



QUARTERLY STATEMENT

As of June 30, 2014

of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

NAIC Group Code.....155, 155	NAIC Company Code..... 37834	Employer's ID Number..... 34-1287020
(Current Period) (Prior Period)		
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 24, 1979	Commenced Business..... April 15, 1980	
Statutory Home Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182	
	(Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-461-5000	
	(Street and Number) (City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)
Mail Address	P.O. BOX 89490..... CLEVELAND OH US 44101-6490	
	(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460	
	(Street and Number) (City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO	440-395-4460
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POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

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

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 11TH day of AUGUST, 2014	b. If no:	1. State the amendment number
		2. Date filed
		3. Number of pages attached

PROGRESSIVE PREFERRED INSURANCE COMPANY
ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	441,329,669		441,329,669	516,359,109
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0), cash equivalents (\$.....106,799,505) and short-term investments (\$.....0).....	106,799,505		106,799,505	
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	548,129,174	.0	548,129,174	516,359,109
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	3,101,510		3,101,510	3,722,468
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	18,722,898	2,100,318	16,622,580	6,622,358
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	85,593,221		85,593,221	84,530,767
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	8,625,508		8,625,508	5,134,131
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	19,207,343		19,207,343	18,845,235
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.....	24,606,878		24,606,878	16,590,506
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	1,073,161	193,094	880,067	651,161
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	709,059,693	2,293,412	706,766,281	652,455,735
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	709,059,693	2,293,412	706,766,281	652,455,735

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.....	665,060		665,060	509,589
2502. NEW YORK STATE ASSESSMENT RECOVERABLE.....	215,007		215,007	141,572
2503. PREPAID EXPENSES.....	158,126	158,126	.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	34,968	34,968	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,073,161	193,094	880,067	651,161

PROGRESSIVE PREFERRED INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....75,585,230).....	200,188,879	198,058,576
2. Reinsurance payable on paid losses and loss adjustment expenses.....	6,036,503	2,840,161
3. Loss adjustment expenses.....	40,242,683	38,760,436
4. Commissions payable, contingent commissions and other similar charges.....	471,047	763,886
5. Other expenses (excluding taxes, licenses and fees).....	24,213,409	20,674,880
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	3,826,428	4,085,604
7.1 Current federal and foreign income taxes (including \$.....2,970,849 on realized capital gains (losses)).....	12,244,335	4,021,325
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 \$.....181,271,658 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.....	178,438,739	167,771,572
10. Advance premium.....	5,814,837	4,359,642
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	123,177	120,333
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	27,942,898	27,058,300
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.....	717,584	212,282
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	500,260,519	468,726,997
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	500,260,519	468,726,997
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,003,300	3,003,300
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	42,712,474	42,712,474
35. Unassigned funds (surplus).....	160,789,988	138,012,964
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).....	206,505,762	183,728,738
38. Totals (Page 2, Line 28, Col. 3).....	706,766,281	652,455,735

DETAILS OF WRITE-INS		
2501. ESCHEATABLE PROPERTY.....	320,221	13,599
2502. STATE PLAN LIABILITY.....	198,173	80,097
2503. OTHER LIABILITIES.....	187,195	111,612
2598. Summary of remaining write-ins for Line 25 from overflow page.....	11,995	6,974
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	717,584	212,282
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

PROGRESSIVE PREFERRED INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....322,600,120).....	317,190,086	333,792,355	658,709,290
1.2 Assumed..... (written \$.....301,418,302).....	290,751,135	279,871,333	564,666,811
1.3 Ceded..... (written \$.....322,600,120).....	317,190,086	333,792,355	658,709,290
1.4 Net..... (written \$.....301,418,302).....	290,751,135	279,871,333	564,666,811
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....179,549,218):			
2.1 Direct.....	201,209,758	199,328,759	415,531,673
2.2 Assumed.....	180,630,958	174,029,779	354,174,981
2.3 Ceded.....	201,209,758	199,328,759	415,531,673
2.4 Net.....	180,630,958	174,029,779	354,174,981
3. Loss adjustment expenses incurred.....	29,979,828	28,244,578	57,612,692
4. Other underwriting expenses incurred.....	62,534,229	61,199,405	120,451,707
5. Aggregate write-ins for underwriting deductions.....	0	0	2,971
6. Total underwriting deductions (Lines 2 through 5).....	273,145,015	263,473,762	532,242,351
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	17,606,120	16,397,571	32,424,460
INVESTMENT INCOME			
9. Net investment income earned.....	5,091,032	5,158,062	11,491,597
10. Net realized capital gains (losses) less capital gains tax of \$.....2,970,849.....	5,431,886	2,069,354	1,991,648
11. Net investment gain (loss) (Lines 9 + 10).....	10,522,918	7,227,416	13,483,245
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....248,601 amount charged off \$.....2,266,571).....	(2,017,970)	(2,335,155)	(4,541,726)
13. Finance and service charges not included in premiums.....	5,035,784	5,468,774	10,869,426
14. Aggregate write-ins for miscellaneous income.....	249,012	115,438	573,498
15. Total other income (Lines 12 through 14).....	3,266,826	3,249,057	6,901,198
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	31,395,864	26,874,044	52,808,903
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).....	31,395,864	26,874,044	52,808,903
19. Federal and foreign income taxes incurred.....	9,273,486	9,464,326	17,416,792
20. Net income (Line 18 minus Line 19) (to Line 22).....	22,122,378	17,409,718	35,392,111
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	183,728,738	174,300,219	174,300,219
22. Net income (from Line 20).....	22,122,378	17,409,718	35,392,111
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....2,318.....	4,306	(507,351)	(56)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	364,426	869,201	133,565
27. Change in nonadmitted assets.....	285,914	386,116	402,899
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.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			(26,500,000)
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).....	22,777,024	18,157,684	9,428,519
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	206,505,762	192,457,903	183,728,738
DETAILS OF WRITE-INS			
0501. LOSS ON COMMUTATION.....			2,971
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	2,971
1401. MISCELLANEOUS INCOME.....	226,117	90,470	523,529
1402. SERVICE BUSINESS REVENUE.....	18,058	13,855	31,644
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	4,837	11,113	18,325
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).....	249,012	115,438	573,498
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

PROGRESSIVE PREFERRED INSURANCE COMPANY
CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	292,310,708	284,025,725	576,489,232
2. Net investment income.....	6,773,112	5,813,695	12,755,206
3. Miscellaneous income.....	3,126,014	3,064,974	6,752,903
4. Total (Lines 1 through 3).....	302,209,834	292,904,394	595,997,341
5. Benefit and loss related payments.....	178,795,690	168,059,457	344,411,376
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	88,045,296	85,119,160	173,293,198
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....4,858 tax on capital gains (losses)	4,021,325	4,023,955	18,666,229
10. Total (Lines 5 through 9).....	270,862,311	257,202,572	536,370,803
11. Net cash from operations (Line 4 minus Line 10).....	31,347,523	35,701,822	59,626,538
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	399,304,693	196,320,089	294,248,408
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	399,304,693	196,320,089	294,248,408
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	316,927,012	221,713,557	339,847,610
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	316,927,012	221,713,557	339,847,610
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).....	82,377,681	(25,393,468)	(45,599,202)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			26,500,000
16.6 Other cash provided (applied).....	(6,925,700)	(20,307,687)	2,473,331
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(6,925,700)	(20,307,687)	(24,026,669)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	106,799,505	(9,999,333)	(9,999,334)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(0)	9,999,333	9,999,333
19.2 End of period (Line 18 plus Line 19.1).....	106,799,505	0	(0)

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

20.0001			
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PROGRESSIVE PREFERRED INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

Description	State of Domicile	June 30, 2014	December 31, 2013
Net income			
(1) Net income, state basis	OH	\$ 22,122,378	\$ 35,392,111
(2) Effect of state prescribed practices		--	--
(3) Effect of state permitted practices		--	--
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 22,122,378	\$ 35,392,111
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 206,505,762	\$ 183,728,738
(6) Effect of state prescribed practices		--	--
(7) Effect of state permitted practices		--	--
(8) Policyholders' surplus, NAIC SAP basis(5-6-7=8)	OH	\$ 206,505,762	\$ 183,728,738

2. Accounting Changes and Corrections of Errors

No significant change

3. Business Combinations and Goodwill

No significant change

4. Discontinued Operations

No significant change

5. Investments

D. Loan-Backed Securities

1. The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.
2. Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment
- Not applicable
3. As of June 30, 2014, the Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.
4. As of June 30, 2014, the Company had \$446,464 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 June 30, 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	\$ 214,070
2. Twelve months or longer	232,394
Total	\$ 446,464
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 32,080,394
2. Twelve months or longer	7,590,610
Total	\$ 39,671,004

5. Under SSAP No. 43R, the Company analyzes its structured debt securities to determine if the Company intends to sell, or if it is more likely than not that the Company will be required to sell, the security prior to recovery and, if so, the Company writes down the security to its current fair market value with the entire amount of the write-down recorded as a realized loss. To the extent that it is more likely than not that the Company will hold the debt security until recovery (which could be maturity), the Company determines if any of the decline in value is due to a credit loss (i.e., where the present value of cash flows expected to be collected is lower than the amortized cost basis of the security) and, if so, the Company recognizes that portion of the impairment as a realized loss.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

I. Working Capital Finance Investments

Not applicable

NOTES TO FINANCIAL STATEMENTS

6.	Joint Ventures, Partnerships and Limited Liability Companies
	No significant change
7.	Investment Income
	No significant change
8.	Derivative Instruments
	No significant change
9.	Income Taxes
	No significant change
10.	Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
	No significant change
11.	Debt
B.	Federal Home Loan Bank Agreements
	Not applicable
12.	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
A.	Defined Benefit Plan
	Not applicable
13.	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
	No significant change
14.	Contingencies
F.	All Other Contingencies
	The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and loss adjustment expense ("LAE") reserves. The Company also has, on a net basis, potential exposure relating to lawsuits due to its participation in a 100% pooling reinsurance agreement for which it is allocated litigation expenses. The following is a discussion of potentially significant pending cases at June 30, 2014. The Company does not consider a loss from this case to be probable and is unable to estimate a range of loss, if any, at this time. As of June 30, 2014, the Company was defending two putative statewide class action lawsuits and one putative nationwide class action lawsuit alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.
15.	Leases
	No significant change
16.	Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk
	No significant change
17.	Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities
B.	Transfer and Servicing of Financial Assets
	Not applicable
C.	Wash Sales
	The Company had no wash sales of securities with a NAIC rating of 3 or below during the reporting period.
18.	Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
	No significant change
19.	Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators
	No significant change
20.	Fair Value Measurements
A.	Inputs Used for Assets and Liabilities Measured at Fair Value in the Company's Financial Statements
1.	Fair Value Measurements by Levels 1, 2 and 3
	The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows: Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities). Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

NOTES TO FINANCIAL STATEMENTS

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

As of June 30, 2014 the Company did not measure and report any securities at fair value on the balance sheet. All bonds were carried at amortized cost.

2. Roll forward of Level 3 Items

Not applicable

3. Policy on Transfers Into and Out of Level 3

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

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

See Note 20A above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

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 June 30, 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	\$ 446,719,875	\$ 441,329,669	\$ 138,274,982	\$ 308,444,893	\$ --	\$ --
Cash equivalents	106,799,505	106,799,505	106,799,505	--	--	--
Total	\$ 553,519,380	\$ 548,129,174	\$ 245,074,487	\$ 308,444,893	\$ --	\$ --

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

Not applicable

21. Other Items

G. Offsetting and Netting of Assets and Liabilities

Not applicable

I. Risk Sharing Provisions of the Affordable Care Act

Not applicable

22. Events Subsequent

Subsequent events have been considered through August 8, 2014 for the statutory statement that was available for issuance by August 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 \$2,258,640 in 2014, which is 1.0% of the total prior year net unpaid losses and LAE of \$236,819,012. The unfavorable development is primarily due to passenger auto liability originally anticipated severity increasing by 1.2% for accident year 2013. 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

NOTES TO FINANCIAL STATEMENTS

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

PROGRESSIVE PREFERRED INSURANCE COMPANY
GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [☐] No [☒ 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? If yes, complete Schedule Y, Parts 1 and 1A.

Yes [☒ X] No [☐]

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	2	3
Name of Entity	NAIC Company Code	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? If yes, attach an explanation.

Yes [☐] No [☒ X] N/A [☐]

6.1

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

.....12/31/2012.....

6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2012.....

6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....8/6/2013.....

6.4

By what department or departments?

OHIO

6.5

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

Yes [☐] No [☐] N/A [☒ 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [☒ X] No [☐]

9.11

If the response to 9.1 is No, please explain:

9.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒ 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]

Q07

PROGRESSIVE PREFERRED INSURANCE COMPANY
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: \$.....0

PART 1 - INVESTMENT

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

14.2 If yes, please complete the following:

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

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

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
NONE		

PART 1 - INVESTMENT

18.1

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

Yes ☒ X]

No ☐]

18.2

If no, list exceptions:

PROGRESSIVE PREFERRED INSURANCE COMPANY
GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

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

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation.

Yes [] No [X]

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?
3.2 If yes, give full and complete information thereto:

Yes [] No [X]

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero?
4.2 If yes, complete the following schedule:

Yes [] No [X]

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

5. Operating Percentages:

5.1 A&H loss percent
5.2 A&H cost containment percent
5.3 A&H expense percent excluding cost containment expenses

0.0 %
0.0 %
0.0 %

6.1 Do you act as a custodian for health savings accounts?
6.2 If yes, please provide the amount of custodial funds held as of the reporting date.
6.3 Do you act as an administrator for health savings accounts?
6.4 If yes, please provide the amount of funds administered as of the reporting date.

Yes [] No [X]
0
Yes [] No [X]
0

PROGRESSIVE PREFERRED INSURANCE COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	ID Number	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating

NONE

PROGRESSIVE PREFERRED INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Current Year to Date - Allocated by States and Territories

States, Etc.		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1.	Alabama.....AL	..N...						
2.	Alaska.....AK	..L...						
3.	Arizona.....AZ	..L...	64,746,768	66,180,958	40,455,418	43,428,005	42,225,550	42,842,885
4.	Arkansas.....AR	..N...						
5.	California.....CA	..N...						
6.	Colorado.....CO	..L...	72,269,466	72,758,805	50,964,320	44,036,886	63,035,023	55,526,463
7.	Connecticut.....CT	..N...						
8.	Delaware.....DE	..L...						
9.	District of Columbia.....DC	..L...						
10.	Florida.....FL	..N...						
11.	Georgia.....GA	..L...	3,205,113	3,672,584	2,926,554	1,647,918	4,391,993	5,646,855
12.	Hawaii.....HI	..L...						
13.	Idaho.....ID	..L...						
14.	Illinois.....IL	..N...						
15.	Indiana.....IN	..L...						
16.	Iowa.....IA	..L...						
17.	Kansas.....KS	..N...						
18.	Kentucky.....KY	..L...						
19.	Louisiana.....LA	..N...						
20.	Maine.....ME	..L...						
21.	Maryland.....MD	..L...						
22.	Massachusetts.....MA	..N...						
23.	Michigan.....MI	..L...						
24.	Minnesota.....MN	..L...	119,518,120	112,831,249	71,228,374	59,244,542	79,540,672	77,609,988
25.	Mississippi.....MS	..L...						
26.	Missouri.....MO	..L...	12,296,646	17,016,888	10,209,646	10,065,398	11,496,911	12,869,908
27.	Montana.....MT	..L...						
28.	Nebraska.....NE	..L...						
29.	Nevada.....NV	..L...	2,716,166	3,160,138	2,314,185	1,449,910	1,272,039	2,012,794
30.	New Hampshire.....NH	..N...						
31.	New Jersey.....NJ	..L...						
32.	New Mexico.....NM	..L...	1,007,238	1,087,142	663,419	916,462	1,069,406	1,037,683
33.	New York.....NY	..L...	(14,733)	12,915,679	4,130,134	10,997,994	11,753,871	21,325,744
34.	North Carolina.....NC	..L...				26		
35.	North Dakota.....ND	..N...						
36.	Ohio.....OH	..L...	14,773,543	16,913,773	10,313,882	9,762,932	8,762,244	12,635,572
37.	Oklahoma.....OK	..L...				127		
38.	Oregon.....OR	..L...	260,901	320,415	64,342	147,320	75,784	195,884
39.	Pennsylvania.....PA	..L...	31,722,454	32,650,361	18,104,643	18,974,056	21,687,762	21,944,417
40.	Rhode Island.....RI	..L...						
41.	South Carolina.....SC	..L...						
42.	South Dakota.....SD	..L...						
43.	Tennessee.....TN	..L...						
44.	Texas.....TX	..L...						
45.	Utah.....UT	..L...			667	(267)		
46.	Vermont.....VT	..N...						
47.	Virginia.....VA	..L...			(1,776)	(5,657)		
48.	Washington.....WA	..L...	98,438	98,817	5,528	4,767	63,501	49,012
49.	West Virginia.....WV	..L...						
50.	Wisconsin.....WI	..N...						
51.	Wyoming.....WY	..N...						
52.	American Samoa.....AS	..N...						
53.	Guam.....GU	..N...						
54.	Puerto Rico.....PR	..N...						
55.	US Virgin Islands.....VI	..N...						
56.	Northern Mariana Islands.....MP	..N...						
57.	Canada.....CAN	..N...						
58.	Aggregate Other Alien.....OT	..XXX...	0	0	0	0	0	0
59.	Totals.....	(a).....37	322,600,120	339,606,809	211,379,336	200,670,421	245,374,759	253,697,204

DETAILS OF WRITE-INS

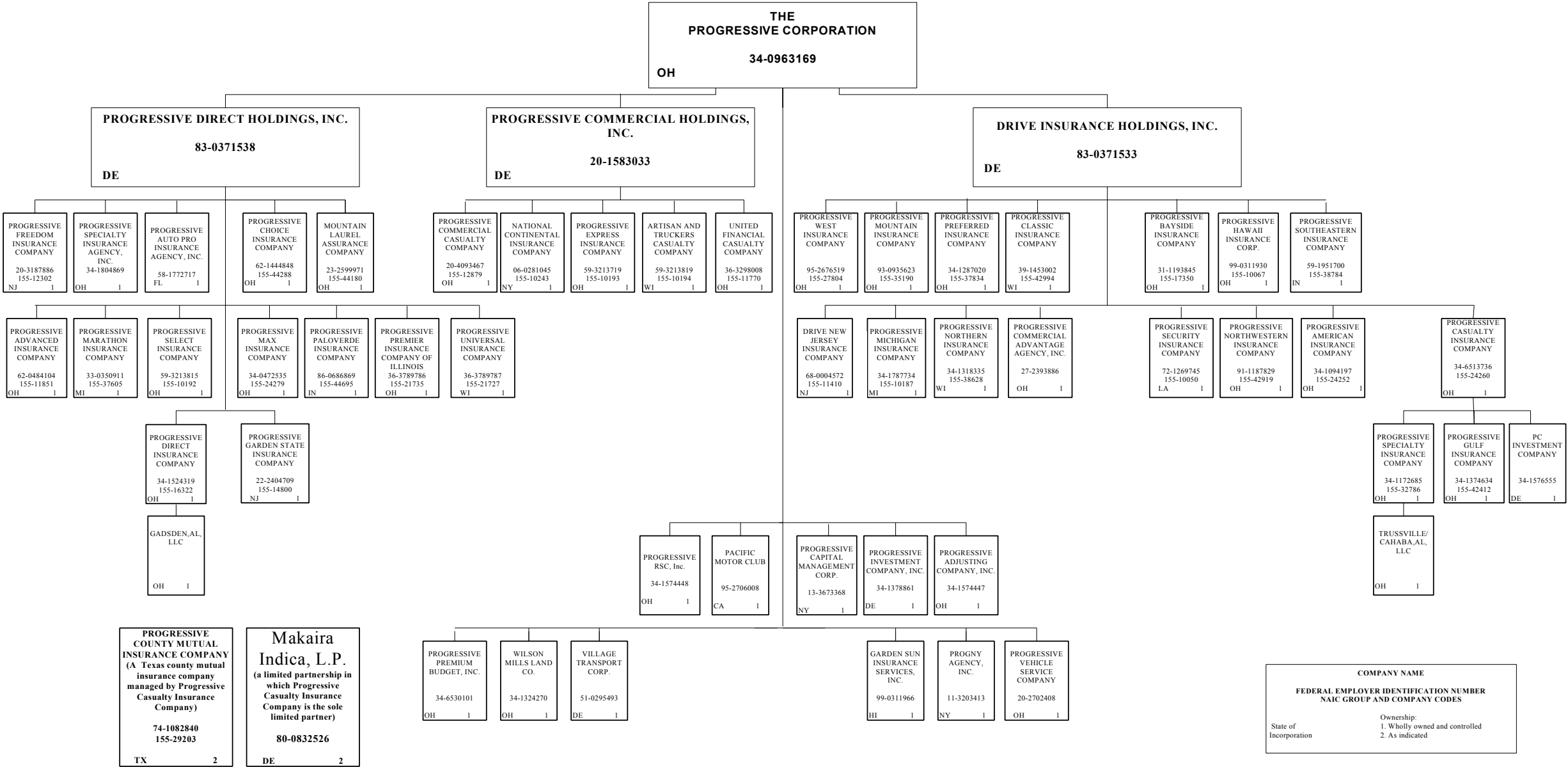
58001.....	..XXX...						
58002.....	..XXX...						
58003.....	..XXX...						
58998. Summary of remaining write-ins for Line 58 from overflow page....	XXX.....	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX.....	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 – ORGANIZATIONAL CHART

Q11



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
Members														
0155.....	The Progressive Insurance Group...	00000.....	34-0963169	.....	0000080661	New York Stock Exchange..	The Progressive Corporation.....	OH.....	UIP.....	Board, Management.....	Board.....	.....	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	83-0371533	.....			Drive Insurance Holdings, Inc.....	DE.....	UDP.....	The Progressive Corporation.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	11410.....	68-0004572	.....			Drive New Jersey Insurance Company.....	NJ.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24252.....	34-1094197	.....			Progressive American Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	17350.....	31-1193845	.....			Progressive Bayside Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	24260.....	34-6513736	.....			Progressive Casualty Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	34-1576555	.....			PC Investment Company.....	DE.....	NIA.....	Progressive Casualty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	29203.....	74-1082840	.....			Progressive County Mutual Insurance Company.....	TX.....	IA.....	Progressive Casualty Insurance Company.....	Management...	.....	The Progressive Corporation.	2, 3.....
0155.....	The Progressive Insurance Group...	42412.....	34-1374634	.....			Progressive Gulf Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	32786.....	34-1172685	.....			Progressive Specialty Insurance Company.....	OH.....	IA.....	Progressive Casualty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	00000.....	20-5716113	.....			Trussville/Cahaba, AL , LLC.....	OH.....	NIA.....	Progressive Specialty Insurance Company.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42994.....	39-1453002	.....			Progressive Classic Insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10067.....	99-0311930	.....			Progressive Hawaii Insurance Corp.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	10187.....	34-1787734	.....			Progressive Michigan Insurance Company.....	MI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	35190.....	93-0935623	.....			Progressive Mountain Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	38628.....	34-1318335	.....			Progressive Northern insurance Company.....	WI.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	42919.....	91-1187829	.....			Progressive Northwestern Insurance Company.....	OH.....	IA.....	Drive Insurance Holdings, Inc.....	Ownership.....	...100.000	The Progressive Corporation.	1, 3.....
0155.....	The Progressive Insurance Group...	37834.....	34-1287020	.....			Progressive Preferred Insurance Company.....	OH.....	RE.....	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.....

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 PREFERRED INSURANCE COMPANY
PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			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.....	1,081,847	372,343	34.4	49.5
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	3,509,434	1,624,919	46.3	53.8
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	2,102,107	1,261,845	60.0	59.5
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.....	193,250,798	123,253,084	63.8	60.3
19.3, 19.4 Commercial auto liability.....	3,468,544	1,014,689	29.3	20.0
21. Auto physical damage.....	113,777,355	73,682,877	64.8	60.2
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	317,190,086	201,209,758	63.4	59.7
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....	(23,071)	56,542	1,272,957
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	3,165,349	4,449,662	3,862,641
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....	1,463,108	2,561,698	2,041,448
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.....	98,087,796	195,649,650	206,654,424
19.3 19.4 Commercial auto liability.....	1,742,032	3,490,051	4,020,538
21. Auto physical damage.....	59,285,803	116,392,517	121,754,801
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.....	163,721,017	322,600,120	339,606,809
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

[illegible]

PROGRESSIVE PREFERRED 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. MISCELLANEOUS OTHER ASSETS.....	34,968	34,968	0	.....
2597. Summary of remaining write-ins for Line 25.....	34,968	34,968	0	0

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2504. UNEARNED FEE RESERVE.....	11,995	6,974
2597. Summary of remaining write-ins for Line 25.....	11,995	6,974

PROGRESSIVE PREFERRED INSURANCE COMPANY
SCHEDULE A - VERIFICATION

Real Estate

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

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	516,359,111	469,457,664
2. Cost of bonds and stocks acquired.....	316,927,012	339,847,610
3. Accrual of discount.....	462,910	853,356
4. Unrealized valuation increase (decrease).....	6,624	(86)
5. Total gain (loss) on disposals.....	8,402,735	3,238,454
6. Deduct consideration for bonds and stocks disposed of.....	399,304,691	294,248,408
7. Deduct amortization of premium.....	1,524,032	2,789,479
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).....	441,329,669	516,359,111
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	441,329,669	516,359,111

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
BONDS								
1. NAIC 1 (a).....	419,800,337	279,927,693	204,989,393	(352,087)	419,800,337	494,386,550		395,617,989
2. NAIC 2 (a).....	45,612,546	3,993,200	9,997,503	(39,045)	45,612,546	39,569,198		106,027,147
3. NAIC 3 (a).....								
4. NAIC 4 (a).....	14,588,349		303,571	(111,352)	14,588,349	14,173,426		14,713,973
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	480,001,232	283,920,893	215,290,467	(502,484)	480,001,232	548,129,174	0	516,359,109
PREFERRED STOCK								
8. NAIC 1.....								
9. NAIC 2.....								
10. NAIC 3.....								
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	480,001,232	283,920,893	215,290,467	(502,484)	480,001,232	548,129,174	0	516,359,109

(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.

QSI02

Sch. DA-Pt 1
NONE

Sch. DA-Verification
NONE

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

PROGRESSIVE PREFERRED INSURANCE COMPANY

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	9,999,333
2. Cost of cash equivalents acquired.....	226,792,957	4,599,959
3. Accrual of discount.....	5,798	708
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	0	
6. Deduct consideration received on disposals.....	119,999,250	14,600,000
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).....	106,799,505	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	106,799,505	0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1	2			3	4	5			6	7	8	9	10
CUSIP Identification	Description			Foreign	Date Acquired	Name of Vendor			Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government													
912828 C5 7	US TREASURY NOTE	2.250%	03/31/21		04/04/2014	Goldman Sachs				19,950,000	20,000,000	8,607	1
912828 C6 5	US TREASURY NOTE	1.625%	03/31/19		04/04/2014	Various				29,800,391	30,000,000	6,216	1
912828 D2 3	US TREASURY NOTE	1.625%	04/30/19		04/22/2014	Goldman Sachs				14,895,293	15,000,000		1
912828 WG 1	US TREASURY NOTE	2.250%	04/30/21		04/22/2014	CSFBdirect				19,895,285	20,000,000		1
912828 WQ 9	US TREASURY NOTE	0.500%	06/30/16		06/25/2014	CSFBdirect				20,008,594	20,000,000		1
0599999. Total Bonds - U.S. Government										104,549,563	105,000,000	14,823	XXX
Bonds - U.S. Special Revenue and Special Assessment													
658909 FV 3	NORTH DAKOTA ST HSG FIN AGY	4.000%	07/01/34		05/14/2014	Royal Bank of Canada				2,850,481	2,620,000		1FE
686087 QX 8	OREGON ST HSG & CMNTY	4.000%	07/01/44		05/15/2014	JP Morgan Securities				3,324,422	3,065,000		1FE
3199999. Total Bonds - U.S. Special Revenue and Special Assessment										6,174,903	5,685,000	0	XXX
Bonds - Industrial and Miscellaneous													
12642H DE 8	CSMC 2009-9R 6A10	2.385%	10/26/36		05/05/2014	Royal Bank of Scotland				225,550	223,316	105	1FM
12642H DE 8	CSMC 2009-9R 6A10	2.385%	10/26/36		05/05/2014	Royal Bank of Scotland				7,636,761	7,561,150	3,540	1FM
20047R AQ 6	COMM 2007-C9 AMFL	0.794%	12/10/49		06/23/2014	Morgan Stanley				3,451,328	3,500,000	1,234	1FM
233050 AC 7	DBUBS 2011-LC1A A3	5.002%	11/10/46		06/24/2014	Various				4,591,396	4,075,000	12,008	1FM
26884T AL 6	ERAC USA FINANCE COMPANY	3.850%	11/15/24		05/19/2014	Bank of America Corp.				3,993,200	4,000,000		2FE
3137G0 AK 5	STACR 2014-DN1 M1	1.152%	02/25/24		05/20/2014	Goldman Sachs				99,855	99,482	89	1FE
3137G0 AK 5	STACR 2014-DN1 M1	1.152%	02/25/24		05/20/2014	Goldman Sachs				6,891,708	6,865,961	6,154	1FE
34530M AA 7	FORDR 2014-1 A	2.260%	11/15/25		05/06/2014	Bank of America Corp.				17,995,509	18,000,000		1FE
55660C AG 3	MAD 2013-650M B	4.034%	10/12/32		04/01/2014	Goldman Sachs/ Correction						101	1FM
61761D AC 6	MSBAM 2012-C6 A3	2.506%	11/15/45		05/29/2014	Morgan Stanley				17,134,031	17,127,000	2,236	1FM
67087M AA 4	OBP 2010-OBP A	4.646%	07/15/45		05/19/2014	Various				4,379,674	3,963,000	4,022	1FM
3899999. Total Bonds - Industrial and Miscellaneous										66,399,012	65,414,909	29,489	XXX
8399997. Total Bonds - Part 3										177,123,478	176,099,909	44,312	XXX
8399999. Total Bonds										177,123,478	176,099,909	44,312	XXX
9999999. Total Bonds, Preferred and Common Stocks										177,123,478	XXX	44,312	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 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 Design- 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.																						
CUSIP Identification	Description																										
Bonds - U.S. Government																											
912828	C5	7	US TREASURY NOTE	2.250%	03/31/21.....		06/25/2014	Barclays Capital.....		25,226,563	25,000,000	24,933,921			1,599		1,599		24,935,520		291,042	291,042	133,709	03/31/2021	1.....		
912828	C6	5	US TREASURY NOTE	1.625%	03/31/19.....		05/30/2014	Barclays Capital.....		30,181,641	30,000,000	29,800,391			5,927		5,927		29,806,318		375,323	375,323	83,914	03/31/2019	1.....		
912828	D2	3	US TREASURY NOTE	1.625%	04/30/19.....		05/30/2014	Barclays Capital.....		15,071,484	15,000,000	14,895,293			1,719		1,719		14,897,012		174,472	174,472	21,858	04/30/2019	1.....		
0599999. Total Bonds - U.S. Government.....										70,479,688	70,000,000	69,629,605	0	0	9,245	0	9,245	0	69,638,850	0	840,837	840,837	239,481	XXX...	XXX...		
Bonds - U.S. Special Revenue and Special Assessment																											
196479	TZ	2	COLORADO HSG & FIN	5.000%	11/01/28.....		05/01/2014	Call 100.0000.....		185,000	185,000	200,161	195,397		(10,397)		(10,397)		185,000			0	4,625	05/01/2021	1FE.....		
49130T	JL	1	KENTUCKY HSG CORP HSG REV	5.000%	01/01/27.....		04/01/2014	Call 100.0000.....		70,000	70,000	75,728	73,787		(3,787)		(3,787)		70,000			0	2,625	07/01/2019	1FE.....		
49130T	ME	3	KENTUCKY HSG CORP HSG REV	5.000%	01/01/28.....		05/08/2014	Call 100.0000.....		95,000	95,000	102,331	99,527		(4,527)		(4,527)		95,000			0	4,051	01/01/2023	1FE.....		
60416Q	EQ	3	MINNESOTA ST HSG FIN AGY	4.000%	01/01/35.....		06/01/2014	Call 100.0000.....		925,000	925,000	989,010	965,762		(40,762)		(40,762)		925,000			0	33,917	01/01/2022	1FE.....		
60636X	MH	3	MISSOURI ST HSG SF	6.350%	09/01/34.....		05/07/2014	Call 100.0000.....		345,000	345,000	357,803	347,712		(2,712)		(2,712)		345,000			0	14,970	12/01/2014	1FE.....		
60637B	BD	1	MISSOURI ST HSG DEV COMMN	4.625%	05/01/28.....		06/01/2014	Call 100.0000.....		110,000	110,000	117,117	114,658		(4,658)		(4,658)		110,000			0	2,563	05/01/2021	1FE.....		
647110	FB	6	NEW MEXICO EDL ASSISTANCE FNDT	0.877%	12/01/28.....		06/02/2014	Call 100.0000.....		230,000	230,000	227,084	229,410		590		590		230,000			0	1,031	12/01/2014	1FE.....		
76221R	SE	4	RHODE ISLAND ST HSG & MTGE FIN	2.750%	04/01/40.....		04/01/2014	Call 100.0000.....		345,000	345,000	357,772	356,228		(11,228)		(11,228)		345,000			0	4,744	10/01/2025	1FE.....		
97689Q	AZ	9	WISCONSIN HSG & ECONOMIC DEV	4.500%	04/01/28.....		04/01/2014	Call 100.0000.....		350,000	350,000	367,168	359,988		(9,988)		(9,988)		350,000			0	7,875	04/01/2020	1FE.....		
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....										2,655,000	2,655,000	2,794,174	2,742,469	0	(87,469)	0	(87,469)	0	2,655,000	0	0	0	76,401	XXX...	XXX...		
Bonds - Industrial and Miscellaneous																											
025816	AX	7	AMERICAN EXPRESS CO	6.150%	08/28/17.....		04/03/2014	Wells Fargo Bank.....		4,548,386	3,950,000	4,433,322	4,237,272		(19,735)		(19,735)		4,217,536		330,849	330,849	148,454	08/28/2017	1FE.....		
03072S	TB	1	AMSI 2004-R7 A1	0.592%	08/25/34.....		06/25/2014	Paydown.....		708,536	708,536	689,052	691,027		17,509		17,509		708,536			0	1,771	08/25/2034	1FM.....		
125354	AA	8	CGRBS 2013-VN05 A	3.369%	03/13/35.....		04/11/2014	Various.....		10,805,684	10,940,000	10,669,975	5,850,957		5,491		5,491		10,678,322		127,361	127,361	119,729	03/13/2035	1FM.....		
12642H	DE	8	CSMC 2009-9R 6A10	2.385%	10/26/36.....		06/01/2014	Paydown.....		223,316	223,316	225,550			(2,233)		(2,233)		223,316			0	444	10/26/2036	1FM.....		
233050	AN	3	DBUBS 2011-LC1A A1	3.742%	11/10/46.....		06/01/2014	Paydown.....		50,667	50,667	52,414	51,476		(810)		(810)		50,667			0	790	11/10/2046	1FM.....		
3137G0	AK	5	STACR 2014-DN1 M1	1.152%	02/25/24.....		06/25/2014	Paydown.....		99,482	99,482	99,855			(373)		(373)		99,482			0	148	02/25/2024	1FE.....		
46637Y	AL	3	JPMCC 2012-HSBC D	4.524%	07/05/32.....		06/16/2014	CSFBdirect.....		719,250	685,000	689,281	689,038		(163)		(163)		688,875		30,375	30,375	17,268	07/05/2032	1FM.....		
477867	AD	7	JDOT 2011-A A4	1.960%	04/16/18.....		06/15/2014	Paydown.....		12,352,171	12,352,171	12,349,868	12,351,812		360		360		12,352,171			0	113,059	04/16/2018	1FE.....		
55660C	AG	3	MAD 2013-650M B	4.034%	10/12/32.....		04/04/2014	CSFBdirect.....		3,150,234	3,000,000	3,123,281			(1,476)		(1,476)		3,121,805		28,429	28,429	13,112	10/12/2032	1FM.....		
65535V	AA	6	NAA 2001-R1A A1	6.940%	02/01/30.....		04/30/2014	Nomura Securities Intern'l Inc.		295,509	294,772	298,733	293,239	6,390	(78)		6,312		299,551		(4,042)	(4,042)	7,083	02/01/2030	4FM.....		
65535V	AA	6	NAA 2001-R1A A1	6.940%	02/01/30.....		05/01/2014	Paydown.....		4,020	4,020	4,074	3,999	87	(66)		21		4,020			0	1,813	02/01/2030	4FM.....		
84751P	JG	5	SURF 2005-AB3 A2C	0.512%	09/25/36.....		06/25/2014	Paydown.....		554,833	554,833	522,236	531,403		23,429		23,429		554,833			0	712	09/25/2036	1FM.....		
91830C	AL	2	VNDO 2012-6AVE D	3.448%	11/15/30.....		04/01/2014	Union Bank of Switzerland.....									0					0	40,868	11/15/2030	1FM.....		
709629	AK	5	PENTAIR FINANCE SA	1.875%	09/15/17.....	R..	04/22/2014	JP Morgan Securities.....		10,075,400	10,000,000	9,996,520	9,997,254		249		249		9,997,503		77,897	77,897	114,583	09/15/2017	2FE.....		
3899999. Total Bonds - Industrial and Miscellaneous.....										43,587,488	42,862,797	43,154,161	34,697,477	6,477	22,104	0	28,581	0	42,996,617	0	590,869	590,869	579,834	XXX...	XXX...		
8399997. Total Bonds - Part 4.....										116,722,176	115,517,797	115,577,940	37,439,946	6,477	(56,120)	0	(49,643)	0	115,290,467	0	1,431,706	1,431,706	895,716	XXX...	XXX...		
8399999. Total Bonds.....										116,722,176	115,517,797	115,577,940	37,439,946	6,477	(56,120)	0	(49,643)	0	115,290,467	0	1,431,706	1,431,706	895,716	XXX...	XXX...		
9999999. Total Bonds, Preferred and Common Stocks.....										116,722,176	XXX.....	115,577,940	37,439,946	6,477	(56,120)	0	(49,643)	0	115,290,467	0	1,431,706	1,431,706	895,716	XXX...	XXX...		

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

Sch. DB-Pt A-Sn 1
NONE

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

Sch. DB-Pt A-Sn 1-Footernote B
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footernote A
NONE

Sch. DB-Pt B-Sn 1-Footernote 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

PROGRESSIVE PREFERRED INSURANCE COMPANY
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	
Open Depositories								
CITIBANK..... NEW YORK, NY.....								XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	0	0	0	0	0	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	0	0	0	0	0	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	0	0	0	0	0	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
U.S. Government Bonds - Issuer Obligations							
TREASURY BILL.....		06/04/2014	0.030	07/03/2014	39,999,934	.....	.....867
TREASURY BILL.....		06/17/2014	0.020	07/10/2014	22,999,885	.....	.....229
0199999. U.S. Government Bonds - Issuer Obligations.....					62,999,819	0	1,096
0599999. Total - U.S. Government Bonds.....					62,999,819	0	1,096
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
CHEVRON FUNDING CORP.....		06/26/2014	0.050	07/31/2014	6,999,708	.....	.....49
WAL-MART STORES INC.....		06/02/2014	0.040	07/01/2014	29,000,000	.....	.....934
CPPIB CAPITAL INC.....		06/30/2014	0.050	07/03/2014	7,799,978	.....	.....11
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					43,799,686	0	994
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					43,799,686	0	994
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					106,799,505	0	2,090
8399999. Subtotals - Bonds.....					106,799,505	0	2,090
8699999. Total - Cash Equivalents.....					106,799,505	0	2,090