51,526,187
17. Net investment income (Line 10 minus Line 16).....	300,967,010

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page.....00
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....00
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page.....	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	0

- (a) Includes \$.....5,780,595 accrual of discount less \$.....27,423,190 amortization of premium and less \$.....2,509,898 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....910,043 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....64,024,371 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....546,241 accrual of discount less \$.....4,862 amortization of premium and less \$.....3,281 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....15,878,206 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....2,101,9172,101,917
1.1 Bonds exempt from U.S. tax.....2,552,2822,552,282
1.2 Other bonds (unaffiliated).....5,579,633(37,558)5,542,075(1,120,311)
1.3 Bonds of affiliates.....0
2.1 Preferred stocks (unaffiliated).....0(304,000)
2.11 Preferred stocks of affiliates.....0
2.2 Common stocks (unaffiliated).....57,612,188(1,351,547)56,260,641158,514,013
2.21 Common stocks of affiliates.....0(94,312,796)
3. Mortgage loans.....0
4. Real estate.....(216,882)(329,344)(546,226)
5. Contract loans.....0
6. Cash, cash equivalents and short-term investments.....0
7. Derivative instruments.....0
8. Other invested assets.....5,035,0415,035,04126,190,458
9. Aggregate write-ins for capital gains (losses).....00000
10. Total capital gains (losses).....72,664,179(1,718,449)70,945,73088,967,3640

DETAILS OF WRITE-INS

0901.0		
0902.0		
0903.0		
0998. Summary of remaining write-ins for Line 9 from overflow page....00000
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....00000

PROGRESSIVE CASUALTY INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....		0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....		0
2.2 Common stocks.....		0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....		0
3.2 Other than first liens.....		0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....		0
4.2 Properties held for the production of income.....		0
4.3 Properties held for sale.....		0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....		0
6. Contract loans.....		0
7. Derivatives (Schedule DB).....		0
8. Other invested assets (Schedule BA).....100,000100,0000
9. Receivables for securities.....		0
10. Securities lending reinvested collateral assets (Schedule DL).....		0
11. Aggregate write-ins for invested assets.....000
12. Subtotals, cash and invested assets (Lines 1 to 11).....100,000100,0000
13. Title plants (for Title insurers only).....		0
14. Investment income due and accrued.....		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....13,683,68413,936,820253,136
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....		0
15.3 Accrued retrospective premiums.....		0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....		0
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.....		0
19. Guaranty funds receivable or on deposit.....		0
20. Electronic data processing equipment and software.....59,040,26168,311,9479,271,686
21. Furniture and equipment, including health care delivery assets.....68,786,88871,763,4032,976,515
22. Net adjustment in assets and liabilities due to foreign exchange rates.....		0
23. Receivables from parent, subsidiaries and affiliates.....		0
24. Health care and other amounts receivable.....		0
25. Aggregate write-ins for other than invested assets.....98,244,23991,261,428(6,982,811)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....239,855,072245,373,5985,518,526
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
28. TOTALS (Lines 26 and 27).....239,855,072245,373,5985,518,526

DETAILS OF WRITE-INS

1101.0
1102.0
1103.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....000
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....000
2501. PREPAID EXPENSES.....89,050,55284,314,819(4,735,733)
2502. MISCELLANEOUS OTHER ASSETS.....9,193,6876,946,609(2,247,078)
2503.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....000
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....98,244,23991,261,428(6,982,811)

PROGRESSIVE CASUALTY INSURANCE COMPANY

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PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Casualty 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	2013	2012
Net income			
(1) Net income, state basis	OH	\$ 501,268,736	\$ 406,720,684
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 501,268,736	\$ 406,720,684
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 1,543,110,301	\$ 1,448,474,179
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis (5-6-7=8)	OH	\$ 1,543,110,301	\$ 1,448,474,179

B. Use of Estimates

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense (“LAE”) reserves and the Company’s adjustment to realized losses for other-than-temporary impairment (“OTTI”), (see page 12, column 2, Exhibit of Capital Gains (Losses) and Note 1C).

C. Accounting Policies

Insurance premiums written are being earned into income on a pro rata basis over the period of risk based on a daily earnings convention. Unearned premiums are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company’s exposure to credit risk.

Acquisition costs, such as agents’ commissions, premium taxes, and other policy initiation costs, are charged to operations as incurred. Advertising costs are expensed as incurred.

Other income includes finance and service charges collected on premiums receivable and finance and service charges assumed under quota-share reinsurance agreements with four of the Company’s non-pooled insurance company affiliates.

Certain assets designated as “nonadmitted assets”, in accordance with Statement of Statutory Accounting Principles (“SSAP”) No. 4, Assets and Nonadmitted Assets, are reported on page 13, Exhibit of Nonadmitted Assets. The change in nonadmitted assets is charged directly against surplus as regards policyholders on page 4, Statement of Income, capital and surplus section.

In addition, the Company uses the following accounting policies:

Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less that are reported at amortized cost which approximates market value.
- Short-term investments include securities acquired within one year of maturity except for those with original maturities of three months or less (see cash and cash equivalents above) and are reported at amortized cost which approximates market value.
- Investment grade bond valuations are based on NAIC designations or NAIC Credit Rating Provider (“CRP”) designations from the Acceptable Rating Organization (“ARO”) list and are reported at amortized cost using the scientific method which closely approximates the effective interest method. Non-investment grade bond valuations are also based on NAIC designations or NAIC CRP-ARO designations and are reported at the lower of amortized cost or fair market value. Loan-backed and structured securities follow the guidance prescribed by SSAP No. 43R, Loan-backed and Structured Securities (“SSAP No. 43R”), for the determination of the bond valuation and reporting designation. The difference between the original cost and redemption value of these securities is recognized over the lives of the respective issues and included in net investment gain.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values based on active market closing quotations from a regulated exchange. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes.
- Non-redeemable preferred stocks are reported at fair market values. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes. Investment grade redeemable preferred stocks are reported at amortized cost, while non-investment grade redeemable preferred stocks are reported at the lower of amortized cost or fair market value. The difference between the original cost and redemption value of the redeemable preferred securities is recognized using the scientific method, which closely approximates the effective interest method, over the lives of the respective issues and included in net investment gain.
- The fair market values reported are derived from independent and observable market input evaluations provided by reputable pricing services, independent broker/dealer bid lists, independent broker/dealer quotations, independent broker/dealer pricing services, or active market closing quotations from a regulated exchange. In very rare cases, if none of the aforementioned primary sources are available, matrix pricing using the reporting entity’s own market based assumptions may be utilized. The approved methods for computation of fair market value are prescribed in Part Five of the Securities Valuation Office *Purposes and Procedures Manual*.
- The Company has no investments in mortgage loans.
- Loan-backed and structured securities are accounted for as prescribed by SSAP No. 43R. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends.
- The Company owns 100% of the common stock of Progressive Specialty Insurance Company (“Specialty”), an insurance affiliate domiciled in Ohio, Progressive Gulf Insurance Company (“Gulf”), an insurance affiliate domiciled in Ohio, and PC Investment Company, a non-insurance affiliate. These investments are reported on the equity basis as described in the *Purposes and Procedures Manual of the Securities Valuation Office* of the NAIC.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- The Company has no investments in joint ventures or limited liability companies. Investments in limited partnerships (see Note 6) are derived by using the Generally Accepted Accounting Principles equity method of accounting.
- The Company has no investments in derivatives.
- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 2013 and December 31, 2012.
- The Company may enter into reverse repurchase commitment transactions. In these transactions, the Company loans cash to an accredited bank and receives U.S. Treasury Notes pledged as general collateral against the cash borrowed. The Company chooses to enter into these transactions as rates on general collateral are more attractive than other short-term rates available in the market. The Company's exposure to credit risk is limited, as these internally managed transactions are typically overnight arrangements. The income generated on these transactions is calculated at the then applicable general collateral rates on the value of U.S. Treasury securities received. The Company has counterparty exposure on reverse repurchase agreements in the event of a counterparty default to the extent the general collateral security's value is below the cash which was delivered to acquire the collateral. The short-term duration of the transactions (primarily overnight investing) reduces that default exposure. See Note 5.H.1.
- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.
- The Company's management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for OTTI requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company's ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

Management assesses valuation declines to determine the extent to which such changes are attributable to (i) fundamental factors specific to the issuer, such as financial conditions, business prospects or other factors, or (ii) market-related factors such as interest rates or equity market declines (i.e., negative returns at either a sector index level or the broader market level), or (iii) credit-related losses where the present value of cash flows expected to be collected are lower than the amortized cost basis of the security (includes only those securities covered under SSAP No. 43R). This evaluation reflects management's assessment of current conditions, as well as predictions of uncertain future events that may have a material effect on the financial statements related to security valuation.

When persuasive evidence exists that causes management to conclude that a decline in fair value is other-than-temporary, the book value of such security is written down and recognized as a realized loss. All other unrealized gains or losses are reflected in statutory surplus.

Real Estate, Electronic Data Processing Equipment, and Furniture and Fixtures

- Company occupied real estate is reported at book/adjusted carrying value, less any related encumbrances. For property held for sale and properties held for the production of income (see Schedule A, Part 1), the Company reports at the lower of book/adjusted carrying value or fair market value, less any related encumbrances. For properties intended for a unique, highly specialized purpose, such as the Company's data centers and service centers, the Company reports book/adjusted carrying value, less any related encumbrances.

For properties held for sale and properties held for the production of income, the Company engages the services of independent firms who issue summary reports indicating the properties' fair market value. The valuations are completed using various methods of valuation including the cost approach, sales comparison approach, or income approach. For occupied properties, the Company uses book/adjusted carrying value to report fair market value.

All real estate except land is depreciated over its estimated useful life using the straight-line method.

- Electronic data processing equipment and furniture and fixtures are reported at depreciated cost and are depreciated over the estimated useful lives of the assets using accelerated methods for computers and the straight-line method for furniture and fixtures. The resulting net book value of furniture and fixtures is nonadmitted. Application software is capitalized and depreciated over its estimated useful life, and the resulting net book value is nonadmitted.

Loss and Loss Adjustment Expense Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Notes 25 and 33).

Capitalization of Assets

- Prepaid assets above a \$100,000 threshold are capitalized. Under certain circumstances, the Company may decide to establish a prepaid expense for amounts less than the threshold. Prepaid assets are nonadmitted.

2. Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles

Accounting changes adopted to conform to the provisions of the NAIC statutory accounting practices are reported as changes in accounting principle. Effective January 1, 2012, the Company adopted SSAP No. 101, Income Taxes. SSAP No. 101 reflects a revision to the accounting principles regarding deferred tax asset admissibility calculations (see Note 9). The Company's deferred tax asset was not impacted by applying the provisions of SSAP No. 101.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

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

The Company currently does not intend to sell the loan-backed and structured debt securities on which a credit loss was recognized, and determined that it is more likely than not that the Company will not be required to sell these securities prior to recovery (which could be maturity) of their respective cost basis.

3. The following table shows, as of December 31, 2013, the Company's other-than-temporary impairment for loan-backed and structured debt securities for the current year.

CUSIP	Amortized Cost Before Current Period Other-Than-Temporary Impairment	Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of Other-Than-Temporary Impairment	Financial Statement Date When Other-Than-Temporary Impairment Was Reported
949802AA0	\$ 1,275,454	\$ 1,237,896	\$ 37,558	\$ 1,237,896	\$ 1,237,886	2013 - Q2
Total	XXX	XXX	\$ 37,558	XXX	XXX	XXX

4. As of December 31, 2013, the Company had \$10,923,590 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 December 31, 2013, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position is as follows:

Description	Amount
a. Aggregate amount of unrealized losses	
1. Less than twelve months	\$ 10,799,676
2. Twelve months or longer	123,914
Total	\$ 10,923,590
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 432,379,605
2. Twelve months or longer	12,633,288
Total	\$ 445,012,893

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.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable (see Note 1C Investments)

F. Real Estate

1. Impairment Losses

The Company recognized impairment write-downs for its investments in real estate during the statement period. The amount of impairment recognized of \$329,344 (see Schedule A, Part 1, Column 12) is reflected in realized capital gains (losses) in the Company's Statement of Income. The impairment losses primarily reflect the early retirement of real property assets on several projects at various owned properties.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

2. Sales of Real Estate

At December 31, 2013, the Company has various property holdings classified as "Property Held for Sale" that are measured at the lower of their book value or fair value. The properties are presently being marketed.

In 2013, the Company sold land to a third party for a reported value of \$475,000 (Schedule A, Part 3, Column 15). In accordance with SSAP 40 – Real Estate Investments, the land was classified as “Property Held for Sale,” and therefore was measured at the lower of book value or fair value less cost to sell. The Company recorded a realized net loss on the sale of \$216,882 (Schedule A, Part 3, Column 17), which is included in realized capital gains (losses) in the Company’s Statement of Income.

3. Effect on Operations of Changes in Plans to Sell Investments in Real Estate

Not applicable

4. Retail Land Sales

Not applicable

5. Real Estate Investments with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

H. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category are as follows:

	Gross Restricted								Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
	Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Subject to reverse repurchase agreements	\$ 200,000,000	\$ --	\$ --	\$ --	\$ 200,000,000	\$ 406,500,000	\$ (206,500,000)	\$ 200,000,000	3.33%	3.46%	
On deposit with state	4,978,657	--	--	--	4,978,657	5,009,354	(30,697)	4,978,657	0.08%	0.09%	
Pledged as collateral not captured in other categories	59,924,607	--	--	--	59,924,607	45,269,926	14,654,681	59,924,607	1.00%	1.04%	
Total restricted assets	\$ 264,903,264	\$ --	\$ --	\$ --	\$ 264,903,264	\$ 456,779,280	\$ (191,876,016)	\$ 264,903,264	4.41%	4.59%	

(a) Subset of column 1

(b) Subset of column 3

2. Detail of assets pledged as collateral not captured in other categories (from above table) is as follows:

	Gross Restricted								Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
	Collateral Agreement	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1plus 3)	Total From Prior Year	Increase (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Trust agreements	\$ 59,924,607	\$ --	\$ --	\$ --	\$ 59,924,607	\$ 45,269,926	\$ 14,654,681	\$ 59,924,607	100%	104%	
Total restricted assets	\$ 59,924,607	\$ --	\$ --	\$ --	\$ 59,924,607	\$ 45,269,926	\$ 14,654,681	\$ 59,924,607	100%	104%	

(a) Subset of column 1

(b) Subset of column 3

3. Detail of Other Restricted Assets

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

At December 31, 2013, there were no investments in joint ventures, partnerships, and limited liability companies (“LLC’s”) greater than 10% of the Company’s admitted assets.

B. Write-Downs for Impairment of Joint Ventures, Partnerships, and LLC’s

Not applicable

7. Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if the amounts are greater than 90 days past due.

- B.

Amounts Nonadmitted

Not applicable
8. Derivative Instruments
- Not applicable
9. Income Taxes
- A. Components of the net deferred tax asset (liability) ("DTA"/"(DTL)")
1. The components of the net DTA/(DTL) at December 31 are as follows:

		December 31, 2013			December 31, 2012			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary Income	Capital gain (loss)	(Col 1+2) Total	Ordinary Income	Capital gain (loss)	(Col 4+5) Total	(Col 1-4) Ordinary Income	(Col 2-5) Capital gain (loss)	(Col 7+8) Total
Description										
(a)	Gross deferred tax assets	\$ 256,518,001	\$ 26,369,216	\$ 282,887,217	\$ 256,590,909	\$ 33,267,518	\$ 289,858,427	\$ (72,908)	\$ (6,898,302)	\$ (6,971,210)
(b)	Statutory valuation allowance adjustment	--	--	--	--	--	--	--	--	--
(c)	Adjusted gross deferred tax assets (1a-1b)	\$ 256,518,001	\$ 26,369,216	\$ 282,887,217	\$ 256,590,909	\$ 33,267,518	\$ 289,858,427	\$ (72,908)	\$ (6,898,302)	\$ (6,971,210)
(d)	Deferred tax assets nonadmitted	--	--	--	--	--	--	--	--	--
(e)	Subtotal (net deferred tax asset) (1c-1d)	\$ 256,518,001	\$ 26,369,216	\$ 282,887,217	\$ 256,590,909	\$ 33,267,518	\$ 289,858,427	\$ (72,908)	\$ (6,898,302)	\$ (6,971,210)
(f)	Deferred tax liabilities	61,202,362	163,053,000	224,255,362	60,032,218	101,817,135	161,849,353	1,170,144	61,235,865	62,406,009
(g)	Net admitted deferred tax assets (net deferred tax liability) 1e-1f)	\$ 195,315,639	\$ (136,683,784)	\$ 58,631,855	\$ 196,558,691	\$ (68,549,617)	\$ 128,009,074	\$ (1,243,052)	\$ (68,134,167)	\$ (69,377,219)

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

4. The impact of tax planning strategies is as follows:

Description	December 31, 2013		December 31, 2012		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
(A) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs	\$ 256,518,001	\$ 26,369,216	\$ 256,590,909	\$ 33,267,518	\$ (72,908)	\$ (6,898,302)
2. % of adjusted gross DTAs attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	\$ 256,518,001	\$ 26,369,216	\$ 256,590,909	\$ 33,267,518	\$ (72,908)	\$ (6,898,302)
4. % of net admitted adjusted gross DTAs admitted due to tax planning strategies	0%	0%	0%	0%	0%	0%
(B) Does the Company's tax planning strategies include the use of reinsurance? Yes ___ No <u>X</u>						

B. Regarding deferred tax liabilities that are not recognized:

Not applicable

C. Current and deferred income taxes consist of the following major components:

1. Current Income Tax:

Description	(1) December 31, 2013	(2) December 31, 2012	(3) (Col 1-2) Change
(a) Federal	\$ 114,035,482	\$ 85,136,375	\$ 28,899,107
(b) Foreign	--	--	--
(c) Subtotal	\$ 114,035,482	\$ 85,136,375	\$ 28,899,107
(d) Federal income tax on net capital gains	20,997,265	16,868,446	4,128,819
(e) Utilization of capital loss carry-forw ards	--	--	--
(f) Other	--	--	--
(g) Federal and foreign income taxes incurred	\$ 135,032,747	\$ 102,004,821	\$ 33,027,926

2. Deferred Tax Assets:

Description	(1) December 31, 2013	(2) December 31, 2012	(3) (Col 1-2) Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 23,547,747	\$ 27,287,812	\$ (3,740,065)
(2) Unearned premium reserve	96,946,631	93,638,162	3,308,469
(3) Policyholder reserves	--	--	--
(4) Investments	--	--	--
(5) Deferred acquisition costs	--	--	--
(6) Policyholder dividends accrual	--	--	--
(7) Fixed assets	50,124,109	51,688,584	(1,564,475)
(8) Compensation and benefits accrual	42,523,611	42,612,900	(89,289)
(9) Pension accrual	--	--	--
(10) Receivables - nonadmitted	4,789,289	4,877,887	(88,598)
(11) Net operating loss carry-forw ard	--	--	--
(12) Tax credit carry-forw ard	--	--	--
(13) Other - non admitted assets	34,385,483	31,941,500	2,443,983
(14) Other - bad debt reserve	2,776,300	2,468,840	307,460
(15) Other (including items <5% of total ordinary tax assets)	1,424,831	2,075,224	(650,393)
(99) Subtotal	\$ 256,518,001	\$ 256,590,909	\$ (72,908)
(b) Statutory valuation allow ance adjustment	--	--	--
(c) Nonadmitted	--	--	--
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 256,518,001	\$ 256,590,909	\$ (72,908)
(e) Capital			
(1) Investments	26,369,216	33,267,518	(6,898,302)
(2) Net capital loss carry-forw ard	--	--	--
(3) Real estate	--	--	--
(4) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	\$ 26,369,216	\$ 33,267,518	\$ (6,898,302)
(f) Statutory valuation allow ance adjustment	--	--	--
(g) Nonadmitted	--	--	--
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 26,369,216	\$ 33,267,518	\$ (6,898,302)
(i) Admitted deferred tax assets (2d+2h)	\$ 282,887,217	\$ 289,858,427	\$ (6,971,210)

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities:

Description	(1) December 31, 2013	(2) December 31, 2012	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	\$ 162,302	\$ 141,373	\$ 20,929
(2) Fixed Assets	51,885,959	51,835,575	50,384
(3) Deferred and uncollected premium	--	--	--
(4) Policyholder reserves	--	--	--
(5) Other liabilities- prepaid expenses	6,851,930	5,722,484	1,129,446
(6) Other liabilities - salvage and subrogation	1,503,368	1,550,582	(47,214)
(7) Other (including items <5% of total ordinary tax liabilities)	798,803	782,204	16,599
(99) Subtotal	61,202,362	60,032,218	1,170,144
(b) Capital			
(1) Investments	163,053,000	101,817,135	61,235,865
(2) Real estate	--	--	--
(3) Other (including items <5% of total capital tax liabilities)	--	--	--
(99) Subtotal	163,053,000	101,817,135	61,235,865
(c) Deferred tax liabilities (3a99+3b99)	\$ 224,255,362	\$ 161,849,353	\$ 62,406,009

4. Net Deferred Tax Asset (Liability) (2i – 3c):

Description	(1) December 31, 2013	(2) December 31, 2012	(3) (Col 1-2) Change
Net deferred tax asset (liability) (2i-3c)	\$ 58,631,855	\$ 128,009,074	\$ (69,377,219)

The change in net deferred income tax is comprised of the following (this analysis excludes nonadmitted assets; the change in nonadmitted assets is reported separately from the change in net deferred income tax in the Statement of Income, Surplus section):

Description	December 31, 2013	December 31, 2012	Change
Total deferred tax assets	\$ 282,887,217	\$ 289,858,427	\$ (6,971,210)
Total deferred tax liabilities	224,255,362	161,849,353	62,406,009
Net deferred tax asset (liability)	\$ 58,631,855	\$ 128,009,074	\$ (69,377,219)
Tax effect of unrealized gains (losses)			(64,823,621)
Change in net deferred income tax			\$ (4,553,598)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for Federal income taxes is different than that which would be obtained by applying the statutory Federal income tax rate to pre-tax income. The significant book to tax adjustments causing this difference are as follows:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 222,705,519	35%
Exempt interest income	(1,345,629)	0%
Dividends received deduction	(3,351,948)	-1%
Impact of nonadmitted assets	1,931,485	0%
Intercompany dividend exclusion	(78,750,000)	-12%
Other	(1,603,082)	0%
Total	\$ 139,586,345	22%
Federal and foreign income taxes incurred	\$ 135,032,747	
Change in net deferred income tax	4,553,598	
Total statutory income taxes	\$ 139,586,345	

E. Operating Loss and Tax Credit Carryforwards

1. The Company has no operating loss or tax credit carryforwards available.
2. The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately:

Period	Amount
Current tax year:	\$ 131,506,784
First preceding tax year:	\$ 97,162,708

The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

3. Protective Tax Deposits
- Not applicable

F. Consolidated Federal Income Tax Return

1. The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

2.

The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled quarterly.
10.

Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A.

Nature of Relationships

The Company is wholly owned by Drive Insurance Holdings, Inc. (“DIH”), a holding company incorporated in Delaware. The structure of the holding company organization is shown on Schedule Y, Part 1.

B.

Detail of Transactions Greater than ½% of Admitted Assets

On December 19, 2013, the Company received dividends of \$180,000,000 and \$45,000,000 from its subsidiaries Specialty and Gulf, respectively, and on November 12, 2012, the Company received dividends of \$200,000,000 and \$59,500,000 from its subsidiaries Specialty and Gulf, respectively.

All significant 2013 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.

See Note 13.4

C.

Change in Terms of Intercompany Arrangements

Effective May 15, 2013, the Company terminated its management agreement with Specialty and entered into a joint management services agreement with Specialty. See Note 10.F.

D.

Amounts Due to or from Related Parties

The Company reported a \$406,040,442 and \$233,459,002 payable to parent, subsidiaries, and affiliates at December 31, 2013 and 2012, respectively. These balances are due to the timing of security purchases and cash collections and disbursements under the Group’s centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a \$37,296,465 and \$28,229,761 current Federal income tax payable at December 31, 2013 and 2012, respectively. These balances are due to TPC for the Company’s Federal income tax liability. The intercompany balances are settled by the end of the following quarter depending on the timing of investment transactions. These transactions are dependent upon market timing, investment needs and overall portfolio strategy as to the timing of such settlement transactions.

E.

Guarantees or Contingencies for Related Parties

Not applicable

F.

Management, Service Contracts, Cost Sharing Arrangements

The Company participates in management and service agreements with many of its insurance and non-insurance affiliates. Under the terms of the agreements, the affiliates are provided management, underwriting and loss adjustment services for business produced in exchange for a management fee based on their use of services.

The Company participates in joint management services agreements with several of its insurance and non-insurance affiliates. Under the terms of the agreements, the Company provides these affiliates with management, underwriting and loss adjustment services for specific business produced, and these affiliates may, from time to time, provide the Company with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company’s use of the other’s services.

The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.

The Company participates in an aggregate stop loss reinsurance agreement with National Continental Insurance Company (“National Continental”), an insurance affiliate domiciled in New York, for general liability business written by National Continental on or before November 25, 1985 (see Note 33).

The Company participates in an aggregate stop loss reinsurance agreement with Progressive Max Insurance Company (“Max”), an insurance affiliate domiciled in Ohio, for business assumed by Max from various reinsurance pools from 1965 to 1975 which underwrote general liability insurance (see Note 33).

All intercompany agreements are approved by the participating insurance companies’ states of domicile when established.

G.

Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by DIH.

H.

Amount Deducted for Investment in Upstream Company

Not applicable

I.

Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

J.

Write-Downs for Impairment of Investments in Affiliates

Not applicable

K.

Investment in Foreign Insurance Subsidiary

Not applicable

L.

Investment in Downstream Non-Insurance Holding Company

Not applicable

11.

Debt

Not applicable
- 14.8

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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

The Company is one of three insurance companies along with several non-insurance companies in the Group that retain employees. The Company participates, but has no legal obligation or direct liability for expenses, in the following employee benefit plans:

A. Defined Benefit Plans

Not applicable

B-D. Description of Investment Policies, Fair Value of Plan Assets, Rate of Return Assumptions

TPC is responsible for postemployment benefits. See Note 12G.

E. Defined Contribution Plans

TPC sponsors a defined contribution savings plan. See Note 12G.

F. Multiemployer Plans

Not applicable

G. Consolidated / Holding Company Plans

TPC has a defined contribution pension plan ("401(k) Plan") which covers most employees who are United States residents and have been employed by TPC for at least 30 days. Under this plan, TPC matches up to a maximum of 6% of an employee's eligible compensation contributed to the plan. Employee and TPC matching contributions are invested, at the direction of the employee, in a number of investment options available under the plan, including various mutual funds, a self-directed brokerage option, and an employee stock ownership program within the 401(k) Plan.

TPC provides various postemployment benefits to former or inactive employees who meet eligibility requirements, and to their beneficiaries and covered dependents. Postemployment benefits include salary continuation and disability-related benefits, including workers' compensation, and, if elected, continuation of health-care benefits for specified limited periods.

TPC provides postretirement health and life insurance benefits to all employees who met requirements as to age and length of service at December 31, 1988. There are approximately 120 people who are eligible for these postretirement benefits. TPC's funding policy for these benefits is to contribute annually, to a 501(c)(9) trust, the maximum amount that can be deducted for Federal income tax purposes.

TPC's incentive compensation includes both non-equity incentive plans (cash) and equity incentive plans. Cash incentive compensation includes a cash bonus program for a limited number of senior executives and TPC's Gainsharing program for other employees; the structures of these programs are similar in nature. Equity incentive compensation plans provide for the granting of restricted stock awards and restricted stock unit awards to key members of management.

TPC's 2003 Incentive Plan provides for the granting of equity-based awards to key members of management. In addition, TPC also grants equity-based awards under the 2010 Equity Incentive Plan.

TPC maintains The Progressive Corporation Executive Deferred Compensation Plan, which permits eligible executives to defer receipt of some or all of their annual bonuses and all of their annual equity awards.

H. Postemployment Benefits and Compensated Absences

TPC is responsible for postemployment benefits. See Note 12G.

I. Impact of Medicare Modernization Act on Postretirement Benefits

TPC is responsible for postretirement benefits. See Note 12G.

The Company is allocated employee benefit expense based on the 100% pooling reinsurance agreement (see Note 26). The amount of employee benefit expense allocated to the Company was \$17,963,722 and \$17,675,723 in 2013 and 2012, respectively.

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

1. Outstanding Shares

The Company has 5,000 shares of \$1,666.67 par value common stock authorized and 1,800 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3,4,5,6. Dividends

The maximum amount of dividends the Company can pay to DIH in 2014 without prior regulatory approval is limited by insurance laws in Ohio. Based on the dividend laws currently in effect, the Company may pay dividends of \$501,268,736 in 2014 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.

Within the limitations described above, there are no additional restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

The Company paid dividends to DIH as follows:

Date Paid	Amount Paid	Dividend Type
December 19, 2013	\$ 181,700,000	Ordinary
December 19, 2013	\$ 45,300,000	Extraordinary
September 24, 2013	\$ 225,000,000	Ordinary
December 19, 2012	\$ 123,000,000	Ordinary
September 24, 2012	\$ 175,000,000	Ordinary

The extraordinary cash dividend was approved by the Ohio DOI.

7. Mutual Surplus Advances

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

8. Company Stock Held for Special Purposes
- Not applicable
9. Changes in Special Surplus Funds
- Not applicable
10. Changes in Unassigned Funds (Surplus)

As of December 31, 2013, the portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
Unrealized gain (loss)	\$ 1,192,179,474
Nonadmitted assets	(239,855,072)
Provision for reinsurance	--
Total	\$ 952,324,402

The unrealized gain is gross of the applicable deferred tax liability of \$141,557,847.

11. Surplus Notes
- Not applicable
- 12,13. Quasi Reorganizations
- Not applicable
14. Contingencies
- A. Contingent Commitments
- Not applicable
- B. Assessments

The Company is subject to state guaranty fund and other assessments by the states in which it writes business. State guaranty fund assessments are accrued at the time of any known insolvencies. Other assessments are accrued either at the time of assessment or at the time the premiums are written. These accruals are based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

As of December 31, 2013 and 2012, the Company's estimated liability for state guaranty fund and other assessments was \$3,369,360 and \$2,561,230, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

As of December 31, 2013 and 2012, the Company's estimated liability for various surcharges was \$1,299,434 and \$1,174,064 respectively.

- C. Gain Contingencies
- Not applicable
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

The Company paid the following amounts in 2013 to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits:

Description	Direct
Claims related ECO and bad faith losses paid in 2013	\$ 36,250

The table below indicates the number of claims where amounts were paid to settle claims ECO or bad faith claims resulting from lawsuits during 2013.

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

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

- E. Product Warranties
- Not applicable
- F. All Other Contingencies

The Company routinely assesses the collectibility of premiums and agents' balances receivable and records a bad debt reserve for amounts exceeding the nonadmitted balance that the Company believes are uncollectible.

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 various management agreements and a 100% pooling reinsurance agreement for which it is allocated litigation expenses (see Note 26).

The following is a discussion of potentially significant pending cases at December 31, 2013. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of December 31, 2013, there was one putative class action lawsuit challenging the Company's use of certain automated database vendors or software to assist in the adjustment of bodily injury claims. Plaintiffs allege that these databases or software systematically undervalue the claims.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013, the Company was defending two putative statewide class action lawsuits alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of December 31, 2013, the Company was defending a putative class action lawsuit alleging that the Company charged insured's for illusory underinsured and uninsured motorist coverage on multiple vehicle policies.

As of December 31, 2013, there was a multi-state class action lawsuit alleging that the company negligently designed, manufactured and deceptively advertised a usage based device claiming that it damages a vehicle's battery to the point that the battery is non-functional or diminished in value.

As of December 31, 2013, there was a putative class action lawsuit alleging the Company violated the Telephone Communication Protection Act in making various calls to consumers.

15. Leases

A. Lessee Leasing Arrangements

1) The Company leases office facilities and equipment under various non-cancelable operating leases that expire through March 31, 2024. The Company is allocated a percentage of the Group's total rental expense based on the 100% pooling reinsurance agreement (see Note 26). In 2013 and 2012, the Company was allocated \$15,719,419 and \$17,019,866, respectively, of rental expense. Future minimum rental payments on leases held by the Company are as follows:

Year	Amount
2014	\$ 45,910,899
2015	38,188,064
2016	27,617,278
2017	16,086,660
2018	9,498,246
Thereafter	7,183,230
Total	\$ 144,484,377

Certain rental commitments have renewal options extending through August 31, 2040. Some of these renewals are subject to adjustments in future periods.

During 2013, the Company incurred \$728,463 in fees as a result of the early termination of various property leases associated with claims handling. This expense was reported on Page 4, Line 3, Loss adjustment expenses incurred, on the Company's financial statements. No liability was recorded as a result of the early terminations.

2) As of December 31, 2013, the Company has non-cancellable sublease agreements whereby the Company subleases space to outside parties. The minimum rental payments to be received are as follows:

Year	Amount
2014	\$ 47,452
2015	47,452
2016	35,589
Total	\$ 130,493

3) In August 2005, the Company sold real estate located in Austin, Texas to a third party as part of a 15-year sale-leaseback agreement. In accordance with SSAP 22 – Leases, a liability was established to record the deferred gain on the sale, which is amortized on a monthly basis over the term of the lease. As the deferred gain is amortized, the liability is reduced. At December 31, 2013, the liability remaining is \$812,481.

B. Lessor Leasing Arrangements

The Company does lease some of its owned properties to outside parties, however, these leases are not a significant part of the Company's business activities.

16. Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk

Not applicable

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

19. Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators

The Company maintains an agreement with American Bankers Association Insurance Services, Inc. ("ABAIS"), a managing general agent, to provide underwriting and loss adjustment services for run-off professional liability insurance written by the Company through April 30, 2012, including Directors and Officers Liability, Financial Institution Bonds, and certain other insurance products for the financial services industry. Direct written premiums of \$(31,482) and \$(1,179,978) produced by ABAIS in 2013 and 2012, respectively, are less than 5% of policyholders' surplus.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value in the Company's Financial Statements

1. Fair Value Measurements by Levels 1, 2 and 3

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

See Note 1, Investment Policies section for further information regarding methods used to determine fair market value.

The Company's management evaluated whether the market was distressed or inactive in determining the fair value of the Company's securities and reviewed certain market level inputs to evaluate whether sufficient activity, volume, and new issuances existed to create an active market. Based on this evaluation, management concluded that there was sufficient activity in determining the fair market value of the Company's securities.

The valuations classified as either Level 1 or Level 2 in the table below are priced exclusively by external sources, including: pricing vendors, dealers/market makers, and exchange-quoted prices. The Company did not have any transfers between Level 1 and Level 2. At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

Fair Value Measurements at December 31, 2013:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds Industrial & Miscellaneous	\$ --	\$ 85,077,931	\$ --	\$ 85,077,931
Common stock Industrial & Miscellaneous	838,284,049	--	--	838,284,049
Preferred stock Industrial & Miscellaneous	--	13,680,000	--	13,680,000
Total assets at fair value	\$ 838,284,049	\$ 98,757,931	\$ --	\$ 937,041,980
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

2. Rollforward of Level 3 Items

With limited exceptions, the Company's Level 3 securities are also priced externally; however, due to several factors (e.g., nature of the securities, level of activity, lack of similar securities trading to obtain observable market level inputs), these valuations are more subjective in nature. Certain private equity investments and fixed-income investments included in the Level 3 category are valued using external pricing supplemented by internal review and analysis. The rollforward of Level 3 items is as follows:

Asset Description	Balance at December 31, 2012	Transfers into level 3	Transfers out of level 3	Total Realized Gains (Losses) included in Net Income	Total Unrealized Gains (Losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at Dec. 31, 2013
Common Stock – Industrial & Miscellaneous	\$ 11,243,102	\$ --	\$ --	\$ 36,039,280	\$ (8,795,402)	\$ --	\$ --	\$ (38,486,980)	\$ --	\$ --
Total	\$ 11,243,102	\$ --	\$ --	\$ 36,039,280	\$ (8,795,402)	\$ --	\$ --	\$ (38,486,980)	\$ --	\$ --

The Company is the sole-majority-limited partner in the Makaira Indica, LP (limited partnership). The partnership invests in exchange-traded common stocks.

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 20.A.1 above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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

The table below represents the fair value of all financial instruments at December 31, 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	\$ 1,926,779,135	\$ 1,913,247,450	\$ 402,976,767	\$ 1,523,802,368	\$ --	\$ --
Cash equivalents	254,503,583	254,503,747	249,999,660	4,503,923	--	--
Short term investments	94,383,538	94,383,457	91,333,678	3,049,860	--	--
Common stock	838,284,049	838,284,049	838,284,049	--	--	--
Preferred stock	71,452,700	71,270,400	--	71,452,700	--	--
Total	\$ 3,185,403,005	\$ 3,171,689,103	\$ 1,582,594,154	\$ 1,602,808,851	\$ --	\$ --

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

Not applicable

21. Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Segregated Funds

1. At December 31, 2013, securities at the amortized cost of \$4,978,657 were on deposit with various regulatory agencies to meet statutory requirements (see Schedule E, Part 3).
2. The Company maintains and funds a trust account at PNC Bank, National Association for the benefit of Progressive County Mutual Insurance Company ("County Mutual"), an insurance affiliate domiciled in Texas, related to the 100% reinsurance agreement. Under the terms of the agreement, County Mutual cedes 100% of its underwriting business to the Company. The trust account was established to satisfy a request by A.M. Best Company, Inc. to maintain County Mutual's A+ A.M. Best rating. All funds in the trust account are reported as the Company's assets (see Schedule E, Part 3), the Company pays all costs and fees of the trust and is entitled to all income on the trust's assets. County Mutual has the right to withdraw funds from the trust only in the event of a material default by the Company under the terms of the 100% reinsurance agreement. The trust agreement can be terminated upon proper notice by either the Company or County Mutual with all remaining assets in the trust account being retained by the Company.

The minimum trust balance is calculated annually based on a percentage of County Mutual's total reinsurance recoverable from its annual statement Schedule F, Part 3, and its agents balances and uncollected premiums as reported in its annual statement. As of December 31, 2013, the Company had on deposit \$53,865,000 (fair market value) of U.S. Treasury Notes in the trust account and \$2,250,127 in a money market fund to cover any market price fluctuations on the Treasury Notes, which combined, were adequate to meet the minimum trust balance requirement of \$54,750,686.

3. The Company maintains and funds a trust account at PNC Bank, National Association for the benefit of Aetna Life Insurance Company ("Aetna"), a Connecticut based insurer that administers certain employee benefit plans maintained for most TPC employees. All funds in the trust account are reported as the Company's assets (see Schedule E, Part 3), the Company pays all costs and fees of the trust and is entitled to all income on the trust's assets. Aetna has the right to withdraw funds from the trust only in the event that the Company fails to otherwise provide funds to pay benefits due under the applicable employee benefit plans. The trust agreement can be terminated upon proper notice by either the Company or Aetna with all remaining assets in the trust account being retained by the Company.

The minimum trust balance is calculated annually and may be revised each year, with mutual agreement of the Company and Aetna. As of December 31, 2013, the Company had on deposit \$8,618,400 (fair market value) of U.S. Treasury Notes in the trust account and \$360,081 in a money market fund to cover any market price fluctuations on the Treasury Notes, which combined, were adequate to meet the minimum trust balance requirement of \$7,425,000.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

1. The carrying value of transferable and non-transferable state tax credits, gross of any related tax liabilities, and total unused transferable and non-transferable state tax credits by state and in total at December 31, 2013 are as follows:

Description of state transferable ("T") and non-transferable ("NT") tax credits	State	Carrying Value	Unused Amount
Digital Media Production Tax Credit (T)	CT	\$ --	\$ 84,828
Brownfields Tax Credit (T)	MA	--	3,136
Total		\$ --	\$ 87,964

2. The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium, taking into account policy growth and rate changes, projecting the future tax liability based on projected premium, tax rates, and tax credits, and comparing the projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

3. The Company recognized an impairment loss of \$0 related to write-downs as a result of impairment analysis of the carrying amount for transferable and non-transferable state tax credits.
4. State tax credits admitted and nonadmitted are as follows:

Type	Total Admitted	Total Nonadmitted
Transferable	\$ --	\$ --
Non-transferable	\$ --	\$ --

F. Subprime Mortgage Related Risk Exposure

1. Exposure to Subprime Mortgage Related Risk

The following subprime disclosure and the review and procedures described within are completed at a consolidated level for all the Progressive companies. To the extent the Company had any direct subprime exposure, those securities would be listed in Note 21.F.3.

Management’s review of the investment portfolio for securities with direct subprime exposure, such as Alt-A residential mortgage loan-backed bonds and home equity loan-backed bonds is performed in conjunction with the OTTI analysis and procedures (see Note 1C). Additionally, securities that were determined to have an indirect subprime exposure were also reviewed as part of the OTTI process.

The Company’s management continues to perform a detailed review of its investment portfolio, paying particular attention to the credit profile of the issuers to identify the extent to which any asset values may have been impacted by direct or indirect exposure to the subprime mortgage loan disruption, as well as broader credit and financial market events.

For the Company’s investment in Specialty, Gulf, and PC Investment Company (see Note 1C), management’s review uncovered no issues related to their exposure to subprime risk or that required recognition of losses that would have a significant effect on the financial strength and surplus of the Company.

In 2013, the Company recorded no OTTI write-downs on any securities as a result of direct subprime exposure excluding the OTTI recognized by its wholly-owned subsidiary, Gulf.

2. Direct Investment in Subprime Mortgage Loans

Not applicable

3. Direct Investment in Securities with Underlying Subprime Exposure

At December 31, 2013, the Company had the following securities with underlying subprime exposure:

Investment Type	Actual Cost	Book Adjusted Carrying Value	Fair Market Value	OTTI Recognized
(a) Residential mortgage-backed securities	\$ 199,762,468	\$ 199,762,468	\$ 206,251,823	\$ --
(b) Commercial mortgage-backed securities	--	--	--	--
(c) Collateralized debt obligations	--	--	--	--
(d) Structured securities	--	--	--	--
(e) Equity investment in SCAs*	28,851,239	28,848,102	29,378,244	219,412
(f) Other assets	--	--	--	--
(g) Total	\$ 228,613,707	\$ 228,610,570	\$ 235,630,067	\$ 219,412

* The Company’s subsidiaries of Progressive Specialty Insurance Company and Progressive Gulf Insurance Company have indirect investments in subprime mortgages, which comprise 4.15% and 0.01% of their invested assets, respectively.

4. Mortgage or Financial Guaranty Subprime Exposure

Not applicable

G. Offsetting and Netting of Assets and Liabilities

Not applicable

H. Joint and Several Liabilities

Not applicable

I. Agents’ Balances Certification, Florida Statute 625.012 (5):

At December 31, 2013 and 2012, the Company reported net admitted premiums and agents’ balances in course of collection of \$115,132,072 and \$108,262,440, respectively. Of this amount, there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 14, 2014 for the statutory statement that was available for issuance by March 1, 2014.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Unsecured Reinsurance Recoverable (all amounts in 000's)

At December 31, 2013, the Company had the following unsecured reinsurance recoverable balances which exceeded 3% of policyholders' surplus:

Reinsurer	NAIC Code	Federal ID #	Amount
Progressive American Insurance Company	24252	34-1094197	\$ 135,810
Progressive Bayside Insurance Company	17350	31-1192845	67,905
Progressive Classic Insurance Company	42994	39-1453002	203,715
Progressive Gulf Insurance Company	42412	34-1374634	135,809
Progressive Michigan Insurance Company	10187	34-1787734	271,620
Progressive Mountain Insurance Company	35190	93-0935623	67,905
Progressive Northern Insurance Company	38628	34-1318335	814,861
Progressive Northwestern Insurance Company	42919	91-1187829	814,861
Progressive Preferred Insurance Company	37834	34-1287020	407,433
Progressive Southeastern Insurance Company	38784	59-1951700	67,905
Progressive Specialty Insurance Company	32786	34-1172685	475,337
Total			\$ 3,463,161

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded (all amounts in 000's)

1. The table below summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2013.

	Assumed		Ceded		Net	
	Unearned	Commission	Unearned	Commission	Unearned	Commission
	Premiums	Equity	Premiums	Equity	Premiums	Equity
(a) Affiliates	\$ 2,465,833	\$ --	\$ 1,426,060	\$ --	\$ 1,039,773	\$ --
(b) All Other	--	--	1,619	267	(1,619)	(267)
(c) Totals	\$ 2,465,833	\$ --	\$ 1,427,679	\$ 267	\$ 1,038,154	\$ (267)
(d) Direct Unearned Premium Reserve is \$331,980						

2. The Company has no return commission or profit sharing arrangements.

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not applicable

I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years increased by \$27,012,720 in 2013, which is 1.5% of the total prior year net unpaid losses and LAE of \$1,823,511,990. 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 2.7% and 1.3%, respectively. The LAE reserves developed unfavorably primarily due to unfavorable adjusting and other expense reserve development in private passenger auto liability and auto physical damage.

26. Intercompany Pooling Arrangements

The Company participates in a pooling reinsurance agreement with the property-casualty affiliates listed below (the "Agency Pool") under which 100% of the underwriting business of each member company, net of external reinsurance, is ceded to the Company, the Agency Pool manager and an Agency Pool participant. The combined premiums, losses, and expenses are then retroceded to each Agency Pool member based on pre-determined pooling percentages.

Progressive Hawaii Insurance Corp. ("Hawaii"), an insurance affiliate domiciled in Ohio and National Continental Insurance Company ("National Continental"), an insurance affiliate domiciled in New York, terminated their future participation in the Agency Pool effective November 5, 2005 and January 1, 1996, respectively. Hawaii and National Continental have zero percent retrocession participation in the Agency Pool for all policies written prior to the dates listed above.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

The pooling percentages for each Agency Pool participant as of December 31, 2013 and 2012 were as follows:

Company	NAIC Code	2013 Pool %	2012 Pool %
Progressive Casualty Insurance Company (Lead)	24260	49.0%	49.0%
Progressive Northern Insurance Company	38628	12.0	12.0
Progressive Northwestern Insurance Company	42919	12.0	12.0
Progressive Specialty Insurance Company	32786	7.0	7.0
Progressive Preferred Insurance Company	37834	6.0	6.0
Progressive Michigan Insurance Company	10187	4.0	4.0
Progressive Classic Insurance Company	42994	3.0	3.0
Progressive American Insurance Company	24252	2.0	2.0
Progressive Gulf Insurance Company	42412	2.0	2.0
Progressive Bayside Insurance Company	17350	1.0	1.0
Progressive Mountain Insurance Company	35190	1.0	1.0
Progressive Southeastern Insurance Company	38784	1.0	1.0
Progressive Hawaii Insurance Corp.	10067	--	--
National Continental Insurance Company	10243	--	--
		100.0%	100.0%

All business written by each Agency Pool participant is subject to pooling. Business ceded by Agency Pool members to non-affiliated reinsurers prior to pooling is primarily due to state-provided reinsurance programs. The Company does not participate in any intercompany sharing of the provision for reinsurance and the write-off of uncollectible reinsurance.

At December 31, 2013, amounts recoverable from and payable to the Company and all affiliates participating in the Agency Pool are as follows:

Company	Amounts Recoverable	Amounts Payable
Progressive Casualty Insurance Company (Lead)	\$ 80,011,766	\$ 37,603,567
Progressive Northern Insurance Company	5,672,749	14,298,231
Progressive Northwestern Insurance Company	1,431,873	17,719,527
Progressive Specialty Insurance Company	8,010,731	4,413,396
Progressive Preferred Insurance Company	5,134,131	9,668,048
Progressive Michigan Insurance Company	3,000,192	6,661,525
Progressive Classic Insurance Company	932,218	4,692,928
Progressive American Insurance Company	7,537,862	12,370,809
Progressive Gulf Insurance Company	330,031	3,565,094
Progressive Bayside Insurance Company	87,440	1,279,840
Progressive Mountain Insurance Company	2,619,885	3,814,859
Progressive Southeastern Insurance Company	2,832,167	1,526,801
Progressive Hawaii Insurance Corp.	--	708
National Continental Insurance Company	14,288	--
Total	\$ 117,615,333	\$ 117,615,333

27.

Structured Settlements

Not applicable
28.

Health Care Receivables

Not applicable
29.

Participating Accident and Health Policies

Not applicable
30.

Premium Deficiency Reserves

1.

Liability carried for premium deficiency reserves

\$0

2.

Date of most recent evaluation of this liability

December 27, 2013

3.

Was anticipated investment income utilized in the calculation?

Yes [X] No []

31.

High Deductibles

Not applicable

32.

Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

33. Asbestos and Environmental Reserves

Because the Company is primarily an insurer of motor vehicles, it has limited exposure for asbestos and environmental claims. In accordance with disclosure requirements, the amounts reported for direct, assumed, and net below reflect the Company's pooled share (see Note 26) of the Agency Pool's exposure to asbestos and environmental claims. The Agency Pool's exposure arises from the Company's participation in various reinsurance pools from 1968 to 1975, which underwrote general liability insurance, the Company's aggregate stop loss reinsurance agreement with Max for various reinsurance pools from 1965 to 1975, Progressive American Insurance Company's, an insurance affiliate domiciled in Ohio and Agency Pool member, exposure from a limited number of general liability policies issued from 1972 to 1975, and the Company's aggregate stop loss reinsurance agreement with National Continental for general liability business written on or before November 25, 1985.

The Company records case and DCC reserves based on financial information received from the various external reinsurance pool managers. IBNR reserves are established based on previous experience.

A. Asbestos reserves direct, assumed, and net of reinsurance are as follows:

	December 31,				
	2009	2010	2011	2012	2013
Direct					
Beginning reserves	\$ 100,449	\$ 100,449	\$ 100,449	\$ 100,449	\$ 100,449
Losses and DCC incurred	--	--	--	--	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	\$ 100,449	\$ 100,449	\$ 100,449	\$ 100,449	\$ 100,449
Assumed Reinsurance					
Beginning reserves	\$ 2,976,249	\$ 2,256,083	\$ 2,338,907	\$ 1,588,205	\$ 1,607,906
Losses and DCC incurred	(458,556)	202,450	(381,411)	71,937	(320,854)
Calendar year payments for losses and DCC	261,610	119,626	369,291	52,236	219,522
Ending reserves	\$ 2,256,083	\$ 2,338,907	\$ 1,588,205	\$ 1,607,906	\$ 1,067,530
Net of Ceded Reinsurance					
Beginning reserves	\$ 3,076,698	\$ 2,356,532	\$ 2,439,356	\$ 1,688,654	\$ 1,708,355
Losses and DCC incurred	(458,556)	202,450	(381,411)	71,937	(320,854)
Calendar year payments for losses and DCC	261,610	119,626	369,291	52,236	219,522
Ending reserves	\$ 2,356,532	\$ 2,439,356	\$ 1,688,654	\$ 1,708,355	\$ 1,167,979

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Included in A above (Losses and DCC):

Direct	\$ --
Assumed	747,856
Net	\$ 747,856

C. Ending Reserves for Asbestos Claims for DCC Included in A above (Case, Bulk, and IBNR):

Direct	\$ 34,300
Assumed	--
Net	\$ 34,300

D. Environmental reserves direct, assumed, and net of reinsurance are as follows:

	December 31,				
	2009	2010	2011	2012	2013
Direct					
Beginning reserves	\$ 25,042	\$ 25,042	\$ 25,042	\$ 25,042	\$ 25,042
Losses and DCC incurred	--	--	--	--	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	\$ 25,042	\$ 25,042	\$ 25,042	\$ 25,042	\$ 25,042
Assumed Reinsurance					
Beginning reserves	\$ 369,368	\$ 1,642,656	\$ 1,447,057	\$ 1,728,507	\$ 2,501,294
Losses and DCC incurred	1,302,446	(165,894)	279,169	769,785	1,486,184
Calendar year payments for losses and DCC	29,158	29,705	(2,281)	(3,002)	27,777
Ending reserves	\$ 1,642,656	\$ 1,447,057	\$ 1,728,507	\$ 2,501,294	\$ 3,959,702
Net of Ceded Reinsurance					
Beginning reserves	\$ 394,410	\$ 1,667,698	\$ 1,472,099	\$ 1,753,549	\$ 2,526,336
Losses and DCC incurred	1,302,446	(165,894)	279,169	769,785	1,486,184
Calendar year payments for losses and DCC	29,158	29,705	(2,281)	(3,002)	27,777
Ending reserves	\$ 1,667,698	\$ 1,472,099	\$ 1,753,549	\$ 2,526,336	\$ 3,984,744

E. Ending Reserves for Environmental Claims for Bulk and IBNR Included in D above (Losses and DCC):

Direct	\$ --
Assumed	1,555,964
Net	\$ 1,555,964

NOTES TO FINANCIAL STATEMENTS

F. Ending Reserves for Environmental Claims for DCC Included in D above (Case, Bulk, and IBNR):

Direct	\$ 22,099
Assumed	2,105,646
Net	\$ 2,127,745

34. Subscriber Savings Accounts

Not applicable

35. Multiple Peril Crop Insurance

Not applicable

36. Financial Guaranty Insurance

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

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

1.3

State regulating? OHIO

2.1

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

Yes [] No [X]

2.2

If yes, date of change:

3.1

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

12/31/2012

3.2

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

3.3

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).

08/06/2013

3.4

By what department or departments?
OHIO

3.5

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

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

3.6

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

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

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

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

Yes [] No [X]

5.2

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

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile

6.1

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

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

8.1

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

Yes [] No [X]

8.2

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

8.3

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

Yes [] No [X]

8.4

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PRICEWATERHOUSECOOPERS, LLP
200 PUBLIC SQUARE, 18TH FLOOR CLEVELAND, OH 44114-2301

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

PROGRESSIVE CASUALTY INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
10.6	If the answer to 10.5 is no or n/a, please explain.			

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
GARY S. TRACOFF, FCAS, MAAA CORPORATE ACTUARY
6300 WILSON MILLS ROAD MAYFIELD VILLAGE, OH 44143-2182

12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes [X]	No []
12.11	Name of real estate holding company		
	<u>AVALONBAY COMMUNITIES INC, BOSTON PROPERTIES INC, EQUITY RESIDENTIAL, ESSEX PROPERTY TRUST INC, FEDERAL REALTY INVS TRUST,</u> <u>GENERAL GROWTH PROPERTIES, HCP INC, HEALTH CARE REIT INC, HOST HOTELS & RESORTS INC, KIMCO REALTY CORP, LIBERTY PROPERTY TRUST,</u> <u>MACERICH CO/THE, PLUM CREEK TIMBER CO INC, RAYONIER INC, REGENCY CENTERS CORP, SL GREEN REALTY CORP, SIMON PROPERTY GROUP INC,</u> <u>VENTAS INC, AMERICAN CAPITAL AGENCY CORP, APARTMENT INVT & MGMT CO -A, COMMONWEALTH REIT, CORPORATE OFFICE PROPERTIES, CBRE GROUP INC,</u> <u>LEUCADIA NATIONAL CORP, ROUSE PROPERTIES INC, AMERICAN TOWER CORP, CORRECTIONS CORP OF AMERICA</u>		
12.12	Number of parcels involved	0
12.13	Total book/adjusted carrying value	\$.....	33,229,629
12.2	If yes, provide explanation.		
	WE HOLD A COMMON STOCK INTEREST IN SEVERAL REAL ESTATE HOLDING COMPANIES. THE NUMBER OF PARCELS IS UNKNOWN.		

13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
	N/A

13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?	Yes [X]	No [<input type="checkbox"/>]
	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.		
14.11	If the response to 14.1 is no, please explain:		

14.2	Has the code of ethics for senior managers been amended?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
14.21	If the response to 14.2 is yes, provide information related to amendment(s).		

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?	Yes []	No [X]
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.		

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?	Yes [X]	No []
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes [X]	No []
18.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes [X]	No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/> X]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):		
20.11	To directors or other officers	\$.....	0
20.12	To stockholders not officers	\$.....	0
20.13	Trustees, supreme or grand (Fraternal only)	\$.....	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):		
20.21	To directors or other officers	\$.....	0
20.22	To stockholders not officers	\$.....	0
20.23	Trustees, supreme or grand (Fraternal only)	\$.....	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/> X]
21.2	If yes, state the amount thereof at December 31 of the current year:		
21.21	Rented from others	
21.22	Borrowed from others	
21.23	Leased from others	
21.24	Other	

PROGRESSIVE CASUALTY INSURANCE COMPANY

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [☐] No [☒]
- 22.2

If answer is yes:
- 22.21

Amount paid as losses or risk adjustment

.....
- 22.22

Amount paid as expenses

.....
- 22.23

Other amounts paid

.....
- 23.1

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

Yes [☐] No [☒]
- 23.2

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

.....

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes [☒] No [☐]
- 24.02

If no, give full and complete information relating thereto.

.....
- 24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

N/A
- 24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [☐] No [☐] N/A [☒]
- 24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

.....
- 24.06

If answer to 24.04 is no, report amount of collateral for other programs.

.....
- 24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [☐] No [☐] N/A [☒]
- 24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐] No [☐] N/A [☒]
- 24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [☐] No [☐] N/A [☒]
- 24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

.....
- 24.102

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

.....
- 24.103

Total payable for securities lending reported on the liability page.

.....
- 25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes [☒] No [☐]
- 25.2

If yes, state the amount thereof at December 31 of the current year:
- 25.21

Subject to repurchase agreements

\$.....0
- 25.22

Subject to reverse repurchase agreements

\$.....200,000,000
- 25.23

Subject to dollar repurchase agreements

\$.....0
- 25.24

Subject to reverse dollar repurchase agreements

\$.....0
- 25.25

Pledged as collateral

\$.....59,924,607
- 25.26

Placed under option agreements

\$.....0
- 25.27

Letter stock or securities restricted as to sale

\$.....0
- 25.28

On deposit with state or other regulatory body

\$.....4,978,657
- 25.29

Other

\$.....0
- 25.3

For category (25.27) provide the following:
- | 1
Nature of Restriction | 2
Description | 3
Amount |
|----------------------------|------------------|-------------|
| | | |
- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [☐] No [☒]
- 26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [☐] No [☐] N/A [☒]
- 26.2

If no, attach a description with this statement.

.....
- 27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [☐] No [☒]
- 27.2

If yes, state the amount thereof at December 31 of the current year:

.....
28.

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 [☐]
- 28.01

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- | 1
Name of Custodian(s) | 2
Custodian's Address |
|---------------------------|--|
| CITIBANK, N.A. | 338 GREENWICH STREET, NEW YORK, NY 10013 |
| STATE STREET | 801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105 |
| RBC INVESTOR SERVICES | P.O. BOX 7500-STATION A, TORONTO, ON M5W 1P9 |
- 28.02

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:
- | 1
Name(s) | 2
Location(s) | 3
Complete Explanation(s) |
|--------------|------------------|------------------------------|
| NONE | | |
- 28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [☐] No [☒]
- 28.04

If yes, give full and complete information relating thereto:
- | 1
Old Custodian | 2
New Custodian | 3
Date of Change | 4
Reason |
|--------------------|--------------------|---------------------|-------------|
| NONE | | | |
- 28.05

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:
- | 1
Central Registration Depository Number(s) | 2
Name | 3
Address |
|--|----------------------------------|---|
| 30107 | STATE STREET GLOBAL MARKETS, LLC | 225 FRANKLIN ST, BOSTON, MA 02110 |
| 105466 | BECK, MACK & OLIVER LLC | 360 MADISON AVE, NEW YORK, NY 10017 |
| 153729 | MAKAIRA PARTNERS LLP | 4747 EXECUTIVE DR., SAN DIEGO, CA 92121 |
- 29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [☐] No [☒]

PROGRESSIVE CASUALTY INSURANCE COMPANY

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999. TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....2,262,134,6612,275,666,34313,531,682
30.2 Preferred stocks.....71,270,40071,452,700182,300
30.3 Totals.....2,333,405,0612,347,119,04313,713,982

30.4 Describe the sources or methods utilized in determining the fair values:
THE FAIR MARKET VALUES REPORTED ARE DERIVED FROM INDEPENDENT AND OBSERVABLE MARKET INPUT EVALUATIONS PROVIDED BY WIDELY UTILIZED REPUTABLE PRICING SERVICES, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTATIONS, INDEPENDENT BROKER/DEALER PRICING SERVICES, OR ACTIVE MARKET CLOSING QUOTATIONS FROM A REGULATED EXCHANGE. IN VERY RARE CASES, IF NONE OF THE AFOREMENTIONED PRIMARY SOURCES ARE AVAILABLE, MATRIX PRICING USING THE REPORTING ENTITY'S OWN MARKET BASED ASSUMPTIONS MAY BE UTILIZED. THE APPROVED METHODS FOR COMPUTATION OF FAIR MARKET VALUE ARE PRESCRIBED IN PART FIVE OF THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [] No [X]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.
THE COMPANY'S FAIR MARKET VALUATION PROCESS, REGARDLESS OF WHAT PRICING SOURCE IS USED, ANALYZES AND COMPARES INDEPENDENT VENDOR QUOTATIONS/SPREADS, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTES, INDEPENDENT BROKER/DEALER PRICING SERVICES, INPUTS FROM THE PORTFOLIO MANAGEMENT TEAM, DISCUSSIONS WITH EXTERNAL AUDITORS, AND SECURITY SPECIFIC PARAMETERS TO ENSURE THAT THE VALUATION PROCESS REFLECTS THE MOST ACCURATE FAIR VALUE AT THE REPORTING DATE.

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

Yes [X] No []
- 32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$.....4,719,810
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS	1,649,538
- 34.1 Amount of payments for legal expenses, if any?

\$.....18,295,362
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
JONES DAY	4,784,740
- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$.....1,004,623
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
NONE	

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes []

No [X]

1.2

If yes, indicate premium earned on U.S. business only.

1.3

What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31

Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1	2
	Current Year	Prior Year
2.1	Premium Numerator.....	\$.....0
2.2	Premium Denominator.....	\$.....4,611,445,626
2.3	Premium Ratio (2.1/2.2).....0.0
2.4	Reserve Numerator.....	\$.....0
2.5	Reserve Denominator.....	\$.....3,516,025,718
2.6	Reserve Ratio (2.4/2.5).....0.0

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes []

No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

3.22

Non-participating policies

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1

Does the reporting entity issue assessable policies?

Yes []

No []

4.2

Does the reporting entity issue non-assessable policies?

Yes []

No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

.....%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

5.

FOR RECIPROCAL EXCHANGES ONLY:

5.1

Does the exchange appoint local agents?

Yes []

No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes []

No []

N/A []

5.22

As a direct expense of the exchange

Yes []

No []

N/A []

5.3

What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes []

No []

5.5

If yes, give full information:

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

WORKERS' COMPENSATION RISKS WERE COVERED UNDER TREATY REINSURANCE CONTRACTS.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. THE COMPANY'S NET COMPREHENSIVE EXPOSURE IN THE CATASTROPHE PRONE STATES OF FLORIDA, LOUISIANA, TEXAS, MISSISSIPPI, ALABAMA, NEW YORK, NEW JERSEY AND CALIFORNIA IS LIMITED SINCE THE COMPANY IS A MEMBER OF A 100% POOLING REINSURANCE ARRANGEMENT WITH 11 OF ITS PROPERTY AND CASUALTY AFFILIATES. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS COMPREHENSIVE FOR AUTOMOBILE AND INLAND MARINE FOR BOATS. THE ESTIMATE OF THE PML IS 5% OF THE SURPLUS.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

THE COMPANY'S ESTIMATED PML IS 5% OF THE SURPLUS. THE COMPANY CARRIES NO EXTERNAL CATASTROPHE REINSURANCE TO COVER ITS LIMITED CATASTROPHE EXPOSURE. THE COMPANY PARTICIPATES IN A POOLING ARRANGEMENT, WHICH SPREADS THE UNDERWRITING RISK INCLUDING THE CATASTROPHE EXPOSURE AMONG ALL PARTIES TO THE POOLING AGREEMENT.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes []

No [X]

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:

NONE

16

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes [☐]

No [☒ X]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [☐]

No [☐]

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [☐]

No [☒ X]

8.2

If yes, give full information:

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [☐]

No [☒ X]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [☐]

No [☒ X]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [☐]

No [☒ X]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [☐]

No [☒ X]

Yes [☐]

No [☒ X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [☒ X]

No [☐]

N/A [☐]

11.1

Has this reporting entity guaranteed policies issued by any other reporting entity and now in force?

Yes [☐]

No [☒ X]

11.2

If yes, give full information:

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses
12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

\$.....0

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds:

\$.....0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [☐]

No [☒ X]

N/A [☐]

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From
12.42 To

.....%

.....%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [☒ X]

No [☐]

12.6

If yes, state the amount thereof at December 31 of current year:
12.61 Letters of credit
12.62 Collateral and other funds

\$.....42,240

\$.....0

16.1

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$.....4,900,000
- 13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [☐] No [☒]
- 13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

.....1
- 14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [☐] No [☒]
- 14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [☐] No [☐]
- 14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [☐] No [☐]
- 14.5

If the answer to 14.4 is no, please explain:

- 15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [☐] No [☒]
- 15.2

If yes, give full information:

- 16.1

Does the reporting entity write any warranty business?

Yes [☐] No [☒]
- If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....
16.12 Products.....
16.13 Automobile.....
16.14 Other*.....

* Disclose type of coverage:

- 17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?

Yes [☐] No [☒]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:
- 17.11

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

.....
- 17.12

Unfunded portion of Interrogatory 17.11

.....
- 17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

.....
- 17.14

Case reserves portion of Interrogatory 17.11

.....
- 17.15

Incurred but not reported portion of Interrogatory 17.11

.....
- 17.16

Unearned premium portion of Interrogatory 17.11

.....
- 17.17

Contingent commission portion of Interrogatory 17.11

.....
- Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:
- 17.18

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

.....
- 17.19

Unfunded portion of Interrogatory 17.18

.....
- 17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

.....
- 17.21

Case reserves portion of Interrogatory 17.18

.....
- 17.22

Incurred but not reported portion of Interrogatory 17.18

.....
- 17.23

Unearned premium portion of Interrogatory 17.18

.....
- 17.24

Contingent commission portion of Interrogatory 17.18

.....
- 18.1

Do you act as a custodian for health savings account?

Yes [☐] No [☒]
- 18.2

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

.....
- 18.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]
- 18.4

If yes, please provide the balance of the funds administered as of the reporting date.

.....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2013	2 2012	3 2011	4 2010	5 2009
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	...6,082,311,103	...5,807,577,020	...5,430,309,495	...5,172,297,803	...5,001,657,931
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...3,396,026,641	...3,243,616,483	...3,021,813,129	...3,002,398,862	...3,075,634,957
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	...30,367,550	...28,113,172	...26,843,316	...26,900,472	...27,092,357
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...7,439	...(304,871)	...1,451,403	...9,451,116	...11,894,216
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	...9,508,712,733	...9,079,001,804	...8,480,417,343	...8,211,048,253	...8,116,279,461
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	...2,978,918,603	...2,844,830,270	...2,657,289,299	...2,520,914,489	...2,437,991,743
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...1,663,974,545	...1,589,346,389	...1,480,654,321	...1,471,150,281	...1,507,004,867
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	...14,865,572	...13,758,975	...13,135,394	...13,161,025	...13,251,752
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...2,025	...4,133	...8,615	...3,553	...1,428,846
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	...4,657,760,746	...4,447,939,767	...4,151,087,629	...4,005,229,348	...3,959,677,208
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	...264,799,762	...143,218,359	...236,694,923	...271,696,455	...318,418,366
14. Net investment gain (loss) (Line 11).....	...350,915,418	...346,343,156	...423,131,197	...121,210,892	...108,145,686
15. Total other income (Line 15).....	...(410,962)	...2,295,544	...3,931,789	...3,943,459	...793,289
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	...114,035,482	...85,136,375	...106,953,866	...117,361,728	...137,464,206
18. Net income (Line 20).....	...501,268,736	...406,720,684	...556,804,043	...279,489,078	...289,893,135
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	...5,772,433,590	...5,332,134,450	...5,129,933,944	...4,800,526,915	...4,880,989,399
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	...115,132,072	...108,262,440	...103,071,962	...89,959,218	...120,515,203
20.2 Deferred and not yet due (Line 15.2).....	...590,259,609	...566,073,172	...546,361,594	...488,263,781	...461,866,611
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	...4,229,323,289	...3,883,660,271	...3,770,062,886	...3,467,065,235	...3,519,305,026
22. Losses (Page 3, Line 1).....	...1,617,478,370	...1,520,032,504	...1,399,143,962	...1,368,180,514	...1,358,814,989
23. Loss adjustment expenses (Page 3, Line 3).....	...316,543,561	...303,479,486	...295,101,205	...298,481,916	...302,462,737
24. Unearned premiums (Page 3, Line 9).....	...1,370,134,504	...1,323,819,379	...1,240,175,199	...1,184,343,982	...1,148,043,166
25. Capital paid up (Page 3, Lines 30 & 31).....	...3,000,000	...3,000,000	...3,000,000	...3,000,000	...3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	...1,543,110,301	...1,448,474,179	...1,359,871,058	...1,333,461,680	...1,361,684,373
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	...603,480,917	...648,947,131	...697,826,421	...285,459,659	...263,473,238
Risk-Based Capital Analysis					
28. Total adjusted capital.....	...1,543,110,301	...1,448,474,179	...1,359,871,058	...1,333,461,680	...1,361,684,373
29. Authorized control level risk-based capital.....	...273,475,211	...240,623,822	...218,124,012	...211,453,248	...207,531,189
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	...38.7	...30.5	...30.7	...22.6	...30.8
31. Stocks (Lines 2.1 & 2.2).....	...39.4	...40.1	...43.1	...51.6	...44.7
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	...11.0	...11.4	...11.3	...12.2	...12.4
34. Cash, cash equivalents and short-term investments (Line 5).....	...8.1	...15.7	...14.3	...13.6	...12.1
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					...XXX
37. Other invested assets (Line 8).....	...2.7	...2.2			...0.0
38. Receivable for securities (Line 9).....	...0.0	...0.1	...0.5	...0.0	
39. Securities lending reinvested collateral assets (Line 10).....					...XXX
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	...100.0	...100.0	...100.0	...100.0	...100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	...1,037,398,171	...1,131,710,967	...1,237,612,031	...1,504,434,204	...1,357,889,916
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	...132,526,936	...99,539,620	...102,480	...102,480	...349,500
48. Total of above lines 42 to 47.....	...1,169,925,107	...1,231,250,587	...1,237,714,511	...1,504,536,684	...1,358,239,416
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	...75.8	...85.0	...91.0	...112.8	...99.7

PROGRESSIVE CASUALTY INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2013	2012	2011	2010	2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	24,819,308	(61,355,669)	(260,341,386)	195,289,249	228,204,349
52. Dividends to stockholders (Line 35).....	(452,000,000)	(298,000,000)	(303,000,000)	(503,000,000)	(481,400,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	94,636,122	88,603,121	26,409,378	(28,222,693)	147,179,330
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	3,576,871,673	3,436,951,085	3,165,978,787	3,071,926,280	3,080,906,511
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,138,176,415	2,087,349,510	1,915,059,732	1,733,678,200	1,756,116,708
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	13,349,355	21,150,223	16,306,135	13,606,811	15,728,803
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,796,544	6,515,194	5,134,030	1,287,600	2,031,722
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	635,084	348,385	840,859	531,574	726,740
59. Total (Line 35).....	5,731,829,071	5,552,314,397	5,103,319,543	4,821,030,465	4,855,510,484
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,739,808,728	1,672,094,774	1,544,271,940	1,497,130,281	1,503,573,575
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,047,690,002	1,022,791,126	938,350,585	849,492,981	860,474,544
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	6,541,184	10,363,609	7,990,006	6,667,337	7,707,113
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	632,045	1,013,157	725,925	256,564	503,012
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	311,191	170,709	412,021	260,471	356,103
65. Total (Line 35).....	2,794,983,150	2,706,433,375	2,491,750,477	2,353,807,634	2,372,614,347
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	62.7	64.8	61.6	59.5	59.2
68. Loss expenses incurred (Line 3).....	10.2	10.3	10.4	10.8	10.9
69. Other underwriting expenses incurred (Line 4).....	21.3	21.6	22.3	22.8	21.9
70. Net underwriting gain (loss) (Line 8).....	5.7	3.3	5.8	6.8	8.0
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	21.1	21.1	21.9	22.5	22.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	72.9	75.1	72.0	70.3	70.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	301.8	307.1	305.3	300.4	290.8
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	21,325	15,561	(28,575)	(63,672)	(29,805)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	1.5	1.1	(2.1)	(4.7)	(2.5)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	29,003	(43,742)	(93,548)	(56,801)	(19,142)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	2.1	(3.3)	(6.9)	(4.7)	(1.5)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of
SSAP No. 3, Accounting Changes and Correction of Errors?

Yes[] No[]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....XXX.....XXX.....XXX.....2,8592,194258363874261,275XXX.....
2. 2004.....5,139,90086,2325,053,668	..2,654,21469,14299,3631,781522,4845,177189,6313,199,961XXX.....
3. 2005.....4,945,37584,9664,860,409	..2,774,23564,19991,1292,316532,6364,072222,1543,327,413XXX.....
4. 2006.....4,673,90475,5474,598,356	..2,611,00067,60478,3092,755492,5712,762221,0043,108,760XXX.....
5. 2007.....4,247,46662,6334,184,833	..2,474,23833,24765,645569440,432483230,0332,946,016XXX.....
6. 2008.....4,047,59250,9823,996,610	..2,447,36729,06963,4161,479422,413735211,8622,901,913XXX.....
7. 2009.....4,054,60953,9404,000,669	..2,351,10233,52861,0122,130366,482664198,4702,742,274XXX.....
8. 2010.....4,029,62660,6983,968,928	..2,379,98631,84157,924929360,815105212,1172,765,851XXX.....
9. 2011.....4,150,81955,5634,095,256	..2,447,51723,31741,164353352,3010231,4922,817,313XXX.....
10. 2012.....4,409,62845,3334,364,295	..2,479,73317,21922,88492347,762251,9572,833,068XXX.....
11. 2013.....4,657,13145,6854,611,446	..1,912,0558,6855,2224291,530165,6532,200,119XXX.....
12. Totals.....XXX.....XXX.....XXX.....	..24,534,308380,044586,32612,444	..4,129,81513,998	..2,134,80128,843,963XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....44,64440,1772,9351,3331344729,073XXX.....
2. 2004.....25,60524,7325016163201,398XXX.....
3. 2005.....29,99826,8065028813763,905XXX.....
4. 2006.....29,77126,8273,9873,9274491964213,877XXX.....
5. 2007.....31,32726,8888,4387,64279277966745916,732XXX.....
6. 2008.....42,34231,1897,1446,2271,6851070359589214,744XXX.....
7. 2009.....44,59220,5946,2825,6483,767311,0969311,70030,232XXX.....
8. 2010.....77,61919,64721,3724,2148,887514,8599725,8859,88993,738XXX.....
9. 2011.....153,16020,94928,6986,32121,986526,32559312,4578,525194,712XXX.....
10. 2012.....329,12025,85659,3892,34238,4388910,88036630,63518,816439,809XXX.....
11. 2013.....762,92821,927243,46113,52049,7865420,7567494,444102,4071,135,800XXX.....
12. Totals...	...1,571,106285,592381,80749,842127,57143545,4234,210148,1930139,6381,934,022XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....7,4021,671
2. 2004.3,302,198100,8393,201,35964.2116.963.349.00923475
3. 2005.3,428,71297,3943,331,31869.3114.668.549.003,242663
4. 2006.3,216,517103,8803,112,63768.8137.567.749.003,005872
5. 2007.3,022,25869,5102,952,74971.2111.070.649.005,2351,498
6. 2008.2,985,96169,3042,916,65773.8135.973.049.0012,0702,674
7. 2009.2,836,03363,5262,772,50769.9117.869.349.0024,6315,601
8. 2010.2,917,34757,7592,859,58972.495.272.049.0075,13018,608
9. 2011.3,063,61051,5843,012,02573.892.873.549.00154,58840,124
10. 2012.3,318,84245,9653,272,87775.3101.475.049.00360,31079,498
11. 2013.3,380,18344,2633,335,91972.696.972.349.00970,941164,859
12. TotalsXXX.....XXX.....XXX.....XXX.....XXX.....XXX.....00XXX.....1,617,479316,543

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior.....747,699704,317681,755687,270685,938682,530684,109682,272683,264684,1178531,844
2. 2004.....2,763,8402,707,1092,697,8652,696,3312,682,9622,683,3312,683,8232,683,2102,683,6112,683,732121522
3. 2005.....XXX2,835,0552,802,4542,818,7002,819,6412,801,3492,797,0722,798,7032,799,5822,802,3772,7953,674
4. 2006.....XXXXXX2,623,9572,632,8562,653,5682,641,1572,624,1252,623,3662,622,2062,622,407201(959)
5. 2007.....XXXXXXXXX2,535,9362,538,6992,543,5842,531,6742,510,6792,510,7692,512,2091,4401,530
6. 2008.....XXXXXXXXXXXX2,511,5202,510,5732,514,7232,501,0442,489,3142,494,0874,774(6,957)
7. 2009.....XXXXXXXXXXXXXXX2,455,7892,419,1142,425,4892,414,7262,404,989(9,736)(20,500)
8. 2010.....XXXXXXXXXXXXXXXXXX2,481,9292,483,2302,489,3562,492,9933,6379,763
9. 2011.....XXXXXXXXXXXXXXXXXXXXX2,607,1812,637,9092,647,2679,35840,086
10. 2012.....XXXXXXXXXXXXXXXXXXXXXXXX2,886,5962,894,4797,884XXX
11. 2013.....XXXXXXXXXXXXXXXXXXXXXXXXXXX2,949,945XXXXXX
12. Totals.....										21,32529,003

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior.....000382,004543,750618,063651,722661,718668,752672,362674,628675,515XXXXXX
2. 2004.....1,745,5722,280,7962,475,2992,588,1392,645,8992,666,2932,676,0102,679,8462,682,0552,682,654XXXXXX
3. 2005.....XXX1,880,2542,365,9942,588,2642,715,0772,766,8612,785,7252,791,6382,796,3162,798,849XXXXXX
4. 2006.....XXXXXX1,783,6652,249,1772,446,6872,551,8082,592,5672,609,4702,615,9212,618,951XXXXXX
5. 2007.....XXXXXXXXX1,728,2952,179,8962,361,1272,448,3302,485,0652,499,0302,506,068XXXXXX
6. 2008.....XXXXXXXXXXXX1,690,3702,165,9362,332,8502,419,7452,462,0522,480,235XXXXXX
7. 2009.....XXXXXXXXXXXXXXX1,614,5982,066,7652,242,4892,332,5532,376,456XXXXXX
8. 2010.....XXXXXXXXXXXXXXXXXX1,633,7172,109,8192,306,3422,405,140XXXXXX
9. 2011.....XXXXXXXXXXXXXXXXXXXXX1,749,7922,259,7742,465,012XXXXXX
10. 2012.....XXXXXXXXXXXXXXXXXXXXXXXX1,907,9142,485,306XXXXXX
11. 2013.....XXXXXXXXXXXXXXXXXXXXXXXXXXX1,908,589XXXXXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior.....123,23240,0328,6884,7144,3084,8464,5873,5073,5112,935
2. 2004.....255,21476,93632,46310,72544632633611913750
3. 2005.....XXX222,51669,14730,98014,78144138730814050
4. 2006.....XXXXXX205,65364,15832,09415,34359837327364
5. 2007.....XXXXXXXXX205,15060,46230,00417,023539303917
6. 2008.....XXXXXXXXXXXX221,36662,26933,45316,2625071,024
7. 2009.....XXXXXXXXXXXXXXX203,66964,10735,33219,882799
8. 2010.....XXXXXXXXXXXXXXXXXX187,14963,99629,18321,045
9. 2011.....XXXXXXXXXXXXXXXXXXXXX190,37662,71628,109
10. 2012.....XXXXXXXXXXXXXXXXXXXXXXXX233,32467,562
11. 2013.....XXXXXXXXXXXXXXXXXXXXXXXXXXX250,623

PROGRESSIVE CASUALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5	6	7	8	9
			2 Direct Premiums Written	3 Direct Premiums Earned		Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
States, Etc.										
1.	Alabama.....AL	...L.....1,470615,394535,763891,156
2.	Alaska.....AK	...L.....146,248161,196199,808109,702168,2771,463
3.	Arizona.....AZ	...L.....22,012,19921,756,26611,702,34112,861,8756,107,022328,919
4.	Arkansas.....AR	...L.....2,151,6752,281,7191,078,6741,348,424879,74644,178
5.	California.....CA	...L.....30,081,22230,779,85919,875,49623,576,94614,138,512531,595
6.	Colorado.....CO	...L.....8,703,7399,124,2925,749,8465,940,2034,116,876129,148
7.	Connecticut.....CT	...L.....114,692,178113,503,51372,098,93772,970,64964,013,4172,045,252
8.	Delaware.....DE	...L.....55,745445,165636,980
9.	District of Columbia.....DC	...L.....6,898,1716,885,4833,630,5613,481,9352,192,339112,631
10.	Florida.....FL	...L.....1,63556,155852,1891,650,2242,866,044
11.	Georgia.....GA	...L.....29,9458,324,4898,246,943856,777
12.	Hawaii.....HI	...L.....18,677,62918,644,9209,337,33410,019,0825,631,014220,076
13.	Idaho.....ID	...L.....6,371(3,209)32,469179,282
14.	Illinois.....IL	...L.....1,200,0351,339,4131,857,2792,375,0392,724,90422,336
15.	Indiana.....IN	...L.....85,002128,06218,408222,499689,127975
16.	Iowa.....IA	...L.....81,49385,633275,2661,918,6572,529,306
17.	Kansas.....KS	...L.....133,463147,65534,912101,158206,028
18.	Kentucky.....KY	...L.....80,701,79280,436,68648,752,13348,110,77227,845,0791,278,022
19.	Louisiana.....LA	...L.....2,585164,394(2,140)120,701623,886
20.	Maine.....ME	...L.....1,362,8391,416,154991,6081,144,821938,57026,207
21.	Maryland.....MD	...L.....25,033,93225,021,18511,108,42414,278,09516,481,019187,090
22.	Massachusetts.....MA	...L.....7,210,3237,438,3434,612,6075,421,9715,989,71685,458
23.	Michigan.....MI	...L.....15,885854,890906,6802,412,639
24.	Minnesota.....MN	...L.....5,100,2275,184,7722,658,8372,777,7932,841,53269,243
25.	Mississippi.....MS	...L.....(351)12,480271,699965,8831,480,277
26.	Missouri.....MO	...L.....116,094,233113,868,25465,344,28672,992,45435,389,5752,662,152
27.	Montana.....MT	...L.....401,810439,407111,537135,671224,6862,993
28.	Nebraska.....NE	...L.....30,36150,626505,364465,649239,292
29.	Nevada.....NV	...L.....1,579,2771,639,7997,522,19710,817,0887,296,60026,442
30.	New Hampshire.....NH	...L.....85,575140,66435,291285,528490,0551,684
31.	New Jersey.....NJ	...L.....52,206561,2631,582,7572,123,343
32.	New Mexico.....NM	...L.....446,107477,229971,742945,873799,3238,025
33.	New York.....NY	...L.....331,507,217279,289,926145,986,632199,692,523116,347,3635,023,605
34.	North Carolina.....NC	...L.....23,81537,928182,429281,059
35.	North Dakota.....ND	...L.....16,56629,112
36.	Ohio.....OH	...L.....35,213,47636,745,02221,774,54820,641,83711,306,603868,395
37.	Oklahoma.....OK	...L.....34,16542497,629262,027
38.	Oregon.....OR	...L.....118,680158,5561,017,5271,375,848849,726856
39.	Pennsylvania.....PA	...L.....14,129,67314,938,1198,729,9808,746,2948,524,143300,069
40.	Rhode Island.....RI	...L.....54,700,09753,249,24133,886,00434,539,29228,597,854736,347
41.	South Carolina.....SC	...L.....150536,377470,408254,776
42.	South Dakota.....SD	...L.....29825,00010,58656,131
43.	Tennessee.....TN	...L.....19,95614,640144,080347,344
44.	Texas.....TX	...L.....22,273,70122,577,8099,167,27110,104,2524,839,342211,730
45.	Utah.....UT	...L.....410,621445,609221,610237,625132,2706,281
46.	Vermont.....VT	...L.....1,910,7492,224,3211,611,7012,147,3472,463,60634,447
47.	Virginia.....VA	...L.....2,151,0442,499,7471,609,9592,514,9673,917,01930,377
48.	Washington.....WA	...L.....132,643,315130,744,89386,555,32998,093,41262,666,7311,933,259
49.	West Virginia.....WV	...L.....26,207717,357644,842685,252
50.	Wisconsin.....WI	...L.....351,121379,655735,511699,628314,1945,107
51.	Wyoming.....WY	...L.....10920,843(11,484)130,719278,578
52.	American Samoa.....AS	...N.....
53.	Guam.....GU	...N.....12,14417,093
54.	Puerto Rico.....PR	...L.....1,8663,697
55.	US Virgin Islands.....VI	...E.....5,0875,68524,048
56.	Northern Mariana Islands...MP	...N.....
57.	Canada.....CAN	...L.....609,023(298,994)1,767,115
58.	Aggregate Other Alien.....OT	...XXX.....00000000
59.	Totals.....	(a) ...52.....1,038,323,202984,729,2000593,172,800686,999,454457,967,48216,934,3620

DETAILS OF WRITE-INS

58001.XXX.....
58002.XXX.....
58003.XXX.....
58998.	Summary of remaining write-ins for Line 58 from overflow pageXXX.....0000000
58999.	Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)XXX.....0000000

(a) Insert the number of "L" responses except for Canada and Other Alien.

(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.

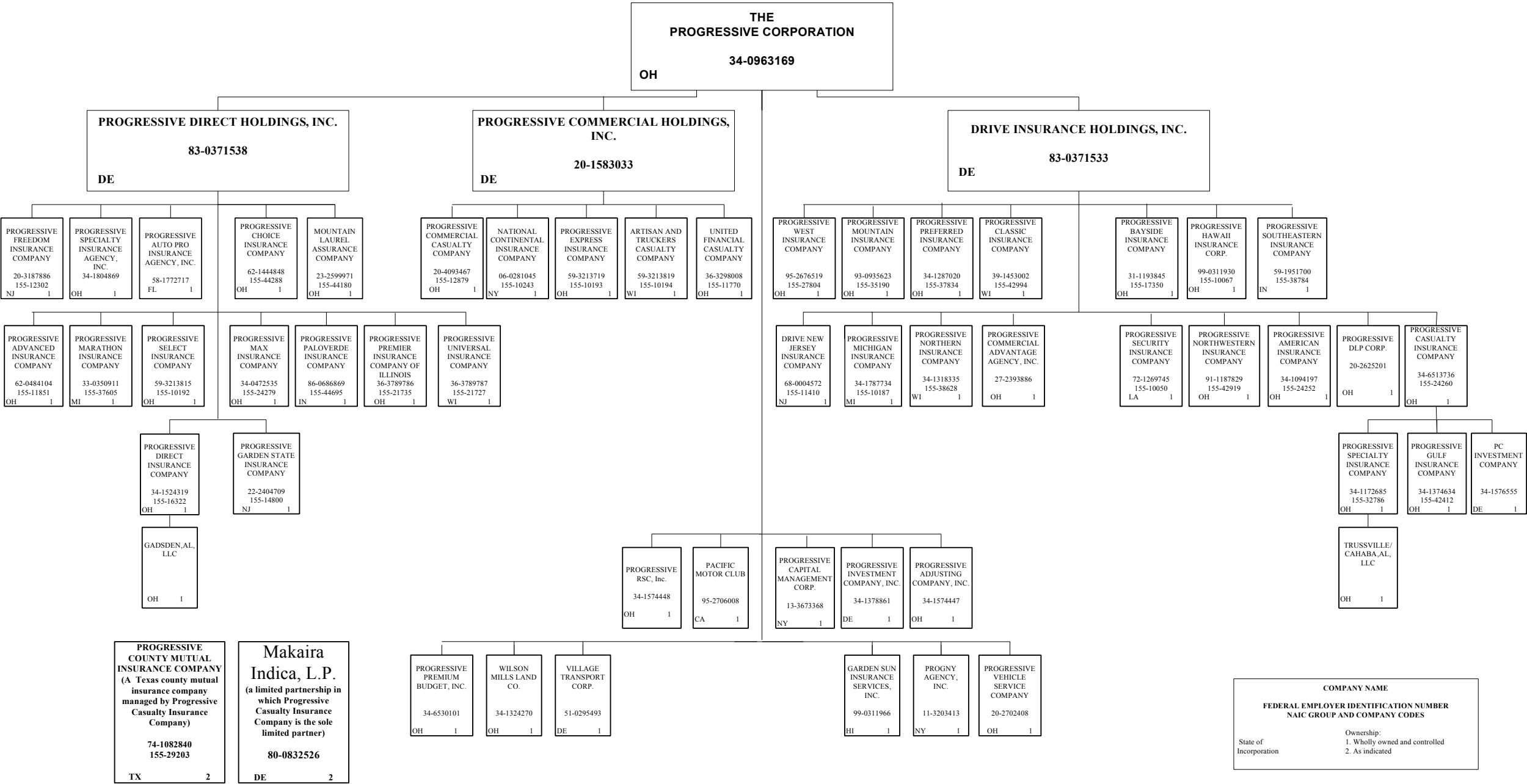
Explanation of Basis of Allocation of Premiums by States, etc.

Allocation on the basis of the location where the vehicle is principally garaged and used.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

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