



# QUARTERLY STATEMENT

As of March 31, 2014

of the Condition and Affairs of the

## PROGRESSIVE SPECIALTY INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 32786	Employer's ID Number..... 34-1172685
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... August 4, 1975	Commenced Business..... May 26, 1976	
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>
	FINANCIAL_REPORTING@PROGRESSIVE.COM <i>(E-Mail Address)</i>	440-446-7168 <i>(Fax Number)</i>

### 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	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

KAREN BARONE BAILO	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) 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)
--	--	---

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.....	468,460,088		468,460,088	523,944,119
2. Stocks:				
2.1 Preferred stocks.....	27,644,775		27,644,775	26,420,775
2.2 Common stocks.....	133,478,337		133,478,337	144,576,851
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 (\$.....69,399,184) and short-term investments (\$.....110,231).....	69,509,415		69,509,415	436,826
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	8,801,320	8,801,320	0	
9. Receivables for securities.....	14,068,193		14,068,193	
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).....	721,962,128	8,801,320	713,160,808	695,378,571
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,541,144		2,541,144	4,178,499
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	38,500,741	9,195,824	29,304,917	29,439,310
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	182,543,972		182,543,972	168,850,883
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,135,087		2,135,087	8,011,819
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.....	3,638,156		3,638,156	6,079,963
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.....	47,058,669		47,058,669	26,996,000
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	3,768,178	1,502,555	2,265,623	2,341,662
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,002,148,076	19,499,699	982,648,376	941,276,707
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,002,148,076	19,499,699	982,648,376	941,276,707

## DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. STATE TAX CREDITS.....	2,046,000		2,046,000	2,046,000
2502. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS.....	219,623		219,623	295,662
2503. MISCELLANEOUS OTHER ASSETS.....	1,337,051	1,337,051	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	165,504	165,504	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,768,178	1,502,555	2,265,623	2,341,662

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....52,956,888).....	232,191,159	231,068,338
2. Reinsurance payable on paid losses and loss adjustment expenses.....	2,689,040	3,313,520
3. Loss adjustment expenses.....	46,271,431	45,220,509
4. Commissions payable, contingent commissions and other similar charges.....	337,525	891,200
5. Other expenses (excluding taxes, licenses and fees).....	27,283,240	24,137,291
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,800,167	4,766,538
7.1 Current federal and foreign income taxes (including \$.....1,464,227 on realized capital gains (losses)).....	7,130,626	5,768,686
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 \$.....320,304,327 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.....	203,399,200	195,733,501
10. Advance premium.....	8,379,910	5,357,069
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,460,435	97,085
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	353,122	358,965
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.....	35,755,739	36,678,906
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.....	2,146,341	1,660,827
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	572,197,935	555,052,435
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	572,197,935	555,052,435
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,500,000	3,500,000
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.....	135,317,277	129,725,749
35. Unassigned funds (surplus).....	271,633,164	252,998,523
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).....	410,450,441	386,224,272
38. Totals (Page 2, Line 28, Col. 3).....	982,648,376	941,276,707

## DETAILS OF WRITE-INS

2501. OTHER LIABILITIES.....	1,794,078	1,646,862
2502. ESCHEATABLE PROPERTY.....	346,210	8,136
2503. UNEARNED FEE RESERVE.....	6,053	5,829
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,146,341	1,660,827
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 to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....280,501,920).....	262,583,986	243,418,691	1,008,878,700
1.2 Assumed..... (written \$.....175,693,200).....	168,027,501	161,672,805	658,777,947
1.3 Ceded..... (written \$.....280,501,920).....	262,583,986	243,418,691	1,008,878,700
1.4 Net..... (written \$.....175,693,200).....	168,027,501	161,672,805	658,777,947
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....101,925,703):			
2.1 Direct.....	174,881,360	158,435,248	644,123,341
2.2 Assumed.....	102,689,771	98,497,692	413,204,145
2.3 Ceded.....	174,881,360	158,435,248	644,123,341
2.4 Net.....	102,689,771	98,497,692	413,204,145
3. Loss adjustment expenses incurred.....	17,435,725	16,211,241	67,214,807
4. Other underwriting expenses incurred.....	35,817,464	35,496,232	140,526,991
5. Aggregate write-ins for underwriting deductions.....	0	0	3,466
6. Total underwriting deductions (Lines 2 through 5).....	155,942,960	150,205,165	620,949,409
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	12,084,541	11,467,640	37,828,538
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	3,739,181	5,959,992	18,784,744
10. Net realized capital gains (losses) less capital gains tax of \$.....1,464,227.....	2,746,579	16,843,774	42,712,421
11. Net investment gain (loss) (Lines 9 + 10).....	6,485,760	22,803,766	61,497,165
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....206,909 amount charged off \$.....4,169,024).....	(3,962,115)	(3,478,619)	(16,300,473)
13. Finance and service charges not included in premiums.....	6,877,741	6,437,822	27,000,167
14. Aggregate write-ins for miscellaneous income.....	159,321	104,551	675,811
15. Total other income (Lines 12 through 14).....	3,074,947	3,063,754	11,375,505
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	21,645,248	37,335,160	110,701,208
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).....	21,645,248	37,335,160	110,701,208
19. Federal and foreign income taxes incurred.....	5,666,399	7,210,851	23,714,191
20. Net income (Line 18 minus Line 19) (to Line 22).....	15,978,849	30,124,309	86,987,017
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	386,224,272	467,321,193	467,321,193
22. Net income (from Line 20).....	15,978,849	30,124,309	86,987,017
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....116,963.....	96,395	87,509	2,448,145
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(2,324,844)	(6,627,648)	(13,034,798)
27. Change in nonadmitted assets.....	4,884,241	4,910,432	(1,151,969)
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.....	5,591,528	7,203,517	23,654,684
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			(180,000,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	24,226,169	35,698,119	(81,096,921)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	410,450,441	503,019,312	386,224,272
<b>DETAILS OF WRITE-INS</b>			
0501. LOSS ON COMMUTATION.....			3,466
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	3,466
1401. MISCELLANEOUS INCOME.....	145,749	87,641	610,784
1402. SERVICE BUSINESS REVENUE.....	9,853	6,151	36,918
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	3,719	10,759	28,109
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).....	159,321	104,551	675,811
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.....	167,429,355	159,878,595	648,520,497
2. Net investment income.....	6,027,731	10,651,409	31,065,601
3. Miscellaneous income.....	2,374,341	2,408,046	11,900,685
4. Total (Lines 1 through 3).....	175,831,427	172,938,050	691,486,783
5. Benefit and loss related payments.....	96,314,698	92,485,603	402,294,807
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	49,576,365	47,775,050	202,175,397
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....305,032 tax on capital gains (losses).....	5,768,686	7,229,334	25,644,641
10. Total (Lines 5 through 9).....	151,659,749	147,489,987	630,114,845
11. Net cash from operations (Line 4 minus Line 10).....	24,171,678	25,448,063	61,371,938
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	81,527,921	152,830,991	448,168,833
12.2 Stocks.....	14,515,428	26,140,285	68,380,675
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....	99,000	98,000	188,000
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).....	96,142,349	179,069,276	516,737,508
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	25,085,000	195,089,253	433,609,336
13.2 Stocks.....	1,706,008	100,420	4,534,753
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	14,068,193	771,294	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	40,859,201	195,960,967	438,144,089
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).....	55,283,148	(16,891,691)	78,593,419
<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.....	5,591,528	7,203,517	23,654,684
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			180,000,000
16.6 Other cash provided (applied).....	(15,973,766)	(5,499,388)	5,901,525
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(10,382,238)	1,704,129	(150,443,791)
<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).....	69,072,589	10,260,501	(10,478,434)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	436,826	10,915,260	10,915,260
19.2 End of period (Line 18 plus Line 19.1).....	69,509,415	21,175,761	436,826

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

20.0001			
---------	--	--	--

**NOTES TO FINANCIAL STATEMENTS**

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Specialty 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	\$ 15,978,849	\$ 86,987,017
(2) Effect of state prescribed practices		--	--
(3) Effect of state permitted practices		--	--
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 15,978,849	\$ 86,987,017
<b>Surplus</b>			
(5) Policyholders' surplus, state basis	OH	\$ 410,450,441	\$ 386,224,272
(6) Effect of state prescribed practices		--	--
(7) Effect of state permitted practices		--	--
(8) Policyholders' surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 410,450,441	\$ 386,224,272

## 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 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.
- Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment  
Not applicable
- As of March 31, 2014, the Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.
- As of March 31, 2014, the Company had \$673,563 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 March 31, 2014, 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	\$ 626,112
2. Twelve months or longer	47,451
Total	\$ 673,563
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 57,843,613
2. Twelve months or longer	9,306,273
Total	\$ 67,149,886

- 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

## I. Working Capital Finance Investments

Not applicable

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

No significant change

## NOTES TO FINANCIAL STATEMENTS

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  
D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits  
The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits.
- | Description                                  | Direct    |
|--|-----------|
| Claims related ECO and bad faith losses paid | \$ 30,000 |
- The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during the reporting period.
- | (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
| X                  |                     |                      |                       |                             |
- (f) Per Claim [ ] (g) Per Claimant [x]
- 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.  
The following is a discussion of potentially significant pending cases at March 31, 2014. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.  
As of March 31, 2014, the Company was defending two putative statewide class action lawsuits alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.  
As of March 31, 2014, there was a putative class action lawsuit challenging the manner in which the Company grants a discount for anti-theft devices.
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

## NOTES TO FINANCIAL STATEMENTS

## 20. Fair Value Measurements

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

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

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

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

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

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

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 March 31, 2014:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds Industrial & Miscellaneous	\$ --	\$ 93,725	\$ --	\$ 93,725
Common stock Industrial & Miscellaneous	133,478,337	--	--	133,478,337
Preferred stock Industrial & Miscellaneous	--	18,924,000	--	18,924,000
Total assets at fair value	\$ 133,478,337	\$ 19,017,725	\$ --	\$ 152,496,062
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

This table excludes investment in Trussville/Cahaba as this investment is reported on the equity basis as described in the *Purposes and Procedures Manual of the Securities Valuation Office* of the NAIC.

## 2. Roll forward of Level 3 Items

Not applicable

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

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

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

See Note 20A above.

## 5. Derivative Fair Values

Not applicable

## B. Other Fair Value Disclosures

Not applicable

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

The table below represents the fair value of all financial instruments at 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	\$ 468,978,996	\$ 468,460,088	\$ 85,564,256	\$ 383,414,740	\$ --	\$ --
Cash equivalents	69,399,184	69,399,184	69,399,184	--	--	--
Short term investments	110,231	110,231	110,231	--	--	--
Common stock	133,478,337	133,478,337	133,478,337	--	--	--
Preferred stock	39,136,360	27,644,775	--	39,136,360	--	--
Total	\$ 711,103,108	\$ 699,092,615	\$ 288,552,008	\$ 422,551,100	\$ --	\$ --

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

Not applicable

## NOTES TO FINANCIAL STATEMENTS

21. Other Items
- C. Other Disclosures
1. Nonadmitted Other Invested Assets
- In accordance with reporting and admissibility requirements of SSAP No. 48, Joint Ventures, Partnerships, and Limited Liability Companies and SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, the Company nonadmits its investment in Trussville/Cahaba.
- 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 \$29,304,917. 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 \$2,129,330 in 2014, which is less than 1% of the total prior year net unpaid losses and LAE of \$276,288,847. 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
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).

---



---

**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 [ X ] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....47,058,669

**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 [ X ]

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

---



---

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

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ X ] 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.....	\$ .....9,021,142	\$ .....8,801,320
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....9,021,142	\$ .....8,801,320
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 [ X ]

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

---



---

16. For the reporting entity's security lending program, state the amount of the following as 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 [ X ] 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
STATE STREET	801 PENNSYLVANIA AVE KANSAS CITY, MO 64105

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 [ X ]

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
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST BOSTON, MA 02110

**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 [] No []

18.2 If no, list exceptions:

---

---

**PROGRESSIVE SPECIALTY 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

**PROGRESSIVE SPECIALTY INSURANCE COMPANY**  
**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
------------------------------	-------------------	------------------------	----------------------------------	---------------------------	---	---

**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	L	39,220,929	38,499,157	20,391,407	21,485,170	55,565,561	49,470,768
2. Alaska.....AK	L	5,904,322	6,295,097	3,930,908	4,383,715	9,059,707	10,364,081
3. Arizona.....AZ	L						
4. Arkansas.....AR	L	58,523	63,066	39,020	27,170	72,717	96,580
5. California.....CA	L				(1,029)		
6. Colorado.....CO	L	440,470	479,629	181,474	443,594	536,288	518,467
7. Connecticut.....CT	L						
8. Delaware.....DE	L						
9. District of Columbia.....DC	L						
10. Florida.....FL	L			(1,293)	(2,362)		
11. Georgia.....GA	L						
12. Hawaii.....HI	L	387,803	436,906	83,376	203,867	451,782	921,443
13. Idaho.....ID	L						
14. Illinois.....IL	L			(233)	(475)		
15. Indiana.....IN	L			(225)	(3,730)		
16. Iowa.....IA	L						
17. Kansas.....KS	L						
18. Kentucky.....KY	L						2,713
19. Louisiana.....LA	N						
20. Maine.....ME	L						
21. Maryland.....MD	L	13,521,382	12,163,091	7,098,438	6,585,810	17,879,682	15,083,006
22. Massachusetts.....MA	N						
23. Michigan.....MI	L						
24. Minnesota.....MN	L	1,924,924	2,158,172	966,581	1,231,358	3,620,866	3,800,717
25. Mississippi.....MS	L						
26. Missouri.....MO	L				(449)	9	1,468
27. Montana.....MT	L	65,395	68,758	56,856	95,728	180,626	101,692
28. Nebraska.....NE	L						
29. Nevada.....NV	L	406,748	478,361	258,093	322,774	552,700	519,448
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	L						
32. New Mexico.....NM	L			(145)			
33. New York.....NY	L	48,301,889	43,176,839	27,978,110	23,171,703	59,374,380	49,730,982
34. North Carolina.....NC	N						
35. North Dakota.....ND	L						
36. Ohio.....OH	L	99,377,660	94,367,899	65,251,277	60,228,414	110,744,464	106,981,050
37. Oklahoma.....OK	L						
38. Oregon.....OR	L	7,679	8,631		19,652	(436)	3,278
39. Pennsylvania.....PA	L	69,518,397	61,535,257	43,897,310	39,870,583	83,082,175	76,088,207
40. Rhode Island.....RI	L						
41. South Carolina.....SC	L			(233)	(100)		
42. South Dakota.....SD	L						
43. Tennessee.....TN	L			(317)	(2,900)		
44. Texas.....TX	L						
45. Utah.....UT	L						
46. Vermont.....VT	L	367,646	400,687	186,493	323,294	869,100	1,041,554
47. Virginia.....VA	L	998,153	1,176,291	780,563	1,076,726	1,571,942	1,873,169
48. Washington.....WA	L			(1,007)	(876)		
49. West Virginia.....WV	L						
50. Wisconsin.....WI	L						
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) 46		280,501,920	261,307,842	171,096,454	159,457,639	343,561,561	316,598,622

**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;

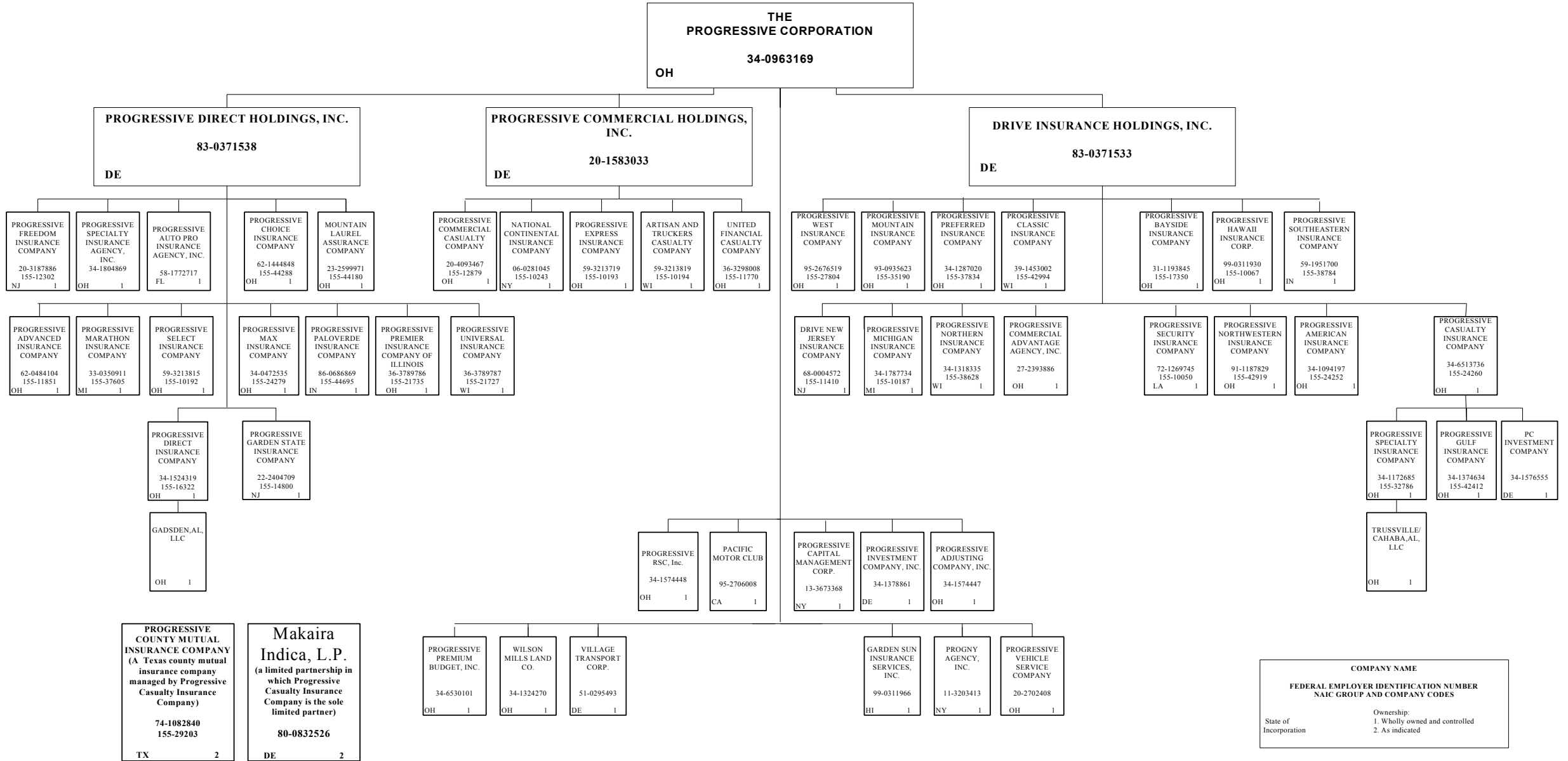
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(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



**COMPANY NAME**  
**FEDERAL EMPLOYER IDENTIFICATION NUMBER**  
**NAIC GROUP AND COMPANY CODES**

State of Incorporation

Ownership:  
1. Wholly owned and controlled  
2. As indicated

**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.....	UIP.....	The Progressive Corporation.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11410.....	68-0004572				Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24252.....	34-1094197				Progressive American Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	17350.....	31-1193845				Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24260.....	34-6513736				Progressive Casualty Insurance Company.....	OH.....	UDP.....	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.....	RE.....	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.....	DS.....	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 SPECIALTY 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.....	480,888	297,531	61.9	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	2,792,156	647,728	23.2	32.9
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	1,123,060	550,221	49.0	(1.0)
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....			0.0	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	161,161,059	100,689,993	62.5	63.6
19.3, 19.4 Commercial auto liability.....	6,255,335	3,528,094	56.4	62.2
21. Auto physical damage.....	90,771,489	69,167,793	76.2	69.9
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.....	262,583,986	174,881,360	66.6	65.1
<b>DETAILS OF WRITE-INS</b>				
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.....	2,191,734	2,191,734	
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	1,994,991	1,994,991	1,898,595
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.....	901,017	901,017	906,047
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.....	173,063,208	173,063,208	160,086,924
19.3 19.4 Commercial auto liability.....	6,801,889	6,801,889	7,355,711
21. Auto physical damage.....	95,549,081	95,549,081	91,060,564
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.....	280,501,920	280,501,920	261,307,842
<b>DETAILS OF WRITE-INS</b>			
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.....	42,384	8,818	51,202	8,272	178	8,449	34,701	909	7,257	42,867	588	(474)	114
2. 2012.....	51,630	11,200	62,830	10,084	373	10,458	41,058	2,478	8,793	52,329	(488)	444	(43)
3. Subtotals 2012 + Prior.....	94,014	20,017	114,032	18,356	551	18,907	75,759	3,386	16,050	95,196	100	(30)	71
4. 2013.....	121,195	41,062	162,257	36,973	5,285	42,258	84,724	12,025	25,308	122,057	502	1,557	2,059
5. Subtotals 2013 + Prior.....	215,210	61,079	276,289	55,329	5,836	61,165	160,483	15,411	41,359	217,253	603	1,527	2,129
6. 2014.....	XXX	XXX	XXX	XXX	56,786	56,786	XXX	41,402	19,807	61,210	XXX	XXX	XXX
7. Totals.....	215,210	61,079	276,289	55,329	62,623	117,952	160,483	56,813	61,166	278,463	603	1,527	2,129
8. Prior Year-End's Surplus As Regards Policyholders	386,224										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. ....0.6 %

Q14

# 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 SPECIALTY 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.....	165,504	165,504	0	0
2597. Summary of remaining write-ins for Line 25.....	165,504	165,504	0	0

**PROGRESSIVE SPECIALTY 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

**NONE**

**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

**NONE**

**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.....	9,021,142	9,210,431
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).....	(120,822)	(1,289)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....	99,000	188,000
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).....	8,801,320	9,021,142
12. Deduct total nonadmitted amounts.....	8,801,320	9,021,142
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.....	694,941,744	738,078,814
2. Cost of bonds and stocks acquired.....	26,791,008	438,144,089
3. Accrual of discount.....	83,614	609,610
4. Unrealized valuation increase (decrease).....	334,182	3,768,361
5. Total gain (loss) on disposals.....	4,210,806	43,280,497
6. Deduct consideration for bonds and stocks disposed of.....	96,043,349	516,549,508
7. Deduct amortization of premium.....	734,804	12,291,843
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		98,276
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	629,583,201	694,941,744
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	629,583,201	694,941,744

## 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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	391,564,428	96,057,383	71,924,577	(395,932)	415,301,302			391,564,428
2. NAIC 2 (a).....	132,775,221		9,895,108	(244,266)	122,635,847			132,775,221
3. NAIC 3 (a).....								
4. NAIC 4 (a).....								
5. NAIC 5 (a).....	41,298			(8,944)	32,354			41,298
6. NAIC 6 (a).....								
7. Total Bonds.....	524,380,947	96,057,383	81,819,685	(649,142)	537,969,503	0	0	524,380,947
<b>PREFERRED STOCK</b>								
8. NAIC 1.....								
9. NAIC 2.....	26,420,775			1,224,000	27,644,775			26,420,775
10. NAIC 3.....								
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	26,420,775	0	0	1,224,000	27,644,775	0	0	26,420,775
15. Total Bonds and Preferred Stock.....	550,801,722	96,057,383	81,819,685	574,858	565,614,278	0	0	550,801,722

QS102

(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 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	.....110,231	.....XXX.....	.....110,231	.....18	.....

**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.....	.....136,836	.....4,415,369
2. Cost of short-term investments acquired.....	.....1,575,163	.....3,235,093
3. Accrual of discount.....	.....	.....1,209
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....1,601,768	.....7,514,835
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).....	.....110,231	.....136,836
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....110,231	.....136,836

**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.....	299,990	6,499,891
2. Cost of cash equivalents acquired.....	69,397,220	19,298,545
3. Accrual of discount.....	1,974	1,554
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	300,000	25,500,000
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	69,399,184	299,990
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	69,399,184	299,990

**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. States, Territories and Possessions</b>									
882720 H4 0	TEXAS ST 0.080% 06/01/23.....		...03/06/2014	Goldman Sachs.....		.....5,650,000	.....5,650,000	.....33	1FE.....
882721 JW 4	TEXAS ST 0.090% 12/01/26.....		...03/06/2014	Goldman Sachs.....		.....19,435,000	.....19,435,000	.....5,048	1FE.....
1799999	Total Bonds - U.S. States, Territories and Possessions.....					.....25,085,000	.....25,085,000	.....5,081	.....XXX.....
8399997	Total Bonds - Part 3.....					.....25,085,000	.....25,085,000	.....5,081	.....XXX.....
8399999	Total Bonds.....					.....25,085,000	.....25,085,000	.....5,081	.....XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>									
172967 42 4	CITIGROUP INC.....		...03/25/2014	State Street Bank.....	.....3,400,000	.....170,911	.....XXX.....		L.....
31620R 10 5	FIDELITY NATIONAL TITLE CL A.....		...01/03/2014	State Street Bank.....	.....14,370	.....463	.....XXX.....		L.....
49926D 10 9	KNOWLES CORP.....		...03/03/2014	Spin Off.....	.....4,200,000	.....59,109	.....XXX.....		L.....
594918 10 4	MICROSOFT CORP.....		...03/25/2014	State Street Bank.....	.....32,800,000	.....1,318,180	.....XXX.....		L.....
68235P 10 8	ONE GAS INC.....		...02/03/2014	Spin Off.....	.....9,150,000	.....157,345	.....XXX.....		L.....
9099999	Total Common Stocks - Industrial and Miscellaneous.....					.....1,706,008	.....XXX.....	.....0	.....XXX.....
9799997	Total Common Stocks - Part 3.....					.....1,706,008	.....XXX.....	.....0	.....XXX.....
9799999	Total Common Stocks.....					.....1,706,008	.....XXX.....	.....0	.....XXX.....
9899999	Total Preferred and Common Stocks.....					.....1,706,008	.....XXX.....	.....0	.....XXX.....
9999999	Total Bonds, Preferred and Common Stocks.....					.....26,791,008	.....XXX.....	.....5,081	.....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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eig n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>																					
912828	KJ 8		03/31/2014	Maturity		7,970,000	7,970,000	7,983,365	7,970,540		(540)		(540)		7,970,000			0	69,738	03/31/2014	1
912828	QJ 2		03/28/2014	CSFBdirect		14,043,063	13,600,000	13,573,438	13,587,874		1,398		1,398		13,589,272		453,790	453,790	169,630	02/29/2016	1
912828	VP 2		01/24/2014	Barclays Capital		9,961,719	10,000,000	9,985,707	9,986,438		194		194		9,986,631		(24,913)	(24,913)	97,826	07/31/2020	1
0599999. Total Bonds - U.S. Government																					
						31,974,782	31,570,000	31,542,510	31,544,852	0	1,052	0	1,052	0	31,545,903	0	428,877	428,877	337,194	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
041083	JS 6		01/01/2014	Call	100.0000	270,000	270,000	279,337	271,509		(1,509)		(1,509)		270,000			0	6,750	01/01/2015	1FE
313921	6F 0		03/01/2014	Paydown		22,421	22,421	23,458	23,543		(1,122)		(1,122)		22,421			0	290	09/01/2041	1
31392C	MS 0		03/01/2014	Paydown		5,701	5,701	5,991	5,912		(211)		(211)		5,701			0	60	02/25/2042	1
462467	CU 3		01/02/2014	Call	100.0000	175,000	175,000	189,746	180,572		(5,572)		(5,572)		175,000			0	5,056	07/01/2017	1FE
46246B	JS 2		01/15/2014	Call	100.0000	80,000	80,000	83,570	80,566		(566)		(566)		80,000			0	2,156	12/01/2014	1FE
57419P	JD 2		03/24/2014	Call	100.0000	320,000	320,000	340,147	324,011		(4,011)		(4,011)		320,000			0	9,924	03/01/2016	1FE
60636X	WJ 8		03/01/2014	Call	100.0000	290,000	290,000	316,767	297,535		(7,535)		(7,535)		290,000			0	8,700	09/01/2016	1FE
63968M	FP 9		03/01/2014	Call	100.0000	1,275,000	1,275,000	1,293,322	1,291,272		(16,272)		(16,272)		1,275,000			0	16,115	03/01/2019	1FE
658207	CG 8		02/01/2014	Call	100.0000	610,000	610,000	653,682	615,393		(5,393)		(5,393)		610,000			0	20,460	01/01/2015	1FE
65888M	6B 2		01/01/2014	Call	100.0000	620,000	620,000	653,790	621,932		(1,932)		(1,932)		620,000			0	17,050	01/01/2015	1FE
658909	CL 8		01/01/2014	Call	100.0000	315,000	315,000	325,430	321,403		(6,403)		(6,403)		315,000			0	7,088	07/01/2020	1FE
658909	EV 4		01/01/2014	Call	100.0000	5,000	5,000	5,207	5,194		(194)		(194)		5,000			0	57	07/01/2022	1FE
676907	KV 9		03/01/2014	Call	100.0000	160,000	160,000	170,766	162,544		(2,544)		(2,544)		160,000			0	4,400	09/01/2016	1FE
698476	ET 1		01/01/2014	Call	100.0000	295,000	295,000	295,000	294,635		365		365		295,000			0	799	10/01/2017	1FE
83712D	SL 1		01/01/2014	Call	100.0000	50,000	50,000	53,032	52,307		(2,307)		(2,307)		50,000			0	1,000	07/01/2019	1FE
3199999. Total Bonds - U.S. Special Revenue and Special Assessment																					
						4,493,122	4,493,122	4,689,245	4,548,328	0	(55,206)	0	(55,206)	0	4,493,122	0	0	0	99,905	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
02005B	AB 2		03/15/2014	Paydown		9,551,771	9,551,771	9,556,621	9,553,954		(2,183)		(2,183)		9,551,771			0	7,059	07/15/2015	1FE
07383F	Q5 0		03/01/2014	Paydown		1,352,235	1,352,235	1,459,357	1,365,958		(13,724)		(13,724)		1,352,235			0	14,197	07/11/2042	1FM
07387A	GH 2		03/01/2014	Paydown		45,618	86,095	53,512	53,512		(7,894)		(7,894)		45,618			0	190	05/25/2053	1FM
126673	BL 5		03/25/2014	Paydown/Return of Capital		113,722	113,722	7,782				0					113,722	113,722	467	08/25/2034	1FM
126673	QE 5		03/25/2014	Paydown		611,250	611,250	595,204	603,530		7,719		7,719		611,250			0	1,117	05/25/2036	1FM
22540V	G6 3		03/01/2014	Paydown		1,888	1,888	1,914	1,887	62	(62)		0		1,888			0	20	03/25/2040	1FM
33736X	BN 8		03/01/2014	Paydown/Return of Capital		817	817	4				0					817	817	1	10/15/2032	6*
33736X	CR 8		03/01/2014	Paydown				78				0						0		01/12/2043	5FE
36161H	AD 3		02/14/2014	Paydown		1,052,233	1,052,233	1,051,987	1,052,509		(275)		(275)		1,052,233			0	1,782	07/14/2015	1FE
393505	QX 3		01/15/2014	Paydown		1,678	1,678	1,720	1,680		(1)		(1)		1,678			0	10	01/15/2028	1FE
466247	QC 0		03/01/2014	Paydown		78,734	78,734	76,455	79,397		(663)		(663)		78,734			0	420	02/25/2040	1FM
52108H	BZ 6		03/11/2014	Paydown				2,561	478		(478)		(478)					0	75	07/11/2032	5FE
55313U	AD 1		03/15/2014	Paydown		1,309,204	1,309,204	1,363,209	1,323,755		(14,551)		(14,551)		1,309,204			0	6,965	01/15/2030	1FE

QE05

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
589929 MK 1	MLMI 1996-C2 IO 2.360% 11/21/28		03/01/2014	Paydown				3,527					.0					.0	1,212	11/21/2028	6*
61749M AT 6	MSC 2006-T23 A3 5.808% 08/12/41		02/18/2014	Barclays Capital		8,092,500	8,000,000	8,010,313	7,992,307		424		424		7,992,732		99,768	99,768	103,237	08/12/2041	1FM
658262 DV 9	NCSEA 2005-P A1 0.346% 06/01/20		03/01/2014	Paydown		300,467	300,467	296,852	298,379		2,088		2,088		300,467			.0	264	06/01/2020	1FE
73328U AD 7	PFAST 2011-1 A4 1.190% 12/17/18		03/16/2014	Paydown		3,015,093	3,015,093	3,014,340	3,015,027		.66		.66		3,015,093			.0	5,857	12/17/2018	1FE
743873 AX 9	PFMLT 2005-1 2A1 2.519% 05/25/35		03/01/2014	Paydown		31,401	31,401	30,493	32,076		(675)		(675)		31,401			.0	135	05/25/2035	1FM
76112B RM 4	RAMP 2005-EFC1 M2 0.604% 05/25/35		03/25/2014	Paydown		891,131	891,131	883,333	886,529		4,601		4,601		891,131			.0	936	05/25/2035	1FM
79548C AR 7	SBM7 2000-C3 X IO 1.043% 12/18/33		03/01/2014	Paydown				79		16	(16)		.0					.0	71	12/18/2033	5FE
855244 AC 3	STARBUCKS CORP 6.250% 08/15/17		01/15/2014	JP Morgan Securities		5,816,650	5,000,000	4,990,550	4,995,391		224		224		4,995,615		821,035	821,035	135,417	08/15/2017	1FE
929227 4D 5	WAMU 2003-AR6 A1 2.439% 06/25/33		03/01/2014	Paydown		8,286	8,286	8,410	8,615		(329)		(329)		8,286			.0	30	06/25/2033	1FM
502441 AA 6	LVMH MOET HENNESSY LOUIS 1.625% 06/29/...	F...	01/07/2014	Barclays Capital		2,754,428	2,750,000	2,742,108	2,744,414		34		34		2,744,448		9,979	9,979	1,365	06/29/2017	1FE
552081 AG 6	LYONDELLBASELL IND NV 5.000% 04/15/19	F...	02/26/2014	Goldman Sachs		10,030,911	9,000,000	10,012,080	9,921,974		(26,866)		(26,866)		9,895,108		135,802	135,802	166,071	04/15/2019	2FE
3899999. Total Bonds - Industrial and Miscellaneous						45,060,017	43,156,005	44,162,489	43,931,372		78		(52,483)	.0	43,878,892		1,181,123	1,181,123	446,898		XXX
8399997. Total Bonds - Part 4						81,527,921	79,219,127	80,394,244	80,024,552		78		(106,637)	.0	79,917,917		1,610,000	1,610,000	883,997		XXX
8399999. Total Bonds						81,527,921	79,219,127	80,394,244	80,024,552		78		(106,637)	.0	79,917,917		1,610,000	1,610,000	883,997		XXX

QE05.1

**Common Stocks - Industrial and Miscellaneous**

019344 10 0	ALLIED NEVADA GOLD CORP		01/27/2014	State Street Bank		1,500,000	6,682	XXX	5,325	5,325			.0		5,325		1,357	1,357		XXX	L
057224 10 7	BAKER HUGHES INC		01/27/2014	State Street Bank		7,246,000	408,244	XXX	365,009	400,414	(35,405)		(35,405)		365,009		43,235	43,235		XXX	L
150870 10 3	CELANESE CORP-SERIES A		01/27/2014	State Street Bank		100,000	5,172	XXX	4,699	5,531	(832)		(832)		4,699		473	473		XXX	L
156700 10 6	CENTURYLINK INC		01/27/2014	State Street Bank		6,000	175	XXX	120	191	(71)		(71)		120		55	55		XXX	L
165167 10 7	CHESAPEAKE ENERGY CORP		01/27/2014	State Street Bank		18,300,000	475,940	XXX	431,740	496,662	(64,922)		(64,922)		431,740		44,200	44,200	1,601	XXX	L
172967 42 4	CITIGROUP INC		01/27/2014	State Street Bank		107,130,000	5,240,516	XXX	4,035,034	5,582,544	(1,547,511)		(1,547,511)		4,035,034		1,205,482	1,205,482		XXX	L
200525 10 3	COMMERCE BANCSHARES INC		01/02/2014	State Street Bank		0,400	18	XXX	12	18	(6)		(6)		12		6	6		XXX	L
23918K 10 8	DAVITA HEALTHCARE PARTNERS INC		01/27/2014	State Street Bank		17,000,000	1,085,372	XXX	1,040,018	1,077,290	(37,272)		(37,272)		1,040,018		45,353	45,353		XXX	L
260003 10 8	DOVER CORP		03/03/2014	Spin Off			59,109	XXX	59,109	138,238	(79,128)		(79,128)		59,109			.0		XXX	L
262037 10 4	DRIL-QUIP INC		01/27/2014	State Street Bank		16,200,000	1,616,753	XXX	1,443,282	1,780,866	(337,584)		(337,584)		1,443,282		173,471	173,471		XXX	L
31620R 10 5	FIDELITY NATIONAL TITLE CL A		01/21/2014	State Street Bank		0,370	11	XXX	12				.0		12		(1)	(1)		XXX	L
337932 10 7	FIRSTENERGY CORPORATION		01/27/2014	State Street Bank		21,306,000	659,912	XXX	771,065	702,672	68,393		68,393		771,065		(111,153)	(111,153)		XXX	L
38141G 10 4	GOLDMAN SACHS GROUP		01/27/2014	State Street Bank		5,400,000	891,779	XXX	690,922	957,204	(266,282)		(266,282)		690,922		200,857	200,857		XXX	L
399473 10 7	GROUPON INC		01/27/2014	State Street Bank		49,300,000	494,899	XXX	568,468	580,015	(11,546)		(11,546)		568,468		(73,569)	(73,569)		XXX	L
42809H 10 7	HESS CORP		01/27/2014	State Street Bank		6,900,000	522,012	XXX	383,177	572,700	(189,523)		(189,523)		383,177		138,835	138,835		XXX	L
52602E 10 2	LENDER PROCESSING SERVICES		01/03/2014	State Street Bank		50,000	1,869	XXX	1,102	1,869	(767)		(767)		1,102		767	767		XXX	L
53217V 10 9	LIFE TECHNOLOGIES CORP		02/04/2014	State Street Bank		14,100,000	1,073,450	XXX	662,738	1,068,780	(406,042)		(406,042)		662,738		410,712	410,712		XXX	L
570535 10 4	MARKEL CORP		01/27/2014	State Street Bank		900,000	489,844	XXX	189,462	522,315	(332,853)		(332,853)		189,462		300,382	300,382		XXX	L
682680 10 3	ONEOK INC		02/03/2014	Spin Off			157,345	XXX	157,345	283,436	(126,091)		(126,091)		157,345			.0		XXX	L
74834L 10 0	QUEST DIAGNOSTIC INC		01/27/2014	State Street Bank		5,400,000	291,013	XXX	298,536	289,116	9,420		9,420		298,536		(7,523)	(7,523)	1,620	XXX	L
808513 10 5	CHARLES SCHWAB CORP		01/27/2014	State Street Bank		1,400,000	34,858	XXX	29,884	36,400	(6,516)		(6,516)		29,884		4,974	4,974		XXX	L

### 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.							
886547 10 8	TIFFANY & CO.....		01/27/2014	State Street Bank.....	7,100,000	587,160	XXX	517,251	658,738	(141,487)			(141,487)		517,251		69,909	69,909	2,414	XXX	L.....
92532F 10 0	VERTEX PHARMACEUTICALS INC.....		01/27/2014	State Street Bank.....	1,200,000	95,122	XXX	44,771	89,160	(44,389)			(44,389)		44,771		50,351	50,351		XXX	L.....
806857 10 8	SCHLUMBERGER LTD.....	F...	01/27/2014	State Street Bank.....	2,200,000	193,186	XXX	84,999	198,242	(113,243)			(113,243)		84,999		108,187	108,187	688	XXX	L.....
G6359F 10 3	NABORS INDUSTRIES LTD.....	F...	01/27/2014	State Street Bank.....	7,400,000	124,987	XXX	130,541	125,726	4,815			4,815		130,541		(5,554)	(5,554)		XXX	L.....
9099999	Total Common Stocks - Industrial and Miscellaneous.....				14,515,428		XXX	11,914,621	15,573,452	(3,658,842)	0	0	(3,658,842)	0	11,914,621	0	2,600,806	2,600,806	6,323	XXX	XXX
9799997	Total Common Stocks - Part 4.....				14,515,428		XXX	11,914,621	15,573,452	(3,658,842)	0	0	(3,658,842)	0	11,914,621	0	2,600,806	2,600,806	6,323	XXX	XXX
9799999	Total Common Stocks.....				14,515,428		XXX	11,914,621	15,573,452	(3,658,842)	0	0	(3,658,842)	0	11,914,621	0	2,600,806	2,600,806	6,323	XXX	XXX
9899999	Total Preferred and Common Stocks.....				14,515,428		XXX	11,914,621	15,573,452	(3,658,842)	0	0	(3,658,842)	0	11,914,621	0	2,600,806	2,600,806	6,323	XXX	XXX
9999999	Total Bonds, Preferred and Common Stocks.....				96,043,349		XXX	92,308,865	95,598,004	(3,658,764)	(106,715)		(3,765,479)	0	91,832,538	0	4,210,806	4,210,806	890,320	XXX	XXX

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

QE05.2

**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..
STATE STREET BANK..... KANSAS CITY, MO.....								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 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations</b>							
EXXON MOBIL CORP.....		03/31/2014	0.020	04/17/2014	2,399,979		1
SUMI TRUST NY.....		03/07/2014	0.050	04/07/2014	49,999,583		1,736
TORONTO DOMINION HOLDING.....		03/20/2014	0.040	04/21/2014	16,999,622		227
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					69,399,184	0	1,964
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					69,399,184	0	1,964
<b>Total Bonds</b>							
7799999. Subtotals - Issuer Obligations.....					69,399,184	0	1,964
8399999. Subtotals - Bonds.....					69,399,184	0	1,964
8699999. Total - Cash Equivalents.....					69,399,184	0	1,964

QE13