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ANNUAL STATEMENT

For the Year Ended December 31, 2013

of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period) NAIC Company Code..... 37834 Employer's ID Number..... 34-1287020

Organized under the Laws of OH State of Domicile or Port of Entry OH Country of Domicile US

Incorporated/Organized..... September 24, 1979 Commenced Business..... April 15, 1980

Statutory Home Office	6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... US ..... 44143-2182 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... US..... 44143-2182 *(Street and Number) (City or Town, State, Country and Zip Code)*	440-461-5000 *(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 *(Street and Number) (City or Town, State, Country and Zip Code)*	440-395-4460 *(Area Code) (Telephone Number)*
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO *(Name)*	440-395-4460 *(Area Code) (Telephone Number) (Extension)*
	FINANCIAL_REPORTING@PROGRESSIVE.COM *(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	PETER JAMES ALBERT	SECRETARY
THOMAS ALFRED KING	TREASURER		

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

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

Subscribed and sworn to before me
This 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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	516,359,109		516,359,109	469,457,662
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 (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($..........0, Schedule E-Part 1), cash equivalents ($..........0, Schedule E-Part 2) and short-term investments ($..........0, Schedule DA)			0	9,999,333
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities			0	
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)	516,359,109	0	516,359,109	479,456,995
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	3,722,468		3,722,468	3,049,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,078,907	2,456,549	6,622,358	6,563,216
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	84,530,767		84,530,767	90,138,801
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	5,134,131		5,134,131	4,392,715
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	18,845,235		18,845,235	18,711,640
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	16,590,506		16,590,506	18,142,373
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	773,938	122,777	651,161	255,044
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	655,035,061	2,579,326	652,455,735	620,710,187
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	655,035,061	2,579,326	652,455,735	620,710,187

DETAILS OF WRITE-INS

	1	2	3	4
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. STATE TAX CREDITS	509,589		509,589	255,044
2502. NEW YORK STATE ASSESSMENT RECOVERABLE	141,572		141,572	
2503. PREPAID EXPENSES	101,031	101,031	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	21,746	21,746	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	773,938	122,777	651,161	255,044

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	198,058,576	186,126,429
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,840,161	4,267,287
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	38,760,436	37,160,753
4.	Commissions payable, contingent commissions and other similar charges	763,886	888,120
5.	Other expenses (excluding taxes, licenses and fees)	20,674,880	17,082,341
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	4,085,604	4,378,869
7.1	Current federal and foreign income taxes (including $.....4,858 on realized capital gains (losses))	4,021,325	4,023,955
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 $.....175,861,624 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)	167,771,572	162,100,332
10.	Advance premium	4,359,642	4,376,306
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	120,333	38,990
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		
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	27,058,300	25,406,313
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $...........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	212,282	560,273
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	468,726,997	446,409,968
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	468,726,997	446,409,968
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	3,003,300	3,003,300
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	42,712,474	42,712,474
35.	Unassigned funds (surplus)	138,012,964	128,584,445
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	183,728,738	174,300,219
38.	TOTALS (Page 2, Line 28, Col. 3)	652,455,735	620,710,187

DETAILS OF WRITE-INS

2501.	OTHER LIABILITIES	111,612	229,810
2502.	STATE PLAN LIABILITY	80,097	279,108
2503.	ESCHEATABLE PROPERTY	13,599	46,218
2598.	Summary of remaining write-ins for Line 25 from overflow page	6,974	5,137
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	212,282	560,273
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	564,666,811	534,403,541
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	354,174,981	346,202,683
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	57,612,692	55,249,334
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	120,451,707	115,414,582
5.	Aggregate write-ins for underwriting deductions	2,971	0
6.	Total underwriting deductions (Lines 2 through 5)	532,242,351	516,866,599
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	32,424,460	17,536,942
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	11,491,597	9,888,922
10.	Net realized capital gains (losses) less capital gains tax of $.....1,246,807 (Exhibit of Capital Gains (Losses))	1,991,648	1,790,006
11.	Net investment gain (loss) (Lines 9 + 10)	13,483,245	11,678,928
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....460,398 amount charged off $.....5,002,124)	(4,541,726)	(5,301,318)
13.	Finance and service charges not included in premiums	10,869,426	11,854,970
14.	Aggregate write-ins for miscellaneous income	573,498	540,457
15.	Total other income (Lines 12 through 14)	6,901,198	7,094,109
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	52,808,903	36,309,979
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	52,808,903	36,309,979
19.	Federal and foreign income taxes incurred	17,416,792	13,614,330
20.	Net income (Line 18 minus Line 19) (to Line 22)	35,392,111	22,695,649
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	174,300,219	164,025,842
22.	Net income (from Line 20)	35,392,111	22,695,649
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....(30)	(56)	2,403
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	133,565	1,577,471
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	402,899	460,512
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		38,342
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(26,500,000)	(14,500,000)
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	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	9,428,519	10,274,377
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	183,728,738	174,300,219

DETAILS OF WRITE-INS

0501.	LOSS ON COMMUTATION	2,971	
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	2,971	0
1401.	MISCELLANEOUS INCOME	523,529	463,647
1402.	SERVICE BUSINESS REVENUE	31,644	46,998
1403.	INTEREST INCOME ON INTERCOMPANY BALANCES	18,325	29,812
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	573,498	540,457
3701.			
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)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	576,489,232	546,508,147
2.	Net investment income	12,755,206	10,951,110
3.	Miscellaneous income	6,752,903	7,095,403
4.	Total (Lines 1 through 3)	595,997,341	564,554,660
5.	Benefit and loss related payments	344,411,376	331,197,700
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	173,293,198	168,642,966
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....1,457,485 tax on capital gains (losses)	18,666,229	13,233,237
10.	Total (Lines 5 through 9)	536,370,803	513,073,903
11.	Net cash from operations (Line 4 minus Line 10)	59,626,538	51,480,757
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	294,248,408	108,719,331
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	294,248,408	108,719,331
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	339,847,610	164,007,617
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	339,847,610	164,007,617
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)	(45,599,202)	(55,288,286)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	26,500,000	14,500,000
	16.6 Other cash provided (applied)	2,473,331	(8,112,420)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(24,026,669)	(22,612,420)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(9,999,334)	(26,419,949)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	9,999,333	36,419,282
	19.2 End of year (Line 18 plus Line 19.1)	(0)	9,999,333

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

20.0001			

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	1,820,274	877,340	951,411	1,746,204
5.	Commercial multiple peril				0
6.	Mortgage guaranty				0
8.	Ocean marine				0
9.	Inland marine	9,517,600	4,342,711	4,512,562	9,347,749
10.	Financial guaranty				0
11.1	Medical professional liability - occurrence				0
11.2	Medical professional liability - claims-made	1,800	167	173	1,795
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	3,963,085	1,853,998	1,871,088	3,945,994
17.2	Other liability - claims-made	(4,879)	21,720	6,512	10,329
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	326,945,817	84,784,490	88,113,534	323,616,773
19.3, 19.4	Commercial auto liability	33,859,720	15,815,134	15,959,526	33,715,327
21.	Auto physical damage	194,234,386	54,404,361	56,356,527	192,282,219
22.	Aircraft (all perils)				0
23.	Fidelity		134	14	120
24.	Surety	248	277	225	301
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
35.	TOTALS	570,338,050	162,100,332	167,771,572	564,666,810

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 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	951,411				951,411
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	4,512,562				4,512,562
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made	173				173
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	1,871,088				1,871,088
17.2	Other liability - claims-made	29	6,483			6,512
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	88,113,534				88,113,534
19.3, 19.4	Commercial auto liability	15,959,526				15,959,526
21.	Auto physical damage	56,356,527				56,356,527
22.	Aircraft (all perils)					0
23.	Fidelity		14			14
24.	Surety	225				225
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	167,765,075	6,497	0	0	167,771,572
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					167,771,572

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril	2,687,295	1,820,274		2,687,295		1,820,274
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	6,808,031	9,517,600		6,808,031		9,517,600
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made		1,800				1,800
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	3,959,731	3,963,086		3,579,593	380,139	3,963,085
17.2	Other liability - claims-made		(4,879)				(4,879)
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	396,885,000	326,945,817		396,885,000		326,945,817
19.3, 19.4	Commercial auto liability	7,247,488	33,859,720		7,247,488		33,859,720
21.	Auto physical damage	232,806,562	194,234,386		232,806,562		194,234,386
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety		248				248
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	0	0	0	0	0	0
35.	TOTALS	650,394,107	570,338,051	0	650,013,969	380,139	570,338,050

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	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(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

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 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	927,024	800,961	927,024	800,961	175,934	222,196	754,700	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	3,226,056	4,252,142	3,226,056	4,252,142	514,885	551,613	4,215,415	45.1
10.	Financial guaranty				0			0	0.0
11.1	Medical professional liability - occurrence				0			0	0.0
11.2	Medical professional liability - claims-made				0	90	90	0	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		3,405		3,405	41,872	44,183	1,094	0.0
17.1	Other liability - occurrence	2,136,824	1,380,558	2,136,824	1,380,558	2,137,720	1,892,211	1,626,068	41.2
17.2	Other liability - claims-made		351,066		351,066	525,640	538,255	338,451	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	255,186,215	193,337,819	255,186,215	193,337,819	163,155,274	154,180,237	202,312,856	62.5
19.3, 19.4	Commercial auto liability	2,404,739	17,964,956	2,404,739	17,964,956	28,240,677	26,321,216	19,884,416	59.0
21.	Auto physical damage	151,145,343	124,036,429	151,145,343	124,036,429	2,811,965	1,824,172	125,024,222	65.0
22.	Aircraft (all perils)				0			0	0.0
23.	Fidelity		77,393		77,393	13,243	41,590	49,046	41,015.0
24.	Surety				0	693	1,577	(884)	(294.2)
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	38,105		38,105	440,581	509,092	(30,405)	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	415,026,201	342,242,835	415,026,201	342,242,835	198,058,574	186,126,431	354,174,978	62.7

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8
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
	Line of Business	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 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	110,833	98,181	110,833	98,181	107,485	77,753	107,485	175,934	34,656
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	157,940	233,420	157,940	233,420	181,533	281,466	181,534	514,885	88,751
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0		90		90	79
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		41,872		41,872				41,872	2,261
17.1	Other liability - occurrence	2,040,915	1,569,734	2,040,915	1,569,734	760,828	567,988	760,829	2,137,720	359,994
17.2	Other liability - claims-made		242,287		242,287		283,353		525,640	67,695
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	189,217,076	125,066,281	189,217,076	125,066,281	51,076,201	38,088,993	51,076,201	163,155,274	32,203,370
19.3, 19.4	Commercial auto liability	8,072,097	23,501,826	8,072,097	23,501,826	982,269	4,738,851	982,269	28,240,677	4,763,735
21.	Auto physical damage	8,121,963	6,553,750	8,121,963	6,553,750	(5,284,803)	(3,741,785)	(5,284,803)	2,811,965	1,235,385
22.	Aircraft (all perils)				0				0	
23.	Fidelity		8,643		8,643		4,600		13,243	2,715
24.	Surety				0		693		693	1,795
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	93,938		93,938	XXX	346,644		440,581	
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	207,720,824	157,409,932	207,720,824	157,409,932	47,823,513	40,648,645	47,823,515	198,058,574	38,760,436
	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.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	6,568,778			6,568,778
1.2 Reinsurance assumed	9,018,975			9,018,975
1.3 Reinsurance ceded	6,568,778			6,568,778
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	9,018,975	0	0	9,018,975
2. Commission and brokerage:				
2.1 Direct, excluding contingent		66,767,525		66,767,525
2.2 Reinsurance assumed, excluding contingent		53,938,468		53,938,468
2.3 Reinsurance ceded, excluding contingent		66,767,525		66,767,525
2.4 Contingent - direct		1,223,474		1,223,474
2.5 Contingent - reinsurance assumed		821,568		821,568
2.6 Contingent - reinsurance ceded		1,223,474		1,223,474
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	54,760,036	0	54,760,036
3. Allowances to manager and agents		259,183		259,183
4. Advertising		4,877,395		4,877,395
5. Boards, bureaus and associations	158,670	235,724		394,393
6. Surveys and underwriting reports		3,934,841		3,934,841
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	31,938,933	25,255,084	353,184	57,547,201
8.2 Payroll taxes	2,239,308	1,803,864	11,232	4,054,404
9. Employee relations and welfare	5,551,473	4,316,900	13,455	9,881,828
10. Insurance	71,026	98,890		169,916
11. Directors' fees				0
12. Travel and travel items	1,727,838	709,871	2,309	2,440,019
13. Rent and rent items	2,434,721	2,069,311	9,700	4,513,732
14. Equipment	167,917	742,655		910,571
15. Cost or depreciation of EDP equipment and software	2,136,072	4,347,746	3,431	6,487,249
16. Printing and stationery	198,303	463,426	600	662,329
17. Postage, telephone and telegraph, exchange and express	1,749,517	3,502,658	2,570	5,254,745
18. Legal and auditing	152,463	847,111	13,960	1,013,534
19. Totals (Lines 3 to 18)	48,526,242	53,464,657	410,442	102,401,340
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....2,680		9,454,771		9,454,771
20.2 Insurance department licenses and fees	54,075	644,874		698,949
20.3 Gross guaranty association assessments		(23,518)		(23,518)
20.4 All other (excluding federal and foreign income and real estate)	14,480	1,775,573		1,790,053
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	68,556	11,851,699	0	11,920,254
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	(1,081)	375,316	58,172	432,407
25. Total expenses incurred	57,612,692	120,451,708	468,614	(a)178,533,013
26. Less unpaid expenses - current year	38,760,436	25,521,815	2,554	64,284,805
27. Add unpaid expenses - prior year	37,160,753	22,347,327	2,003	59,510,083
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)	56,013,009	117,277,220	468,063	173,758,292

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES	(1,081)	375,316	58,172	432,407
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)	(1,081)	375,316	58,172	432,407

(a) Includes management fees of $.....102,833,747 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) 2,301,148	2,305,225
1.1	Bonds exempt from U.S. tax	(a) 1,013,077	1,560,280
1.2	Other bonds (unaffiliated)	(a) 7,972,223	8,094,007
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 698	698
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	11,287,146	11,960,210
11.	Investment expenses		(g) 468,614
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) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		468,614
17.	Net investment income (Line 10 minus Line 16)		11,491,596

DETAILS OF WRITE-INS

0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0
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 $.....853,356 accrual of discount less $.....2,789,479 amortization of premium and less $.....693,656 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 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 $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $.....708 accrual of discount less $..........0 amortization of premium and less $..........0 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 $..........0 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	230,303		230,303		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	3,008,152		3,008,152	(86)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)			0		
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	3,238,455	0	3,238,455	(86)	0

DETAILS OF WRITE-INS

0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

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)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
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	2,456,549	2,845,864	389,315
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			0
21. Furniture and equipment, including health care delivery assets			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 and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	122,777	136,362	13,585
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	2,579,326	2,982,226	402,900
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	2,579,326	2,982,226	402,900

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
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. PREPAID EXPENSES	101,031	107,577	6,546
2502. MISCELLANEOUS OTHER ASSETS	21,746	28,785	7,039
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	122,777	136,362	13,585

NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Preferred Insurance Company (the “Company”) were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (“DOI”).

The Ohio DOI requires insurance companies domiciled in the state of Ohio to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio DOI. No deviations from NAIC statutory accounting practices (“NAIC SAP”) were used in preparing these statutory-basis financial statements as illustrated in the table below:

Description	State of Domicile	2013	2012
Net income			
(1) Net income, state basis	OH	$ 35,392,111	$ 22,695,649
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	$ 35,392,111	$ 22,695,649
Surplus			
(5) Policyholders' surplus, state basis	OH	$ 183,728,738	$ 174,300,219
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis (5-6-7=8)	OH	$ 183,728,738	$ 174,300,219

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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.

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.

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 has no investments in joint ventures, partnerships, or limited liability companies.

- 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.

- 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 other-than-temporary impairment ("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.

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). In applying the provisions of SSAP No. 101, the Company was able to recognize additional admitted deferred tax assets. As a result, the Company recorded adjustments to the opening balances as of January 1, 2012 as detailed below:

Description	Amount
Assets at December 31, 2011	$ 582,318,596
Impact on net deferred tax asset	38,342
Assets at January 1, 2012	$ 582,356,938
Surplus as regards policyholders at December 31, 2011	$ 164,025,842
Decrease in nonadmitted assets	38,342
Surplus as regards policyholders at January 1, 2012	$ 164,064,184

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

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

   Not applicable

3. The Company has not recognized any other-than-temporary impairment for loan-backed and structured debt securities during the current year.

4. As of December 31, 2013, the Company had $910,450 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	$ 903,826
2. Twelve months or longer	6,624
Total	$ 910,450
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	$ 43,589,296
2. Twelve months or longer	303,984
Total	$ 43,893,280

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

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									
	1	2	3	4	5	6	7	8	9	10
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
On deposit with state	$ 5,067,460	$ --	$ --	$ --	$ 5,067,460	$ 5,100,953	$ (33,493)	$ 5,067,460	0.77%	0.78%
Total restricted assets	$ 5,067,460	$ --	$ --	$ --	$ 5,067,460	$ 5,100,953	$ (33,493)	$ 5,067,460	0.77%	0.78%

(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)

   Not applicable

3. Detail of Other Restricted Assets

   Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

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		
Description	(1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Gross deferred tax assets	$ 22,125,934	$ 167,921	$ 22,293,855	$ 22,128,919	$ 176,861	$ 22,305,780	$ (2,985)	$ (8,940)	$ (11,925)
(b) Statutory valuation allowance adjustment	--	--	--	--	--	--	--	--	--
(c) Adjusted gross deferred tax assets (1a-1b)	$ 22,125,934	$ 167,921	$ 22,293,855	$ 22,128,919	$ 176,861	$ 22,305,780	$ (2,985)	$ (8,940)	$ (11,925)
(d) Deferred tax assets nonadmitted	--	--	--	--	--	--	--	--	--
(e) Subtotal (net deferred tax asset) (1c-1d)	$ 22,125,934	$ 167,921	$ 22,293,855	$ 22,128,919	$ 176,861	$ 22,305,780	$ (2,985)	$ (8,940)	$ (11,925)
(f) Deferred tax liabilities	3,039,318	409,302	3,448,620	3,213,343	380,797	3,594,140	(174,025)	28,505	(145,520)
(g) Net admitted deferred tax assets (net deferred tax liability) 1e-1f)	$ 19,086,616	$ (241,381)	$ 18,845,235	$ 18,915,576	$ (203,936)	$ 18,711,640	$ 171,040	$ (37,445)	$ 133,595

2. The admission calculation components of the DTA in accordance with SSAP No. 101, Income Taxes, are as follows:

	December 31, 2013			December 31, 2012			Change		
Description	(1) Ordinary Income	(2) Capital gain (loss)	(3) (Col 1+2) Total	(4) Ordinary Income	(5) Capital gain (loss)	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary Income	(8) (Col 2-5) Capital gain (loss)	(9) (Col 7+8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 20,120,426	$ --	$ 20,120,426	$ 20,104,074	$ 5,714	$ 20,109,788	$ 16,352	$ (5,714)	$ 10,638
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	1,139,299	--	1,139,299	947,990	--	947,990	191,309	--	191,309
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,139,299	--	1,139,299	947,990	--	947,990	191,309	--	191,309
2. Adjusted gross deferred tax assets allowed per limitation threshold			24,732,525			23,338,287			1,394,239
(c) Adjusted gross deferred tax assets(excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	866,209	167,921	1,034,130	1,076,855	171,147	1,248,002	(210,646)	(3,226)	(213,872)
(d) Deferred tax assets admitted as result of application of SSAP No. 101. Total (2(a)+2(b)+2(c)	$ 22,125,934	$ 167,921	$ 22,293,855	$ 22,128,919	$ 176,861	$ 22,305,780	$ (2,985)	$ (8,940)	$ (11,925)

3. Recovery period and threshold limitation information is as follows:

Description	2013	2012
(a) Ratio percentage used to determine recovery period and threshold limitation amount	800%	833%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 164,883,503	$ 155,588,579

NOTES TO FINANCIAL STATEMENTS

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

Description	December 31, 2013 (1) Ordinary	December 31, 2013 (2) Capital	December 31, 2012 (3) Ordinary	December 31, 2012 (4) Capital	Change (5) (Col 1-3) Ordinary	Change (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	$ 22,125,934	$ 167,921	$ 22,128,919	$ 176,861	$ (2,985)	$ (8,940)
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	$ 22,125,934	$ 167,921	$ 22,128,919	$ 176,861	$ (2,985)	$ (8,940)
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 X

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	$ 17,416,792	$ 13,614,330	$ 3,802,462
(b) Foreign	--	--	--
(c) Subtotal	$ 17,416,792	$ 13,614,330	$ 3,802,462
(d) Federal income tax on net capital gains	1,246,807	911,496	335,311
(e) Utilization of capital loss carry-forwards	--	--	--
(f) Other	--	--	--
(g) Federal and foreign income taxes incurred	$ 18,663,599	$ 14,525,826	$ 4,137,773

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	$ 2,883,398	$ 3,341,365	$ (457,967)
(2) Unearned premium reserve	11,871,016	11,465,897	405,119
(3) Policyholder reserves	--	--	--
(4) Investments	--	--	--
(5) Deferred acquisition costs	--	--	--
(6) Policyholder dividends accrual	--	--	--
(7) Fixed assets	659,340	325,985	333,355
(8) Compensation and benefits accrual	5,206,973	5,217,906	(10,933)
(9) Pension accrual	--	--	--
(10) Receivables - nonadmitted	859,792	996,053	(136,261)
(11) Net operating loss carry-forward	--	--	--
(12) Tax credit carry-forward	--	--	--
(13) Other - non admitted assets	42,972	47,727	(4,755)
(14) Other - bad debt reserve	432,261	484,164	(51,903)
(15) Other (including items <5% of total ordinary tax assets)	170,182	249,822	(79,640)
(99) Subtotal	$ 22,125,934	$ 22,128,919	$ (2,985)
(b) Statutory valuation allowance adjustment	--	--	--
(c) Nonadmitted	--	--	--
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	$ 22,125,934	$ 22,128,919	$ (2,985)
(e) Capital			
(1) Investments	167,921	176,861	(8,940)
(2) Net capital loss carry-forward	--	--	--
(3) Real estate	--	--	--
(4) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	$ 167,921	$ 176,861	$ (8,940)
(f) Statutory valuation allowance adjustment	--	--	--
(g) Nonadmitted	--	--	--
(h) Admitted capital deferred tax assets (2e99-2f-2g)	$ 167,921	$ 176,861	$ (8,940)
(i) Admitted deferred tax assets (2d+2h)	$ 22,293,855	$ 22,305,780	$ (11,925)

3. Deferred Tax Liabilities:

Description	(1) December 31, 2013	(2) December 31, 2012	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	$ --	$ --	$ --
(2) Fixed Assets	1,922,351	2,233,787	(311,436)
(3) Deferred and uncollected premium	--	--	--
(4) Policyholder reserves	--	--	--
(5) Other liabilities- prepaid expenses	839,012	700,712	138,300
(6) Other liabilities - salvage and subrogation	184,086	189,867	(5,781)
(7) Other (including items <5% of total ordinary tax liabilities)	93,869	88,977	4,892
(99) Subtotal	3,039,318	3,213,343	(174,025)
(b) Capital			
(1) Investments	409,302	380,797	28,505
(2) Real estate	--	--	--
(3) Other (including items <5% of total capital tax liabilities)	--	--	--
(99) Subtotal	409,302	380,797	28,505
(c) Deferred tax liabilities (3a99+3b99)	$ 3,448,620	$ 3,594,140	$ (145,520)

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)	$ 18,845,235	$ 18,711,640	$ 133,595

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	$ 22,293,855	$ 22,305,780	$ (11,925)
Total deferred tax liabilities	3,448,620	3,594,140	(145,520)
Net deferred tax asset (liability)	$ 18,845,235	$ 18,711,640	$ 133,595
Tax effect of unrealized gains (losses)			30
Change in net deferred income tax			$ 133,565

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	$ 18,919,499	35%
Exempt interest income	(461,167)	-1%
Impact of nonadmitted assets	141,015	0%
Other	(69,313)	0%
Total	$ 18,530,034	34%
Federal and foreign income taxes incurred	$ 18,663,599	
Change in net deferred income tax	(133,565)	
Total statutory income taxes	$ 18,530,034	

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:	$ 18,265,232
First preceding tax year:	$ 14,032,364

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.

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

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

Not applicable

D. Amounts Due to or from Related Parties

The Company reported a $16,590,506 and $18,142,373 receivable from 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 $4,021,325 and $4,023,955 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 does not have employees or facilities. Management, operations and claims services are provided under a management agreement with Progressive Casualty Insurance Company (“Casualty”), an insurance affiliate domiciled in Ohio. Under the terms of the agreement, the Company is provided underwriting and loss adjustment services for business produced in exchange for a management fee based on the Company’s use of 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.

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 Impairments 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

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

The Company has no direct payroll (see Note 10F).

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

1. Outstanding Shares

The Company has 750 shares of $4,700 par value common stock authorized and 639 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 $35,392,111 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 10, 2013	$ 22,650,000	Ordinary
December 10, 2013	$ 3,850,000	Extraordinary
December 10, 2012	$ 14,500,000	Ordinary

The extraordinary cash dividend was approved by the Ohio DOI.

7. Mutual Surplus Advances

Not applicable

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)	$ (6,624)
Nonadmitted assets	(2,579,326)
Provision for reinsurance	--
Total	$ (2,585,950)

The unrealized loss is gross of the applicable deferred tax asset of $2,318.

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 $383,886 and $461,208, 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 $326,241 and $379,683, respectively.

C. Gain Contingencies

Not applicable

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

Not applicable

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

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

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

15. Leases

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

    Not applicable

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	$ --	$ 303,984	$ --	$ 303,984
Total assets at fair value	$ --	$ 303,984	$ --	$ 303,984
b. Liabilities on balance sheet at fair value				
Derivative liabilities	$ --	$ --	$ --	$ --
Total liabilities at fair value	$ --	$ --	$ --	$ --

       2. Roll forward of Level 3 Items

          Not applicable

       3. Policy on Transfers Into and Out of Level 3

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

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

          See Note 20.A.1 above.

       5. Derivative Fair Values

          Not applicable

    B. Other Fair Value Disclosures

       Not applicable

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

The table below represents the fair value of all financial instruments at 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	$ 522,632,147	$ 516,359,109	$ 134,599,482	$ 388,032,665	$ --	$ --
Total	$ 522,632,147	$ 516,359,109	$ 134,599,482	$ 388,032,665	$ --	$ --

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

At December 31, 2013, securities at the amortized cost of $5,067,460 were on deposit with various regulatory agencies to meet statutory requirements (see Schedule E, Part 3).

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
Venture Capital Tax Credit (NT)	CO	$ 74,599	$ 212,099
Low Income Housing Tax Credit (NT)	GA	86,240	165,000
Low Income Housing Tax Credit (NT)	GA	--	1,883
Film Tax Credit (NT)	PA	348,750	375,000
Total		$ 509,589	$ 753,982

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.

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	$ 509,589	$ --

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.

In 2013, the Company recorded no OTTI write-downs on any securities as a result of direct subprime exposure.

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	$ 38,962,102	$ 38,962,102	$ 38,530,383	$ --
(b) Commercial mortgage-backed securities	--	--	--	--
(c) Collateralized debt obligations	--	--	--	--
(d) Structured securities	--	--	--	--
(e) Equity investment in SCAs	--	--	--	--
(f) Other assets	--	--	--	--
(g) Total	$ 38,962,102	$ 38,962,102	$ 38,530,383	$ --

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

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.

23. Reinsurance

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

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

Reinsurer	NAIC Code	Federal ID#	Amount
Progressive Casualty Insurance Company	24260	34-6513736	$ 482,071
Total			$ 482,071

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 Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
(a) Affiliates	$ 167,772	$ --	$ 175,624	$ --	$ (7,852)	$ --
(b) All Other	--	--	238	65	(238)	(65)
(c) Totals	$ 167,772	$ --	$ 175,862	$ 65	$ (8,090)	$ (65)
(d) Direct Unearned Premium Reserve is $175,862						

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 $3,307,680 in 2013, which is 1.5% of the total prior year net unpaid losses and LAE of $223,287,182. Private passenger auto liability and auto physical damage reserve development was unfavorable due to late emerging losses for accident year 2012. Commercial auto liability reserves developed unfavorably due to originally anticipated severity for accident years 2012 and 2011 increasing by 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 Casualty, 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.

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

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 Casualty's participation in various reinsurance pools from 1968 to 1975, which underwrote general liability insurance, Casualty's aggregate stop loss reinsurance agreement with Progressive Max Insurance Company, an insurance affiliate domiciled in Ohio, for various reinsurance pools from 1965 to 1975, Progressive American Insurance Company's, an insurance affiliate and Agency Pool member domiciled in Ohio, limited number of general liability policies issued from 1972 to 1975, and Casualty's aggregate stop loss reinsurance agreement with National Continental Insurance Company, an insurance affiliate domiciled in New York, for general liability business written on or before November 25, 1985.

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

	December 31,				
	2009	2010	2011	2012	2013
Direct					
Beginning reserves	$ 12,300	$ 12,300	$ 12,300	$ 12,300	$ 12,300
Losses and DCC incurred	--	--	--	--	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	$ 12,300	$ 12,300	$ 12,300	$ 12,300	$ 12,300
Assumed Reinsurance					
Beginning reserves	$ 364,440	$ 276,257	$ 286,398	$ 194,475	$ 196,888
Losses and DCC incurred	(56,150)	24,789	(46,704)	8,809	(39,288)
Calendar year payments for losses and DCC	32,033	14,648	45,219	6,396	26,880
Ending reserves	$ 276,257	$ 286,398	$ 194,475	$ 196,888	$ 130,720
Net of Ceded Reinsurance					
Beginning reserves	$ 376,740	$ 288,557	$ 298,698	$ 206,775	$ 209,188
Losses and DCC incurred	(56,150)	24,789	(46,704)	8,809	(39,288)
Calendar year payments for losses and DCC	32,033	14,648	45,219	6,396	26,880
Ending reserves	$ 288,557	$ 298,698	$ 206,775	$ 209,188	$ 143,020

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

Direct	$ --
Assumed	91,574
Net	$ 91,574

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

Direct	$ 4,200
Assumed	--
Net	$ 4,200

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

	December 31,				
	2009	2010	2011	2012	2013
Direct					
Beginning reserves	$ 3,066	$ 3,066	$ 3,066	$ 3,066	$ 3,066
Losses and DCC incurred	--	--	--	--	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	$ 3,066	$ 3,066	$ 3,066	$ 3,066	$ 3,066
Assumed Reinsurance					
Beginning reserves	$ 45,230	$ 201,143	$ 177,192	$ 211,655	$ 306,281
Losses and DCC incurred	159,483	(20,314)	34,184	94,259	181,982
Calendar year payments for losses and DCC	3,570	3,637	(279)	(367)	3,401
Ending reserves	$ 201,143	$ 177,192	$ 211,655	$ 306,281	$ 484,862
Net of Ceded Reinsurance					
Beginning reserves	$ 48,296	$ 204,209	$ 180,258	$ 214,721	$ 309,347
Losses and DCC incurred	159,483	(20,314)	34,184	94,259	181,982
Calendar year payments for losses and DCC	3,570	3,637	(279)	(367)	3,401
Ending reserves	$ 204,209	$ 180,258	$ 214,721	$ 309,347	$ 487,928

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

Direct	$	--
Assumed		190,526
Net	$	190,526

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

Direct	$	2,706
Assumed		257,834
Net	$	260,540

34. Subscriber Savings Accounts

Not applicable

35. Multiple Peril Crop Insurance

Not applicable

36. Financial Guaranty Insurance

Not applicable

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? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

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:

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 [X] No [ ] N/A [ ]

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. TRAICOFF, 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 [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved ....

12.13 Total book/adjusted carrying value ....

12.2 If yes, provide explanation.

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 [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

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 [ ]

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 [ ] No [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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 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 [ ] No [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 [ ] No [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	....

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 [X]

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 [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $.......................................0

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 [X] 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 [X]

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 [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

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 [X]

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 [X] 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 $...............................0

25.23 Subject to dollar repurchase agreements $...............................0

25.24 Subject to reverse dollar repurchase agreements $...............................0

25.25 Pledged as collateral $...............................0

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 $.................5,067,460

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 [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
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 [X]

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 [X] 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

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 [X]

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
NONE		

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 [X]

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	516,359,109	522,632,149	6,273,040
30.2 Preferred stocks			0
30.3 Totals	516,359,109	522,632,149	6,273,040

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 [ ] No [X]

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 [ ]

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.

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? $ 46,209

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	46,209

34.1 Amount of payments for legal expenses, if any? $ 0

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
NONE	

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

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 Current Year	2 Prior Year
2.1 Premium Numerator...	$..............................0	$..............................0
2.2 Premium Denominator.......................................	$............564,666,811	$............534,403,541
2.3 Premium Ratio (2.1/2.2).....................................	..............................0.0	..............................0.0
2.4 Reserve Numerator..	$..............................0	$..............................0
2.5 Reserve Denominator...	$............407,430,745	$............389,654,801
2.6 Reserve Ratio (2.4/2.5)......................................	..............................0.0	..............................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?
THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.

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 unreinsured catastrophic loss:
NONE

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 Yes [ ] No [X]

(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 Yes [ ] No [X]

(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]

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 $..................................0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $..................................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 [ ] No [X]

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 ....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $........................600,000

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 [X]

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 [X]

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 [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

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 [X]

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 [X]

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 [X]

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)	772,857,762	769,723,533	753,441,372	760,418,888	795,903,321
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	443,366,578	437,134,163	417,522,820	423,035,876	457,097,614
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,507,569	3,872,074	3,176,920	2,848,609	2,543,345
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	248	506	1,055	435	174,961
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6.	Total (Line 35)	1,220,732,158	1,210,730,276	1,174,142,166	1,186,303,808	1,255,719,240
	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)	364,765,542	348,346,564	325,382,362	308,683,407	298,529,601
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	203,751,985	194,613,844	181,304,611	180,140,851	184,531,208
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,820,274	1,684,772	1,608,416	1,611,554	1,622,664
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	248	506	1,055	435	174,961
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12.	Total (Line 35)	570,338,050	544,645,686	508,296,443	490,436,247	484,858,433
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	32,424,460	17,536,942	28,983,052	33,268,953	38,990,004
14.	Net investment gain (loss) (Line 11)	13,483,245	11,678,928	13,516,859	10,328,650	17,072,835
15.	Total other income (Line 15)	6,901,198	7,094,109	7,514,475	7,420,836	7,441,067
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	17,416,792	13,614,330	15,552,260	17,026,871	18,506,598
18.	Net income (Line 20)	35,392,111	22,695,649	34,462,126	33,991,568	44,997,308
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	652,455,735	620,710,187	582,318,596	574,093,308	563,761,120
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 15.1)	6,622,358	6,563,216	9,837,169	6,148,092	13,780,145
	20.2 Deferred and not yet due (Line 15.2)	84,530,767	90,138,801	88,044,033	91,636,268	96,281,778
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	468,726,997	446,409,968	418,292,754	413,340,395	405,432,710
22.	Losses (Page 3, Line 1)	198,058,576	186,126,429	171,323,751	167,532,308	166,385,509
23.	Loss adjustment expenses (Page 3, Line 3)	38,760,436	37,160,753	36,134,842	36,548,806	37,036,254
24.	Unearned premiums (Page 3, Line 9)	167,771,572	162,100,332	151,858,188	145,021,712	140,576,714
25.	Capital paid up (Page 3, Lines 30 & 31)	3,003,300	3,003,300	3,003,300	3,003,300	3,003,300
26.	Surplus as regards policyholders (Page 3, Line 37)	183,728,738	174,300,219	164,025,842	160,752,913	158,328,410
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	59,626,538	51,480,757	38,816,459	53,229,053	18,959,386
	Risk-Based Capital Analysis					
28.	Total adjusted capital	183,728,738	174,300,219	164,025,842	160,752,913	158,328,410
29.	Authorized control level risk-based capital	20,604,699	18,678,583	17,322,316	16,696,686	17,267,244
	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)	100.0	97.9	91.9	100.0	98.0
31.	Stocks (Lines 2.1 & 2.2)					
32.	Mortgage loans on real estate (Lines 3.1 & 3.2)					
33.	Real estate (Lines 4.1, 4.2 & 4.3)					
34.	Cash, cash equivalents and short-term investments (Line 5)		2.1	8.1		2.0
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)					XXX
37.	Other invested assets (Line 8)					
38.	Receivable for securities (Line 9)					
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)					
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					
48.	Total of above lines 42 to 47	0	0	0	0	0
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)	0.0				

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(56)	2,403	(1,783)	9,772	304,990
52. Dividends to stockholders (Line 35)	(26,500,000)	(14,500,000)	(32,000,000)	(32,500,000)	(51,500,000)
53. Change in surplus as regards policyholders for the year (Line 38)	9,428,519	10,274,377	3,272,929	2,424,503	(6,952,832)
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)	472,765,582	466,962,616	462,958,187	462,739,322	479,318,696
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	282,659,971	280,929,876	274,364,561	271,442,684	262,012,690
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,727,985	1,950,410	1,868,988	1,387,278	1,503,423
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	77,393	124,060	88,889	31,416	61,593
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	38,105	20,903	50,452	31,894	43,604
59. Total (Line 35)	757,269,036	749,987,865	739,331,077	735,632,594	742,940,006
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)	213,037,804	204,746,299	189,094,523	183,322,075	184,111,051
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	128,288,572	125,239,730	114,900,071	104,019,549	105,364,230
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	800,961	1,269,013	978,368	816,409	943,728
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	77,393	124,060	88,889	31,416	61,593
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	38,105	20,903	50,452	31,894	43,604
65. Total (Line 35)	342,242,835	331,400,005	305,112,303	288,221,343	290,524,206
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)	19.9	19.9	20.5	21.1	20.5
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)	310.4	312.5	309.9	305.1	306.2
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)	2,611	1,905	(3,499)	(7,797)	(3,650)
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	1.2	(2.2)	(4.9)	(2.2)
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)	3,551	(5,356)	(11,455)	(6,955)	(2,344)
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)	2.2	(3.3)	(7.2)	(4.2)	(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
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported- Direct and Assumed
	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	350	269	32	4	47		52	156	XXX
2. 2004	629,376	10,559	618,816	325,006	8,466	12,167	218	63,978	634	23,220	391,832	XXX
3. 2005	605,556	10,404	595,152	339,702	7,861	11,159	284	65,221	499	27,203	407,438	XXX
4. 2006	572,315	9,251	563,064	319,714	8,278	9,589	337	60,315	338	27,062	380,664	XXX
5. 2007	520,098	7,669	512,429	302,968	4,071	8,038	70	53,930	59	28,167	360,737	XXX
6. 2008	495,623	6,243	489,381	299,678	3,560	7,765	181	51,724	90	25,942	355,336	XXX
7. 2009	496,483	6,605	489,878	287,890	4,105	7,471	261	44,875	81	24,303	335,789	XXX
8. 2010	493,424	7,432	485,991	291,427	3,899	7,093	114	44,181	13	25,974	338,676	XXX
9. 2011	508,264	6,804	501,460	299,696	2,855	5,041	43	43,139	0	28,346	344,977	XXX
10. 2012	539,954	5,551	534,403	303,641	2,108	2,802	11	42,583		30,852	346,906	XXX
11. 2013	570,261	5,594	564,667	234,129	1,063	639	0	35,698		20,284	269,402	XXX
12. Totals	XXX	XXX	XXX	3,004,201	46,536	71,795	1,524	505,692	1,714	261,404	3,531,914	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total	
	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	Salvage and Subrogation Anticipated	Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
1. Prior	5,467	4,920	359		163	16			58			1,111	XXX
2. 2004	3,135	3,028	6		20	1			39			171	XXX
3. 2005	3,673	3,282	6		35	0			46			478	XXX
4. 2006	3,645	3,285	488	481	55	0	1	1	52			475	XXX
5. 2007	3,836	3,292	1,033	936	97	1	97	83	72			824	XXX
6. 2008	5,185	3,819	875	762	206	1	86	73	109			1,805	XXX
7. 2009	5,460	2,522	769	692	461	4	134	114	208			3,702	XXX
8. 2010	9,504	2,406	2,617	516	1,088	6	595	119	721		1,211	11,478	XXX
9. 2011	18,754	2,565	3,514	774	2,692	6	774	73	1,525		1,044	23,842	XXX
10. 2012	40,300	3,166	7,272	287	4,707	11	1,332	45	3,751		2,304	53,854	XXX
11. 2013	93,420	2,685	29,812	1,656	6,096	7	2,542	9	11,565		12,540	139,078	XXX
12. Totals	192,380	34,970	46,752	6,103	15,621	53	5,562	515	18,146	0	17,099	236,819	XXX

	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	906	205
2. 2004	404,351	12,348	392,003	64.2	116.9	63.3			6.00	113	58
3. 2005	419,842	11,926	407,916	69.3	114.6	68.5			6.00	397	81
4. 2006	393,859	12,720	381,139	68.8	137.5	67.7			6.00	368	107
5. 2007	370,072	8,511	361,561	71.2	111.0	70.6			6.00	641	183
6. 2008	365,628	8,486	357,142	73.8	135.9	73.0			6.00	1,478	327
7. 2009	347,269	7,779	339,491	69.9	117.8	69.3			6.00	3,016	686
8. 2010	357,226	7,072	350,154	72.4	95.2	72.0			6.00	9,200	2,278
9. 2011	375,136	6,316	368,819	73.8	92.8	73.5			6.00	18,929	4,913
10. 2012	406,389	5,628	400,760	75.3	101.4	75.0			6.00	44,120	9,734
11. 2013	413,900	5,420	408,480	72.6	96.9	72.3			6.00	118,891	20,187
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	198,059	38,760

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

	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
Years in Which Losses Were Incurred	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior	91,555	86,243	83,480	84,156	83,992	83,575	83,768	83,544	83,665	83,769	104	226
2. 2004	338,429	331,483	330,351	330,163	328,526	328,571	328,631	328,556	328,605	328,620	15	64
3. 2005	XXX	347,150	343,158	345,147	345,262	343,022	342,499	342,698	342,806	343,148	342	450
4. 2006	XXX	XXX	321,301	322,391	324,927	323,407	321,321	321,228	321,086	321,111	25	(117)
5. 2007	XXX	XXX	XXX	310,523	310,861	311,459	310,001	307,430	307,441	307,617	176	187
6. 2008	XXX	XXX	XXX	XXX	307,533	307,417	307,925	306,250	304,814	305,398	585	(852)
7. 2009	XXX	XXX	XXX	XXX	XXX	300,709	296,218	296,999	295,681	294,488	(1,192)	(2,510)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	303,910	304,069	304,819	305,264	445	1,196
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	319,247	323,009	324,155	1,146	4,908
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	353,461	354,426	965	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	361,218	XXX	XXX
										12. Totals	2,611	3,551

SCHEDULE P - PART 3 - SUMMARY

	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		
Years in Which Losses Were Incurred	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	46,776	66,582	75,681	79,803	81,027	81,888	82,330	82,607	82,716	XXX	XXX
2. 2004	213,744	279,281	303,098	316,915	323,988	326,485	327,675	328,144	328,415	328,488	XXX	XXX
3. 2005	XXX	230,235	289,713	316,930	332,458	338,799	341,109	341,833	342,406	342,716	XXX	XXX
4. 2006	XXX	XXX	218,408	275,409	299,594	312,466	317,457	319,527	320,317	320,688	XXX	XXX
5. 2007	XXX	XXX	XXX	211,628	266,926	289,118	299,795	304,294	306,004	306,865	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	206,984	265,217	285,655	296,295	301,476	303,702	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	197,706	253,073	274,590	285,619	290,995	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	200,047	258,345	282,409	294,507	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	214,260	276,707	301,838	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	233,622	304,323	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	233,705	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

	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
Years in Which Losses Were Incurred	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior	15,090	4,902	1,064	577	527	593	562	429	430	359
2. 2004	31,251	9,421	3,975	1,313	55	40	41	15	17	6
3. 2005	XXX	27,247	8,467	3,793	1,810	54	47	38	17	6
4. 2006	XXX	XXX	25,182	7,856	3,930	1,879	73	46	33	8
5. 2007	XXX	XXX	XXX	25,120	7,404	3,674	2,085	66	37	112
6. 2008	XXX	XXX	XXX	XXX	27,106	7,625	4,096	1,991	62	125
7. 2009	XXX	XXX	XXX	XXX	XXX	24,939	7,850	4,326	2,434	98
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	22,916	7,836	3,573	2,577
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,311	7,680	3,442
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,570	8,273
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	30,689

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

	States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1.	Alabama AL	N								
2.	Alaska AK	L								
3.	Arizona AZ	L	132,300,237	133,487,590		88,127,944	90,604,848	43,720,731	2,419,728	
4.	Arkansas AR	N								
5.	California CA	N								
6.	Colorado CO	L	143,130,389	141,680,995		96,267,272	103,889,448	58,691,288	2,089,176	
7.	Connecticut CT	N								
8.	Delaware DE	L								
9.	District of Columbia DC	L								
10.	Florida FL	N								
11.	Georgia GA	L	6,698,107	7,165,622		2,476,491	2,070,355	6,246,659	44,906	
12.	Hawaii HI	L								
13.	Idaho ID	L								
14.	Illinois IL	N								
15.	Indiana IN	L				(33)	(33)			
16.	Iowa IA	L								
17.	Kansas KS	N								
18.	Kentucky KY	L								
19.	Louisiana LA	N								
20.	Maine ME	L								
21.	Maryland MD	L								
22.	Massachusetts MA	N								
23.	Michigan MI	L								
24.	Minnesota MN	L	222,091,116	219,384,238		126,980,752	129,592,306	79,568,528	3,425,422	
25.	Mississippi MS	L								
26.	Missouri MO	L	31,779,724	33,688,184		19,635,366	19,406,209	13,763,000	565,085	
27.	Montana MT	L								
28.	Nebraska NE	L								
29.	Nevada NV	L	5,760,633	6,075,812		3,409,879	3,431,643	2,082,861	100,741	
30.	New Hampshire NH	N								
31.	New Jersey NJ	L								
32.	New Mexico NM	L	2,164,690	2,254,866		1,574,311	1,112,049	1,030,740	32,716	
33.	New York NY	L	13,552,232	20,544,811		18,012,739	9,446,979	17,539,686	383,651	
34.	North Carolina NC	L				27	27			
35.	North Dakota ND	N								
36.	Ohio OH	L	31,665,609	33,278,417		20,740,781	18,032,983	10,397,536	814,874	
37.	Oklahoma OK	L				127	127			
38.	Oregon OR	L	564,864	589,891		298,782	120,821	44,918	12,883	
39.	Pennsylvania PA	L	60,499,627	60,365,763		37,499,860	37,823,506	22,403,607	978,057	
40.	Rhode Island RI	L								
41.	South Carolina SC	L								
42.	South Dakota SD	L								
43.	Tennessee TN	L								
44.	Texas TX	L								
45.	Utah UT	L				(667)	(667)			
46.	Vermont VT	N								
47.	Virginia VA	L				(5,657)	(10,507)			
48.	Washington WA	L	186,879	193,100		8,227	11,573	54,779	2,187	
49.	West Virginia WV	L								
50.	Wisconsin WI	N								
51.	Wyoming WY	N								
52.	American Samoa AS	N								
53.	Guam GU	N								
54.	Puerto Rico PR	N								
55.	US Virgin Islands VI	N								
56.	Northern Mariana Islands MP	N								
57.	Canada CAN	N								
58.	Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59.	Totals	(a) 37	650,394,107	658,709,289	0	415,026,201	415,531,667	255,544,333	10,869,426	0

DETAILS OF WRITE-INS

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

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

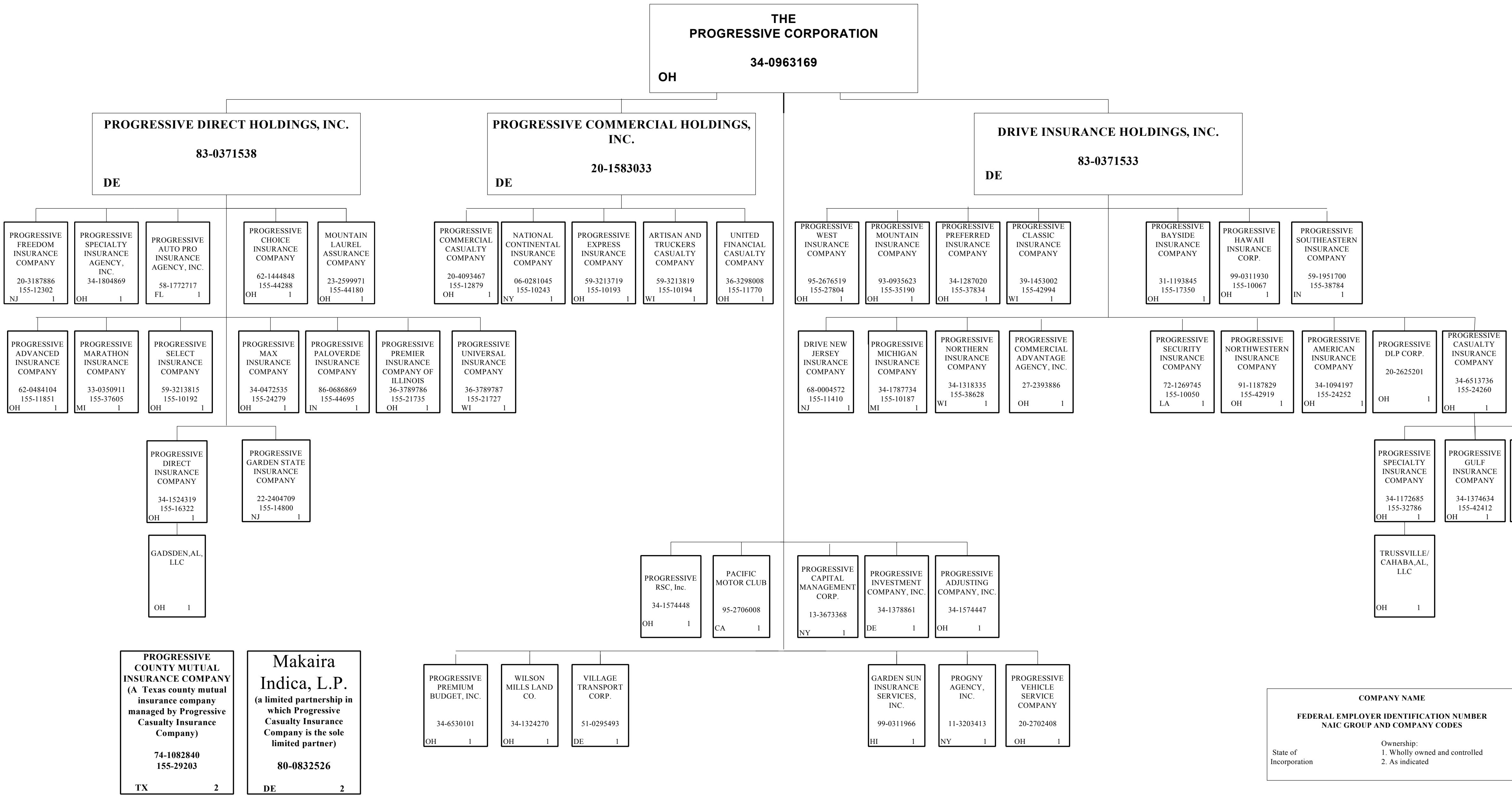
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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



AS OF 12/31/13

2013 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

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