



QUARTERLY STATEMENT

As of September 30, 2014
of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

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

OFFICERS

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) DAVID JAMES SKOVE _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHLEEN MARY CERNY _____ 2. (Printed Name) ASSISTANT SECRETARY _____ (Title)	_____ (Signature) JAMES LEE KUSMER _____ 3. (Printed Name) ASSISTANT TREASURER _____ (Title)
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Subscribed and sworn to before me
This 11TH day of NOVEMBER, 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 _____

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.....	548,904,809		548,904,809	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 (\$.....38,699,078) and short-term investments (\$.....0).....	38,699,078		38,699,078	
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....	175,043		175,043	
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).....	587,778,930	.0	587,778,930	516,359,109
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	1,999,115		1,999,115	3,722,468
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	16,167,729	2,146,745	14,020,984	6,622,358
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	85,418,457		85,418,457	84,530,767
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,588,334		2,588,334	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.....	19,197,203		19,197,203	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.....	18,198,557		18,198,557	16,590,506
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	833,568	205,338	628,230	651,161
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	732,181,893	2,352,083	729,829,810	652,455,735
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	732,181,893	2,352,083	729,829,810	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.....	376,535		376,535	509,589
2502. NEW YORK STATE ASSESSMENT RECOVERABLE.....	251,695		251,695	141,572
2503. PREPAID EXPENSES.....	175,192	175,192	.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	30,146	30,146	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	833,568	205,338	628,230	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 \$.....99,463,618).....	200,939,584	198,058,576
2. Reinsurance payable on paid losses and loss adjustment expenses.....	2,000,015	2,840,161
3. Loss adjustment expenses.....	40,866,096	38,760,436
4. Commissions payable, contingent commissions and other similar charges.....	610,406	763,886
5. Other expenses (excluding taxes, licenses and fees).....	29,952,106	20,674,880
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	3,457,884	4,085,604
7.1 Current federal and foreign income taxes (including \$.....593,897 on realized capital gains (losses)).....	5,320,261	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 \$.....181,282,104 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.....	182,561,785	167,771,572
10. Advance premium.....	5,525,318	4,359,642
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	718,014	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.....	27,244,178	27,058,300
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	12,848,534	
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.....	909,084	212,282
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	512,953,265	468,726,997
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	512,953,265	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).....	171,160,771	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).....	216,876,545	183,728,738
38. Totals (Page 2, Line 28, Col. 3).....	729,829,810	652,455,735

DETAILS OF WRITE-INS

2501. ESCHEATABLE PROPERTY.....	553,566	13,599
2502. STATE PLAN LIABILITY.....	196,999	80,097
2503. OTHER LIABILITIES.....	148,639	111,612
2598. Summary of remaining write-ins for Line 25 from overflow page.....	9,880	6,974
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	909,084	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 \$....479,702,117).....	474,281,636	498,133,688	658,709,290
1.2 Assumed..... (written \$....452,181,679).....	437,391,466	421,865,299	564,666,811
1.3 Ceded..... (written \$....479,702,117).....	474,281,636	498,133,688	658,709,290
1.4 Net..... (written \$....452,181,679).....	437,391,466	421,865,299	564,666,811
DEDUCTIONS:			
2. Losses incurred (current accident year \$....271,000,708):			
2.1 Direct.....	302,491,244	311,368,422	415,531,673
2.2 Assumed.....	271,420,640	263,641,162	354,174,981
2.3 Ceded.....	302,491,244	311,368,422	415,531,673
2.4 Net.....	271,420,640	263,641,162	354,174,981
3. Loss adjustment expenses incurred.....	45,107,370	42,952,817	57,612,692
4. Other underwriting expenses incurred.....	93,052,669	91,511,241	120,451,707
5. Aggregate write-ins for underwriting deductions.....	0	2,971	2,971
6. Total underwriting deductions (Lines 2 through 5).....	409,580,679	398,108,191	532,242,351
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	27,810,787	23,757,108	32,424,460
INVESTMENT INCOME			
9. Net investment income earned.....	7,557,760	8,296,044	11,491,597
10. Net realized capital gains (losses) less capital gains tax of \$....3,564,746.....	6,631,624	1,968,787	1,991,648
11. Net investment gain (loss) (Lines 9 + 10).....	14,189,384	10,264,831	13,483,245
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....456,298 amount charged off \$....3,447,095).....	(2,990,797)	(3,535,407)	(4,541,726)
13. Finance and service charges not included in premiums.....	7,539,930	8,253,951	10,869,426
14. Aggregate write-ins for miscellaneous income.....	434,021	374,089	573,498
15. Total other income (Lines 12 through 14).....	4,983,154	5,092,633	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).....	46,983,325	39,114,572	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).....	46,983,325	39,114,572	52,808,903
19. Federal and foreign income taxes incurred.....	13,999,846	13,400,332	17,416,792
20. Net income (Line 18 minus Line 19) (to Line 22).....	32,983,479	25,714,240	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).....	32,983,479	25,714,240	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 \$....(145,209).....	(269,674)	(2)	(56)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	206,758	678,861	133,565
27. Change in nonadmitted assets.....	227,244	456,241	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).....	33,147,807	26,849,340	9,428,519
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	216,876,545	201,149,559	183,728,738
DETAILS OF WRITE-INS			
0501. LOSS ON COMMUTATION.....		2,971	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	2,971	2,971
1401. MISCELLANEOUS INCOME.....	399,585	336,324	523,529
1402. SERVICE BUSINESS REVENUE.....	27,379	22,985	31,644
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	7,057	14,780	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).....	434,021	374,089	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

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.....	446,058,825	432,596,643	576,489,232
2. Net investment income.....	10,992,457	9,490,239	12,755,206
3. Miscellaneous income.....	4,892,853	4,927,815	6,752,903
4. Total (Lines 1 through 3).....	461,944,135	447,014,697	595,997,341
5. Benefit and loss related payments.....	266,833,981	252,692,750	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.....	127,558,353	124,869,169	173,293,198
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....2,975,707 tax on capital gains (losses).....	16,265,656	14,784,279	18,666,229
10. Total (Lines 5 through 9).....	410,657,990	392,346,198	536,370,803
11. Net cash from operations (Line 4 minus Line 10).....	51,286,145	54,668,499	59,626,538
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	503,613,456	226,579,117	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.....	12,848,534		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	516,461,990	226,579,117	294,248,408
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	528,089,011	303,880,524	339,847,610
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	175,043		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	528,264,054	303,880,524	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).....	(11,802,064)	(77,301,407)	(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).....	(785,004)	12,633,575	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).....	(785,004)	12,633,575	(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).....	38,699,078	(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).....	38,699,078	0	(0)

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive 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	September 30, 2014	December 31, 2013
Net income			
(1) Net income, state basis	OH	\$ 32,983,479	\$ 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	\$ 32,983,479	\$ 35,392,111
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 216,876,545	\$ 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	\$ 216,876,545	\$ 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

- 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 September 30, 2014, the Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.
- As of September 30, 2014, the Company had \$845,723 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 September 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	\$ 620,437
2. Twelve months or longer	225,286
Total	\$ 845,723
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 146,196,387
2. Twelve months or longer	7,131,777
Total	\$ 153,328,164

- 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 September 30, 2014. The Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of September 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.

NOTES TO FINANCIAL STATEMENTS

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 September 30, 2014:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds Industrial & Miscellaneous	\$ --	\$ 26,803,953	\$ --	\$ 26,803,953
Total assets at fair value	\$ --	\$ 26,803,953	\$ --	\$ 26,803,953
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

2. Roll forward of Level 3 Items

Not applicable

3. Policy on Transfers Into and Out of Level 3

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

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

See Note 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 September 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	\$ 551,443,875	\$ 548,904,809	\$ 135,745,804	\$ 415,698,071	\$ --	\$ --
Cash equivalents	38,699,078	38,699,078	38,699,078	--	--	--
Total	\$ 590,142,953	\$ 587,603,887	\$ 174,444,882	\$ 415,698,071	\$ --	\$ --

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 November 8, 2014 for the statutory statement that was available for issuance by November 15, 2014.

The Company declared a \$35,300,000 ordinary cash dividend on October 29, 2014 to be paid on or after December 10, 2014 to Drive Insurance Holdings, Inc.

23. Reinsurance

No significant change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change

NOTES TO FINANCIAL STATEMENTS

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years increased by \$1,377,240 in 2014, which is less than 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 for accident year 2013 increasing by 1.0%. 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

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? 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]

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 No

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

PART 1 - INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART 1 - INVESTMENT

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

Yes [X] No []

18.2 If no, list exceptions:

**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? 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 PREFERRED 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
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NONE

PROGRESSIVE PREFERRED INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	N						
2. Alaska.....AK	L						
3. Arizona.....AZ	L	96,982,886	100,139,336	60,516,434	64,004,578	42,289,859	43,780,218
4. Arkansas.....AR	N						
5. California.....CA	N						
6. Colorado.....CO	L	107,552,502	109,421,110	75,970,728	71,382,587	64,617,812	58,819,470
7. Connecticut.....CT	N						
8. Delaware.....DE	L						
9. District of Columbia.....DC	L						
10. Florida.....FL	N						
11. Georgia.....GA	L	4,477,762	5,131,235	3,360,979	2,094,042	4,460,915	5,759,120
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	178,189,478	167,410,079	107,344,132	94,548,573	79,163,846	79,021,504
25. Mississippi.....MS	L						
26. Missouri.....MO	L	17,705,990	24,634,726	14,685,834	14,621,933	11,039,538	12,609,180
27. Montana.....MT	L						
28. Nebraska.....NE	L						
29. Nevada.....NV	L	3,938,702	4,588,414	2,746,273	2,489,745	1,488,532	2,016,571
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	L						
32. New Mexico.....NM	L	1,533,748	1,625,255	1,003,610	1,199,491	1,045,420	1,083,825
33. New York.....NY	L	(17,021)	13,609,069	5,290,975	15,171,303	9,713,964	19,654,388
34. North Carolina.....NC	L				26		
35. North Dakota.....ND	N						
36. Ohio.....OH	L	21,661,593	24,677,725	14,267,973	16,011,877	8,693,398	10,551,736
37. Oklahoma.....OK	L				127		
38. Oregon.....OR	L	366,214	442,594	123,724	188,992	489	168,528
39. Pennsylvania.....PA	L	47,161,661	48,710,145	26,958,367	28,704,125	23,171,421	22,473,842
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			467	(467)		
46. Vermont.....VT	N						
47. Virginia.....VA	L			3,911	(5,657)		
48. Washington.....WA	L	148,602	147,217	6,282	8,334	70,700	49,296
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		479,702,117	500,536,905	312,279,687	310,419,610	245,755,893	255,987,678

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;

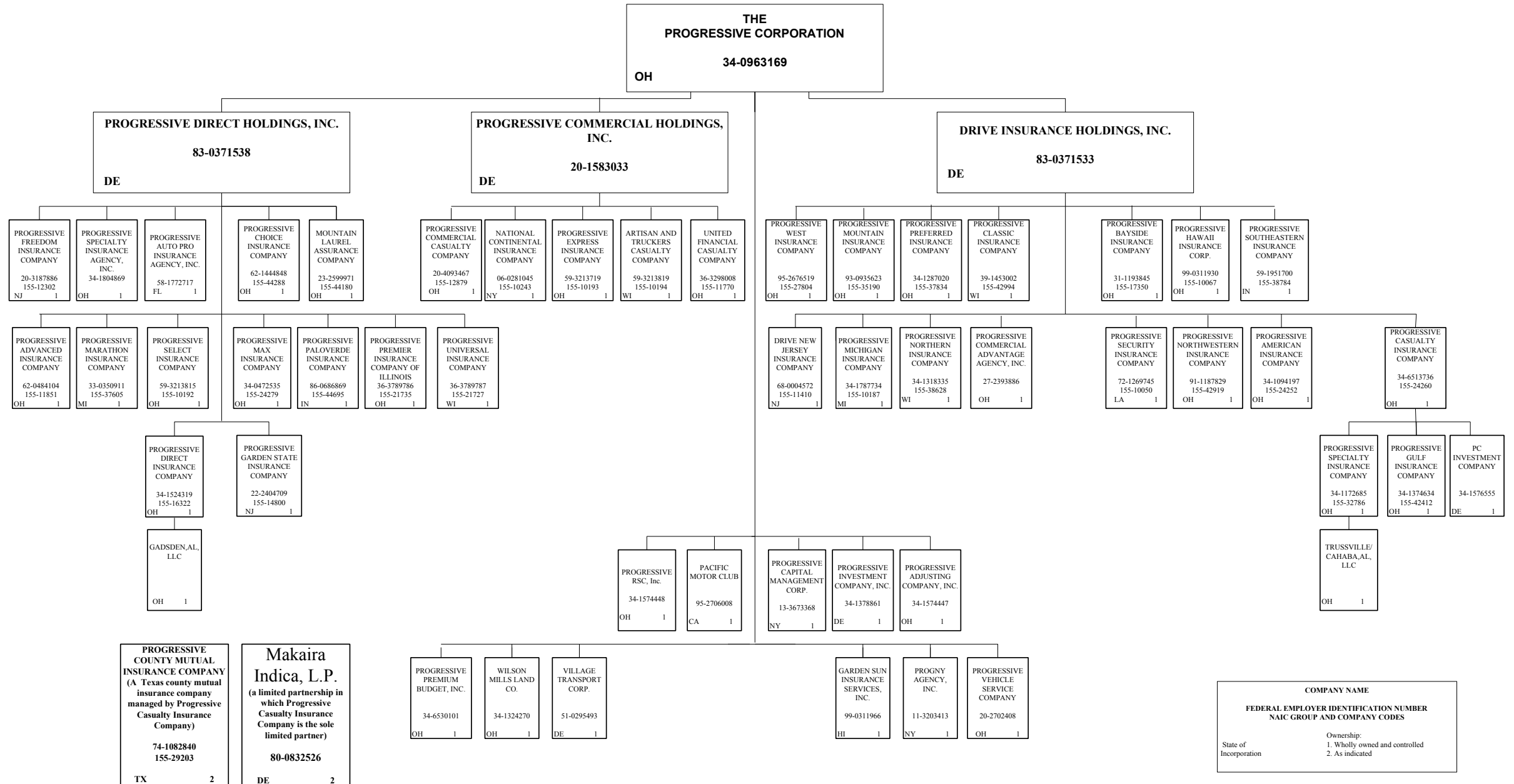
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(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



PROGRESSIVE PREFERRED INSURANCE COMPANY

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.....

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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			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.....	1,360,263	455,887	33.5	37.8
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	5,413,561	2,779,101	51.3	60.5
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.....	3,240,489	2,242,923	69.2	73.0
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.....	288,959,891	184,406,186	63.8	62.0
19.3, 19.4 Commercial auto liability.....	5,109,223	1,268,271	24.8	25.0
21. Auto physical damage.....	170,198,210	111,338,877	65.4	64.8
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	474,281,636	302,491,244	63.8	62.5
DETAILS OF WRITE-INS				
3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....	(12,362)	44,180	2,013,149
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	2,202,770	6,652,432	5,766,452
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.....	1,199,375	3,761,073	3,049,531
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.....	95,509,746	291,159,396	304,315,654
19.3 19.4 Commercial auto liability.....	1,384,888	4,874,939	5,647,041
21. Auto physical damage.....	56,817,580	173,210,097	179,745,077
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.....	157,101,997	479,702,117	500,536,905
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

PROGRESSIVE PREFERRED INSURANCE COMPANY

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.....	36,329	7,558	43,887	17,969	854	18,823	19,483	1,124	4,405	25,012	1,123	(1,175)	(52)
2. 2012.....	44,254	9,600	53,854	21,357	1,841	23,198	22,570	3,790	4,635	30,995	(327)	667	340
3. Subtotals 2012 + Prior.....	80,584	17,158	97,741	39,327	2,695	42,021	42,053	4,914	9,041	56,007	796	(508)	287
4. 2013.....	103,882	35,196	139,078	59,975	11,480	71,455	45,077	10,582	13,053	68,712	1,170	(81)	1,090
5. Subtotals 2013 + Prior.....	184,465	52,354	236,819	99,302	14,175	113,477	87,129	15,496	22,094	124,720	1,966	(589)	1,377
6. 2014.....	XXX	XXX	XXX	XXX	198,065	198,065	XXX	87,865	29,221	117,086	XXX	XXX	XXX
7. Totals.....	184,465	52,354	236,819	99,302	212,240	311,542	87,129	103,361	51,315	241,806	1,966	(589)	1,377
8. Prior Year-End's Surplus As Regards Policyholders	183,729										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
											1.1.1 %	2.(1.1)%	3.0.6 %
													Col. 13, Line 7 Line 8
													4.0.7 %

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
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:



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.....	30,146	30,146	0	
2597. Summary of remaining write-ins for Line 25.....	30,146	30,146	0	0

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2504. UNEARNED FEE RESERVE.....	9,880	6,974
2597. Summary of remaining write-ins for Line 25.....	9,880	6,974

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

Real Estate

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

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	516,359,111	469,457,664
2. Cost of bonds and stocks acquired.....	528,089,010	339,847,610
3. Accrual of discount.....	685,774	853,356
4. Unrealized valuation increase (decrease).....	(414,884)	(86)
5. Total gain (loss) on disposals.....	10,196,370	3,238,454
6. Deduct consideration for bonds and stocks disposed of.....	503,613,455	294,248,408
7. Deduct amortization of premium.....	2,397,118	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).....	548,904,808	516,359,111
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	548,904,808	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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	494,386,550	236,059,982	206,202,629	(462,108)	419,800,337	494,386,550	523,781,795	395,617,989
2. NAIC 2 (a).....	39,569,198	599,999	3,112,500	(38,558)	45,612,546	39,569,198	37,018,139	106,027,147
3. NAIC 3 (a).....		13,200,600		(416,700)			12,783,900	
4. NAIC 4 (a).....	14,173,426			(153,374)	14,588,349	14,173,426	14,020,052	14,713,973
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	548,129,174	249,860,581	209,315,129	(1,070,740)	480,001,232	548,129,174	587,603,886	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.....	548,129,174	249,860,581	209,315,129	(1,070,740)	480,001,232	548,129,174	587,603,886	516,359,109

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**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**

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.....	265,491,539	4,599,959
3. Accrual of discount.....	6,789	708
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	226,799,250	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).....	38,699,078	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	38,699,078	0

**Sch. A-Pt 2
NONE**

**Sch. A-Pt 3
NONE**

**Sch. B-Pt 2
NONE**

**Sch. B-Pt 3
NONE**

**Sch. BA-Pt 2
NONE**

**Sch. BA-Pt 3
NONE**

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 VS 6	US TREASURY NOTE 2.500% 08/15/23		08/19/2014	Barclays Capital		5,102,142	5,025,000	1,707	1
912828 WW 6	US TREASURY NOTE 1.625% 07/31/19		08/19/2014	Goldman Sachs		18,047,813	18,000,000	15,897	1
0599999	Total Bonds - U.S. Government					23,149,955	23,025,000	17,604	XXX
Bonds - Industrial and Miscellaneous									
05525L AG 3	BAMLL 2014-ICTS B 1.255% 06/15/28		08/06/2014	Merrill Lynch		9,500,703	9,500,000	4,658	1FE
05525L AJ 7	BAMLL 2014-ICTS C 1.554% 06/15/28		07/23/2014	Various		12,010,313	12,000,000	8,000	1FE
05525L AL 2	BAMLL 2014-ICTS D 2.054% 06/15/28		08/20/2014	Various		7,704,406	7,700,000	6,220	1FE
05955R AG 9	BALL 2009-FDG D 8.703% 01/25/42		07/09/2014	Bank of America Corp		2,773,500	2,400,000	7,543	1FM
06052Y AC 3	BAAT 2012-1 A3 0.780% 06/15/16		07/10/2014	Citicorp Securities Inc		8,984,977	8,969,560		1FE
12642H DE 8	CSMC 2009-9R 6A10 2.362% 10/26/36		09/11/2014	Royal Bank of Scotland		7,769,142	7,711,307	7,590	1FM
17320Q AL 3	CGCMT 2013-375P D 3.518% 05/10/35		08/08/2014	CSFBdirect		10,089,326	10,756,569	13,033	1FM
20047R AQ 6	COMM 2007-C9 AMFL 0.794% 12/10/49		08/06/2014	CSFBdirect		1,562,719	1,580,000		1FM
3137G0 AK 5	STACR 2014-DN1 M1 1.155% 02/25/24		07/28/2014	Wells Fargo Bank		16,387,109	16,405,052	3,158	1FE
35803Q AA 5	FRESENIUS MED CARE US 5.750% 02/15/21		07/16/2014	Various		10,663,100	9,730,000	235,467	3FE
35804G AJ 7	FRESENIUS US FINANCE II 4.250% 02/01/2		07/11/2014	Barclays Capital		2,537,500	2,500,000	44,861	3FE
40422A AA 1	HILT 2014-ORL A 1.055% 07/15/29		07/23/2014	Various		18,006,250	18,000,000		1FE
58768V AC 5	MBALT 2013-A A3 0.590% 02/15/16		09/18/2014	Citicorp Securities Inc		10,005,859	10,000,000	1,311	1FE
61763H AG 6	MSRR 2014-R1 A 2.293% 08/26/36		07/09/2014	Wells Fargo Bank		380,114	373,118	309	1FE
61763H AG 6	MSRR 2014-R1 A 2.293% 08/26/36		07/09/2014	Wells Fargo Bank		12,192,431	11,968,031	9,910	1FE
67087M AA 4	OBP 2010-OBP A 4.646% 07/15/45		09/19/2014	Various		15,374,468	13,834,000	31,914	1FM
73328X AC 3	PILOT 2013-1 A3 0.700% 08/22/16		09/19/2014	CSFBdirect		19,517,520	19,500,000	758	1FE
91830C AL 2	VNDO 2012-6AVE D 3.337% 11/15/30		09/29/2014	Various		22,353,500	23,400,000	16,610	1FM
92903P AC 3	VNO 2010-VNO A2FX 4.004% 09/13/28		07/02/2014	Merrill Lynch		199,107	186,000	579	1FM
3899999	Total Bonds - Industrial and Miscellaneous					188,012,044	186,513,637	391,921	XXX
8399997	Total Bonds - Part 3					211,161,999	209,538,637	409,525	XXX
8399999	Total Bonds					211,161,999	209,538,637	409,525	XXX
9999999	Total Bonds, Preferred and Common Stocks					211,161,999	XXX	409,525	XXX

QE04

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

PROGRESSIVE PREFERRED INSURANCE COMPANY

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 Design- ation 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.							
Bonds - U.S. Government																					
912828 B6 6	US TREASURY NOTE 2.750% 02/15/24		08/07/2014	Barclays Capital		5,153,906	5,000,000	5,009,180			(381)		(381)		5,008,798		145,108	145,108	66,091	02/15/2024	1
912828 WG 1	US TREASURY NOTE 2.250% 04/30/21		08/08/2014	CSFBdirect		20,253,125	20,000,000	19,895,285			3,471		3,471		19,898,756		354,369	354,369	123,505	04/30/2021	1
0599999	Total Bonds - U.S. Government					25,407,031	25,000,000	24,904,465	0	0	3,090	0	3,090	0	24,907,554	0	499,477	499,477	189,596	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
167593 MH 2	CHICAGO IL O'HARE INTERNA 5.000% 01/01/20		08/27/2014	Morgan Stanley		11,602,700	10,000,000	11,142,300	11,107,285		(114,469)		(114,469)		10,992,815		609,885	609,885	437,500	01/01/2020	1FE
249182 CE 4	DENVER CITY & CNTY CO ARPT REV 5.000% 11/15/20		09/18/2014	Citicorp Securities Inc		1,646,974	1,400,000	1,582,686	1,581,946		(17,617)		(17,617)		1,564,329		82,645	82,645	59,889	11/15/2020	1FE
49130T JL 1	KENTUCKY HSG CORP HSG REV 5.000% 01/01/27		09/01/2014	Call 100.0000		300,000	300,000	324,549	316,232		(16,232)		(16,232)		300,000		0	0	17,000	07/01/2019	1FE
60416Q EQ 3	MINNESOTA ST HSG FIN AGY 4.000% 01/01/35		09/01/2014	Call 100.0000		565,000	565,000	604,098	589,898		(24,898)		(24,898)		565,000		0	0	24,467	01/01/2022	1FE
60637B BD 1	MISSOURI ST HSG DEV COMMN 4.625% 05/01/28		09/01/2014	Call 100.0000		110,000	110,000	117,117	114,658		(4,658)		(4,658)		110,000		0	0	3,796	05/01/2021	1FE
647110 FB 6	NEW MEXICO EDL ASSISTANCE FN 0.884% 12/01/28		09/01/2014	Call 100.0000		50,000	50,000	49,366	49,872		128		128		50,000		0	0	336	12/01/2014	1FE
647200 N5 9	NEW MEXICO MTG FIN AGY 5.000% 09/01/30		09/01/2014	Call 100.0000		200,000	200,000	216,198	209,987		(9,987)		(9,987)		200,000		0	0	9,000	03/01/2021	1FE
64971Q 5D 1	NEW YORK N Y CITY TRANSITION 5.000% 11/01/20		09/09/2014	Citicorp Securities Inc		19,159,680	16,000,000	20,026,560	19,670,515		(358,015)		(358,015)		19,312,500		(152,820)	(152,820)	691,111	11/01/2020	1FE
3199999	Total Bonds - U.S. Special Revenue and Special Assessment					33,634,354	28,625,000	34,062,874	33,640,393	0	(545,748)	0	(545,748)	0	33,094,644	0	539,710	539,710	1,243,099	XXX	XXX
Bonds - Industrial and Miscellaneous																					
03072S TB 1	AMSI 2004-R7 A1 0.595% 08/25/34		09/25/2014	Paydown		1,005,351	1,005,351	977,703	980,507		24,844		24,844		1,005,351		0	0	3,931	08/25/2034	1FM
06052Y AC 3	BAAT 2012-1 A3 0.780% 06/15/16		09/15/2014	Paydown		2,634,821	2,634,821	2,639,350			(4,529)		(4,529)		2,634,821		0	0	2,536	06/15/2016	1FE
12642H DE 8	CSMC 2009-9R 6A10 2.362% 10/26/36		09/01/2014	Paydown		530,252	530,252	535,555			(5,303)		(5,303)		530,252		0	0	3,293	10/26/2036	1FM
126673 Q8 8	CWL 2005-4 MV2 0.635% 10/25/35		09/25/2014	Paydown		1,172,804	1,172,804	1,116,070	1,136,813		35,991		35,991		1,172,804		0	0	5,364	10/25/2035	1FM
233050 AN 3	DBUBS 2011-LC1A A1 3.742% 11/10/46		08/18/2014	Royal Bank of Scotland		6,883,089	6,638,052	6,866,942	6,744,107		(33,620)		(33,620)		6,710,487		172,602	172,602	179,397	11/10/2046	1FM
233050 AN 3	DBUBS 2011-LC1A A1 3.742% 11/10/46		08/01/2014	Paydown		34,852	34,852	36,054	35,409		(557)		(557)		34,852		0	0	812	11/10/2046	1FM
3137G0 AK 5	STACR 2014-DN1 M1 1.155% 02/25/24		09/25/2014	Paydown		392,564	392,564	392,858			(294)		(294)		392,564		0	0	949	02/25/2024	1FE
40422A AA 1	HILT 2014-ORL A 1.055% 07/15/29		09/05/2014	Wells Fargo Bank		18,007,656	18,000,000	18,006,250			(348)		(348)		18,005,902		1,754	1,754	20,495	07/15/2029	1FE
46637Y AL 3	JPMCC 2012-HSBC D 4.524% 07/05/32		07/21/2014	Various		10,610,547	10,000,000	10,034,672	10,032,144		(1,689)		(1,689)		10,030,456		580,091	580,091	306,059	07/05/2032	1FM
61763H AG 6	MSRR 2014-R1 A 2.293% 08/26/36		09/01/2014	Paydown		373,118	373,118	380,114			(6,996)		(6,996)		373,118		0	0	1,331	08/26/2036	1FE
747262 AA 1	QVC INC 7.500% 10/01/19		09/07/2014	Call 103.7500		3,112,500	3,000,000	3,277,500	3,209,397		(96,897)		(96,897)		3,112,500		0	0	223,650	10/01/2019	2FE
84751P JG 5	SURF 2005-AB3 A2C 0.515% 09/25/36		09/25/2014	Paydown		509,824	509,824	479,872	488,295		21,529		21,529		509,824		0	0	1,674	09/25/2036	1FM
3899999	Total Bonds - Industrial and Miscellaneous					45,267,378	44,291,638	44,742,940	22,626,672	0	(67,869)	0	(67,869)	0	44,512,931	0	754,447	754,447	749,491	XXX	XXX
8399997	Total Bonds - Part 4					104,308,763	97,916,638	103,710,279	56,267,065	0	(610,527)	0	(610,527)	0	102,515,129	0	1,793,634	1,793,634	2,182,186	XXX	XXX
8399999	Total Bonds					104,308,763	97,916,638	103,710,279	56,267,065	0	(610,527)	0	(610,527)	0	102,515,129	0	1,793,634	1,793,634	2,182,186	XXX	XXX
9999999	Total Bonds, Preferred and Common Stocks					104,308,763	XXX	103,710,279	56,267,065	0	(610,527)	0	(610,527)	0	102,515,129	0	1,793,634	1,793,634	2,182,186	XXX	XXX

QE05

(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-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**

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
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
EXXON MOBIL CORP.....		09/16/2014	0.040	10/21/2014	24,999,445		417
PACIFIC GAS & ELECTRIC.....		09/30/2014	0.070	10/01/2014	600,000		1
UBS FINANCE (DE) LLC.....		09/26/2014	0.040	10/31/2014	5,999,800		33
WAL-MART STORES INC.....		09/24/2014	0.040	10/31/2014	4,999,833		39
CARGILL GLOBAL FUND PLC.....		09/29/2014	0.050	10/01/2014	2,100,000		6
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					38,699,078	0	496
3899999. Total - Industrial and Miscellaneous (Unaffiliated).....					38,699,078	0	496
Total Bonds							
7799999. Subtotals - Issuer Obligations.....					38,699,078	0	496
8399999. Subtotals - Bonds.....					38,699,078	0	496
8699999. Total - Cash Equivalents.....					38,699,078	0	496

QE13