



# QUARTERLY STATEMENT

As of March 31, 2014  
of the Condition and Affairs of the

## PROGRESSIVE AMERICAN INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 24252	Employer's ID Number..... 34-1094197
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... August 25, 1971	Commenced Business..... April 2, 1979	
Statutory Home Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... US ..... 44143-2182 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... US ..... 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Mail Address	P.O. BOX 89490..... CLEVELAND ..... OH ..... US ..... 44101-6490 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND ..... OH ..... US ..... 44143-2182 440-395-4460 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO <i>(Name)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i>
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### POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

#### OFFICERS

<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
DAVID JAMES SKOVE	PRESIDENT	DANE ALLEN SHRALLOW	SECRETARY
THOMAS ALFRED KING	TREASURER		

#### OTHER

MARY BETH ANDREANO	(VICE PRESIDENT)	KAREN BARONE BAILO	(VICE PRESIDENT)
KATHLEEN MARY CERNY	(ASST. SECRETARY)	SARAH ELIZABETH FRYE	(VICE PRESIDENT)
JAMES LEE KUSMER	(ASST. TREASURER)		

#### DIRECTORS OR TRUSTEES

KAREN BARONE BAILO	RICHARD RUSSELL CRAWLEY	KATHRYN MARGARET LEMIEUX	DAVID LLOYD PRATT
DAVID JAMES SKOVE			

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

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

_____ (Signature) DAVID JAMES SKOVE 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHLEEN MARY CERNY 2. (Printed Name) ASSISTANT SECRETARY _____ (Title)	_____ (Signature) THOMAS ALFRED KING 3. (Printed Name) TREASURER _____ (Title)
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Subscribed and sworn to before me  
This 6TH day of MAY, 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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	130,831,301		130,831,301	175,475,935
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0), cash equivalents (\$.....0) and short-term investments (\$.....0).....			.0	
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....	24,887,053		24,887,053	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	155,718,354	.0	155,718,354	175,475,935
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	626,001		626,001	902,375
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	25,726,257	4,199,632	21,526,625	22,097,616
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	141,634,290		141,634,290	130,963,564
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	6,689,455		6,689,455	7,802,455
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.....	8,065,857		8,065,857	8,206,036
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.....	60,974,820		60,974,820	40,858,375
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	4,025,820	107,331	3,918,489	3,746,013
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	403,460,854	4,306,963	399,153,891	390,052,369
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	403,460,854	4,306,963	399,153,891	390,052,369

## DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. FLORIDA HURRICANE CATASTROPHE FUND ASSETS.....	3,895,781		3,895,781	3,616,202
2502. STATE UNEARNED SURCHARGE RECOVERABLE.....	22,708		22,708	22,665
2503. MISCELLANEOUS OTHER ASSETS.....	55,553	55,553	.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	51,778	51,778	.0	107,146
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	4,025,820	107,331	3,918,489	3,746,013

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....15,130,539).....	66,340,331	66,019,525
2. Reinsurance payable on paid losses and loss adjustment expenses.....	768,295	946,724
3. Loss adjustment expenses.....	13,220,409	12,920,145
4. Commissions payable, contingent commissions and other similar charges.....	96,436	254,629
5. Other expenses (excluding taxes, licenses and fees).....	7,787,996	6,892,917
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,371,476	1,361,868
7.1 Current federal and foreign income taxes (including \$....(296,381) on realized capital gains (losses)).....	1,229,941	1,044,177
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....311,700,494 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.....	58,114,057	55,923,857
10. Advance premium.....	13,334,495	10,922,806
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	3,651,083	11,789,294
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	62,565,876	55,620,020
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.....	9,580,917	7,905,967
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	238,061,312	231,601,929
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	238,061,312	231,601,929
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	60,254,816	60,254,816
35. Unassigned funds (surplus).....	98,337,763	95,695,624
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).....	161,092,579	158,450,440
38. Totals (Page 2, Line 28, Col. 3).....	399,153,891	390,052,369

**DETAILS OF WRITE-INS**

2501. FLORIDA HURRICANE CATASTROPHE FUND.....	7,702,292	6,973,379
2502. ESCHEATABLE PROPERTY.....	1,078,116	10,416
2503. STATE PLAN LIABILITY.....	721,097	587,254
2598. Summary of remaining write-ins for Line 25 from overflow page.....	79,412	334,918
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,580,917	7,905,967
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

# PROGRESSIVE AMERICAN INSURANCE COMPANY

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....302,253,778).....	280,531,411	250,760,533	1,043,646,323
1.2 Assumed..... (written \$.....50,198,057).....	48,007,857	46,192,230	188,222,270
1.3 Ceded..... (written \$.....302,253,778).....	280,531,411	250,760,533	1,043,646,323
1.4 Net..... (written \$.....50,198,057).....	48,007,857	46,192,230	188,222,270
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....29,121,630):			
2.1 Direct.....	174,040,914	145,770,208	614,191,055
2.2 Assumed.....	29,339,934	28,142,198	118,058,327
2.3 Ceded.....	174,040,914	145,770,208	614,191,055
2.4 Net.....	29,339,934	28,142,198	118,058,327
3. Loss adjustment expenses incurred.....	4,981,636	4,631,783	19,204,231
4. Other underwriting expenses incurred.....	10,233,561	10,141,781	40,150,569
5. Aggregate write-ins for underwriting deductions.....	0	0	990
6. Total underwriting deductions (Lines 2 through 5).....	44,555,131	42,915,762	177,414,117
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	3,452,726	3,276,468	10,808,153
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	474,753	358,005	1,744,076
10. Net realized capital gains (losses) less capital gains tax of \$.....(296,381).....	(550,424)	64,148	(38,184)
11. Net investment gain (loss) (Lines 9 + 10).....	(75,671)	422,153	1,705,892
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....120,533 amount charged off \$.....1,969,190).....	(1,848,657)	(1,929,794)	(9,058,680)
13. Finance and service charges not included in premiums.....	2,636,291	2,271,025	9,027,788
14. Aggregate write-ins for miscellaneous income.....	47,774	36,948	213,784
15. Total other income (Lines 12 through 14).....	835,408	378,179	182,892
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	4,212,463	4,076,800	12,696,937
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).....	4,212,463	4,076,800	12,696,937
19. Federal and foreign income taxes incurred.....	1,526,322	1,362,207	4,417,455
20. Net income (Line 18 minus Line 19) (to Line 22).....	2,686,141	2,714,593	8,279,482
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	158,450,440	140,860,075	140,860,075
22. Net income (from Line 20).....	2,686,141	2,714,593	8,279,482
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(140,179)	(1,690)	(4,273)
27. Change in nonadmitted assets.....	96,177	(14,871)	315,156
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			9,000,000
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	2,642,139	2,698,032	17,590,365
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	161,092,579	143,558,107	158,450,440
<b>DETAILS OF WRITE-INS</b>			
0501. LOSS ON COMMUTATION.....			990
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	990
1401. MISCELLANEOUS INCOME.....	41,644	25,040	174,509
1402. INTEREST INCOME ON INTERCOMPANY BALANCES.....	3,315	10,150	28,727
1403. SERVICE BUSINESS REVENUE.....	2,815	1,758	10,548
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	47,774	36,948	213,784
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	34,895,194	38,373,777	187,201,513
2. Net investment income.....	961,745	670,563	2,369,047
3. Miscellaneous income.....	442,244	14,234	184,900
4. Total (Lines 1 through 3).....	36,299,183	39,058,574	189,755,460
5. Benefit and loss related payments.....	28,084,557	27,207,645	115,116,939
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	14,168,440	13,649,911	57,764,400
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....(80,997) tax on capital gains (losses).....	1,044,177	1,115,793	4,481,428
10. Total (Lines 5 through 9).....	43,297,174	41,973,349	177,362,767
11. Net cash from operations (Line 4 minus Line 10).....	(6,997,991)	(2,914,775)	12,392,693
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	68,589,701	21,495,843	73,068,413
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).....	68,589,701	21,495,843	73,068,413
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	25,002,489		104,667,034
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	24,887,053	191,750	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	49,889,542	191,750	104,667,034
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	18,700,159	21,304,093	(31,598,621)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			9,000,000
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(11,702,168)	(18,461,652)	3,964,688
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(11,702,168)	(18,461,652)	12,964,688
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	0	(72,335)	(6,241,240)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(0)	6,241,240	6,241,240
19.2 End of period (Line 18 plus Line 19.1).....	(0)	6,168,905	(0)

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

20.0001 .....			
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## NOTES TO FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive American 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	March 31, 2014	December 31, 2013
<b>Net income</b>			
(1) Net income, state basis	OH	\$ 2,686,141	\$ 8,279,482
(2) Effect of state prescribed practices		--	--
(3) Effect of state permitted practices		--	--
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 2,686,141	\$ 8,279,482
<b>Surplus</b>			
(5) Policyholders' surplus, state basis	OH	\$ 161,092,579	\$ 158,450,440
(6) Effect of state prescribed practices		--	--
(7) Effect of state permitted practices		--	--
(8) Policyholders' surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 161,092,579	\$ 158,450,440

## 2. Accounting Changes and Corrections of Errors

No significant change

## 3. Business Combinations and Goodwill

No significant change

## 4. Discontinued Operations

No significant change

## 5. Investments

## D. Loan-Backed Securities

The Company does not own any loan-backed or structured debt securities.

## E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

## I. Working Capital Finance Investments

Not applicable

## 6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change

## 7. Investment Income

No significant change

## 8. Derivative Instruments

No significant change

## 9. Income Taxes

No significant change

## 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change

## 11. Debt

## B. Federal Home Loan Bank Agreements

Not applicable

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

## A. Defined Benefit Plan

Not applicable

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

No significant change

## 14. Contingencies

## F. All Other Contingencies

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and loss adjustment expense ("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.

**NOTES TO FINANCIAL STATEMENTS**

The following is a discussion of potentially significant pending cases at March 31, 2014. The Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of March 31, 2014, there were two putative class action lawsuits challenging the Company's practice in Florida of adjusting personal injury protection and first-party medical payments.

As of March 31, 2014, 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

No significant change

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

No significant change

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

## B. Transfer 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 reporting period.

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

No significant change

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

No significant change

## 20. Fair Value Measurements

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

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

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

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

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

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

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

As of March 31, 2014 the Company did not measure and report any securities at fair value on the balance sheet. All bonds were carried at amortized cost.

## 2. Roll forward of Level 3 Items

Not applicable

## 3. Policy on Transfers Into and Out of Level 3

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

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

See Note 20A above.

## 5. Derivative Fair Values

Not applicable

## B. Other Fair Value Disclosures

Not applicable

**NOTES TO FINANCIAL STATEMENTS**

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

The table below represents the fair value of all financial instruments at March 31, 2014, 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	\$ 131,493,861	\$ 130,831,301	\$ 98,183,957	\$ 33,309,904	\$ --	\$ --
Total	\$ 131,493,861	\$ 130,831,301	\$ 98,183,957	\$ 33,309,904	\$ --	\$ --

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

Not applicable

## 21. Other Items

## G. Offsetting and Netting of Assets and Liabilities

Not applicable

## I. Risk Sharing Provisions of the Affordable Care Act

Not applicable

## J. Agents' Balances Certification, Florida Statute 625.012 (5):

At March 31, 2014, the Company reported net admitted premiums and agents' balances in course of collection of \$21,526,625. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

## 22. Events Subsequent

Subsequent events have been considered through May 9, 2014 for the statutory statement that was available for issuance by May 15, 2014. There were no subsequent events to report.

## 23. Reinsurance

No significant change

## 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change

## 25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years increased by \$608,380 in 2014, which is less than 1% of the total prior year net unpaid losses and LAE of \$78,939,670. The unfavorable development is primarily due to passenger auto liability originally anticipated severity for accident year 2013 and 2012 increasing by 0.8% and 0.4% respectively. The LAE reserves developed unfavorably primarily due to unfavorable adjusting and other expense reserve development.

## 26. Intercompany Pooling Arrangements

No significant change

## 27. Structured Settlements

No significant change

## 28. Health Care Receivables

No significant change

## 29. Participating Accident and Health Policies

No significant change

## 30. Premium Deficiency Reserves

No significant change

## 31. High Deductibles

No significant change

## 32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No significant change

## 33. Asbestos and Environmental Reserves

No significant change

## 34. Subscriber Savings Accounts

No significant change

## 35. Multiple Peril Crop Insurance

No significant change

## **NOTES TO FINANCIAL STATEMENTS**

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36. Financial Guaranty Insurance
- B. Schedule of Insured Financial Obligations at the End of the Period
- Not applicable

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 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 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

\_\_\_\_\_

\_\_\_\_\_

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ X ] N/A [ ]  
If yes, attach an explanation.

\_\_\_\_\_

\_\_\_\_\_

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2012.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2012.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....8/6/2013.....

- 6.4 By what department or departments?  
OHIO

\_\_\_\_\_

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [ X ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] No [ ] N/A [ ]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 7.2 If yes, give full information:

\_\_\_\_\_

\_\_\_\_\_

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

\_\_\_\_\_

\_\_\_\_\_

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.

- 9.11 If the response to 9.1 is No, please explain:

\_\_\_\_\_

\_\_\_\_\_

- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

\_\_\_\_\_

\_\_\_\_\_

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

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

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**PART 1 - FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No

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

**PART 1 - INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes  No

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

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12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

13. Amount of real estate and mortgages held in short-term investments: \$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$ .....0	\$ .....0
14.22 Preferred Stock.....	\$ .....0	\$ .....0
14.23 Common Stock.....	\$ .....0	\$ .....0
14.24 Short-Term Investments.....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate.....	\$ .....0	\$ .....0
14.26 All Other.....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$ .....0	\$ .....0

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

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

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16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0
- 16.3 Total payable for securities lending reported on the liability page: \$.....0

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes  No

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET NEW YORK, NY 10013

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
NONE		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes  No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE			

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
NONE		

**PART 1 - INVESTMENT**

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

Yes [X] No [ ]

18.2 If no, list exceptions:

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**PROGRESSIVE AMERICAN INSURANCE COMPANY  
GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]  
If yes, attach an explanation.

\_\_\_\_\_

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
If yes, attach an explanation.

\_\_\_\_\_

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto:

\_\_\_\_\_

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]  
4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent 0.0 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

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

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

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

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

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
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**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	N						
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	E						
5. California.....CA	N						
6. Colorado.....CO	L						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	L	292,962,500	261,590,011	157,563,240	128,758,829	355,262,219	324,091,633
11. Georgia.....GA	L	4,104,619	4,709,736	2,007,543	2,696,005	4,675,248	5,553,713
12. Hawaii.....HI	L						
13. Idaho.....ID	N						
14. Illinois.....IL	L			(140)	(70)		
15. Indiana.....IN	L						(3)
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	L						
19. Louisiana.....LA	N					6,842	
20. Maine.....ME	E						
21. Maryland.....MD	L	2,497,808	3,256,280	1,867,343	2,669,219	5,249,165	7,223,351
22. Massachusetts.....MA	E						
23. Michigan.....MI	L						
24. Minnesota.....MN	N						
25. Mississippi.....MS	L						
26. Missouri.....MO	E						
27. Montana.....MT	E						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	E						
33. New York.....NY	Q					141,002	141,002
34. North Carolina.....NC	L	1,554,177	1,757,895	958,499	1,078,733	1,873,532	1,826,393
35. North Dakota.....ND	E						
36. Ohio.....OH	L						
37. Oklahoma.....OK	L						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	N						
43. Tennessee.....TN	N						
44. Texas.....TX	N						
45. Utah.....UT	E						
46. Vermont.....VT	N						
47. Virginia.....VA	L	963,445	1,192,449	405,375	694,782	1,124,410	2,190,096
48. Washington.....WA	L	171,230	175,004	28,480	59,782	287,974	187,220
49. West Virginia.....WV	N						
50. Wisconsin.....WI	E						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....(a) 15		302,253,778	272,681,374	162,830,340	135,957,280	368,620,392	341,213,407

**DETAILS OF WRITE-INS**

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

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

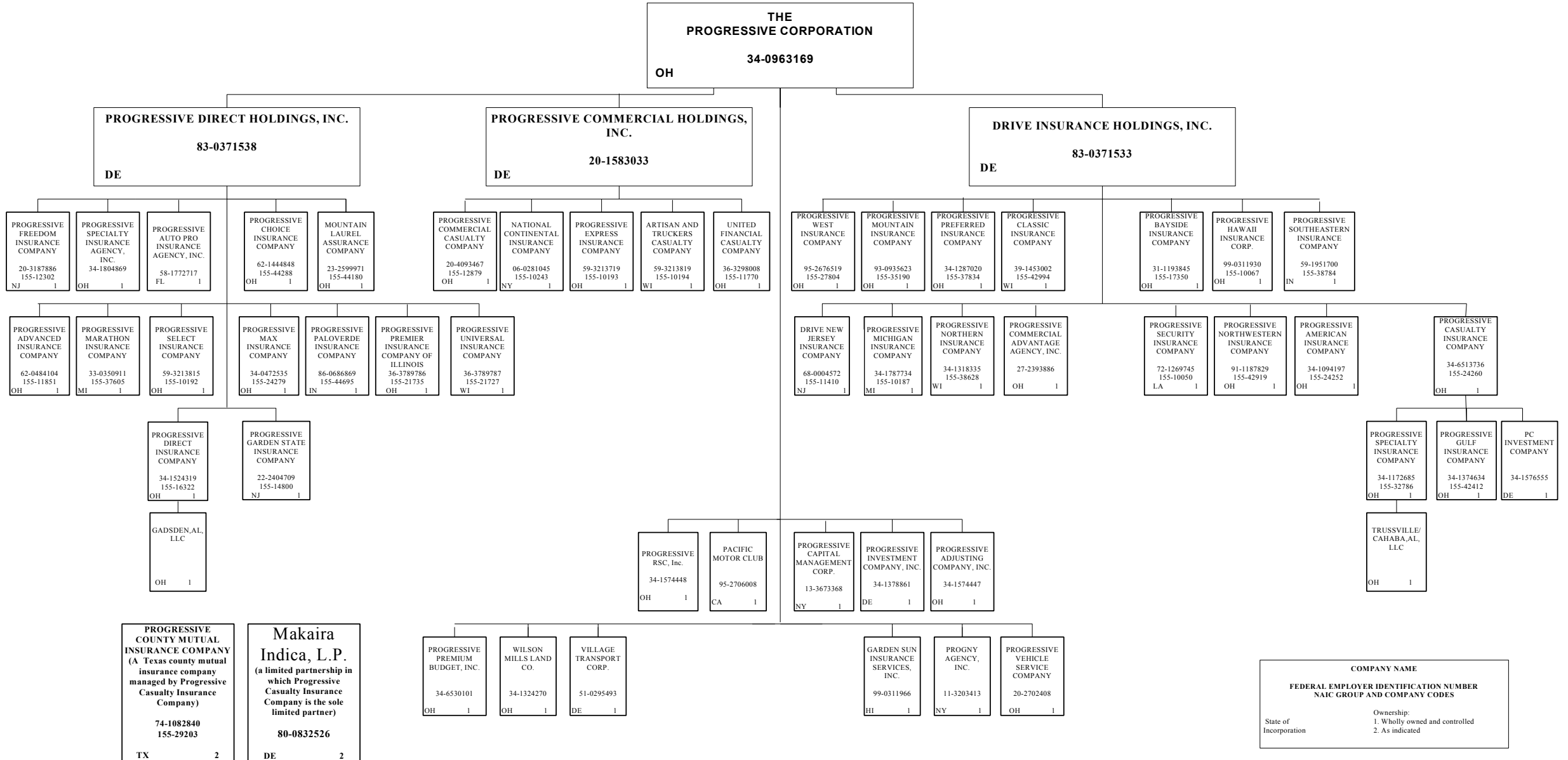
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

**PART 1 – ORGANIZATIONAL CHART**

Q11



**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
<b>Members</b>														
0155.....	The Progressive Insurance Group...	00000.....	34-0963169		0000080661	New York Stock Exchange..	The Progressive Corporation.....	OH.....	UIP.....	Board, Management.....	Board.....		The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371533				Drive Insurance Holdings, Inc.....	DE.....	UDP.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11410.....	68-0004572				Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24252.....	34-1094197				Progressive American Insurance Company.....	OH.....	RE.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	17350.....	31-1193845				Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24260.....	34-6513736				Progressive Casualty Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1576555				PC Investment Company.....	DE.....	NIA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	29203.....	74-1082840				Progressive County Mutual Insurance Company.....	TX.....	IA.....	Progressive Casualty Insurance Company.....	Management.....		The Progressive Corporation.	2, 3.....
0155.....	The Progressive Insurance Group...	42412.....	34-1374634				Progressive Gulf Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	32786.....	34-1172685				Progressive Specialty Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-5716113				Trussville/Cahaba, AL , LLC.....	OH.....	NIA.....	Progressive Specialty Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42994.....	39-1453002				Progressive Classic Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10067.....	99-0311930				Progressive Hawaii Insurance Corp.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10187.....	34-1787734				Progressive Michigan Insurance Company.....	MI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	35190.....	93-0935623				Progressive Mountain Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38628.....	34-1318335				Progressive Northern insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42919.....	91-1187829				Progressive Northwestern Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37834.....	34-1287020				Progressive Preferred Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10050.....	72-1269745				Progressive Security Insurance Company.....	LA.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38784.....	59-1951700				Progressive Southeastern Insurance Company.....	IN.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	27804.....	95-2676519				Progressive West Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	27-2393886				Progressive Commercial Advantage Agency, Inc.....	OH.....	NIA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-1583033				Progressive Commercial Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10194.....	59-3213819				Artisan and Truckers Casualty Company.....	WI.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10243.....	06-0281045				National Continental Insurance Company.....	NY.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	12879.....	20-4093467				Progressive Commercial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10193.....	59-3213719				Progressive Express Insurance Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11770.....	36-3298008				United Financial Casualty Company.....	OH.....	IA.....	Progressive Commercial Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371538				Progressive Direct Holdings, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44180.....	23-2599971				Mountain Laurel Assurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11851.....	62-0484104				Progressive Advanced Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	58-1772717				Progressive Auto Pro Insurance Agency, Inc.....	FL.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44288.....	62-1444848				Progressive Choice Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	16322.....	34-1524319				Progressive Direct Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-5716047				Gadsden, AL, LLC.....	OH.....	NIA.....	Progressive Direct Insurance Company.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	12302.....	20-3187886				Progressive Freedom Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....

Q12

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0155.....	The Progressive Insurance Group...	14800.....	22-2404709				Progressive Garden State Insurance Company.....	NJ.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37605.....	33-0350911				Progressive Marathon Insurance Company.....	MI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24279.....	34-0472535				Progressive Max Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	44695.....	86-0686869				Progressive Paloverde Insurance Company.....	IN.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	21735.....	36-3789786				Progressive Premier Insurance Company of Illinois.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10192.....	59-3213815				Progressive Select Insurance Company.....	OH.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1804869				Progressive Specialty Insurance Agency, Inc.....	OH.....	NIA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	21727.....	36-3789787				Progressive Universal Insurance Company.....	WI.....	IA.....	Progressive Direct Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	99-0311966				Garden Sun Insurance Services, ilc.....	HI.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	95-2706008				Pacific Motor Club.....	CA.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	11-3203413				PROGNY Agency, Inc.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1574447				Progressive Adjusting Company, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	13-3673368				Progressive Capital Management Corp.....	NY.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1378861				Progressive Investment Company, Inc.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-6530101				Progressive Premium Budget, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1574448				Progressive RSC, Inc.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-2702408				Progressive Vehicle Service Company.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	51-0295493				Village Transport Corp.....	DE.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1324270				Wilson Mills Land Co.....	OH.....	NIA.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	80-0832526				Makaira Indica, LP.....	CA.....	NIA.....	Progressive Casualty Insurance Company.....	Other.....	.....	The Progressive Corporation.	1, 3, 4.....

Q12.1

**Asterisk**

**Explanation**

1	Schedule Y Part 1A is a common schedule for all companies in The Progressive Insurance Group, however column 10 requires specific relationship information relative to the reporting entity.
2	Progressive County Mutual Insurance Company is a Texas county mutual insurance company that is managed, but not owned by Progressive Casualty Insurance Company.
3	None of the companies in The Progressive Insurance Group are Federally chartered or insured institutions and therefore, do not have Federal RSSD numbers.
4	Makaira Indica, LP is a limited partnership in which Progressive Casualty Insurance Company is the sole limited partner.

**PROGRESSIVE AMERICAN INSURANCE COMPANY**  
**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	6,725,923	1,903,073	28.3	29.4
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	2,960,770	854,655	28.9	88.1
17.2 Other liability-claims made.....	7	236,746	3,221,034.6	143,202.4
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.....	203,532,282	127,261,644	62.5	57.8
19.3, 19.4 Commercial auto liability.....	444,648	(41,591)	(9.4)	30.1
21. Auto physical damage.....	66,867,780	43,826,386	65.5	60.8
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	280,531,411	174,040,914	62.0	58.1

**DETAILS OF WRITE-INS**

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

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	6,431,251	6,431,251	5,806,864
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....	2,898,583	2,898,583	2,594,230
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....	218,007,396	218,007,396	201,982,304
19.3 19.4 Commercial auto liability.....	552,827	552,827	643,626
21. Auto physical damage.....	74,363,722	74,363,722	61,654,350
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	302,253,778	302,253,778	272,681,374

**DETAILS OF WRITE-INS**

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

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + Prior.....	12,110	2,519	14,629	2,363	51	2,414	9,914	260	2,074	12,248	168	(135)	33
2. 2012.....	14,751	3,200	17,951	2,881	107	2,988	11,731	708	2,512	14,951	(139)	127	(12)
3. Subtotals 2012 + Prior.....	26,861	5,719	32,580	5,245	157	5,402	21,645	968	4,586	27,199	29	(8)	20
4. 2013.....	34,627	11,732	46,359	10,564	1,510	12,074	24,207	3,436	7,231	34,874	143	445	588
5. Subtotals 2013 + Prior.....	61,488	17,451	78,940	15,808	1,667	17,476	45,852	4,403	11,817	62,072	172	436	608
6. 2014.....	XXX	XXX	XXX	XXX	16,225	16,225	XXX	11,829	5,659	17,489	XXX	XXX	XXX
7. Totals.....	61,488	17,451	78,940	15,808	17,892	33,700	45,852	16,232	17,476	79,561	172	436	608
8. Prior Year-End's Surplus As Regards Policyholders	158,450										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....0.3 %	2. ....2.5 %	3. ....0.8 %
													Col. 13, Line 7 Line 8
													4. ....0.4 %

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# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

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

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**



Statement for March 31, 2014 of the **PROGRESSIVE AMERICAN INSURANCE COMPANY**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. PREPAID EXPENSES.....	.....51,778	.....51,778	.....0	.....
2505. STATE TAX CREDITS.....	.....	.....	.....0	.....107,146
2597. Summary of remaining write-ins for Line 25.....	.....51,778	.....51,778	.....0	.....107,146

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2504. OTHER LIABILITIES.....	.....77,683	.....332,593
2505. UNEARNED FEE RESERVE.....	.....1,729	.....2,325
2597. Summary of remaining write-ins for Line 25.....	.....79,412	.....334,918

**PROGRESSIVE AMERICAN INSURANCE COMPANY  
SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	175,475,935	144,639,465
2. Cost of bonds and stocks acquired.....	25,002,489	104,667,034
3. Accrual of discount.....	21,115	113,733
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(846,804)	(45,827)
6. Deduct consideration for bonds and stocks disposed of.....	68,589,701	73,068,413
7. Deduct amortization of premium.....	231,733	830,057
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	130,831,301	175,475,935
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	130,831,301	175,475,935

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	175,475,932	25,002,489	69,436,505	(210,615)	130,831,301			175,475,932
2. NAIC 2 (a).....								
3. NAIC 3 (a).....								
4. NAIC 4 (a).....								
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	175,475,932	25,002,489	69,436,505	(210,615)	130,831,301	0	0	175,475,932
<b>PREFERRED STOCK</b>								
8. NAIC 1.....								
9. NAIC 2.....								
10. NAIC 3.....								
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	175,475,932	25,002,489	69,436,505	(210,615)	130,831,301	0	0	175,475,932

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 <b>NONE</b> Per Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....		XXX.....			

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	6,241,240
2. Cost of short-term investments acquired.....		
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		6,000,000
7. Deduct amortization of premium.....		241,240
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**SCHEDULE E- VERIFICATION**

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of cash equivalents acquired.....		100,023,180
3. Accrual of discount.....		.22
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		100,023,202
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

**Sch. A-Pt 2**  
**NONE**

**Sch. A-Pt 3**  
**NONE**

**Sch. B-Pt 2**  
**NONE**

**Sch. B-Pt 3**  
**NONE**

**Sch. BA-Pt 2**  
**NONE**

**Sch. BA-Pt 3**  
**NONE**

### SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>									
912828 B4 1	US TREASURY NOTE 0.375% 01/31/16		01/24/2014	Barclays Capital		25,002,489	25,000,000		1
0599999	Total Bonds - U.S. Government					25,002,489	25,000,000	0	XXX
8399997	Total Bonds - Part 3					25,002,489	25,000,000	0	XXX
8399999	Total Bonds					25,002,489	25,000,000	0	XXX
9999999	Total Bonds, Preferred and Common Stocks					25,002,489	XXX	0	XXX

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

QE04

## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Government</b>																					
912828 A3 4	US TREASURY NOTE 1.250% 11/30/18.....		02/06/2014	Barclays Capital.....		2,177,055	2,200,000	2,170,438	2,170,733		579		579		2,171,311		5,743	5,743	5,213	11/30/2018	1.....
912828 A4 2	US TREASURY NOTE 2.000% 11/30/20.....		01/24/2014	Barclays Capital.....		9,889,063	10,000,000	9,862,500	9,863,599		1,266		1,266		9,864,865		24,198	24,198	31,868	11/30/2020	1.....
912828 B4 1	US TREASURY NOTE 0.375% 01/31/16.....		03/26/2014	Barclays Capital.....		7,998,125	8,000,000	8,000,796		(63)		(63)		8,000,733		(2,608)	(2,608)	4,558	01/31/2016	1.....	
912828 VA 5	US TREASURY NOTE 1.125% 04/30/20.....		01/24/2014	Barclays Capital.....		23,694,336	25,000,000	24,368,164	24,419,657		6,266		6,266		24,425,923		(731,587)	(731,587)	68,370	04/30/2020	1.....
912828 VQ 0	US TREASURY NOTE 1.375% 07/31/18.....		03/28/2014	Barclays Capital.....		24,830,078	25,000,000	24,969,920	24,972,276		1,396		1,396		24,973,673		(143,594)	(143,594)	228,850	07/31/2018	1.....
0599999	Total Bonds - U.S. Government.....					68,588,657	70,200,000	69,371,818	61,426,265	0	9,444	0	9,444	0	69,436,505	0	(847,848)	(847,848)	338,859	XXX...	XXX...
<b>Bonds - Industrial and Miscellaneous</b>																					
98157D AH 9	WORLDCOM INC 6.5% 05/15/2004.....		01/01/2014	Class Action Litigation.....		1,044							0				1,044	1,044		05/15/2004	1FE.....
3899999	Total Bonds - Industrial and Miscellaneous.....					1,044	0	0	0	0	0	0	0	0	0	0	1,044	1,044	0	XXX...	XXX...
8399997	Total Bonds - Part 4.....					68,589,701	70,200,000	69,371,818	61,426,265	0	9,444	0	9,444	0	69,436,505	0	(846,804)	(846,804)	338,859	XXX...	XXX...
8399999	Total Bonds.....					68,589,701	70,200,000	69,371,818	61,426,265	0	9,444	0	9,444	0	69,436,505	0	(846,804)	(846,804)	338,859	XXX...	XXX...
9999999	Total Bonds, Preferred and Common Stocks.....					68,589,701	XXX.....	69,371,818	61,426,265	0	9,444	0	9,444	0	69,436,505	0	(846,804)	(846,804)	338,859	XXX...	XXX...

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

QE05

**Sch. DB-Pt A-Sn 1  
NONE**

**Sch. DB-Pt A-Sn 1-Footer A  
NONE**

**Sch. DB-Pt A-Sn 1-Footer B  
NONE**

**Sch. DB-Pt B-Sn 1  
NONE**

**Sch. DB-Pt B-Sn 1-Footer A  
NONE**

**Sch. DB-Pt B-Sn 1-Footer B  
NONE**

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

**Sch. DB-Pt D-Sn 1  
NONE**

**Sch. DB-Pt D-Sn 2  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

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

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year

NONE