



ANNUAL STATEMENT

For the Year Ended December 31, 2015
of the Condition and Affairs of the

PROGRESSIVE DIRECT INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 16322	Employer's ID Number..... 34-1524319
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 29, 1986	Commenced Business..... January 14, 1987	
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> FINANCIAL_REPORTING@PROGRESSIVE.COM <i>(E-Mail Address)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i> 440-603-5500 <i>(Fax Number)</i>

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

Name	Title	Name	Title
SCOTT WESLEY ZIEGLER	PRESIDENT	MICHAEL ROBERT UTH	SECRETARY
DANIEL JOSEPH WITALEC	TREASURER		

OTHER

SCOTT EDWARD COLEMAN	(ASST. TREASURER)	JOHN ALLEN CURTISS JR. #	(VICE PRESIDENT)
KAREN ANN KOSUDA	(ASST. SECRETARY)	SIMON GREGER LINDSAY	(VICE PRESIDENT)
MARIANN WOJTKUN MARSHALL	(VICE PRESIDENT)		

DIRECTORS OR TRUSTEES

BRIAN JACOB GURA #	CHARLES ELWOOD JARRETT	JOHN PETER SAUERLAND #	SANJAY MAHESH VYAS
SCOTT WESLEY ZIEGLER			

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) SCOTT WESLEY ZIEGLER	_____ (Signature) KAREN ANN KOSUDA	_____ (Signature) SCOTT EDWARD COLEMAN
1. (Printed Name) PRESIDENT	2. (Printed Name) ASSISTANT SECRETARY	3. (Printed Name) ASSISTANT TREASURER
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This 16TH day of FEBRUARY, 2016

a. Is this an original filing? Yes [X] No []
b. If no
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	3,732,913,021		3,732,913,021	3,246,652,135
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	38,840,199		38,840,199	45,717,375
2.2 Common stocks.....	826,403,971		826,403,971	814,294,423
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	162,915,648		162,915,648	167,156,214
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 (\$.....4,062,929, Schedule E-Part 1), cash equivalents (\$.....182,282,151, Schedule E-Part 2) and short-term investments (\$.....4,845,680, Schedule DA).....	191,190,760		191,190,760	120,414,299
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	5,955,647	5,955,647	0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,958,219,246	5,955,647	4,952,263,599	4,394,234,446
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	15,005,010		15,005,010	14,422,858
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	122,099,866	17,110,776	104,989,090	109,950,370
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	682,905,628		682,905,628	612,717,676
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,706,067		2,706,067	7,424,360
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	47,149	47,149	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	73,776,108		73,776,108	38,345,584
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	4,220,572	573,079	3,647,493	3,065,375
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	5,858,979,646	23,686,651	5,835,292,995	5,180,160,669
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	5,858,979,646	23,686,651	5,835,292,995	5,180,160,669

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 UNEARNED SURCHARGE RECOVERABLE.....	1,664,592		1,664,592	1,414,712
2502. STATE TAX CREDITS.....	1,034,065		1,034,065	853,344
2503. NET GOODS AND SERVICES TAX RECOVERABLE.....	519,248		519,248	525,687
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,002,667	573,079	429,588	271,632
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	4,220,572	573,079	3,647,493	3,065,375

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,730,694,760	1,527,156,218
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	242,193,305	243,568,665
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	386,547,032	333,163,904
4. Commissions payable, contingent commissions and other similar charges.....	904,163	422,721
5. Other expenses (excluding taxes, licenses and fees).....	12,987,049	14,438,698
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	51,849,751	48,152,530
7.1 Current federal and foreign income taxes (including \$.....(502,146) on realized capital gains (losses)).....	33,880,761	32,286,125
7.2 Net deferred tax liability.....	5,847,536	20,836,611
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....435,984,668 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).....	1,501,328,986	1,304,761,033
10. Advance premium.....	9,442,444	9,124,043
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	737,327	2,399,743
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	72,453,049	69,637,613
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.....	3,323,414	2,761,801
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	4,052,189,577	3,608,709,705
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	4,052,189,577	3,608,709,705
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,480	3,000,480
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.....	868,903,891	857,563,425
35. Unassigned funds (surplus).....	911,199,047	710,887,059
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	1,783,103,418	1,571,450,964
38. TOTALS (Page 2, Line 28, Col. 3).....	5,835,292,995	5,180,160,669

DETAILS OF WRITE-INS

2501. MISCELLANEOUS OTHER LIABILITIES.....	2,138,423	1,786,670
2502. STATE PLAN LIABILITY.....	617,224	447,226
2503. ESCHEATABLE PROPERTY.....	567,767	527,905
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,323,414	2,761,801
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 DIRECT INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	5,325,246,588	4,848,046,510
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	3,364,176,228	3,071,059,026
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	603,539,263	532,470,506
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,076,748,703	993,965,342
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,044,464,194	4,597,494,874
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	280,782,394	250,551,636
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	108,834,327	96,869,843
10. Net realized capital gains (losses) less capital gains tax of \$.....6,094,631 (Exhibit of Capital Gains (Losses)).....	18,843,944	24,735,729
11. Net investment gain (loss) (Lines 9 + 10).....	127,678,271	121,605,572
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....2,164,602 amount charged off \$.....51,899,474).....	(49,734,872)	(43,904,983)
13. Finance and service charges not included in premiums.....	34,653,039	33,141,247
14. Aggregate write-ins for miscellaneous income.....	17,472,909	16,619,598
15. Total other income (Lines 12 through 14).....	2,391,076	5,855,862
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	410,851,741	378,013,070
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).....	410,851,741	378,013,070
19. Federal and foreign income taxes incurred.....	145,224,477	124,445,215
20. Net income (Line 18 minus Line 19) (to Line 22).....	265,627,264	253,567,855
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,571,450,964	1,433,284,842
22. Net income (from Line 20).....	265,627,264	253,567,855
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(3,651,192).....	(6,827,925)	39,080,298
25. Change in net unrealized foreign exchange capital gain (loss).....	(1,194,172)	(853,241)
26. Change in net deferred income tax.....	10,694,866	3,406,959
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(2,488,045)	(2,220,661)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
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.....	11,340,466	8,184,912
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(65,500,000)	(163,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	211,652,454	138,166,122
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,783,103,418	1,571,450,964
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. FINANCE & SERVICE CHARGE REVENUE ASSUMED.....	15,982,334	15,257,515
1402. MISCELLANEOUS OTHER INCOME.....	1,419,994	1,320,707
1403. INTEREST INCOME ON INTERCOMPANY BALANCES.....	70,581	41,376
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	17,472,909	16,619,598
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,451,159,970	4,870,500,453
2. Net investment income.....	130,880,203	118,618,383
3. Miscellaneous income.....	5,151,903	7,980,898
4. Total (Lines 1 through 3).....	5,587,192,077	4,997,099,734
5. Benefit and loss related payments.....	3,157,294,753	2,935,750,222
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,624,164,686	1,489,612,512
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....7,176,073 tax on capital gains (losses).....	149,724,472	129,723,375
10. Total (Lines 5 through 9).....	4,931,183,911	4,555,086,109
11. Net cash from operations (Line 4 minus Line 10).....	656,008,165	442,013,625
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,219,804,890	2,043,375,246
12.2 Stocks.....	51,422,661	137,470,953
12.3 Mortgage loans.....		
12.4 Real estate.....	45,100	
12.5 Other invested assets.....	127,000	98,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		4,989,144
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,271,399,651	2,185,933,343
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,708,767,901	2,366,287,874
13.2 Stocks.....	54,284,935	30,183,566
13.3 Mortgage loans.....		
13.4 Real estate.....	4,371,966	2,718,420
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,767,424,802	2,399,189,860
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(496,025,151)	(213,256,517)
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.....	11,340,466	8,184,912
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	65,500,000	163,000,000
16.6 Other cash provided (applied).....	(35,047,019)	(7,010,733)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(89,206,553)	(161,825,821)
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).....	70,776,461	66,931,287
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	120,414,299	53,483,012
19.2 End of year (Line 18 plus Line 19.1).....	191,190,760	120,414,299

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....				0
2.	Allied lines.....				0
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....	(390)	2,068		1,679
5.	Commercial multiple peril.....				0
6.	Mortgage guaranty.....				0
8.	Ocean marine.....				0
9.	Inland marine.....	58,885,979	24,638,685	27,466,570	56,058,094
10.	Financial guaranty.....				0
11.1	Medical professional liability - occurrence.....				0
11.2	Medical professional liability - claims-made.....				0
12.	Earthquake.....				0
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....				0
16.	Workers' compensation.....				0
17.1	Other liability - occurrence.....	20,713,229	9,188,587	9,665,781	20,236,034
17.2	Other liability - claims-made.....	3,875	308	319	3,864
17.3	Excess workers' compensation.....				0
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....	3,546,281,673	816,756,310	935,106,191	3,427,931,792
19.3, 19.4	Commercial auto liability.....	27,843,093	11,660,452	13,656,098	25,847,447
21.	Auto physical damage.....	1,868,087,082	442,514,623	515,434,026	1,795,167,679
22.	Aircraft (all perils).....				0
23.	Fidelity.....				0
24.	Surety.....				0
26.	Burglary and theft.....				0
27.	Boiler and machinery.....				0
28.	Credit.....				0
29.	International.....				0
30.	Warranty.....				0
31.	Reinsurance - nonproportional assumed property.....				0
32.	Reinsurance - nonproportional assumed liability.....				0
33.	Reinsurance - nonproportional assumed financial lines.....				0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	5,521,814,542	1,304,761,032	1,501,328,986	5,325,246,589

DETAILS OF WRITE-INS

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

**PROGRESSIVE DIRECT INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....					0
2.	Allied lines.....					0
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	27,466,570				27,466,570
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....	9,665,781				9,665,781
17.2	Other liability - claims-made.....	319				319
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	935,106,191				935,106,191
19.3, 19.4	Commercial auto liability.....	13,656,098				13,656,098
21.	Auto physical damage.....	515,434,026				515,434,026
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....					0
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	1,501,328,986	0	0	0	1,501,328,986
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					1,501,328,986

DETAILS OF WRITE-INS

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

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

PROGRESSIVE DIRECT INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						.0
2. Allied lines.....						.0
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....		(503)		(113)		(390)
5. Commercial multiple peril.....						.0
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....	26,946,443	49,035,466		17,095,930		58,885,979
10. Financial guaranty.....						.0
11.1 Medical professional liability - occurrence.....						.0
11.2 Medical professional liability - claims-made.....						.0
12. Earthquake.....						.0
13. Group accident and health.....						.0
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....						.0
17.1 Other liability - occurrence.....	11,316,267	15,637,154		6,013,518	226,674	20,713,229
17.2 Other liability - claims-made.....		5,000		1,125		3,875
17.3 Excess workers' compensation.....						.0
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....	1,476,745,676	3,099,101,644		1,029,565,647		3,546,281,673
19.3, 19.4 Commercial auto liability.....		35,926,572		8,083,479		27,843,093
21. Auto physical damage.....	810,788,975	1,599,645,970		542,347,863		1,868,087,082
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX					.0
32. Reinsurance - nonproportional assumed liability.....	XXX					.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35. TOTALS.....	2,325,797,361	4,799,351,303	.0	1,603,107,448	226,674	5,521,814,542

DETAILS OF WRITE-INS

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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0			0	0.0
2. Allied lines.....				0			0	0.0
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....		30,543	6,872	23,671	9,166	81,766	(48,930)	(2,914.8)
5. Commercial multiple peril.....				0			0	0.0
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....				0			0	0.0
9. Inland marine.....	12,896,411	18,858,971	7,144,961	24,610,421	2,619,786	2,659,099	24,571,109	43.8
10. Financial guaranty.....				0			0	0.0
11.1 Medical professional liability - occurrence.....				0			0	0.0
11.2 Medical professional liability - claims-made.....				0			0	0.0
12. Earthquake.....				0			0	0.0
13. Group accident and health.....				0			0	0.0
14. Credit accident and health (group and individual).....				0			0	0.0
15. Other accident and health.....				0			0	0.0
16. Workers' compensation.....				0			0	0.0
17.1 Other liability - occurrence.....	2,858,734	3,894,007	1,519,367	5,233,374	6,720,401	6,751,526	5,202,249	25.7
17.2 Other liability - claims-made.....		7,050,000	1,586,250	5,463,750	562,040	827,884	5,197,906	134,516.2
17.3 Excess workers' compensation.....				0			0	0.0
18.1 Products liability - occurrence.....				0			0	0.0
18.2 Products liability - claims-made.....				0			0	0.0
19.1, 19.2 Private passenger auto liability.....	781,587,463	1,565,351,265	528,061,214	1,818,877,514	1,703,205,351	1,494,328,448	2,027,754,418	59.2
19.3, 19.4 Commercial auto liability.....		21,872,811	4,921,382	16,951,429	18,410,047	21,019,379	14,342,097	55.5
21. Auto physical damage.....	565,475,390	1,098,366,581	374,364,444	1,289,477,527	(832,031)	1,488,118	1,287,157,378	71.7
22. Aircraft (all perils).....				0			0	0.0
23. Fidelity.....				0			0	0.0
24. Surety.....				0			0	0.0
26. Burglary and theft.....				0			0	0.0
27. Boiler and machinery.....				0			0	0.0
28. Credit.....				0			0	0.0
29. International.....				0			0	0.0
30. Warranty.....				0			0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX			0			0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX			0			0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	1,362,817,998	2,715,424,178	917,604,490	3,160,637,686	1,730,694,759	1,527,156,219	3,364,176,227	63.2

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				.0				.0	
2. Allied lines.....				.0				.0	
3. Farmowners multiple peril.....				.0				.0	
4. Homeowners multiple peril.....				.0		11,827	2,661	9,166	3,054
5. Commercial multiple peril.....				.0				.0	
6. Mortgage guaranty.....				.0				.0	
8. Ocean marine.....				.0				.0	
9. Inland marine.....	804,144	1,022,104	410,906	1,415,342	503,463	1,050,658	349,677	2,619,786	519,999
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				(a) .0	
14. Credit accident and health (group and individual).....				.0				.0	
15. Other accident and health.....				.0				(a) .0	
16. Workers' compensation.....				.0				.0	
17.1 Other liability - occurrence.....	2,394,898	3,853,810	1,405,959	4,842,749	1,204,504	1,405,796	732,648	6,720,401	1,180,505
17.2 Other liability - claims-made.....				.0		725,213	163,173	562,040	92,052
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.....	579,493,625	1,150,385,324	389,222,764	1,340,656,186	119,862,861	347,942,514	105,256,209	1,703,205,351	365,404,035
19.3, 19.4 Commercial auto liability.....		19,147,635	4,308,218	14,839,417		4,607,264	1,036,634	18,410,047	2,568,222
21. Auto physical damage.....	33,139,916	58,879,279	20,704,319	71,314,876	(31,109,843)	(61,982,941)	(20,945,876)	(832,031)	16,779,165
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			.0	XXX			.0	
32. Reinsurance - nonproportional assumed liability.....	XXX			.0	XXX			.0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			.0	XXX			.0	
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35. TOTALS.....	615,832,583	1,233,288,152	416,052,165	1,433,068,570	90,460,985	293,760,331	86,595,127	1,730,694,759	386,547,031

DETAILS OF WRITE-INS

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

(a) Including \$.0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	26,524,867			26,524,867
1.2 Reinsurance assumed.....	92,971,229			92,971,229
1.3 Reinsurance ceded.....	26,887,778			26,887,778
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	92,608,319	0	0	92,608,319
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		8,341,864		8,341,864
2.2 Reinsurance assumed, excluding contingent.....		(815,484)		(815,484)
2.3 Reinsurance ceded, excluding contingent.....		1,741,746		1,741,746
2.4 Contingent - direct.....		637,036		637,036
2.5 Contingent - reinsurance assumed.....		729,007		729,007
2.6 Contingent - reinsurance ceded.....		307,360		307,360
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	6,843,318	0	6,843,318
3. Allowances to manager and agents.....		1,724		1,724
4. Advertising.....	73,855	398,699,482		398,773,338
5. Boards, bureaus and associations.....	1,611,597	1,714,401		3,325,998
6. Surveys and underwriting reports.....		42,016,277		42,016,277
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	342,572,695	303,175,493	3,010,272	648,758,460
8.2 Payroll taxes.....	24,001,048	22,462,193	92,696	46,555,937
9. Employee relations and welfare.....	60,085,851	46,359,104	120,380	106,565,334
10. Insurance.....	1,055,797	983,740		2,039,538
11. Directors' fees.....				0
12. Travel and travel items.....	15,466,882	7,073,365	16,631	22,556,877
13. Rent and rent items.....	21,431,698	28,553,133	67,886	50,052,717
14. Equipment.....	2,102,060	6,708,539		8,810,598
15. Cost or depreciation of EDP equipment and software.....	20,149,263	41,461,169	43,725	61,654,157
16. Printing and stationery.....	2,120,284	5,206,071	6,979	7,333,335
17. Postage, telephone and telegraph, exchange and express.....	15,744,144	40,803,006	18,213	56,565,362
18. Legal and auditing.....	3,242,558	5,327,648	423,667	8,993,873
19. Totals (Lines 3 to 18).....	509,657,731	950,545,346	3,800,449	1,464,003,526
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....25,632.....		87,317,858		87,317,858
20.2 Insurance department licenses and fees.....	754,191	4,652,270		5,406,462
20.3 Gross guaranty association assessments.....		121,543		121,543
20.4 All other (excluding federal and foreign income and real estate).....	121,148	23,363,146		23,484,295
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	875,340	115,454,817	0	116,330,157
21. Real estate expenses.....			17,880,681	17,880,681
22. Real estate taxes.....			3,910,924	3,910,924
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	397,873	3,905,222	650,139	4,953,234
25. Total expenses incurred.....	603,539,263	1,076,748,703	26,242,192	(a) 1,706,530,159
26. Less unpaid expenses - current year.....	386,547,031	61,665,540	4,075,422	452,287,993
27. Add unpaid expenses - prior year.....	333,163,905	58,925,388	4,088,559	396,177,852
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	550,156,137	1,074,008,551	26,255,330	1,650,420,018

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES.....	397,873	3,905,222	650,139	4,953,234
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	397,873	3,905,222	650,139	4,953,234

(a) Includes management fees of \$.....1,468,956,760 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....2,920,750	.....2,460,943
1.1 Bonds exempt from U.S. tax.....	(a).....3,739,655	.....3,130,626
1.2 Other bonds (unaffiliated).....	(a).....79,755,310	.....81,540,590
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....2,770,966	.....2,773,037
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....16,485,146	.....16,500,319
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....36,321,534	.....36,321,534
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....425,914	.....274,377
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....303,000	.....303,000
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....142,722,275	.....143,304,426
11. Investment expenses.....	.....	(g).....26,242,192
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....8,227,908
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....34,470,100
17. Net investment income (Line 10 minus Line 16).....	.....	.....108,834,326

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....10,902,476 accrual of discount less \$.....25,315,734 amortization of premium and less \$.....2,788,501 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....36,321,534 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....57,927 accrual of discount less \$.....202,466 amortization of premium and less \$.....19,764 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....8,227,908 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	4,120,709	.....	4,120,709	.....	.....
1.1 Bonds exempt from U.S. tax.....	567,615	.....	567,615	.....	.....
1.2 Other bonds (unaffiliated).....	9,832,285	.....	9,832,285	(2,044,586)	(764,880)
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	6,435,000	.....	6,435,000	(777,177)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	5,729,967	(1,407,477)	4,322,490	(7,610,216)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	(339,524)	(339,524)	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	(47,139)	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	26,685,576	(1,747,001)	24,938,575	(10,479,118)	(764,880)

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....	5,955,647	6,129,786	174,139
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	5,955,647	6,129,786	174,139
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	17,110,776	14,372,021	(2,738,755)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....			.0
21. Furniture and equipment, including health care delivery assets.....	47,149	60,544	13,395
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	573,079	636,255	63,176
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	23,686,651	21,198,606	(2,488,045)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	23,686,651	21,198,606	(2,488,045)

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. PREPAID EXPENSES.....	394,665	502,078	107,413
2502. MISCELLANEOUS OTHER ASSETS.....	178,414	134,177	(44,237)
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	573,079	636,255	63,176

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Direct 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	2015	2014
Net income			
(1) Net income, state basis	OH	\$ 265,627,264	\$ 253,567,855
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 265,627,264	\$ 253,567,855
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 1,783,103,418	\$ 1,571,450,964
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis (5-6-7=8)	OH	\$ 1,783,103,418	\$ 1,571,450,964

B. Use of Estimates

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense ("LAE") reserves and the Company's adjustment to realized losses for other-than-temporary impairment ("OTTI"), (see page 12, column 2, Exhibit of Capital Gains (Losses) and Note 1C).

C. Accounting Policies

Insurance premiums written are being earned into income on a pro-rata basis over the period of risk based on a daily earnings convention. Unearned premiums are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company's exposure to credit risk.

Acquisition costs, such as agents' commissions, premium taxes, and other policy initiation costs, are charged to operations as incurred. Advertising costs are expensed as incurred.

Other income includes finance and service charges collected on premiums receivable and finance and service charges assumed under quota-share reinsurance agreements with three of the Company's non-pooled insurance company affiliates.

Certain assets designated as "nonadmitted assets", in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 4, Assets and Nonadmitted Assets, are reported on page 13, Exhibit of Nonadmitted Assets. The change in nonadmitted assets is charged directly against surplus as regards policyholders on page 4, Statement of Income, capital and surplus section.

In addition, the Company uses the following accounting policies:

Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less that are reported at amortized cost which approximates market value.
- Short-term investments include securities acquired within one year of maturity except for those with original maturities of three months or less (see cash and cash equivalents above) and are reported at amortized cost which approximates market value.
- Investment grade bond valuations are based on NAIC designations or NAIC Credit Rating Provider ("CRP") designations from the Acceptable Rating Organization ("ARO") list and are reported at amortized cost using the scientific method which closely approximates the effective interest method. Non-investment grade bond valuations are also based on NAIC designations or NAIC CRP-ARO designations and are reported at the lower of amortized cost or fair market value. Loan-backed and structured securities follow the guidance prescribed by SSAP No. 43R, Loan-backed and Structured Securities ("SSAP No. 43R"), for the determination of the bond valuation and reporting designation. The difference between the original cost and redemption value of these securities is recognized over the lives of the respective issues and included in net investment gain.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values based on active market closing quotations from a regulated exchange. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes.
- Non-redeemable preferred stocks are reported at fair market values. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes. Investment grade redeemable preferred stocks are reported at amortized cost, while non-investment grade redeemable preferred stocks are reported at the lower of amortized cost or fair market value. The difference between the original cost and redemption value of the redeemable preferred securities is recognized using the scientific method, which closely approximates the effective interest method, over the lives of the respective issues and included in net investment gain.
- The fair market values reported are derived from independent and observable market input evaluations provided by reputable pricing services, independent broker/dealer bid lists, independent broker/dealer quotations, independent broker/dealer pricing services, or active market closing quotations from a regulated exchange. In very rare cases, if none of the aforementioned primary sources are available, matrix pricing using the reporting entity's own market based assumptions may be utilized. The approved methods for computation of fair market value are prescribed in Part Five of the Securities Valuation Office Purposes and Procedures Manual.
- The Company has no investments in mortgage loans.
- Loan-backed and structured securities are accounted for as prescribed by SSAP No. 43R. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends.

NOTES TO FINANCIAL STATEMENTS

- The Company owns 100% of the surplus of Gadsden, AL, LLC ("Gadsden"), a non-insurance affiliate incorporated in Ohio that owns investment real estate. In accordance with SSAP No. 4 – Assets and Nonadmitted Assets, this investment is reported as other invested assets in the Company's statutory-basis financial statements (see Schedule BA). This investment is reported on the equity basis as prescribed in the *Accounting Practices and Procedures Manual* of the NAIC. See Note 21.C.1.
- The Company has no investments in derivatives.
- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 2015 and December 31, 2014.
- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.
- The Company's management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for OTTI requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company's ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

Management assesses valuation declines to determine the extent to which such changes are attributable to (i) fundamental factors specific to the issuer, such as financial conditions, business prospects or other factors, or (ii) market-related factors such as interest rates or equity market declines (i.e., negative returns at either a sector index level or the broader market level), or (iii) credit-related losses where the present value of cash flows expected to be collected are lower than the amortized cost basis of the security (includes only those securities covered under SSAP No. 43R). This evaluation reflects management's assessment of current conditions, as well as predictions of uncertain future events that may have a material effect on the financial statements related to security valuation.

When persuasive evidence exists that causes management to conclude that a decline in fair value is other-than-temporary, the book value of such security is written down and recognized as a realized loss. All other unrealized gains or losses are reflected in statutory surplus.

Real Estate, Electronic Data Processing Equipment, and Furniture and Fixtures

- Company occupied real estate is reported at book/adjusted carrying value, less any related encumbrances. The Company does not own any property held for the production of income or sale. For properties intended for a unique, highly specialized purpose, such as the Company's data centers and service centers, the Company reports book/adjusted carrying value, less any related encumbrances.

All real estate except land is depreciated over its estimated useful life using the straight-line method.

- Electronic data processing equipment and furniture and fixtures are reported at depreciated cost and are depreciated over the estimated useful lives of the assets using accelerated methods for computers and the straight-line method for furniture and fixtures. The resulting net book value of furniture and fixtures is nonadmitted. Application software is capitalized and depreciated over its estimated useful life, and the resulting net book value is nonadmitted.

Loss, Loss Adjustment Expense, and Premium Deficiency Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Note 25).
- The Company does anticipate investment income when evaluating the need for premium deficiency reserves. See Note 30.

Capitalization of Assets

- The Company has written capitalization policies for its various asset classes. There have been no changes to the predefined capitalization thresholds from the prior year. Prepaid assets above a \$100,000 threshold are capitalized. Under certain circumstances, the Company may decide to establish a prepaid expense for amounts less than the threshold. Prepaid assets are nonadmitted.

Pharmaceutical Rebate Receivables

- The Company does not write medical insurance or prescription drug coverage.

D. Going Concern

Management continuously monitors the Company's financial results and compliance with regulatory requirements and found no reason to expect the Company to not continue as a going concern.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not applicable

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

1. The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.
2. Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment
Not applicable
3. The Company has not recognized any other-than-temporary impairment for loan-backed and structured debt securities during the current year.
4. As of December 31, 2015, the Company had \$26,117,964 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

As of December 31, 2015, 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	\$ 17,175,798
2. Twelve months or longer	8,942,166
Total	\$ 26,117,964
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 1,588,578,014
2. Twelve months or longer	458,272,135
Total	\$ 2,046,850,149

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

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable (see Note 1.C Investments)

F. Real Estate

1. Impairment Losses

The Company recognized impairment write-downs for its investments in real estate during the statement period. The amount of impairment recognized of \$339,525 (see Schedule A, Part 1, Column 12) is reflected in realized capital gains (losses) in the Company's Statement of Income and is not considered material to the Company.

2. Sales of Real Estate

On March 25, 2015, the Company transferred property to a non-insurance affiliate with a fair market value of \$45,100 (Schedule A, Part 3, Column 14). The Company did not recognize a realized gain or loss on the transfer (Schedule A, Part 3, Column 17).

3. Effect on Operations of Changes in Plans to Sell Investments in Real Estate

Not applicable

4. Retail Land Sales

Not applicable

5. Real Estate Investments with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category are as follows:

Restricted Asset Category	Gross Restricted						Percentage			
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is not shown	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	0%	0%
b. Collateral held under security lending agreements	--	--	--	--	--	--	--	--	0%	0%
c. Subject to repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
d. Subject to reverse repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
e. Subject to dollar repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
f. Subject to dollar reverse repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
g. Placed under option contracts	--	--	--	--	--	--	--	--	0%	0%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	--	--	--	--	--	--	--	--	0%	0%
i. FHLB capital	--	--	--	--	--	--	--	--	0%	0%
j. On deposit with states	5,861,902	--	--	--	5,861,902	5,827,631	34,271	5,861,902	0.10%	0.10%
k. On deposit with other regulatory bodies	--	--	--	--	--	--	--	--	0%	0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	--	--	--	--	--	--	--	--	0%	0%
m. Pledged as collateral not captured in other categories	--	--	--	--	--	--	--	--	0%	0%
n. Other restricted assets	--	--	--	--	--	--	--	--	0%	0%
o. Total Restricted Assets	\$ 5,861,902	\$ --	\$ --	\$ --	\$ 5,861,902	\$ 5,827,631	\$ 34,271	\$ 5,861,902	0.10%	0.10%

(a) Subset of column 1

(b) Subset of column 3

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (from above table)

Not applicable

3. Detail of Other Restricted Assets

Not applicable

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

The Company has an investment in a limited liability company ("LLC") but it does not exceed 10% of the Company's admitted assets (see Note 1.C).

B. Write-downs for Impairment of Joint Ventures, Partnerships, and LLC's

The Company did not recognize any impairment write-down for its investment in the LLC during the statement periods.

7. Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if the amounts are greater than 90 days past due.

NOTES TO FINANCIAL STATEMENTS

B. Amounts Nonadmitted

Not applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

A. Components of the net deferred tax asset (liability) ("DTA"/"DTL")

1. The components of the net DTA/DTL at December 31 are as follows:

Description	December 31, 2015			December 31, 2014			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary Income	Capital Gain (Loss)	(Col 1+2) Total	Ordinary Income	Capital Gain (Loss)	(Col 4+5) Total	(Col 1-4) Ordinary Income	(Col 2-5) Capital Gain (Loss)	(Col 7+8) Total
(a) Gross deferred tax assets	\$ 134,462,900	\$ 25,127,471	\$ 159,590,371	\$ 119,575,999	\$ 25,796,421	\$ 145,372,420	\$ 14,886,901	\$ (668,950)	\$ 14,217,951
(b) Statutory valuation allowance adjustment	--	--	--	--	--	--	--	--	--
(c) Adjusted gross deferred tax assets (1a-1b)	\$ 134,462,900	\$ 25,127,471	\$ 159,590,371	\$ 119,575,999	\$ 25,796,421	\$ 145,372,420	\$ 14,886,901	\$ (668,950)	\$ 14,217,951
(d) Deferred tax assets nonadmitted	--	--	--	--	--	--	--	--	--
(e) Subtotal (net deferred tax asset) (1c-1d)	\$ 134,462,900	\$ 25,127,471	\$ 159,590,371	\$ 119,575,999	\$ 25,796,421	\$ 145,372,420	\$ 14,886,901	\$ (668,950)	\$ 14,217,951
(f) Deferred tax liabilities	13,512,464	151,925,443	165,437,907	14,112,021	152,097,010	166,209,031	(599,557)	(171,567)	(771,124)
(g) Net admitted deferred tax assets (net deferred tax liability) (1e-1f)	\$ 120,950,436	\$ (126,797,972)	\$ (5,847,536)	\$ 105,463,978	\$ (126,300,589)	\$ (20,836,611)	\$ 15,486,458	\$ (497,383)	\$ 14,989,075

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

Description	December 31, 2015			December 31, 2014			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary Income	Capital Gain (Loss)	(Col 1+2) Total	Ordinary Income	Capital Gain (Loss)	(Col 4+5) Total	(Col 1-4) Ordinary Income	(Col 2-5) Capital Gain (Loss)	(Col 7+8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 130,035,521	\$ --	\$ 130,035,521	\$ 115,502,865	\$ --	\$ 115,502,865	\$ 14,532,656	\$ --	\$ 14,532,656
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	2,042,027	--	2,042,027	2,314,123	--	2,314,123	(272,096)	--	(272,096)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	2,042,027	--	2,042,027	2,314,123	--	2,314,123	(272,096)	--	(272,096)
2. Adjusted gross deferred tax assets allowed per limitation threshold			267,465,513			235,717,645			31,747,868
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	2,385,352	25,127,471	27,512,823	1,759,011	25,796,421	27,555,432	626,341	(668,950)	(42,609)
(d) Deferred tax assets admitted as result of application of SSAP No. 101.									
Total 2(a)+2(b)+2(c)	\$ 134,462,900	\$ 25,127,471	\$ 159,590,371	\$ 119,575,999	\$ 25,796,421	\$ 145,372,420	\$ 14,886,901	\$ (668,950)	\$ 14,217,951

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

Description	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	971%	868%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 1,783,103,418	\$ 1,571,450,964

NOTES TO FINANCIAL STATEMENTS

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

Description	December 31, 2015		December 31, 2014		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary Income	Capital Gain (Loss)	Ordinary Income	Capital Gain (Loss)	(Col 1-3) Ordinary Income	(Col 2-4) Capital Gain (Loss)
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs	\$ 134,462,900	\$ 25,127,471	\$ 119,575,999	\$ 25,796,421	\$ 14,886,901	\$ (668,950)
2. % of adjusted gross DTAs attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	\$ 134,462,900	\$ 25,127,471	\$ 119,575,999	\$ 25,796,421	\$ 14,886,901	\$ (668,950)
4. % of net admitted adjusted gross DTAs admitted due to tax planning strategies	0%	0%	0%	0%	0%	0%
(b) Does the Company's tax planning strategies include the use of reinsurance? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>						

- B. Regarding deferred tax liabilities that are not recognized:

Not applicable

- C. Current and deferred income taxes consist of the following major components:

1. Current Income Tax:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Federal	\$ 145,224,477	\$ 124,445,215	\$ 20,779,262
(b) Foreign	--	--	--
(c) Subtotal	\$ 145,224,477	\$ 124,445,215	\$ 20,779,262
(d) Federal income tax on net capital gains	6,094,631	9,724,059	(3,629,428)
(e) Utilization of capital loss carry-forwards	--	--	--
(f) Other	--	--	--
(g) Federal and foreign income taxes incurred	\$ 151,319,108	\$ 134,169,274	\$ 17,149,834

2. Deferred Tax Assets:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 18,629,197	\$ 19,575,812	\$ (946,615)
(2) Unearned premium reserve	105,779,605	91,950,262	13,829,343
(3) Policyholder reserves	--	--	--
(4) Investments	--	--	--
(5) Deferred acquisition costs	--	--	--
(6) Policyholder dividend accrual	--	--	--
(7) Fixed assets	18,227	22,439	(4,212)
(8) Compensation and benefits accrual	28,508	67,770	(39,262)
(9) Pension accrual	--	--	--
(10) Receivables - nonadmitted	5,988,771	5,030,207	958,564
(11) Net operating loss carry-forward	--	--	--
(12) Tax credit carry-forward	--	--	--
(13) Other - bad debt reserve	3,014,658	2,561,714	452,944
(14) Other - foreign currency translation	757,656	114,640	643,016
(15) Other (including items <5% of total ordinary tax assets)	246,278	253,155	(6,877)
(99) Subtotal	\$ 134,462,900	\$ 119,575,999	\$ 14,886,901
(b) Statutory valuation allowance adjustment	--	--	--
(c) Nonadmitted	--	--	--
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 134,462,900	\$ 119,575,999	\$ 14,886,901
(e) Capital			
(1) Investments	25,127,471	25,796,421	(668,950)
(2) Net capital loss carry-forward	--	--	--
(3) Real estate	--	--	--
(4) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	\$ 25,127,471	\$ 25,796,421	\$ (668,950)
(f) Statutory valuation allowance adjustment	--	--	--
(g) Nonadmitted	--	--	--
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 25,127,471	\$ 25,796,421	\$ (668,950)
(i) Admitted deferred tax assets (2d+2h)	\$ 159,590,371	\$ 145,372,420	\$ 14,217,951

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	\$ 175,299	\$ 172,251	\$ 3,048
(2) Fixed assets	11,934,749	12,298,045	(363,296)
(3) Deferred and uncollected premium	--	--	--
(4) Policyholder reserves	--	--	--
(5) Other liabilities - prepaid expenses	91,611	171,678	(80,067)
(6) Other liabilities - salvage and subrogation	1,310,805	1,470,047	(159,242)
(7) Other liabilities - foreign currency translation	--	--	--
(8) Other (including items <5% of total ordinary tax liabilities)	--	--	--
(99) Subtotal	\$ 13,512,464	\$ 14,112,021	\$ (599,557)
(b) Capital			
(1) Investments	151,925,443	152,097,010	(171,567)
(2) Real estate	--	--	--
(3) Other (including items <5% of total capital tax liabilities)	--	--	--
(99) Subtotal	\$ 151,925,443	\$ 152,097,010	\$ (171,567)
(c) Deferred tax liabilities (3a99+3b99)	\$ 165,437,907	\$ 166,209,031	\$ (771,124)

4. Net Deferred Tax Asset (Liability) (2i - 3c):

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
Net deferred tax asset (liability) (2i-3c)	\$ (5,847,536)	\$ (20,836,611)	\$ 14,989,075

The change in net deferred income tax is comprised of the following (this analysis excludes nonadmitted assets; the change in nonadmitted assets is reported separately from the change in net deferred income tax in the Statement of Income, Surplus section):

Description	December 31, 2015	December 31, 2014	Change
Total deferred tax assets	\$ 159,590,371	\$ 145,372,420	\$ 14,217,951
Total deferred tax liabilities	165,437,907	166,209,031	(771,124)
Net deferred tax asset (liability)	\$ (5,847,536)	\$ (20,836,611)	\$ 14,989,075
Tax effect of unrealized gains (losses)			4,294,209
Change in net deferred income tax			\$ 10,694,866

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for Federal income taxes is different than that which would be obtained by applying the statutory Federal income tax rate to pre-tax income. The significant book to tax adjustments causing this difference are as follows:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 145,931,230	35%
Exempt interest income	(930,564)	0%
Dividends received deduction	(3,311,538)	-1%
Impact of nonadmitted assets	(931,764)	0%
Other	(133,122)	0%
Total	\$ 140,624,242	34%
Federal and foreign income taxes incurred	\$ 151,319,108	
Change in net deferred income tax	(10,694,866)	
Total statutory income taxes	\$ 140,624,242	

E. Operating Loss and Tax Credit Carryforwards

- The Company has no operating loss or tax credit carryforwards available.
- The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately:

Period	Amount
Current tax year:	\$ 151,519,468
First preceding tax year:	\$ 134,007,416

The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

3. Protective Tax Deposits

Not applicable

F. Consolidated Federal Income Tax Return

- The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.
- The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled quarterly.

NOTES TO FINANCIAL STATEMENTS

- G. Federal or Foreign Income Tax Loss Contingencies
- The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
- A. Nature of Relationships
- The Company is wholly owned by Progressive Direct Holdings, Inc. ("PDH"), a holding company incorporated in Delaware. The structure of the holding company organization is shown on Schedule Y, Part 1.
- B. Detail of Transactions Greater than 1/2% of Admitted Assets
- The Company received capital contributions totaling \$11,339,137 and \$8,182,761 from PDH in 2015 and 2014, respectively, to fund the Company's Australian operations.
- All significant 2015 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.
- See Note 13.4
- C. Change in Terms of Intercompany Arrangements
- Not applicable
- D. Amounts Due to or from Related Parties
- The Company reported a \$73,776,108 and \$38,345,584 receivable from parent, subsidiaries, and affiliates at December 31, 2015 and 2014, respectively. These balances are due to the timing of security purchases and cash collections and disbursements under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a \$33,880,761 and \$32,286,125 current Federal income tax payable at December 31, 2015 and 2014, respectively. These balances are due to TPC for the Company's Federal income tax liability. The intercompany balances are settled by the end of the following quarter depending on the timing of investment transactions. These transactions are dependent upon market timing, investment needs and overall portfolio strategy as to the timing of such settlement transactions.
- E. Guarantees or Contingencies for Related Parties
- Not applicable
- F. Management, Service Contracts, Cost Sharing Arrangements
- The Company participates in management agreements with many of its insurance affiliates and a non-insurance affiliate. Under the terms of the agreements, the affiliates are provided underwriting and loss adjustment services for business produced in exchange for a management fee based on their use of services.
- The Company participates in joint management services agreements with several of its insurance affiliates and two non-insurance affiliates. Under the terms of the agreements, the Company provides these affiliates with underwriting and loss adjustment services for specific business produced, and these affiliates may, from time to time, provide the Company with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company's use of the other's services.
- The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.
- All intercompany agreements are approved by the participating insurance companies' states of domicile when established.
- G. Nature of Relationships that Could Affect Operations
- All outstanding shares of the Company are owned by PDH.
- H. Amount Deducted for Investment in Upstream Company
- Not applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
- Not applicable
- J. Write-Downs for Impairments of Investments in Affiliates
- Not applicable
- K. Investment in Foreign Insurance Subsidiary
- Not applicable
- L. Investment in Downstream Non-Insurance Holding Company
- Not applicable
- M. Subsidiary, Controlled and Affiliated Entities (except insurance subsidiary, controlled and affiliated entities) Value
- The Company's investment in Gadsden (see Notes 1.C and 21.C.1) has the following values on Page 2, Assets:

	December 31, 2015	December 31, 2014
Gross Asset	\$ 5,955,647	\$ 6,129,786
Nonadmitted Asset	5,955,647	6,129,786
Net Admitted Asset	\$ --	\$ --

NOTES TO FINANCIAL STATEMENTS

N. Insurance Subsidiary, Controlled and Affiliated Entities Valuation That Departs From NAIC Statutory Accounting Practices and Procedures

Not applicable

11. Debt

Not applicable

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

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

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

1. Outstanding Shares

The Company has 532 shares of \$5,640 par value common stock authorized and 532 shares issued, and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3,4,5,6. Dividends

The maximum amount of dividends the Company can pay to PDH in 2016 without prior regulatory approval is limited by Insurance laws in Ohio. Based on the dividend laws currently in effect, the Company may pay dividends of \$265,627,264 in 2016 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.

Within the limitations described above, there are no additional restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

The Company paid dividends to PDH as follows:

Date Paid	Amount Paid	Dividend Type
December 31, 2015	\$ 7,500,000	Ordinary
December 21, 2015	\$ 8,000,000	Ordinary
September 24, 2015	\$ 50,000,000	Ordinary
December 19, 2014	\$ 143,000,000	Ordinary
September 24, 2014	\$ 20,000,000	Ordinary

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purposes

Not applicable

9. Changes in Special Surplus Funds

Not applicable

10. Changes in Unassigned Funds (Surplus)

As of December 31, 2015, the portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
Unrealized gain (loss)	\$ 382,937,361
Nonadmitted assets	(23,686,651)
Provision for reinsurance	--
Total	\$ 359,250,710
The unrealized gain is gross of the applicable deferred tax liability of	\$ 134,007,340

11. Surplus Notes

Not applicable

12,13. Quasi Reorganizations

Not applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable

B. Assessments

The Company is subject to state guaranty fund and other assessments by the states in which it writes business. State guaranty fund assessments are accrued at the time of any known insolvencies. Other assessments are accrued either at the time of assessment or at the time the premiums are written. These accruals are based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

As of December 31, 2015 and 2014, the Company's estimated liability for state guaranty fund and other assessments was \$2,273,585 and \$2,520,613, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2015 and 2014, the Company's estimated liability for various surcharges was \$1,702,930 and \$1,638,496, respectively.

C. Gain Contingencies

Not applicable

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

The Company paid the following amounts in 2015 to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits:

Description	Direct
Claims related ECO and bad faith losses paid in 2015	\$ 1,032,420

The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during 2015.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

(f) Per Claim [] (g) Per Claimant [x]

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

The Company routinely assesses the collectibility of premiums and agents' balances receivable and records a bad debt reserve for amounts exceeding the nonadmitted balance that the Company believes are uncollectible.

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and LAE reserves. The Company also has, on a net basis, potential exposure relating to lawsuits due to its participation in various management agreements and the 100% pooling reinsurance agreement for which it is allocated litigation expenses (see Note 26).

The following is a discussion of potentially significant pending cases at December 31, 2015. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of December 31, 2015, there was two putative class action lawsuit challenging the Company's use of certain automated database vendors or software to assist in the adjustment of bodily injury claims. Plaintiffs allege that these databases or software systematically undervalue the claims.

As of December 31, 2015, there were three putative statewide class action lawsuits and seven cases consolidated into multi-district proceedings 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. The Company settled one of the putative statewide class action lawsuits and a loss reserve was established accordingly.

As of December 31, 2015, there was a statewide putative class action lawsuit challenging the Company's policy form with regard to rejecting uninsured motorist coverage. The Company does consider a loss from this case to be probable and a loss reserve was established accordingly.

As of December 31, 2015, there was a putative class action lawsuit alleging the Company improperly applies a preferred provider reduction to medical payment claims.

As of December 31, 2015, there was a putative class action lawsuit challenging the Company's sale of personal injury protection coverage in Massachusetts. The Company does consider a loss from this case to be probable and a loss reserve was established accordingly.

As of December 31, 2015, there was a putative class action lawsuit challenging the Company's practice of providing and adjusting loan/lease coverage. The Company won a motion to dismiss and is in process of closing the claim.

As of December 31, 2015, there were two putative class action lawsuits challenging the Company's practice in Florida of adjusting personal injury protection and first-party medical payments

As of December 31, 2015, there was a putative class action lawsuit alleging that the Company charged insureds for illusory underinsured and uninsured motorist coverage on multiple vehicle policies.

NOTES TO FINANCIAL STATEMENTS

15. Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under various non-cancelable operating leases that expire through August 31, 2018. The Company is allocated a percentage of the Group's total rental expense based on the 100% pooling reinsurance agreement (see Note 26). In 2015 and 2014 the Company was allocated \$20,779,736 and \$19,328,741, respectively, of rental expense. Future minimum rental payments on leases held by the Company are as follows:

Year	Amount
2016	\$ 78,078
2017	80,769
2018	23,962
2019	--
2020	--
Thereafter	--
Total	\$ 182,809

Certain rental commitments have renewal options extending through April 30, 2021. Some of these renewals are subject to adjustments in future periods.

There were no early lease termination costs incurred during the reporting periods.

2. The Company has no non-cancelable subleases.
3. The Company has no sales-leaseback arrangements.

B. Lessor Leasing Arrangements

Not applicable

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

Not applicable

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

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

Not applicable

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

Not applicable

20. Fair Value Measurements

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

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

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

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

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

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

See Note 1, Investment Policies section for further information regarding methods used to determine fair market value.

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

The valuations classified as either Level 1 or Level 2 in the table below are priced exclusively by external sources, including: pricing vendors, dealers/market makers, and exchange-quoted prices. The Company did not have any transfers between Level 1 and Level 2. At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements at December 31, 2015:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds industrial & miscellaneous	\$ --	\$ 69,968,999	\$ --	\$ 69,968,999
Common stock industrial & miscellaneous	826,403,971	--	--	826,403,971
Preferred stock industrial & miscellaneous	--	19,015,199	--	19,015,199
Total assets at fair value	\$ 826,403,971	\$ 88,984,198	\$ --	\$ 915,388,169
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

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

2. Roll forward of Level 3 Items

Not applicable

3. Policy on Transfers Into and Out of Level 3

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

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

See Note 20.A.1 above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

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

The table below represents the fair value of all financial instruments at December 31, 2015, 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	\$ 3,712,966,236	\$ 3,732,913,021	\$ 231,510,848	\$ 3,481,455,388	\$ --	\$ --
Cash equivalents	182,282,151	182,282,151	182,282,151	--	--	--
Common stock	826,403,971	826,403,971	826,403,971	--	--	--
Preferred stock	42,241,099	38,840,199	--	42,241,099	--	--
Short-term investments	4,844,579	4,845,680	4,844,579	--	--	--
Total	\$ 4,768,738,036	\$ 4,785,285,022	\$ 1,245,041,549	\$ 3,523,696,487	\$ --	\$ --

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

Not applicable

21. Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

1. Nonadmitted Other Invested Assets

In accordance with reporting and admissibility requirements of SSAP No. 48, Joint Ventures, Partnerships, and Limited Liability Companies and SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, the Company nonadmits its investment in Gadsden (see Note 1C).

D. Business Interruption Insurance Recoveries

Not applicable

NOTES TO FINANCIAL STATEMENTS

E. State Transferable and Non-transferable Tax Credits

1. The carrying value of transferable and non-transferable state tax credits, gross of any related tax liabilities, and total unused transferable and non-transferable state tax credits by state and in total at December 31, 2015 are as follows:

Description of state transferable ("T") and non-transferable ("NT") tax credits	State	Carrying Value	Unused Amount
Film Production Tax Credit (T)	AK	\$ 167,911	\$ 184,518
Digital Media Production Tax Credit (T)	CT	752,250	850,000
Digital Media Production Tax Credit (T)	CT	--	75,718
Low Income Housing Tax Credit (NT)	GA	113,904	210,000
Low Income Housing Tax Credit (NT)	GA	--	2,385
Total		\$ 1,034,065	\$ 1,322,621

2. The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium, taking into account policy growth and rate changes, projecting the future tax liability based on projected premium, tax rates, and tax credits, and comparing the projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.
3. The Company recognized an impairment loss of \$0 related to write-downs as a result of impairment analysis of the carrying amount for transferable and non-transferable state tax credits.
4. State tax credits admitted and nonadmitted are as follows:

Type	Total Admitted	Total Nonadmitted
Transferable	\$ 920,161	\$ --
Non-transferable	\$ 113,904	\$ --

F. Subprime Mortgage Related Risk Exposure

1. Exposure to Subprime Mortgage Related Risk

The following subprime disclosure and the review and procedures described within are completed at a consolidated level for all the Progressive companies. To the extent the Company had any direct subprime exposure, those securities would be listed in Note 21.F.3.

Management's review of the investment portfolio for securities with direct subprime exposure, such as Alt-A residential mortgage loan-backed bonds and home equity loan-backed bonds is performed in conjunction with the OTTI analysis and procedures (see Note 1.C). Additionally, securities that were determined to have an indirect subprime exposure were also reviewed as part of the OTTI process.

The Company's management continues to perform a detailed review of its investment portfolio, paying particular attention to the credit profile of the issuers to identify the extent to which any asset values may have been impacted by direct or indirect exposure to the subprime mortgage loan disruption, as well as broader credit and financial market events.

In 2015, the Company recorded no OTTI write-downs on any securities as a result of direct subprime exposure.

2. Direct Investment in Subprime Mortgage Loans
Not applicable
3. Direct Investment in Securities with Underlying Subprime Exposure

At December 31, 2015, the Company had the following securities with underlying subprime exposure:

Investment Type	Actual Cost	Book Adjusted Carrying Value	Fair Market Value	OTTI Recognized
(a) Residential mortgage-backed securities	\$ 421,629,574	\$ 421,514,017	\$ 422,066,025	\$ --
(b) Commercial mortgage-backed securities	--	--	--	--
(c) Collateralized debt obligations	--	--	--	--
(d) Structured securities	--	--	--	--
(e) Equity investment in SCAs	--	--	--	--
(f) Other assets	--	--	--	--
(g) Total	\$ 421,629,574	\$ 421,514,017	\$ 422,066,025	\$ --

4. Mortgage or Financial Guaranty Subprime Exposure
Not applicable

G. Insurance-Linked Securities

Not applicable

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 15, 2016 for the statutory statement that was available for issuance by March 1, 2016.

The Company does not write health insurance and therefore has no premiums subject to assessment under section 9010 of the Affordable Care Act for either the current or prior years.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Unsecured Reinsurance Recoverable

At December 31, 2015, the Company had the following unsecured reinsurance recoverable balances which exceeded 3% of policyholders' surplus:

Reinsurer	NAIC Code	Federal ID#	Amount
Progressive Advanced Insurance Company	11851	62-0484104	\$ 187,246,000
Progressive Marathon Insurance Company	37605	33-0350911	280,869,000
Progressive Max Insurance Company	24279	34-0472535	280,869,000
Progressive Premier Insurance Company of Illinois	21735	36-3789786	93,623,000
Progressive Universal Insurance Company	21727	36-3789787	187,246,000
Total			\$ 1,029,853,000

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded

1. The table below summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2015.

	Assumed		Ceded		Net	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
(a) Affiliates	\$ 1,296,218,000	\$ --	\$ 435,870,000	\$ --	\$ 860,348,000	\$ --
(b) All Other	--	--	115,000	32,000	(115,000)	(32,000)
(c) Totals	\$ 1,296,218,000	\$ --	\$ 435,985,000	\$ 32,000	\$ 860,233,000	\$ (32,000)
(d) Direct Unearned Premium Reserve is \$632,833,000						

2. The Company has no return commission or profit sharing arrangements.

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not applicable

I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years decreased by \$66,845,346 in 2015 which is 3.6% of the total prior year net unpaid losses and LAE of \$1,860,320,122. The favorable development is primarily due to private passenger auto liability originally anticipated severity for accident year 2014 decreasing by 3.0% and less late reported losses than anticipated for auto physical damage. LAE reserves developed unfavorably in both defense and cost containment and adjusting and other expense reserves.

26. Intercompany Pooling Arrangements

The Company participates in a pooling reinsurance agreement with the property-casualty affiliates listed below (the "Direct Pool") under which 100% of the underwriting business of each member company, net of external reinsurance, is ceded to the Company, the Direct Pool manager and a Direct Pool participant. The combined premiums, losses, and expenses are then retroceded to each Direct Pool member based on pre-determined pooling percentages.

Mountain Laurel Assurance Company ("Mountain Laurel"), an insurance affiliate domiciled in Ohio, terminated its future participation in the Direct Pool effective November 5, 2005. Mountain Laurel has a zero percent retrocession participation in the Direct Pool for all policies written prior to that date.

NOTES TO FINANCIAL STATEMENTS

The pooling percentages for each Direct Pool member as of December 31, 2015 and 2014 were as follows:

Company	NAIC Code	2015 Pool %	2014 Pool %
Progressive Direct Insurance Company (Lead)	16322	77.5%	77.5%
Progressive Marathon Insurance Company	37605	6.0	6.0
Progressive Max Insurance Company	24279	6.0	6.0
Progressive Advanced Insurance Company	11851	4.0	4.0
Progressive Universal Insurance Company	21727	4.0	4.0
Progressive Premier Insurance Company of Illinois	21735	2.0	2.0
Progressive Paloverde Insurance Company	44695	0.5	0.5
Mountain Laurel Assurance Company	44180	--	--
		100.0%	100.0%

All business written by each Direct Pool member is subject to pooling with the exception of loss reserves from Progressive Max Insurance Company's assumed asbestos and environmental claims, for which the Company has no exposure. Business ceded by Direct Pool members to non-affiliated reinsurers prior to pooling, is primarily due to state-provided reinsurance programs. The Direct Pool does not participate in any intercompany sharing of the provision for reinsurance and the write-offs of uncollectible reinsurance.

At December 31, 2015, amounts recoverable from and payable to the Company and all affiliates participating in the Direct Pool are as follows:

Company	Amounts Recoverable	Amounts Payable
Progressive Direct Insurance Company (Lead)	\$ 12,156,109	\$ 7,387,260
Progressive Marathon Insurance Company	281,349	844,457
Progressive Max Insurance Company	1,381,019	7,188,669
Progressive Advanced Insurance Company	255,682	2,015,905
Progressive Universal Insurance Company	3,447,547	481,078
Progressive Premier Insurance Company of Illinois	915,004	1,565,356
Progressive Paloverde Insurance Company	1,106,659	60,133
Mountain Laurel Assurance Company	--	511
Total	\$ 19,543,369	\$ 19,543,369

27. Structured Settlements
Not applicable
28. Health Care Receivables
Not applicable
29. Participating Accident and Health Policies
Not applicable
30. Premium Deficiency Reserves
1. Liability carried for premium deficiency reserves \$0
 2. Date of most recent evaluation of this liability December 31, 2015
 3. Was anticipated investment income utilized in the calculation? Yes [X] No []
31. High Deductibles
Not applicable
32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses
Not applicable
33. Asbestos and Environmental Reserves
Not applicable
34. Subscriber Savings Accounts
Not applicable
35. Multiple Peril Crop Insurance
Not applicable
36. Financial Guaranty Insurance
Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? OHIO
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/06/2013
- 3.4 By what department or departments? OHIO
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 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 |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 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
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PRICEWATERHOUSECOOPERS, LLP 200 PUBLIC SQUARE, 18TH FLOOR CLEVELAND, OH 44114-2301
- 10.1 Has the insurer been granted an exemptions to the prohibited non-audit services provided by the certified independent public account requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in complied with the domiciliary state insurance laws? Yes No N/A
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
GARY S. TRAIKOFF, FCAS, MAAA CORPORATE ACTUARY 6300 WILSON MILLS ROAD MAYFIELD VILLAGE, OH 44143-2182
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
- 12.11 Name of real estate holding company **AVALONBAY COMMUNITIES INC, BOSTON PROPERTIES INC, EQUITY RESIDENTIAL, ESSEX PROPERTY TRUST INC, FEDERAL REALTY INVS TRUST, HCP INC, HOST HOTELS & RESORTS INC, ISTAR INC, LIBERTY PROPERTY TRUST, MACERICH CO/THE, PUBLIC STORAGE, REGENCY CENTERS CORP, SL GREEN REALTY CORP, SIMON PROPERTY GROUP INC, VENTAS INC, VORNADO REALTY TRUST, DDR CORP, ALEXANDER & BALDWIN INC, AMERICAN TOWER CORP, LAMAR ADVERTISING CO, IRON MOUNTAIN INC, CARE CAPITAL PROPERTIES INC, COLUMBIA PROPERTY TRUST INC, URBAN EDGE PROPERTIES, WP GLIMCHER INC, WELLTOWER INC, CROWN CASTLE INTL CORP, EQUINIX INC**
- 12.12 Number of parcels involved **0**
- 12.13 Total book/adjusted carrying value **\$ 35,863,876**
- 12.2 If yes, provide explanation
WE HOLD A COMMON STOCK INTEREST IN SEVERAL REAL ESTATE HOLDING COMPANIES. THE NUMBER OF PARCELS IS UNKNOWN.
13. **FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof? Yes No
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers **\$ 0**
- 20.12 To stockholders not officers **\$ 0**
- 20.13 Trustees, supreme or grand (Fraternal only) **\$ 0**
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers **\$ 0**
- 20.22 To stockholders not officers **\$ 0**
- 20.23 Trustees, supreme or grand (Fraternal only) **\$ 0**
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes No
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others **\$ 0**
- 21.22 Borrowed from others **\$ 0**
- 21.23 Leased from others **\$ 0**
- 21.24 Other **\$ 0**
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes No
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment **\$ 0**
- 22.22 Amount paid as expenses **\$ 0**
- 22.23 Other amounts paid **\$ 0**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes No
 24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).
N/A
 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes No N/A
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
 24.103 Total payable for securities lending reported on the liability page: \$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes No

25.2 If yes, state the amount thereof at December of the current year:
 25.21 Subject to repurchase agreements \$ 0
 25.22 Subject to reverse repurchase agreements \$ 0
 25.23 Subject to dollar repurchase agreements \$ 0
 25.24 Subject to reverse dollar repurchase agreements \$ 0
 25.25 Placed under option agreements \$ 0
 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
 25.27 FHLB Capital Stock \$ 0
 25.28 On deposit with states \$ 5,861,902
 25.29 On deposit with other regulatory bodies \$ 0
 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
 27.2 If yes, state the amount thereof at December of the current year: \$ 0

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

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

1 Name of Custodian(s)	2 Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013
STATE STREET	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105
CITIGROUP, PTY. LTD.	120 COLLINS STREET, MELBOURNE VIC, 3000 AU

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current quarter? Yes No

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

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

28.05 Identify all investment advisors, 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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

1 Central Registration Depository	2 Name(s)	3 Address
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST, BOSTON, MA 02110

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	3,920,040,852	3,900,092,971	(19,947,881)
30.2	Preferred Stocks	38,840,198	42,241,099	3,400,901
30.3	Totals	3,958,881,050	3,942,334,070	(16,546,980)

30.4 Describe the sources or methods utilized in determining fair values:
THE FAIR MARKET VALUES REPORTED ARE DERIVED FROM INDEPENDENT AND OBSERVABLE MARKET INPUT EVALUATIONS PROVIDED BY WIDELY UTILIZED REPUTABLE PRICING SERVICES, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTATIONS, INDEPENDENT BROKER/DEALER PRICING SERVICES, OR ACTIVE MARKET CLOSING QUOTATIONS FROM A REGULATED EXCHANGE. IN VERY RARE CASES, IF NONE OF THE AFOREMENTIONED PRIMARY SOURCES ARE AVAILABLE, MATRIX PRICING USING THE REPORTING ENTITY'S OWN MARKET BASED ASSUMPTIONS MAY BE UTILIZED. THE APPROVED METHODS FOR COMPUTATION OF FAIR MARKET VALUE ARE PRESCRIBED IN PART FIVE OF THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:
THE COMPANY'S FAIR MARKET VALUATION PROCESS, REGARDLESS OF WHAT PRICING SOURCE IS USED, ANALYZES AND COMPARES INDEPENDENT VENDOR QUOTATIONS/SPREADS, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTES, INDEPENDENT BROKER/DEALER PRICING SERVICES, INPUTS FROM THE PORTFOLIO MANAGEMENT TEAM, DISCUSSIONS WITH EXTERNAL AUDITORS, AND SECURITY SPECIFIC PARAMETERS TO ENSURE THAT THE VALUATION PROCESS REFLECTS THE MOST ACCURATE FAIR VALUE AT THE REPORTING DATE.

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 133,149

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS	\$ 133,149

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

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NONE	\$

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

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
NONE	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$	0	\$	0
2.2	Premium Denominator	\$	5,325,246,588	\$	4,848,046,510
2.3	Premium Ratio (2.1/2.2)				
2.4	Reserve Numerator	\$	0	\$	0
2.5	Reserve Denominator	\$	3,860,764,083	\$	3,408,649,819
2.6	Reserve Ratio (2.4/2.5)				
3.1	Does the reporting entity issue both participating and non-participating policies?			Yes []	No [X]
3.2	If yes, state the amount of calendar year premiums written on:				
3.21	Participating policies		\$		0
3.22	Non-participating policies		\$		0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?			Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?			Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.		\$		0
5.	FOR RECIPROCAL EXCHANGES ONLY:				
5.1	Does the exchange appoint local agents?			Yes []	No []
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation			Yes []	No []
5.22	As a direct expense of the exchange			Yes []	No []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?			Yes []	No []
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.</u>				
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS COMPLETED BY PROGRESSIVE EMPLOYEES. THE COMPANY'S NET COMPREHENSIVE EXPOSURE IN THE CATASTROPHE PRONE STATES OF FLORIDA, LOUISIANA, TEXAS, CALIFORNIA, ALABAMA, NEW YORK, AND NEW JERSEY IS LIMITED SINCE THE COMPANY IS A MEMBER OF A 100% POOLING REINSURANCE ARRANGEMENT WITH 6 OF ITS PROPERTY AND CASUALTY AFFILIATES. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS COMPREHENSIVE FOR AUTOMOBILE AND INLAND MARINE FOR BOATS. THE ESTIMATE OF THE PML IS 6% OF THE SURPLUS.</u>				
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? <u>THE COMPANY'S ESTIMATED PML IS 6% OF THE SURPLUS. THE COMPANY CARRIES NO EXTERNAL CATASTROPHE REINSURANCE TO COVER ITS LIMITED CATASTROPHE EXPOSURE. THE COMPANY PARTICIPATES IN A POOLING ARRANGEMENT WHICH SPREADS THE UNDERWRITING RISK INCLUDING THE CATASTROPHE EXPOSURE AMONG ALL PARTIES TO THE POOLING AGREEMENT.</u>				
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?			Yes []	No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss: <u>NONE</u>		
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes []	No [X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	<u>0</u>	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes []	No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes []	No [X]
8.2	If yes, give full information		
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes []	No [X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes []	No [X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.		
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes []	No [X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.		
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes []	No [X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X]	No [] N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes []	No [X]
11.2	If yes, give full information		
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	<u>0</u>
		\$	<u>0</u>
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$	<u>0</u>
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes []	No [] N/A [X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To		<u>%</u> <u>%</u>
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes []	No [X]
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit	\$	<u>0</u>

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

12.62	Collateral and other funds											\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):											\$	15,500,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?												Yes [] No [X]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.												1
14.1	Is the company a cedant in a multiple cedant reinsurance contract?												Yes [] No [X]
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants:												
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?												Yes [] No []
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?												Yes [] No []
14.5	If the answer to 14.4 is no, please explain:												
15.1	Has the reporting entity guaranteed any financed premium accounts?												Yes [] No [X]
15.2	If yes, give full information												
16.1	Does the reporting entity write any warranty business?												Yes [] No [X]
	If yes, disclose the following information for each of the following types of warranty coverage:												
		1	2	3	4	5							
		Direct Losses	Direct Losses	Direct Written	Direct Premium	Direct Premium							
		Incurred	Unpaid	Premium	Unearned	Earned							
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0							0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0							0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0							0
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0							0
	* Disclose type of coverage:												
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:												Yes [] No [X]
17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5											\$	0
17.12	Unfunded portion of Interrogatory 17.11											\$	0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11											\$	0
17.14	Case reserves portion of Interrogatory 17.11											\$	0
17.15	Incurred but not reported portion of Interrogatory 17.11											\$	0
17.16	Unearned premium portion of Interrogatory 17.11											\$	0
17.17	Contingent commission portion of Interrogatory 17.11											\$	0
	Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.												
17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5											\$	0
17.19	Unfunded portion of Interrogatory 17.18											\$	0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18											\$	0
17.21	Case reserves portion of Interrogatory 17.18											\$	0
17.22	Incurred but not reported portion of Interrogatory 17.18											\$	0
17.23	Unearned premium portion of Interrogatory 17.18											\$	0
17.24	Contingent commission portion of Interrogatory 17.18											\$	0
18.1	Do you act as a custodian for health savings accounts?												Yes [] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.											\$	0
18.3	Do you act as an administrator for health savings accounts?												Yes [] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.											\$	0

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	4,638,732,313	4,207,658,715	3,817,124,293	3,632,000,554	3,367,539,073
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,486,416,854	2,201,004,268	1,921,294,646	1,844,111,561	1,733,383,301
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(503)	85,468	3,855,432	3,539,723	3,307,027
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	7,125,148,664	6,408,748,451	5,742,274,371	5,479,651,838	5,104,229,401
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	3,594,841,870	3,260,774,342	2,958,218,324	2,814,800,430	2,609,842,781
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,926,973,062	1,705,778,308	1,489,003,351	1,429,186,460	1,343,372,058
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(390)	66,238	2,987,960	2,743,285	2,562,946
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	5,521,814,542	4,966,618,887	4,450,209,634	4,246,730,175	3,955,777,785
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	280,782,394	250,551,636	287,716,810	178,541,512	202,236,834
14. Net investment gain (loss) (Line 11).....	127,678,271	121,605,572	131,612,124	134,977,518	106,553,042
15. Total other income (Line 15).....	2,391,076	5,855,862	2,752,918	6,996,036	8,371,663
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	145,224,477	124,445,215	135,777,137	97,803,531	108,779,278
18. Net income (Line 20).....	265,627,264	253,567,855	286,304,715	222,711,535	208,382,261
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	5,835,292,995	5,180,160,669	4,724,165,455	4,541,611,515	4,185,596,213
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	104,989,090	109,950,370	98,945,081	101,465,699	94,101,543
20.2 Deferred and not yet due (Line 15.2).....	682,905,628	612,717,676	529,906,789	508,815,385	531,957,582
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	4,052,189,577	3,608,709,705	3,290,880,613	3,178,328,322	2,913,204,965
22. Losses (Page 3, Line 1).....	1,730,694,760	1,527,156,218	1,445,313,868	1,397,026,110	1,266,936,613
23. Loss adjustment expenses (Page 3, Line 3).....	386,547,032	333,163,904	305,091,509	291,125,398	277,866,911
24. Unearned premiums (Page 3, Line 9).....	1,501,328,986	1,304,761,033	1,186,188,659	1,106,120,248	1,050,386,077
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,480	3,000,480	3,000,480	3,000,480	3,000,480
26. Surplus as regards policyholders (Page 3, Line 37).....	1,783,103,418	1,571,450,964	1,433,284,842	1,363,283,193	1,272,391,248
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	656,008,165	442,013,625	427,938,110	454,205,438	380,915,987
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,783,103,418	1,571,450,964	1,433,284,842	1,363,283,193	1,272,391,248
29. Authorized control level risk-based capital.....	183,588,883	180,986,647	169,949,415	158,591,840	157,691,270
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	75.4	73.9	72.4	73.7	76.1
31. Stocks (Lines 2.1 & 2.2).....	17.5	19.6	21.9	18.3	17.7
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	3.3	3.8	4.3	4.7	5.5
34. Cash, cash equivalents and short-term investments (Line 5).....	3.9	2.7	1.3	3.2	0.7
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....			0.1		
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	5,955,647	6,129,786	6,163,925	6,308,064	6,612,203
48. Total of above lines 42 to 47.....	5,955,647	6,129,786	6,163,925	6,308,064	6,612,203
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.3	0.4	0.4	0.5	0.5

PROGRESSIVE DIRECT INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2015	2014	2013	2012	2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(6,827,925)	39,080,298	117,142,253	38,629,012	(1,235,132)
52. Dividends to stockholders (Line 35).....	(65,500,000)	(163,000,000)	(340,000,000)	(185,000,000)	(161,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	211,652,454	138,166,122	70,001,649	90,891,945	68,483,504
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,382,614,280	2,281,480,043	2,059,590,753	1,958,632,441	1,751,038,896
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,695,597,353	1,574,249,256	1,343,916,845	1,298,405,893	1,198,471,170
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	30,543	1,324,475	1,839,342	2,337,293	2,316,557
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	4,078,242,176	3,857,053,774	3,405,346,940	3,259,375,627	2,951,826,623
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,846,526,067	1,768,147,033	1,596,182,834	1,517,940,142	1,357,055,144
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,314,087,948	1,220,043,173	1,041,535,555	1,006,264,567	928,815,157
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	23,671	1,026,468	1,425,490	1,811,402	1,795,332
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	3,160,637,686	2,989,216,675	2,639,143,878	2,526,016,111	2,287,665,633
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	63.2	63.3	61.5	63.4	60.6
68. Loss expenses incurred (Line 3).....	11.3	11.0	10.9	10.8	11.2
69. Other underwriting expenses incurred (Line 4).....	20.2	20.5	21.1	21.5	23.1
70. Net underwriting gain (loss) (Line 8).....	5.3	5.2	6.6	4.3	5.2
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	19.5	19.9	20.6	21.1	22.4
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	74.5	74.3	72.4	74.2	71.7
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	309.7	316.1	310.5	311.5	310.9
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(65,586)	(1,991)	(24,962)	(9,479)	(75,849)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(4.2)	(0.1)	(1.8)	(0.7)	(6.3)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(11,452)	(26,083)	(17,511)	(92,408)	(123,120)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(0.8)	(1.9)	(1.4)	(7.7)	(11.0)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	777	223	95	0	50		247	700	XXX
2. 2006.....	2,589,477	19,822	2,569,654	1,446,541	10,176	39,557	27	309,136	4	158,982	1,785,028	XXX
3. 2007.....	2,760,864	25,097	2,735,767	1,620,441	12,600	42,451	35	307,797		191,339	1,958,054	XXX
4. 2008.....	2,895,705	26,204	2,869,502	1,723,713	13,381	42,003	4	332,478		199,993	2,084,809	XXX
5. 2009.....	3,257,637	32,533	3,225,104	1,921,863	15,453	50,225	36	330,806		224,603	2,287,404	XXX
6. 2010.....	3,619,023	39,448	3,579,574	2,242,900	27,447	60,127	42	369,897		254,347	2,645,436	XXX
7. 2011.....	3,929,214	50,576	3,878,639	2,405,325	22,452	62,078	18	377,625		284,056	2,822,557	XXX
8. 2012.....	4,243,748	52,750	4,190,998	2,612,628	22,907	56,105	42	386,390		313,731	3,032,173	XXX
9. 2013.....	4,433,166	63,025	4,370,141	2,589,917	26,634	45,004	45	387,813		301,642	2,996,055	XXX
10. 2014.....	4,925,123	77,076	4,848,047	2,681,994	22,043	27,690	21	402,509		323,880	3,090,130	XXX
11. 2015.....	5,416,933	91,687	5,325,247	2,330,399	17,020	8,517	1	372,671		223,646	2,694,568	XXX
12. Totals.....	XXX	XXX	XXX	21,576,498	190,337	433,853	270	3,577,174	4	2,476,465	25,396,913	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	3,351	1,885	449		60				53			2,027	XXX
2. 2006.....	1,959	1,815	124		52				66			386	XXX
3. 2007.....	7,491	5,805	919	792	165				294			2,272	XXX
4. 2008.....	13,131	11,778	4,085	3,468	266				243			2,478	XXX
5. 2009.....	11,916	8,254	5,459	4,063	786				697			6,540	XXX
6. 2010.....	42,462	33,972	8,572	7,113	2,120				1,589			13,658	XXX
7. 2011.....	34,093	14,042	7,039	6,913	3,939				2,342			26,458	XXX
8. 2012.....	106,207	56,109	31,609	11,953	8,757	5,136			7,017		10,686	90,663	XXX
9. 2013.....	158,623	38,805	33,572	11,090	22,610	6,389	0	14,303	14,303	12,075	185,603	XXX	
10. 2014.....	308,573	14,649	120,258	57,245	41,606	11,448	1	37,175	37,175	27,004	447,165	XXX	
11. 2015.....	947,844	15,467	250,933	62,755	67,063	22,983	5	129,395	129,395	153,505	1,339,991	XXX	
12. Totals.....	1,635,650	202,581	463,017	165,391	147,423	45,956	6	193,174	193,174	203,270	2,117,241	XXX	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,915	112
2. 2006.	1,797,436	12,022	1,785,414	69.4	60.6	69.5			77.50	268	118
3. 2007.	1,979,558	19,232	1,960,326	71.7	76.6	71.7			77.50	1,812	459
4. 2008.	2,115,918	28,631	2,087,287	73.1	109.3	72.7			77.50	1,970	509
5. 2009.	2,321,750	27,807	2,293,944	71.3	85.5	71.1			77.50	5,058	1,482
6. 2010.	2,727,667	68,573	2,659,094	75.4	173.8	74.3			77.50	9,949	3,709
7. 2011.	2,892,441	43,425	2,849,016	73.6	85.9	73.5			77.50	20,177	6,281
8. 2012.	3,213,848	91,013	3,122,835	75.7	172.5	74.5			77.50	69,753	20,910
9. 2013.	3,258,232	76,574	3,181,658	73.5	121.5	72.8			77.50	142,300	43,303
10. 2014.	3,631,253	93,958	3,537,295	73.7	121.9	73.0			77.50	356,937	90,227
11. 2015.	4,129,806	95,247	4,034,559	76.2	103.9	75.8			77.50	1,120,556	219,435
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,730,695	386,547

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior.....	314,828	315,997	304,053	297,366	297,552	300,476	301,407	302,150	303,405	303,518	113	1,368
2. 2006.....	1,486,319	1,481,466	1,493,913	1,484,134	1,475,278	1,474,079	1,475,028	1,475,106	1,475,921	1,476,216	295	1,110
3. 2007.....	XXX	1,672,954	1,665,743	1,662,737	1,653,962	1,640,081	1,641,540	1,642,394	1,646,502	1,652,234	5,732	9,840
4. 2008.....	XXX	XXX	1,800,459	1,786,161	1,779,312	1,764,530	1,752,270	1,753,625	1,754,339	1,754,566	227	941
5. 2009.....	XXX	XXX	XXX	2,061,427	2,003,257	1,989,539	1,975,451	1,960,046	1,961,239	1,962,441	1,202	2,396
6. 2010.....	XXX	XXX	XXX	XXX	2,330,128	2,294,935	2,301,386	2,300,909	2,286,563	2,287,608	1,046	(13,301)
7. 2011.....	XXX	XXX	XXX	XXX	XXX	2,477,199	2,484,278	2,489,098	2,488,386	2,469,048	(19,338)	(20,050)
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	2,733,948	2,717,017	2,722,869	2,729,428	6,559	12,411
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,785,708	2,784,838	2,779,542	(5,296)	(6,167)
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,153,735	3,097,610	(56,125)	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,532,492	XXX	XXX
12. Totals.....											(65,586)	(11,452)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior.....	000	164,850	247,841	275,951	287,244	294,326	296,772	299,976	300,893	301,543	XXX	XXX
2. 2006.....	1,026,599	1,271,220	1,381,626	1,439,416	1,461,717	1,468,847	1,472,092	1,473,448	1,475,183	1,475,896	XXX	XXX
3. 2007.....	XXX	1,140,324	1,429,457	1,546,420	1,601,759	1,626,523	1,634,277	1,638,335	1,643,748	1,650,257	XXX	XXX
4. 2008.....	XXX	XXX	1,196,233	1,538,389	1,652,420	1,708,862	1,734,787	1,746,417	1,750,279	1,752,331	XXX	XXX
5. 2009.....	XXX	XXX	XXX	1,322,960	1,689,621	1,829,034	1,906,694	1,938,108	1,952,319	1,956,598	XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	1,504,870	1,947,122	2,127,500	2,220,196	2,261,685	2,275,539	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	1,660,004	2,125,611	2,318,441	2,411,629	2,444,932	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,822,331	2,351,438	2,558,401	2,645,782	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,838,479	2,411,924	2,608,242	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,117,559	2,687,620	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,321,896	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior.....	52,513	21,322	7,047	751	853	203	337	421	529	449
2. 2006.....	117,755	40,435	20,696	7,945	104	94	167	105	187	124
3. 2007.....	XXX	132,000	43,488	22,142	11,743	142	167	105	205	127
4. 2008.....	XXX	XXX	155,240	48,902	26,674	12,287	167	105	189	617
5. 2009.....	XXX	XXX	XXX	168,192	56,704	30,405	17,730	397	167	1,396
6. 2010.....	XXX	XXX	XXX	XXX	175,246	60,002	28,269	20,210	290	1,459
7. 2011.....	XXX	XXX	XXX	XXX	XXX	177,106	66,384	26,022	20,541	126
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	210,729	63,779	25,901	24,791
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	214,507	70,316	28,871
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	204,369	74,460
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	211,156

PROGRESSIVE DIRECT INSURANCE COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	80,647,291	78,266,644		49,684,882	52,892,591	19,225,301	1,073,403	
2. Alaska.....AK	L	22,567,944	21,984,289		12,221,477	13,001,279	6,257,946	265,793	
3. Arizona.....AZ	Q								
4. Arkansas.....AR	L	40,166,784	38,375,898		23,828,783	25,973,783	7,497,750	684,844	
5. California.....CA	L	53,190,463	50,247,421		36,609,544	29,453,104	14,064,941	913,774	
6. Colorado.....CO	L	200,357,438	195,343,007		125,973,000	127,958,051	70,393,544	2,587,424	
7. Connecticut.....CT	L	90,534,576	86,679,336		49,315,966	51,602,203	36,189,461	1,199,650	
8. Delaware.....DE	L	38,737,999	37,607,988		21,495,454	22,215,093	12,285,501	500,400	
9. District of Columbia.....DC	L	20,437,411	20,329,237		12,235,692	12,287,506	6,041,396	230,019	
10. Florida.....FL	Q								
11. Georgia.....GA	L	8,568,284	8,951,751		4,065,931	3,700,650	2,566,263	89,941	
12. Hawaii.....HI	L	25,432,647	25,736,159		11,177,852	12,143,013	6,490,944	286,016	
13. Idaho.....ID	L	26,072,281	24,951,516		13,867,706	15,281,457	6,831,498	561,980	
14. Illinois.....IL	L	17,587,322	18,119,988		10,133,202	9,267,436	4,898,507	206,425	
15. Indiana.....IN	L				78,752	34,749			
16. Iowa.....IA	L				19,707	19,706			
17. Kansas.....KS	L	70,156,644	68,444,063		41,319,295	41,583,540	11,433,055	1,156,939	
18. Kentucky.....KY	L	93,981,398	90,675,091		52,716,791	55,672,083	25,147,820	1,181,238	
19. Louisiana.....LA	L								
20. Maine.....ME	L	2,786,330	2,923,203		1,287,401	1,607,827	693,588	44,567	
21. Maryland.....MD	L	15,306,872	15,721,843		9,278,140	8,564,032	4,850,264	159,893	
22. Massachusetts.....MA	L	147,358,838	145,612,825		85,562,234	87,586,836	46,020,681	2,647,368	
23. Michigan.....MI	Q								
24. Minnesota.....MN	L	201,415,736	195,257,101		111,338,675	115,040,030	55,203,084	3,139,190	
25. Mississippi.....MS	L								
26. Missouri.....MO	L	13,099,587	13,719,600		9,636,542	8,700,128	5,875,773	133,794	
27. Montana.....MT	L	32,170,671	30,977,571		18,588,836	18,996,831	6,794,506	447,634	
28. Nebraska.....NE	L				404	404			
29. Nevada.....NV	L	94,939,381	92,166,856		58,554,416	63,084,978	36,379,416	1,253,613	
30. New Hampshire.....NH	L	(236)	(236)		(14,098)	(15,415)	8,627		
31. New Jersey.....NJ	Q								
32. New Mexico.....NM	L	66,150,983	65,238,158		39,058,270	39,732,619	27,124,428	898,015	
33. New York.....NY	L	16,149,833	15,608,528		12,693,223	7,767,648	8,137,864	259,850	
34. North Carolina.....NC	L								
35. North Dakota.....ND	L	24,671,905	24,413,446		14,167,659	14,135,009	4,875,521	391,633	
36. Ohio.....OH	L	330,223,983	321,049,391		190,390,449	201,044,688	83,337,107	6,278,094	
37. Oklahoma.....OK	L	70,842,328	68,422,325		37,368,987	40,211,989	16,547,338	1,067,278	
38. Oregon.....OR	L				209	(397)	99		
39. Pennsylvania.....PA	L	31,492,849	32,658,122		19,561,602	17,609,881	12,157,566	454,603	
40. Rhode Island.....RI	L	62,635,604	59,138,063		36,395,297	42,130,405	26,302,121	586,424	
41. South Carolina.....SC	L	82,422,310	78,768,660		47,469,082	53,881,313	24,404,317	1,179,221	
42. South Dakota.....SD	L	18,988,714	18,517,830		12,403,119	12,199,240	3,992,790	321,513	
43. Tennessee.....TN	L				(7,894)	(7,894)			
44. Texas.....TX	N								
45. Utah.....UT	L	59,845,107	57,088,911		33,909,136	35,293,193	15,569,341	981,731	
46. Vermont.....VT	L	20,001,253	19,364,849		10,048,100	9,709,022	3,090,905	370,600	
47. Virginia.....VA	L	41,100,493	42,893,833		26,091,884	24,820,275	14,644,314	463,254	
48. Washington.....WA	L	189,535,475	183,478,351		111,258,911	128,147,023	78,673,241	2,636,920	
49. West Virginia.....WV	L								
50. Wisconsin.....WI	L				(1,912)	(1,907)			
51. Wyoming.....WY	L								
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	16,220,868	15,909,302	0	13,035,284	12,760,870	2,286,752	0	0
59. Totals.....(a) 46		2,325,797,366	2,264,640,920	0	1,362,817,990	1,416,084,872	706,293,570	34,653,041	0

DETAILS OF WRITE-INS

58001. AUS AUSTRALIA.....	XXX	16,220,868	15,909,302		13,035,284	12,760,870	2,286,752		
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	16,220,868	15,909,302	0	13,035,284	12,760,870	2,286,752	0	0

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

(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.

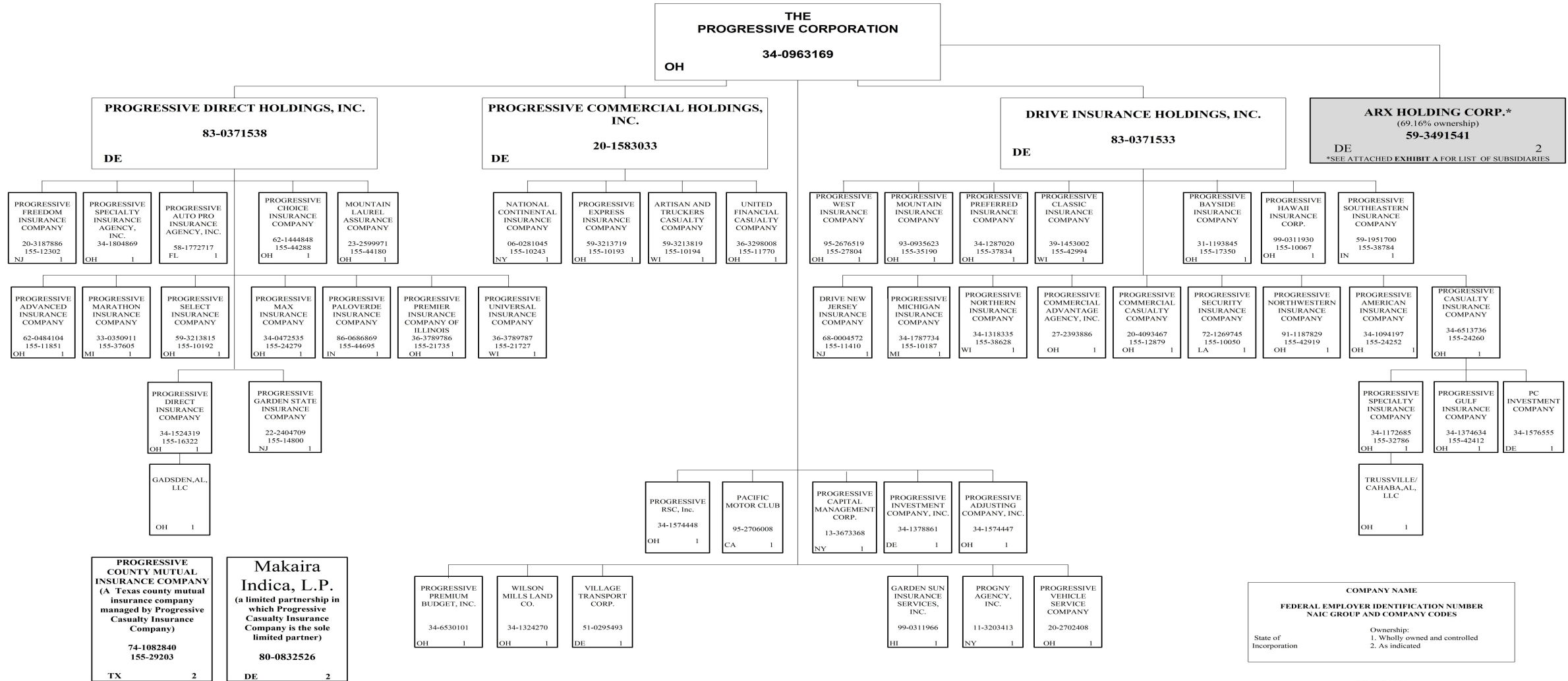
Explanation of Basis of Allocation of Premiums by States, etc.

Allocation on the basis of the location where the vehicle is principally garaged and used.

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

PART 1 – ORGANIZATIONAL CHART

96



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

PART 1 – ORGANIZATIONAL CHART

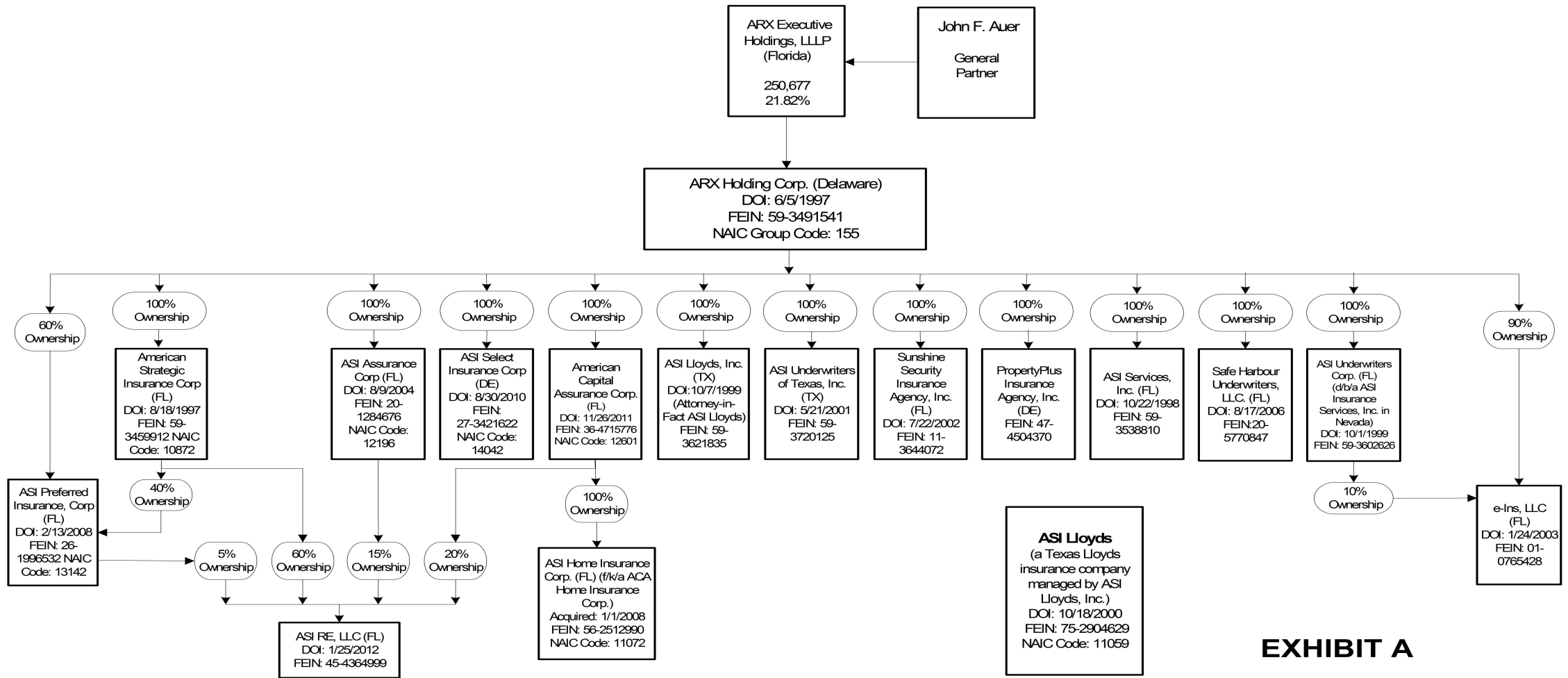


EXHIBIT A

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