



ANNUAL STATEMENT

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

PROGRESSIVE CASUALTY INSURANCE COMPANY

NAIC Group Code.....155, 155
(Current Period) (Prior Period)
Organized under the Laws of OH
Incorporated/Organized..... November 19, 1956
Statutory Home Office
Main Administrative Office
Mail Address
Primary Location of Books and Records
Internet Web Site Address
Statutory Statement Contact

NAIC Company Code..... 24260
State of Domicile or Port of Entry OH
Commenced Business..... December 11, 1956
6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182
(Street and Number) (City or Town, State, Country and Zip Code)
6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US..... 44143-2182 440-461-5000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
P.O. BOX 89490..... CLEVELAND OH US 44101-6490
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)
6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
PROGRESSIVE.COM
MARY BETH ANDREANO
(Name)
FINANCIAL_REPORTING@PROGRESSIVE.COM
(E-Mail Address)
440-395-4460
(Area Code) (Telephone Number) (Extension)
440-603-5500
(Fax Number)

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

OFFICERS

Name	Title	Name	Title
GEOFFREY THOMAS SOUSER #	PRESIDENT	DANE ALLEN SHRALLOW	SECRETARY
THOMAS ALFRED KING	TREASURER		

OTHER

PETER JAMES ALBERT	(VICE PRESIDENT)	MARY BETH ANDREANO	(VICE PRESIDENT)
KAREN BARONE BAILO	(VICE PRESIDENT)	KATHLEEN MARY CERNY	(ASST. SECRETARY)
BRIAN DOUGLAS COURTNEY #	(VICE PRESIDENT)	CHRISTINA LYNN CREWS #	(ASST. SECRETARY)
HEATHER ELIZABETH DAY #	(VICE PRESIDENT)	MATTHEW HERRICK DOWNING #	(VICE PRESIDENT)
MICHAEL VINCENT ESPOSITO	(VICE PRESIDENT)	SARAH ELIZABETH FRYE	(VICE PRESIDENT)
JAMES EDWARD GLENN JR.	(VICE PRESIDENT)	JAMES LEE KUSMER	(ASST. TREASURER)
NEIL JOSEPH LENANE	(VICE PRESIDENT)	LYNN NAVARRE MAJOR	(VICE PRESIDENT)
RONALD PAUL MAROTTO	(VICE PRESIDENT)	ROBERT RICHARD NICOLAY, III	(VICE PRESIDENT)
DAVID LLOYD PRATT	(VICE PRESIDENT)	ANDREW JOHN QUIGG	(VICE PRESIDENT)
CARRIE FISHER RADIVOYEVITCH	(VICE PRESIDENT)	KAREN APRIL TOTH #	(VICE PRESIDENT)
JAY CHADWICK VANANTWERP #	(VICE PRESIDENT)	RAYMOND MARVIN VOELKER	(VICE PRESIDENT)

DIRECTORS OR TRUSTEES

KAREN BARONE BAILO	RICHARD RUSSELL CRAWLEY	THOMAS HUDSON HOLLYER	KATHRYN MARGARET LEMIEUX
MARK DONALD NIEHAUS	DAVID LLOYD PRATT	GEOFFREY THOMAS SOUSER #	

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) GEOFFREY THOMAS SOUSER #	(Signature) CHRISTINA LYNN CREWS #	(Signature) JAMES LEE KUSMER
1. (Printed Name) PRESIDENT	2. (Printed Name) ASSISTANT SECRETARY	3. (Printed Name) ASSISTANT TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 16TH day of FEBRUARY, 2016	b. If no	1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	2,079,524,281		2,079,524,281	2,151,560,524
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	116,273,908		116,273,908	94,378,700
2.2 Common stocks.....	1,895,939,926		1,895,939,926	1,829,917,531
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).....	546,547,370		546,547,370	550,568,282
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	4,662,750
4.3 Properties held for sale (less \$.....0 encumbrances).....	13,024,860		13,024,860	14,418,571
5. Cash (\$....38,750,665, Schedule E-Part 1), cash equivalents (\$....486,712,646, Schedule E-Part 2) and short-term investments (\$....22,153,197, Schedule DA).....	547,616,508		547,616,508	396,269,538
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	139,880,760	100,000	139,780,760	143,976,303
9. Receivables for securities.....			0	20,041,420
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).....	5,338,807,613	100,000	5,338,707,613	5,205,793,619
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	13,830,728		13,830,728	13,378,329
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	132,408,850	15,722,946	116,685,904	110,650,500
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	677,962,232		677,962,232	640,854,583
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	10,073,818		10,073,818	31,431,127
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.....	73,708,598		73,708,598	45,900,560
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	113,238,165	101,021,887	12,216,278	11,263,949
21. Furniture and equipment, including health care delivery assets (\$.....0).....	72,429,391	72,429,391	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	129,436,501	127,061,265	2,375,236	2,384,091
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	6,561,895,896	316,335,489	6,245,560,407	6,061,656,758
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	6,561,895,896	316,335,489	6,245,560,407	6,061,656,758

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.....	1,423,861		1,423,861	1,339,791
2502. STATE TAX CREDITS.....	951,375		951,375	1,044,300
2503. PREPAID EXPENSES.....	123,879,736	123,879,736	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	3,181,529	3,181,529	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	129,436,501	127,061,265	2,375,236	2,384,091

PROGRESSIVE CASUALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,714,633,621	1,636,282,568
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	195,238,940	240,618,266
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	360,894,421	335,785,088
4. Commissions payable, contingent commissions and other similar charges.....	7,554,404	6,152,840
5. Other expenses (excluding taxes, licenses and fees).....	231,084,053	199,621,531
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	35,066,026	39,407,125
7.1 Current federal and foreign income taxes (including \$.....(7,945,025) on realized capital gains (losses)).....	21,086,100	44,863,775
7.2 Net deferred tax liability.....		
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 \$.....1,574,640,135 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).....	1,512,158,427	1,397,062,734
10. Advance premium.....	7,354,588	6,209,652
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(58,077,636)	(26,692,098)
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.....	4,424,342	2,962,540
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.....	101,414,748	63,292,736
19. Payable to parent, subsidiaries and affiliates.....	492,623,962	461,342,612
20. Derivatives.....		
21. Payable for securities.....		34,945,332
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.....	10,012,761	8,424,277
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	4,635,468,757	4,450,278,978
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	4,635,468,757	4,450,278,978
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	866,994,631	847,441,703
35. Unassigned funds (surplus).....	740,097,019	760,936,077
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).....	1,610,091,650	1,611,377,780
38. TOTALS (Page 2, Line 28, Col. 3).....	6,245,560,407	6,061,656,758

DETAILS OF WRITE-INS		
2501. OTHER LIABILITIES.....	6,181,134	6,309,895
2502. STATE PLAN LIABILITY.....	3,279,407	1,486,175
2503. ESCHEATABLE PROPERTY.....	552,220	593,303
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	34,904
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	10,012,761	8,424,277
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 CASUALTY INSURANCE COMPANY
STATEMENT OF INCOME

			1	2
UNDERWRITING INCOME			Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....	DEDUCTIONS	4,935,163,499	4,864,741,330
2.	Losses incurred (Part 2, Line 35, Column 7).....		3,023,803,017	2,999,421,639
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		512,017,464	493,720,964
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		1,037,521,666	1,008,687,887
5.	Aggregate write-ins for underwriting deductions.....		0	0
6.	Total underwriting deductions (Lines 2 through 5).....		4,573,342,147	4,501,830,490
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		361,821,352	362,910,840
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		237,091,851	271,447,895
10.	Net realized capital gains (losses) less capital gains tax of \$.....(953,936) (Exhibit of Capital Gains (Losses)).....		5,967,702	31,760,806
11.	Net investment gain (loss) (Lines 9 + 10).....		243,059,553	303,208,701
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....852,041 amount charged off \$.....37,852,536).....		(37,000,495)	(36,131,871)
13.	Finance and service charges not included in premiums.....		17,750,654	19,015,957
14.	Aggregate write-ins for miscellaneous income.....		19,914,874	23,907,717
15.	Total other income (Lines 12 through 14).....		665,033	6,791,803
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....		605,545,938	672,911,344
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).....		605,545,938	672,911,344
19.	Federal and foreign income taxes incurred.....		154,741,610	144,915,154
20.	Net income (Line 18 minus Line 19) (to Line 22).....		450,804,328	527,996,190
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		1,611,377,780	1,543,110,301
22.	Net income (from Line 20).....		450,804,328	527,996,190
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(10,255,313).....		(62,535,595)	(31,468,782)
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....		18,007,491	(3,692,705)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		(58,459,846)	(18,020,571)
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.....		19,552,928	17,178,301
33.2	Transferred to capital (Stock Dividend).....			
33.3.	Transferred from capital.....			
34.	Net remittances from or (to) Home Office.....			
35.	Dividends to stockholders.....		(369,500,000)	(425,000,000)
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.....		844,564	1,275,046
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....		(1,286,130)	68,267,479
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		1,610,091,650	1,611,377,780
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 AND SERVICE CHARGE REVENUE ASSUMED.....		15,752,860	15,636,134
1402.	MISCELLANEOUS INCOME.....		4,533,840	8,221,310
1403.	SERVICE BUSINESS REVENUE.....		104,011	288,150
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		(475,837)	(237,877)
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....		19,914,874	23,907,717
3701.	CHANGE IN ELIMINATION IN DEFERRED UNREALIZED GAIN PER SSAP 25.....		844,564	1,275,046
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).....		844,564	1,275,046

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	4,975,001,650	4,867,571,386
2.	Net investment income.....	253,322,599	290,808,457
3.	Miscellaneous income.....	1,508,599	6,475,695
4.	Total (Lines 1 through 3).....	5,229,832,848	5,164,855,538
5.	Benefit and loss related payments.....	2,969,473,981	2,947,509,224
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	1,495,498,611	1,458,502,137
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....9,770,739 tax on capital gains (losses).....	177,565,349	150,616,351
10.	Total (Lines 5 through 9).....	4,642,537,941	4,556,627,712
11.	Net cash from operations (Line 4 minus Line 10).....	587,294,907	608,227,826
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	1,116,554,187	1,116,801,745
12.2	Stocks.....	126,643,282	130,561,032
12.3	Mortgage loans.....		
12.4	Real estate.....	4,697,049	732,550
12.5	Other invested assets.....	7,609,976	10,309,435
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....	570	
12.7	Miscellaneous proceeds.....	20,041,420	29,917,774
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	1,275,546,484	1,288,322,536
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	1,036,422,686	1,351,893,172
13.2	Stocks.....	282,646,548	98,040,428
13.3	Mortgage loans.....		
13.4	Real estate.....	14,793,132	45,225,625
13.5	Other invested assets.....	8,119,643	12,283,111
13.6	Miscellaneous applications.....	34,945,332	19,331,884
13.7	Total investments acquired (Lines 13.1 to 13.6).....	1,376,927,341	1,526,774,220
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).....	(101,380,857)	(238,451,684)
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.....	19,552,928	17,178,301
16.3	Borrowed funds.....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5	Dividends to stockholders.....	369,500,000	425,000,000
16.6	Other cash provided (applied).....	15,379,992	33,402,514
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(334,567,080)	(374,419,185)
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).....	151,346,970	(4,643,043)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	396,269,538	400,912,581
19.2	End of year (Line 18 plus Line 19.1).....	547,616,508	396,269,538

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

20.0001		
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PROGRESSIVE CASUALTY INSURANCE COMPANY
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.....	20,556,937	9,395,183	10,734,378	19,217,742
5.	Commercial multiple peril.....				.....0
6.	Mortgage guaranty.....				.....0
8.	Ocean marine.....				.....0
9.	Inland marine.....	88,953,839	38,101,543	42,057,100	84,998,283
10.	Financial guaranty.....				.....0
11.1	Medical professional liability - occurrence.....				.....0
11.2	Medical professional liability - claims-made.....	14,700	1,168	1,208	14,660
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.....	32,980,538	15,318,175	15,631,692	32,667,022
17.2	Other liability - claims-made.....	(78,457)	35,605	22,255	(65,107)
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.....	2,824,811,492	722,970,599	757,467,145	2,790,314,946
19.3, 19.4	Commercial auto liability.....	349,045,497	138,647,457	173,915,453	313,777,501
21.	Auto physical damage.....	1,733,968,332	472,590,777	512,326,601	1,694,232,508
22.	Aircraft (all perils).....				.....0
23.	Fidelity.....				.....0
24.	Surety.....	6,314	2,226	2,595	5,945
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.....	5,050,259,192	1,397,062,733	1,512,158,426	4,935,163,498

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 CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	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.....	10,734,378				10,734,378
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	42,057,100				42,057,100
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....	1,208				1,208
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.....	15,631,692				15,631,692
17.2	Other liability - claims-made.....	10,070	12,184			22,255
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.....	757,467,145				757,467,145
19.3, 19.4	Commercial auto liability.....	173,915,453				173,915,453
21.	Auto physical damage.....	512,326,601				512,326,601
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....	2,595				2,595
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.....	1,512,146,242	12,184	0	0	1,512,158,426
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					1,512,158,426

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

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

PROGRESSIVE CASUALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		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.....	.....6,664,269	.....35,288,641		.....21,395,997	.....(24)	.....20,556,937
5. Commercial multiple peril.....						.....0
6. Mortgage guaranty.....						.....0
8. Ocean marine.....						.....0
9. Inland marine.....	.....36,726,368	.....144,812,079		.....92,584,608		.....88,953,839
10. Financial guaranty.....						.....0
11.1 Medical professional liability - occurrence.....						.....0
11.2 Medical professional liability - claims-made.....	.....30,000			.....15,300		.....14,700
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.....	.....13,019,604	.....55,293,045		.....34,326,683	.....1,005,428	.....32,980,538
17.2 Other liability - claims-made.....	.....250,000			.....(81,660)	.....410,117	.....(78,457)
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.....	.....683,045,427	.....5,081,875,984	.....1	.....2,940,109,920		.....2,824,811,492
19.3, 19.4 Commercial auto liability.....	.....126,602,260	.....586,090,502		.....363,292,252	.....355,014	.....349,045,497
21. Auto physical damage.....	.....368,908,354	.....3,169,803,869		.....1,804,742,551	.....1,340	.....1,733,968,332
22. Aircraft (all perils).....						.....0
23. Fidelity.....						.....0
24. Surety.....	.....12,886			.....6,572		.....6,314
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.....	.....1,235,259,168	.....9,073,164,120	.....1	.....5,256,392,222	.....1,771,875	.....5,050,259,192

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

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
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.....	3,877,099	11,461,822	7,822,850	7,516,071	1,824,029	1,446,361	7,893,739	41.1
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.....	14,997,045	54,833,658	35,613,658	34,217,045	4,082,857	3,947,548	34,352,354	40.4
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	733	752	(19)	(0.1)
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.....	5,810	38,285	22,488	21,607	942,244	963,850	0	0.0
17.1	Other liability - occurrence.....	5,230,153	14,423,603	10,115,944	9,537,812	20,076,897	20,428,998	9,185,712	28.1
17.2	Other liability - claims-made.....	27,959,699	322,261	26,438,186	1,843,774	592,071	1,676,369	759,476	(1,166.5)
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.....	388,564,574	3,003,608,981	1,730,646,850	1,661,526,705	1,438,977,832	1,375,481,863	1,725,022,674	61.8
19.3, 19.4	Commercial auto liability.....	44,876,415	253,453,089	153,258,071	145,071,433	235,935,087	222,120,821	158,885,699	50.6
21.	Auto physical damage.....	221,373,260	1,994,375,108	1,130,046,222	1,085,702,146	8,830,934	6,867,097	1,087,665,984	64.2
22.	Aircraft (all perils).....				0			0	0.0
23.	Fidelity.....	(412,771)		(311,520)	(101,251)	9,567	21,935	(113,620)	0.0
24.	Surety.....				0	1,508	3,052	(1,544)	(26.0)
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	238,008	121,384	116,624	3,359,861	3,323,917	152,568	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.....	706,471,284	5,332,754,815	3,093,774,133	2,945,451,966	1,714,633,620	1,636,282,565	3,023,803,022	61.3
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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire.....				.0				.0	
2.	Allied lines.....				.0				.0	
3.	Farmowners multiple peril.....				.0				.0	
4.	Homeowners multiple peril.....	439,831	1,911,677	1,199,269	1,152,239	268,871	1,102,129	699,209	1,824,029	424,716
5.	Commercial multiple peril.....				.0				.0	
6.	Mortgage guaranty.....				.0				.0	
8.	Ocean marine.....				.0				.0	
9.	Inland marine.....	1,148,975	3,143,693	2,189,261	2,103,407	894,587	3,145,106	2,060,243	4,082,857	822,100
10.	Financial guaranty.....				.0				.0	
11.1	Medical professional liability - occurrence.....				.0				.0	
11.2	Medical professional liability - claims-made.....				.0	1,496		763	.733	.647
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.....	76,931	1,846,015	980,702	942,244				.942,244	48,234
17.1	Other liability - occurrence.....	7,220,442	20,969,991	14,968,061	13,222,372	3,260,077	11,968,286	8,373,838	20,076,897	3,151,618
17.2	Other liability - claims-made.....	3,283,745	23,735	3,080,984	226,496	1,259,470	5,952	899,847	592,071	108,496
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.....	328,404,013	1,960,142,629	1,167,158,787	1,121,387,855	75,098,429	573,044,381	330,552,833	1,438,977,832	301,987,650
19.3, 19.4	Commercial auto liability.....	70,501,333	333,274,631	206,052,995	197,722,969	12,402,144	66,117,963	40,307,989	235,935,087	40,313,242
21.	Auto physical damage.....	12,990,491	103,857,826	59,592,642	57,255,675	(9,658,387)	(89,168,660)	(50,402,306)	8,830,934	14,013,005
22.	Aircraft (all perils).....				.0				.0	
23.	Fidelity.....	212,500		211,888	613	127,924		118,970	.9,567	21,424
24.	Surety.....				.0	11,066		9,558	1,508	3,286
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	1,535,967	783,343	752,624	.XXX	5,320,892	2,713,655	3,359,861	
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.....	424,278,261	2,426,706,164	1,456,217,932	1,394,766,493	83,665,677	571,536,049	335,334,599	1,714,633,620	360,894,419
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.									

PROGRESSIVE CASUALTY INSURANCE COMPANY
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.....	26,808,582			26,808,582
1.2 Reinsurance assumed.....	138,808,849			138,808,849
1.3 Reinsurance ceded.....	83,469,858			83,469,858
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	82,147,572	0	0	82,147,572
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		123,390,398		123,390,398
2.2 Reinsurance assumed, excluding contingent.....		831,969,301		831,969,301
2.3 Reinsurance ceded, excluding contingent.....		487,415,236		487,415,236
2.4 Contingent - direct.....		1,251,455		1,251,455
2.5 Contingent - reinsurance assumed.....		15,465,500		15,465,500
2.6 Contingent - reinsurance ceded.....		8,525,650		8,525,650
2.7 Policy and membership fees.....			0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	476,135,769	0	476,135,769
3. Allowances to manager and agents.....		2,680,126		2,680,126
4. Advertising.....	62,366	52,437,147		52,499,513
5. Boards, bureaus and associations.....	1,366,420	2,399,866		3,766,286
6. Surveys and underwriting reports.....		32,479,431		32,479,431
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	288,900,392	215,323,301	2,620,260	506,843,953
8.2 Payroll taxes.....	20,219,457	14,843,878	79,197	35,142,533
9. Employee relations and welfare.....	49,987,125	34,328,013	104,605	84,419,742
10. Insurance.....	895,566	696,097		1,591,663
11. Directors' fees.....				0
12. Travel and travel items.....	13,035,261	5,322,414	14,563	18,372,238
13. Rent and rent items.....	18,200,535	19,921,162	58,980	38,180,677
14. Equipment.....	1,465,269	5,127,791		6,593,060
15. Cost or depreciation of EDP equipment and software.....	17,298,948	30,009,491	37,773	47,346,212
16. Printing and stationery.....	1,726,939	4,070,123	6,064	5,803,126
17. Postage, telephone and telegraph, exchange and express.....	13,195,234	29,787,697	15,551	42,998,483
18. Legal and auditing.....	2,720,403	3,900,657	1,191,017	7,812,077
19. Totals (Lines 3 to 18).....	429,073,916	453,327,193	4,128,010	886,529,120
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....34,119.....		82,799,173		82,799,173
20.2 Insurance department licenses and fees.....	552,983	4,726,304		5,279,288
20.3 Gross guaranty association assessments.....		92,854		92,854
20.4 All other (excluding federal and foreign income and real estate).....	100,526	15,998,652		16,099,178
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	653,510	103,616,983	0	104,270,493
21. Real estate expenses.....			26,230,725	26,230,725
22. Real estate taxes.....			8,222,822	8,222,822
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	142,467	4,441,718	564,623	5,148,808
25. Total expenses incurred.....	512,017,465	1,037,521,663	39,146,180	(a).....1,588,685,308
26. Less unpaid expenses - current year.....	360,894,420	262,024,530	11,679,954	634,598,904
27. Add unpaid expenses - prior year.....	335,785,088	233,093,342	12,088,153	580,966,583
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).....	486,908,133	1,008,590,476	39,554,379	1,535,052,988

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES.....	142,467	4,441,718	564,623	5,148,808
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).....	142,467	4,441,718	564,623	5,148,808

(a) Includes management fees of \$.....891,677,928 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).....3,937,366	.....3,742,430
1.1 Bonds exempt from U.S. tax.....	(a).....6,790,161	.....6,095,430
1.2 Other bonds (unaffiliated).....	(a).....45,192,338	.....45,350,013
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....4,799,307	.....5,955,480
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....17,059,159	.....17,172,027
2.21 Common stocks of affiliates.....	.....139,000,000	.....139,000,000
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....76,345,016	.....76,290,143
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....893,762	.....879,443
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....509,668	.....509,668
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....294,526,777	.....294,994,634
11. Investment expenses.....		(g).....39,146,180
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).....18,756,604
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....57,902,784
17. Net investment income (Line 10 minus Line 16).....		.....237,091,850

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 \$.....14,015,827 accrual of discount less \$.....12,350,077 amortization of premium and less \$.....1,167,219 paid for accrued interest on purchases.		
(b) Includes \$.....401 accrual of discount less \$.....893 amortization of premium and less \$.....607,843 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 \$.....73,151,036 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.		
(e) Includes \$.....856,415 accrual of discount less \$.....3,267 amortization of premium and less \$.....0 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 \$.....18,756,604 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.....	.....41,200	.....	.....41,200	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....1,257,151	.....	.....1,257,151	.....	.....
1.2 Other bonds (unaffiliated).....	.....4,657,225	.....	.....4,657,225	.....473,931	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....(78,250)	.....	.....(78,250)	.....(3,594,300)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....9,134,466	.....(16,191,721)	.....(7,057,255)	.....(13,865,338)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....(43,490,013)	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....(546,462)	.....(870,389)	.....(1,416,851)	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....570	.....	.....570	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....7,609,976	.....	.....7,609,976	.....(12,315,184)	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....22,075,876	.....(17,062,110)	.....5,013,766	.....(72,790,904)	.....0

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

PROGRESSIVE CASUALTY INSURANCE COMPANY
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).....	.....100,000	.....100,000	.....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
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.....100,000	.....100,000	.....0
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.....	.....15,722,946	.....14,692,625	.....(1,030,321)
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.....	.....101,021,887	.....64,991,196	.....(36,030,691)
21. Furniture and equipment, including health care delivery assets.....	.....72,429,391	.....65,435,550	.....(6,993,841)
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.....	.....127,061,265	.....112,656,272	.....(14,404,993)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....316,335,489	.....257,875,643	.....(58,459,846)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....316,335,489	.....257,875,643	.....(58,459,846)

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.....	.....123,879,736	.....101,047,695	.....(22,832,041)
2502. MISCELLANEOUS OTHER ASSETS.....	.....3,181,529	.....11,608,577	.....8,427,048
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).....	.....127,061,265	.....112,656,272	.....(14,404,993)

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Casualty 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	\$ 450,804,328	\$ 527,996,190
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	\$ 450,804,328	\$ 527,996,190
Surplus			
(5) Policyholders' surplus, state basis	OH	\$ 1,610,091,650	\$ 1,611,377,780
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis (5-6-7=8)	OH	\$ 1,610,091,650	\$ 1,611,377,780

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.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- The Company owns 100% of the common stock of Progressive Specialty Insurance Company (“Specialty”), an insurance affiliate domiciled in Ohio, Progressive Gulf Insurance Company (“Gulf”), an insurance affiliate domiciled in Ohio, and PC Investment Company (“PCI”), a non-insurance affiliate. These investments are reported on the equity basis as described in the *Purposes and Procedures Manual of the Securities Valuation Office* of the NAIC.
- The Company has no investments in joint ventures or limited liability companies. Investments in limited partnerships (see Note 6) are valued by using the Generally Accepted Accounting Principles equity method of accounting.
- 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.
- The Company may enter into reverse repurchase commitment transactions. In these transactions, the Company loans cash to an accredited bank and receives U.S. Treasury Notes pledged as general collateral against the cash borrowed. The Company chooses to enter into these transactions as rates on general collateral are more attractive than other short-term rates available in the market. The Company’s exposure to credit risk is limited, as these internally managed transactions are typically overnight arrangements. The income generated on these transactions is calculated at the then applicable general collateral rates on the value of U.S. Treasury securities received. The Company has counterparty exposure on reverse repurchase agreements in the event of a counterparty default to the extent the general collateral security’s value is below the cash which was delivered to acquire the collateral. The short-term duration of the transactions (primarily overnight investing) reduces that default exposure. The Company did not have any open reverse repurchase commitment transactions at December 31, 2015 and December 31, 2014. See Note 5.H.1.
- 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. For property held for sale and properties held for the production of income (see Schedule A, Part 1), the Company reports at the lower of book/adjusted carrying value or fair market value, less any related encumbrances. 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.

For properties held for sale and properties held for the production of income, the Company engages the services of independent firms who issue summary reports indicating the properties’ fair market value. The valuations are completed using various methods of valuation including the cost approach, sales comparison approach, or income approach. For occupied properties, the Company uses book/adjusted carrying value to report fair market value.

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 Notes 25 and 33).
- 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. The 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.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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

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 recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.
4. As of December 31, 2015, the Company had \$8,653,055 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	\$ 4,786,063
2. Twelve months or longer	3,866,992
Total	\$ 8,653,055
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	\$ 566,531,866
2. Twelve months or longer	203,560,208
Total	\$ 770,092,074

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 \$870,389 (see Schedule A, Part 1, Column 12) is reflected in realized capital gains (losses) in the Company's Statement of Income. The impairment losses primarily reflect write-downs associated with various claims service centers.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

2. Sales of Real Estate

At December 31, 2015, the Company has various property holdings classified as "Property Held for Sale" that are measured at the lower of their book/adjusted carrying value or fair market value. The properties are presently being marketed.

On June 25, 2015, the Company sold property to a third party for \$4,197,445 (Schedule A, Part 3, Column 15). In accordance with SSAP 40 – Real Estate Investments, the land was classified as “Property Held for Sale,” and therefore was measured at the lower of book/adjusted carrying value or fair market value less cost to sell. The Company recorded a realized net loss on the sale of \$465,305 (Schedule A, Part 3, Column 17), which is included in realized capital gains (losses) in the Company’s Statement of Income.

On December 17, 2015, the Company sold property to a third party for \$499,604 (Schedule A, Part 3, Column 15). In accordance with SSAP 40 – Real Estate Investments, the land was classified as “Property Held for Sale,” and therefore was measured at the lower of book/adjusted carrying value or fair market value less cost to sell. The Company recorded a realized net loss on the sale of \$81,157 (Schedule A, Part 3, Column 17), which is included in realized capital gains (losses) in the Company’s Statement of Income.

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

H. Restricted Assets

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

	Gross Restricted								Percentage	
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Restricted Asset Category	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 stock	--	--	--	--	--	--	--	--	0%	0%
j. On deposit with states	4,881,392	--	--	--	4,881,392	4,808,333	73,059	4,881,392	0.07%	0.08%
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	78,755,913	--	--	--	78,755,913	63,789,417	14,966,496	78,755,913	1.20%	1.26%
n. Other restricted assets	--	--	--	--	--	--	--	--	0%	0%
o. Total Restricted Assets	\$ 83,637,305	\$ --	\$ --	\$ --	\$ 83,637,305	\$ 68,597,750	\$ 15,039,555	\$ 83,637,305	1.27%	1.34%

(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) is as follows:

	Gross Restricted								Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
Collateral Agreement	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	
Trust agreements	\$ 78,755,913	\$ --	\$ --	\$ --	\$ 78,755,913	\$ 63,789,417	\$ 14,966,496	\$ 78,755,913	1.20%	1.26%	
Total restricted assets	\$ 78,755,913	\$ --	\$ --	\$ --	\$ 78,755,913	\$ 63,789,417	\$ 14,966,496	\$ 78,755,913	1.20%	1.26%	

(a) Subset of column 1
(b) Subset of column 3

3. Detail of Other Restricted Assets

Not applicable

I. Working Capital Finance Investments

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- 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

At December 31, 2015, there were no investments in joint ventures, partnerships, and limited liability companies (“LLC’s”) greater than 10% of the Company’s admitted assets.

B.

Write-Downs for Impairment of Joint Ventures, Partnerships, and LLC’s

Not applicable
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.

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	Capital	(Col 1+2)	Ordinary	Capital	(Col 4+5)	(Col 1-4)	(Col 2-5)	
	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total	Ordinary	Capital	(Col 7+8)
(a) Gross deferred tax assets	\$ 284,621,188	\$ 23,084,737	\$ 307,705,925	\$ 255,332,596	\$ 22,662,539	\$ 277,995,135	\$ 29,288,592	\$ 422,198	\$ 29,710,790
(b) Statutory valuation allowance adjustment	--	--	--	--	--	--	--	--	--
(c) Adjusted gross deferred tax assets (1a- 1b)	\$ 284,621,188	\$ 23,084,737	\$ 307,705,925	\$ 255,332,596	\$ 22,662,539	\$ 277,995,135	\$ 29,288,592	\$ 422,198	\$ 29,710,790
(d) Deferred tax assets nonadmitted	--	--	--	--	--	--	--	--	--
(e) Subtotal (net deferred tax asset) (1c- 1d)	\$ 284,621,188	\$ 23,084,737	\$ 307,705,925	\$ 255,332,596	\$ 22,662,539	\$ 277,995,135	\$ 29,288,592	\$ 422,198	\$ 29,710,790
(f) Deferred tax liabilities	68,629,985	165,367,342	233,997,327	61,723,929	170,370,646	232,094,575	6,906,056	(5,003,304)	1,902,752
(g) Net admitted deferred tax assets (net deferred tax liability) (1e- 1f)	\$ 215,991,203	\$ (142,282,605)	\$ 73,708,598	\$ 193,608,667	\$ (147,708,107)	\$ 45,900,560	\$ 22,382,536	\$ 5,425,502	\$ 27,808,038

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)
							(Col 1-4)	(Col 2-5)	
	Ordinary	Capital	(Col 1+2)	Ordinary	Capital	(Col 4+5)	Ordinary	Capital	(Col 7+8)
	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 249,133,039	\$ --	\$ 249,133,039	\$ 227,523,858	\$ --	\$ 227,523,858	\$ 21,609,181	\$ --	\$ 21,609,181
(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)	20,764,868	--	20,764,868	16,152,669	--	16,152,669	4,612,199	--	4,612,199
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	20,764,868	--	20,764,868	16,152,669	--	16,152,669	4,612,199	--	4,612,199
2. Adjusted gross deferred tax assets allowed per limitation threshold			228,625,016			233,131,991			(4,506,975)
(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	14,723,281	23,084,737	37,808,018	11,656,069	22,662,539	34,318,608	3,067,212	422,198	3,489,410
(d) Deferred tax assets admitted as result of application of SSAP No. 101. Total 2(a)+2(b)+2(c)	\$ 284,621,188	\$ 23,084,737	\$ 307,705,925	\$ 255,332,596	\$ 22,662,539	\$ 277,995,135	\$ 29,288,592	\$ 422,198	\$ 29,710,790

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	528%	543%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 1,524,166,774	\$ 1,554,213,271

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	\$ 284,621,188	\$ 23,084,737	\$ 255,332,596	\$ 22,662,539	\$ 29,288,592	\$ 422,198
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	\$ 284,621,188	\$ 23,084,737	\$ 255,332,596	\$ 22,662,539	\$ 29,288,592	\$ 422,198
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 ____ No <u>X</u>						

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	\$ 154,741,610	\$ 144,915,154	\$ 9,826,456
(b) Foreign	--	--	--
(c) Subtotal	\$ 154,741,610	\$ 144,915,154	\$ 9,826,456
(d) Federal income tax on net capital gains	(953,936)	13,268,507	(14,222,443)
(e) Utilization of capital loss carry-forw ards	--	--	--
(f) Other	--	--	--
(g) Federal and foreign income taxes incurred	\$ 153,787,674	\$ 158,183,661	\$ (4,395,987)

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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	\$ 17,835,241	\$ 19,504,923	\$ (1,669,682)
(2) Unearned premium reserve	106,916,260	98,806,438	8,109,822
(3) Policyholder reserves	--	--	--
(4) Investments	--	--	--
(5) Deferred acquisition costs	--	--	--
(6) Policyholder dividend accrual	--	--	--
(7) Fixed assets	65,435,756	49,934,518	15,501,238
(8) Compensation and benefits accrual	40,094,629	38,666,282	1,428,347
(9) Pension accrual	--	--	--
(10) Receivables - nonadmitted	5,503,031	5,142,419	360,612
(11) Net operating loss carry-forward	--	--	--
(12) Tax credit carry-forward	--	--	--
(13) Other - nonadmitted assets	44,455,452	39,429,696	5,025,756
(14) Other - bad debt reserve	3,023,462	2,737,622	285,840
(15) Other (including items <5% of total ordinary tax assets)	1,357,357	1,110,698	246,659
(99) Subtotal	\$ 284,621,188	\$ 255,332,596	\$ 29,288,592
(b) Statutory valuation allowance adjustment	--	--	--
(c) Nonadmitted	--	--	--
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 284,621,188	\$ 255,332,596	\$ 29,288,592
(e) Capital			
(1) Investments	23,084,737	22,662,539	422,198
(2) Net capital loss carry-forward	--	--	--
(3) Real estate	--	--	--
(4) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	\$ 23,084,737	\$ 22,662,539	\$ 422,198
(f) Statutory valuation allowance adjustment	--	--	--
(g) Nonadmitted	--	--	--
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$ 23,084,737	\$ 22,662,539	\$ 422,198
(i) Admitted deferred tax assets (2d+2h)	\$ 307,705,925	\$ 277,995,135	\$ 29,710,790

2. Deferred Tax Liabilities:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	\$ 754,428	\$ 351,595	\$ 402,833
(2) Fixed assets	60,388,181	53,964,168	6,424,013
(3) Deferred and uncollected premium	--	--	--
(4) Policyholder reserves	--	--	--
(5) Other liabilities - prepaid expenses	5,652,297	5,341,128	311,169
(6) Other liabilities - salvage and subrogation	1,124,279	1,238,161	(113,882)
(7) Other (including items <5% of total ordinary tax liabilities)	710,800	828,877	(118,077)
(99) Subtotal	\$ 68,629,985	\$ 61,723,929	\$ 6,906,056
(b) Capital			
(1) Investments	165,367,342	170,370,646	(5,003,304)
(2) Real estate	--	--	--
(3) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	\$ 165,367,342	\$ 170,370,646	\$ (5,003,304)
(c) Deferred tax liabilities (3a99+3b99)	\$ 233,997,327	\$ 232,094,575	\$ 1,902,752

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)	\$ 73,708,598	\$ 45,900,560	\$ 27,808,038

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	\$ 307,705,925	\$ 277,995,135	\$ 29,710,790
Total deferred tax liabilities	233,997,327	232,094,575	1,902,752
Net deferred tax asset (liability)	\$ 73,708,598	\$ 45,900,560	\$ 27,808,038
Tax effect of unrealized gains (losses)			9,800,547
Change in net deferred income tax			\$ 18,007,491

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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	\$ 211,607,201	35%
Exempt interest income	(1,812,228)	0%
Dividends received deduction	(3,704,531)	-1%
Impact of nonadmitted assets	(20,444,955)	-3%
Intercompany dividend exclusion	(48,650,000)	-8%
Other	(1,215,304)	0%
Total	\$ 135,780,183	23%
Federal and foreign income taxes incurred	\$ 153,787,674	
Change in net deferred income tax	(18,007,491)	
Total statutory income taxes	\$ 135,780,183	

E. Operating Loss and Tax Credit Carryforwards

1. The Company has no operating loss or tax credit carryforwards available.
2. 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:	\$ 145,469,563
First preceding tax year:	\$ 154,638,211

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

1. 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.
2. 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.

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 Drive Insurance Holdings, Inc. (“DIH”), 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 ½% of Admitted Assets

On December 21, 2015, the Company received dividends of \$118,000,000 and \$21,000,000 from its subsidiaries Specialty and Gulf, respectively, and on December 19, 2014, the Company received dividends of \$150,000,000 and \$35,000,000 from its subsidiaries Specialty and Gulf, respectively.

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

Effective December 1, 2015, the Company entered into a management services agreement with Progressive Commercial Casualty Insurance Company, an insurance affiliate domiciled in Ohio. The agreement was approved by the Ohio Department of Insurance.

See Note 10.F

D. Amounts Due to or from Related Parties

The Company reported a \$492,623,962 and \$461,342,612 payable to 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 \$21,086,100 and \$44,863,775 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

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

F. Management, Service Contracts, Cost Sharing Arrangements

The Company participates in management and service agreements with many of its insurance and non-insurance affiliates. Under the terms of the agreements, the affiliates are provided management, 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 and non-insurance affiliates. Under the terms of the agreements, the Company provides these affiliates with management, 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.

The Company participates in an aggregate stop loss reinsurance agreement with National Continental Insurance Company ("National Continental"), an insurance affiliate domiciled in New York, for general liability business written by National Continental on or before November 25, 1985 (see Note 33).

The Company participates in an aggregate stop loss reinsurance agreement with Progressive Max Insurance Company ("Max"), an insurance affiliate domiciled in Ohio, for business assumed by Max from various reinsurance pools from 1965 to 1975 which underwrote general liability insurance (see Note 33).

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 DIH.

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 Impairment 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 PCI (see Note 1.C) has the following values included on Page 2, Assets, Line 2.2, Common Stocks:

	December 31, 2015	December 31, 2014
Gross Asset	\$ 609,963,430	\$ 599,894,397
Nonadmitted Asset	--	--
Net Admitted Asset	\$ 609,963,430	\$ 599,894,397

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

The Company's two wholly owned insurance subsidiaries of Specialty and Gulf do not have any state permitted or prescribed practices that deviate from NAIC statutory accounting practices and procedures (see Note 1.C).

11. Debt

Not applicable

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

The Company is one of three insurance companies along with several non-insurance companies in the Group that retain employees. The Company participates, but has no legal obligation or direct liability for expenses, in the following employee benefit plans:

A. Defined Benefit Plans

Not applicable

B-D. Description of Investment Policies, Fair Value of Plan Assets, Rate of Return Assumptions

TPC is responsible for postemployment benefits. See Note 12.G.

E. Defined Contribution Plans

TPC sponsors a defined contribution savings plan. See Note 12.G.

F. Multiemployer Plans

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

G. Consolidated / Holding Company Plans

TPC has a defined contribution pension plan ("401(k) Plan") which covers most employees who are United States residents and have been employed by TPC for at least 30 days. Under this plan, TPC matches up to a maximum of 6% of an employee's eligible compensation contributed to the plan. Employee and TPC matching contributions are invested, at the direction of the employee, in a number of investment options available under the plan, including various mutual funds, a self-directed brokerage option, and an employee stock ownership program within the 401(k) Plan.

TPC provides various postemployment benefits to former or inactive employees who meet eligibility requirements, and to their beneficiaries and covered dependents. Postemployment benefits include salary continuation and disability-related benefits, including workers' compensation, and, if elected, continuation of health-care benefits for specified limited periods.

TPC provides postretirement health and life insurance benefits to all employees who met requirements as to age and length of service at December 31, 1988. There are approximately 100 people who are eligible for these postretirement benefits. TPC's funding policy for these benefits is to contribute annually, to a 501(c)(9) trust, the maximum amount that can be deducted for Federal income tax purposes.

TPC's incentive compensation includes both non-equity incentive plans (cash) and equity incentive plans. Cash incentive compensation includes a cash bonus program for a limited number of senior executives and TPC's Gainsharing program for other employees; the structures of these programs are similar in nature. Equity incentive compensation plans provide for the granting of restricted stock awards and restricted stock unit awards to key members of management.

TPC's 2003 Incentive Plan has expired, and no new awards may be made under this plan; all awards granted prior to the plan's expiration have vested and no awards remain outstanding. In addition, TPC also grants equity-based awards under the 2010 and 2015 Equity Incentive Plans.

TPC maintains The Progressive Corporation Executive Deferred Compensation Plan, which permits eligible executives to defer receipt of some or all of their annual bonuses and all of their annual equity awards.

H. Postemployment Benefits and Compensated Absences

TPC is responsible for postemployment benefits. See Note 12.G.

I. Impact of Medicare Modernization Act on Postretirement Benefits

TPC is responsible for postretirement benefits. See Note 12.G.

The Company is allocated employee benefit expense based on the 100% pooling reinsurance agreement (see Note 26). The amount of employee benefit expense allocated to the Company was \$18,433,819 and \$18,587,514 in 2015 and 2014, respectively.

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

1. Outstanding Shares

The Company has 5,000 shares of \$1,666.67 par value common stock authorized and 1,800 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 DIH 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 \$450,804,328 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 DIH as follows:

Date Paid	Amount Paid	Dividend Type
December 31, 2015	\$ 8,500,000	Ordinary
December 21, 2015	\$ 86,000,000	Ordinary
September 24, 2015	\$ 275,000,000	Ordinary
December 19, 2014	\$ 175,000,000	Ordinary
September 24, 2014	\$ 250,000,000	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)	\$ 1,099,532,749
Nonadmitted assets	(316,335,489)
Provision for reinsurance	--
Total	\$ 783,197,260
The unrealized gain is gross of the applicable deferred tax liability of	\$ 140,795,890

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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 \$4,480,962 and \$4,211,513, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.
- As of December 31, 2015 and 2014, the Company’s estimated liability for various surcharges was \$1,347,964 and \$1,461,049 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	\$ 2,150,000

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

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	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 a 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 one 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 six 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 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.

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 Qui Tam lawsuit challenging the Company's compliance regarding Medicare/Medicaid reporting.

As of December 31, 2015, there was a putative class action lawsuit challenging the Company's practice of paying lost wage claims. An agreement to settle was reached and a loss reserve was established accordingly.

PROGRESSIVE CASUALTY INSURANCE COMPANY

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As of December 31, 2015, there was a putative class action lawsuit challenging the Company's compliance regarding Medicare/Medicaid reimbursement.

As of December 31, 2015 there was a patent infringement lawsuit related to encryption software.

15. Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under various non-cancelable operating leases that expire through March 31, 2024. 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 \$15,885,916 and \$15,328,715, respectively, of rental expense. Future minimum rental payments on leases held by the Company are as follows:

Year	Amount
2016	\$ 50,242,188
2017	47,552,851
2018	37,183,302
2019	24,669,677
2020	9,638,285
Thereafter	1,806,978
Total	\$ 171,093,281

Certain rental commitments have renewal options extending through August 31, 2040. Some of these renewals are subject to adjustments in future periods.

During 2015, the Company incurred \$103,547 in fees as a result of the early termination of various property leases associated with claims handling. This expense is reflected in loss adjustment expenses incurred (see Page 4, Line 3), on the Company's Statement of Income. No liability was recorded as a result of the early terminations.

2. As of December 31, 2015, the Company has non-cancellable sublease agreements whereby the Company subleases space to outside parties. The minimum rental payments to be received are as follows:

Year	Amount
2016	\$ 35,589
Total	\$ 35,589

3. In August 2005, the Company sold real estate located in Austin, Texas to a third party as part of a 15-year sale-leaseback agreement. In accordance with SSAP 22 – Leases, a liability was established to record the deferred gain on the sale, which is amortized on a monthly basis over the term of the lease. As the deferred gain is amortized, the liability is reduced. At December 31, 2015, the liability remaining is \$565,651.

B. Lessor Leasing Arrangements

The Company does lease some of its owned properties to outside parties, however, these leases are not a significant part of the Company's business activities.

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

Not applicable

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.

PROGRESSIVE CASUALTY INSURANCE COMPANY

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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.

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	\$ --	\$ 101,476,929	\$ --	\$ 101,476,929
Common stock industrial & miscellaneous	949,011,458	--	--	949,011,458
Preferred stock industrial & miscellaneous	--	87,976,500	--	87,976,500
Total assets at fair value	\$ 949,011,458	\$ 189,453,429	\$ --	\$ 1,138,464,887
b. Liabilities on balance sheet at fair value				
Derivative liabilities	\$ --	\$ --	\$ --	\$ --
Total liabilities at fair value	\$ --	\$ --	\$ --	\$ --

The Company is the sole-majority-limited partner in the Makaira Indica, LP (limited partnership). The partnership invests in exchange-traded common stocks.

2. Rollforward 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	\$ 2,083,752,936	\$ 2,079,524,281	\$ 307,628,955	\$ 1,776,123,981	\$ --	\$ --
Cash equivalents	486,712,646	486,712,646	486,712,646	--	--	--
Common stock	949,011,458	949,011,458	949,011,458	--	--	--
Preferred stock	117,086,000	116,273,908	--	117,086,000	--	--
Short-term investments	22,153,197	22,153,197	22,153,197	--	--	--
Total	\$ 3,658,716,237	\$ 3,653,675,490	\$ 1,765,506,256	\$ 1,893,209,981	\$ --	\$ --

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

Not applicable

21. Other Items

A. Unusual or Infrequent Items

The Canadian Branch of the Company completed a wind down on December 18, 2015. The Company entered into an assumption reinsurance agreement with Omega General Insurance Company of Canada (“Omega”) to assist with the Company’s Canadian Branch wind down. On March, 9, 2015, an application was submitted to the Office of the Superintendent of Financial Institutions (“OSFI”) to gain approval on the assumption agreement. OSFI approved the assumption reinsurance agreement on July 22, 2015 at which time the Company transferred the Canadian Branch’s insurance liabilities with payment to Omega. The Company also entered a stop loss reinsurance agreement with Omega to assume any adverse development in excess of 10% of the net liabilities the Branch transferred to Omega. The Branch wind down application was filed with OSFI on October 19, 2015 and on December 18, 2015 the Company received approval to wind down the Canadian Branch and release and repatriate funds.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

1. The Company maintains and funds a trust account at PNC Bank, National Association for the benefit of Progressive County Mutual Insurance Company ("County Mutual"), an insurance affiliate domiciled in Texas, related to the 100% reinsurance agreement. Under the terms of the agreement, County Mutual cedes 100% of its underwriting business to the Company. The trust account was established to satisfy a request by A.M. Best Company, Inc. to maintain County Mutual's A+ A.M. Best rating. All funds in the trust account are reported as the Company's assets (see Schedule E, Part 3), the Company pays all costs and fees of the trust and is entitled to all income on the trust's assets. County Mutual has the right to withdraw funds from the trust only in the event of a material default by the Company under the terms of the 100% reinsurance agreement. The trust agreement can be terminated upon proper notice by either the Company or County Mutual with all remaining assets in the trust account being retained by the Company.

The minimum trust balance is calculated annually based on a percentage of County Mutual's total reinsurance recoverable from its annual statement Schedule F, Part 3, and its agents balances and uncollected premiums as reported in its annual statement. As of December 31, 2015, the Company had on deposit \$70,916,290 (fair market value) of U.S. Treasury Notes in the trust account, which is adequate to meet the minimum trust balance requirement of \$63,982,658.

2. The Company maintains and funds a trust account at PNC Bank, National Association for the benefit of Aetna Life Insurance Company ("Aetna"), a Connecticut based insurer that administers certain employee benefit plans maintained for most TPC employees. All funds in the trust account are reported as the Company's assets (see Schedule E, Part 3), the Company pays all costs and fees of the trust and is entitled to all income on the trust's assets. Aetna has the right to withdraw funds from the trust only in the event that the Company fails to otherwise provide funds to pay benefits due under the applicable employee benefit plans. The trust agreement can be terminated upon proper notice by either the Company or Aetna with all remaining assets in the trust account being retained by the Company.

The minimum trust balance is calculated annually and may be revised each year, with mutual agreement of the Company and Aetna. As of December 31, 2015, the Company had on deposit \$8,207,600 (fair market value) of U.S. Treasury Notes in the trust account and \$920,516 in a money market fund to cover any market price fluctuations on the Treasury Notes, which combined, were adequate to meet the minimum trust balance requirement of \$7,425,000.

D. Business Interruption Insurance Recoveries

Not applicable

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
Digital Media Production Tax Credit (T)	CT	\$ 951,375	\$ 1,075,000
Digital Media Production Tax Credit (T)	CT	--	135,084
Total		\$ 951,375	\$ 1,210,084

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	\$ 951,375	\$ --
Non-transferable	\$ --	\$ --

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.

For the Company's investment in Specialty, Gulf, and PC Investment Company (see Note 1C), management's review uncovered no issues related to their exposure to subprime risk or that required recognition of losses that would have a significant effect on the financial strength and surplus of the Company.

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

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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	\$ 382,325,870	\$ 381,646,593	\$ 382,982,185	\$ --
(b) Commercial mortgage-backed securities	--	--	--	--
(c) Collateralized debt obligations	--	--	--	--
(d) Structured securities	--	--	--	--
(e) Equity investment in SCAs*	19,038,246	19,036,093	20,298,413	--
(f) Other assets	--	--	--	--
(g) Total	\$ 401,364,116	\$ 400,682,686	\$ 403,280,598	\$ --

* The Company's subsidiary, Progressive Specialty Insurance Company, has indirect investments in subprime mortgages, which comprise 3.2% of its invested assets.

4. Mortgage or Financial Guaranty Subprime Exposure

Not applicable

G. Insurance-Linked Securities

Not applicable

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

At December 31, 2015 and 2014, the Company reported net admitted premiums and agents' balances in course of collection of \$116,685,904 and \$110,650,500, respectively. Of this amount, there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent

Subsequent events have been considered through 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.

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 American Insurance Company	24252	34-1094197	\$ 146,797,000
Progressive Bayside Insurance Company	17350	31-1193845	73,398,000
Progressive Classic Insurance Company	42994	39-1453002	220,195,000
Progressive Gulf Insurance Company	42412	34-1374634	146,797,000
Progressive Michigan Insurance Company	10187	34-1787734	293,595,000
Progressive Mountain Insurance Company	35190	93-0935623	73,398,000
Progressive Northern Insurance Company	38628	34-1318335	880,780,000
Progressive Northwestern Insurance Company	42919	91-1187829	880,780,000
Progressive Preferred Insurance Company	37834	34-1287020	440,390,000
Progressive Southeastern Insurance Company	38784	59-1951700	73,398,000
Progressive Specialty Insurance Company	32786	34-1172685	513,788,000
Total			\$ 3,743,316,000

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	\$ 2,696,385,000	\$ --	\$ 1,573,880,000	\$ --	\$ 1,122,505,000	\$ --
(b) All Other	--	--	760,000	155,000	(760,000)	(155,000)
(c) Totals	\$ 2,696,385,000	\$ --	\$ 1,574,640,000	\$ 155,000	\$ 1,121,745,000	\$ (155,000)
(d) Direct Unearned Premium Reserve is \$390,414,000						

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

D. Uncollectible Reinsurance

Not applicable

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- 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 \$68,016,234 in 2015, which is 3.4% of the total prior year net unpaid losses and LAE of \$1,972,067,656. The favorable development is primarily due to private passenger auto liability originally anticipated severity for accident year 2014 decreasing 1.7% and less late reported losses than anticipated for auto physical damage. LAE reserves developed favorably primarily due to favorable adjusting and other expense reserve development.

26. Intercompany Pooling Arrangements

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

Progressive Hawaii Insurance Corp. (“Hawaii”), an insurance affiliate domiciled in Ohio and National Continental Insurance Company (“National Continental”), an insurance affiliate domiciled in New York, terminated their future participation in the Agency Pool effective November 5, 2005 and January 1, 1996, respectively. Hawaii and National Continental have zero percent retrocession participation in the Agency Pool for all policies written prior to the dates listed above.

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

Company	NAIC Code	2015 Pool %	2014 Pool %
Progressive Casualty Insurance Company (Lead)	24260	49.0%	49.0%
Progressive Northern Insurance Company	38628	12.0	12.0
Progressive Northwestern Insurance Company	42919	12.0	12.0
Progressive Specialty Insurance Company	32786	7.0	7.0
Progressive Preferred Insurance Company	37834	6.0	6.0
Progressive Michigan Insurance Company	10187	4.0	4.0
Progressive Classic Insurance Company	42994	3.0	3.0
Progressive American Insurance Company	24252	2.0	2.0
Progressive Gulf Insurance Company	42412	2.0	2.0
Progressive Bayside Insurance Company	17350	1.0	1.0
Progressive Mountain Insurance Company	35190	1.0	1.0
Progressive Southeastern Insurance Company	38784	1.0	1.0
Progressive Hawaii Insurance Corp.	10067	--	--
National Continental Insurance Company	10243	--	--
		100.0%	100.0%

All business written by each Agency Pool participant is subject to pooling. Business ceded by Agency Pool members to non-affiliated reinsurers prior to pooling is primarily due to state-provided reinsurance programs. The Company does not participate in any intercompany sharing of the provision for reinsurance and the write-off of uncollectible reinsurance.

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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

Company	Amounts Recoverable	Amounts Payable
Progressive Casualty Insurance Company (Lead)	\$ 77,732,488	\$ 20,104,474
Progressive Northern Insurance Company	5,046,185	12,201,162
Progressive Northwestern Insurance Company	1,823,572	22,306,683
Progressive Specialty Insurance Company	6,170,010	1,261,920
Progressive Preferred Insurance Company	783,215	10,833,498
Progressive Michigan Insurance Company	233,457	4,069,799
Progressive Classic Insurance Company	1,301,987	6,586,063
Progressive American Insurance Company	3,764,534	8,056,774
Progressive Gulf Insurance Company	965,727	3,554,201
Progressive Bayside Insurance Company	10,093	1,466,113
Progressive Mountain Insurance Company	--	5,530,741
Progressive Southeastern Insurance Company	--	1,864,673
Progressive Hawaii Insurance Corp.	--	862
National Continental Insurance Company	5,695	--
Total	\$ 97,836,963	\$ 97,836,963

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

Because the Company is primarily an insurer of motor vehicles, it has limited exposure for asbestos and environmental claims. In accordance with disclosure requirements, the amounts reported for direct, assumed, and net below reflect the Company's pooled share (see Note 26) of the Agency Pool's exposure to asbestos and environmental claims. The Agency Pool's exposure arises from the Company's participation in various reinsurance pools from 1968 to 1975, which underwrote general liability insurance, the Company's aggregate stop loss reinsurance agreement with Max for various reinsurance pools from 1965 to 1975, Progressive American Insurance Company's, an insurance affiliate domiciled in Ohio and Agency Pool member, exposure from a limited number of general liability policies issued from 1972 to 1975, and the Company's aggregate stop loss reinsurance agreement with National Continental for general liability business written on or before November 25, 1985.

The Company records case and DCC reserves based on financial information received from the various external reinsurance pool managers. IBNR reserves are established based on previous experience.

A. Asbestos reserves direct, assumed, and net of reinsurance are as follows:

	December 31,				
	2011	2012	2013	2014	2015
Direct					
Beginning reserves	\$ 100,449	\$ 100,449	\$ 100,449	\$ 100,449	\$ 5,391
Losses and DCC incurred	--	--	--	(95,058)	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	\$ 100,449	\$ 100,449	\$ 100,449	\$ 5,391	\$ 5,391
Assumed Reinsurance					
Beginning reserves	\$ 2,338,907	\$ 1,588,205	\$ 1,607,906	\$ 1,067,530	\$ 1,881,845
Losses and DCC incurred	(381,411)	71,937	(320,854)	975,207	10,656
Calendar year payments for losses and DCC	369,291	52,236	219,522	160,892	94,732
Ending reserves	\$ 1,588,205	\$ 1,607,906	\$ 1,067,530	\$ 1,881,845	\$ 1,797,769
Net of Ceded Reinsurance					
Beginning reserves	\$ 2,439,356	\$ 1,688,654	\$ 1,708,355	\$ 1,167,979	\$ 1,887,236
Losses and DCC incurred	(381,411)	71,937	(320,854)	880,149	10,656
Calendar year payments for losses and DCC	369,291	52,236	219,522	160,892	94,732
Ending reserves	\$ 1,688,654	\$ 1,708,355	\$ 1,167,979	\$ 1,887,236	\$ 1,803,160

PROGRESSIVE CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Included in A above (Losses and LAE):

Direct	\$ --
Assumed	443,606
Net	\$ 443,606

C. Ending Reserves for Asbestos Claims for LAE Included in A above (Case, Bulk, and IBNR):

Direct	\$ 4,900
Assumed	201,725
Net	\$ 206,625

D. Environmental reserves direct, assumed, and net of reinsurance are as follows:

	December 31,				
	2011	2012	2013	2014	2015
Direct					
Beginning reserves	\$ 25,042	\$ 25,042	\$ 25,042	\$ 25,042	\$ --
Losses and DCC incurred	--	--	--	(25,042)	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	\$ 25,042	\$ 25,042	\$ 25,042	\$ --	\$ --
Assumed Reinsurance					
Beginning reserves	\$ 1,447,057	\$ 1,728,507	\$ 2,501,294	\$ 3,959,702	\$ 4,823,117
Losses and DCC incurred	279,169	769,785	1,486,185	3,476,609	49,842
Calendar year payments for losses and DCC	(2,281)	(3,002)	27,777	2,613,194	291,555
Ending reserves	\$ 1,728,507	\$ 2,501,294	\$ 3,959,702	\$ 4,823,117	\$ 4,581,404
Net of Ceded Reinsurance					
Beginning reserves	\$ 1,472,099	\$ 1,753,549	\$ 2,526,336	\$ 3,984,744	\$ 4,823,117
Losses and DCC incurred	279,169	769,785	1,486,185	3,451,567	49,842
Calendar year payments for losses and DCC	(2,281)	(3,002)	27,777	2,613,194	291,555
Ending reserves	\$ 1,753,549	\$ 2,526,336	\$ 3,984,744	\$ 4,823,117	\$ 4,581,404

E. Ending Reserves for Environmental Claims for Bulk and IBNR Included in D above (Losses and LAE):

Direct	\$ --
Assumed	1,188,852
Net	\$ 1,188,852

F. Ending Reserves for Environmental Claims for LAE Included in D above (Case, Bulk, and IBNR):

Direct	\$ --
Assumed	692,888
Net	\$ 692,888

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?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X] No []

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 [X] 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 [X]

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 [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] 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 [X]

4.12

renewals?

Yes [] No [X]

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 [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

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	2	3
Name of Entity	NAIC Company Code	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 [X]

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 [X]

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	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If the response to 8.3 is yes, please provide below the names and 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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 [X]

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 [X]

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 [X] 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, GENERAL GROWTH PROPERTIES, HCP INC, HOST HOTELS & RESORTS INC, KIMCO REALTY CORP, LIBERTY PROPERTY TRUST, MACERICH CO/THE, PLUM CREEK TIMBER CO INC, REGENCY CENTERS CORP,SL GREEN REALTY CORP, SIMON PROPERTY GROUP INC, VENTAS INC, APARTMENT INVT & MGMT CO -A, CORPORATE OFFICE PROPERTIES, CBRE GROUP INC, ROUSE PROPERTIES INC, AMERICAN TOWER CORP, CORRECTIONS CORP OF AMERICA, EQUITY COMMONWEALTH, LAMAR ADVERTISING CO, IRON MOUNTAIN INC, CARE CAPITAL PROPERTIES INC, COLUMBIA PROPERTY TRUST INC, FOUR CORNERS PROPERTY TRUST, KILROY REALTY CORP, 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

\$37,501,089

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

15.1

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

22.23	Other amounts paid	\$	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes []	No [X]
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 [X]	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 <i>Risk-Based Capital Instructions</i> ?	Yes []	No [] N/A [X]												
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 [X]												
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes []	No [] N/A [X]												
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 [X]												
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 [X]	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	\$	4,881,392												
25.29	On deposit with other regulatory bodies	\$	0												
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$	78,755,913												
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:														
<table><tr><td>1</td><td>2</td><td>3</td></tr><tr><td>Nature of Restriction</td><td>Description</td><td>Amount</td></tr><tr><td></td><td></td><td>\$</td></tr></table>				1	2	3	Nature of Restriction	Description	Amount			\$			
1	2	3													
Nature of Restriction	Description	Amount													
		\$													
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes []	No [X]												
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes []	No [] N/A [X]												
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 [X]												
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 <i>Financial Condition Examiners Handbook</i> ?	Yes [X]	No []												
28.01	For all agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:														
<table><tr><td>1</td><td>2</td></tr><tr><td>Name of Custodian(s)</td><td>Custodian Address</td></tr><tr><td>CITIBANK, N.A.</td><td>338 GREENWICH STREET, NEW YORK, NY 10013</td></tr><tr><td>STATE STREET</td><td>801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105</td></tr></table>				1	2	Name of Custodian(s)	Custodian Address	CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013	STATE STREET	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105				
1	2														
Name of Custodian(s)	Custodian Address														
CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013														
STATE STREET	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105														
28.02	For all agreements that do not comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , provide the name, location and a complete explanation														
<table><tr><td>1</td><td>2</td><td>3</td></tr><tr><td>Name(s)</td><td>Location(s)</td><td>Complete Explanation(s)</td></tr><tr><td>NONE</td><td></td><td></td></tr></table>				1	2	3	Name(s)	Location(s)	Complete Explanation(s)	NONE					
1	2	3													
Name(s)	Location(s)	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 year?	Yes [X]	No []												
28.04	If yes, give full and complete information relating thereto:														
<table><tr><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td>Old Custodian</td><td>New Custodian</td><td>Date of Change</td><td>Reason</td></tr><tr><td>RBC INVESTOR SERVICES</td><td></td><td>12/23/2015</td><td>ACCOUNT CLOSED</td></tr></table>				1	2	3	4	Old Custodian	New Custodian	Date of Change	Reason	RBC INVESTOR SERVICES		12/23/2015	ACCOUNT CLOSED
1	2	3	4												
Old Custodian	New Custodian	Date of Change	Reason												
RBC INVESTOR SERVICES		12/23/2015	ACCOUNT CLOSED												
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
153729	MAKAIRA PARTNERS LLP	4747 EXECUTIVE DR., SAN DIEGO, CA 92121

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 [☒]

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	2,588,390,124	2,592,618,779	4,228,655
30.2	Preferred Stocks	116,273,908	117,086,000	812,092
30.3	Totals	2,704,664,032	2,709,704,779	5,040,747

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 [☒] 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 [☒]

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 [☒] 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?

\$ 4,896,066

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
PROPERTY CASUALTY INSURERS ASSOCIATION	\$ 1,847,636

34.1

Amount of payments for legal expenses, if any?

\$ 12,965,042

34.2

List the name of the firm and the amount paid if any such payment represented25% 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?

\$ 975,734

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 [☒]

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

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

\$

0

2.2

Premium Denominator

\$

4,935,163,499

\$

4,864,741,330

2.3

Premium Ratio (2.1/2.2)

2.4

Reserve Numerator

\$

0

\$

0

2.5

Reserve Denominator

\$

3,782,925,408

\$

3,609,748,655

2.6

Reserve Ratio (2.4/2.5)

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [☐]

No [☒]

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 [☐]

N/A [☐]

5.22

As a direct expense of the exchange

Yes [☐]

No [☐]

N/A [☐]

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?

WORKERS' COMPENSATION RISKS WERE COVERED UNDER TREATY REINSURANCE CONTRACTS.

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:

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 MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. THE COMPANY'S NET COMPREHENSIVE EXPOSURE IN THE CATASTROPHE PRONE STATES OF FLORIDA, LOUISIANA, TEXAS, MISSISSIPPI, ALABAMA, NEW YORK, NEW JERSEY AND CALIFORNIA IS LIMITED SINCE THE COMPANY IS A MEMBER OF A 100% POOLING REINSURANCE ARRANGEMENT WITH 11 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.

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?

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.

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 [☒]

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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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	<hr/> 0	
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 [<input type="checkbox"/>]	No [<input type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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)	\$	0
		\$	0
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?	\$	0
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>] N/A [<input type="checkbox"/>]
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	<hr/> % <hr/> %	
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit	\$	133,143

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).....	...6,546,206,823	...6,358,261,865	...6,082,311,103	...5,807,577,020	...5,430,309,495
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...3,720,250,670	...3,589,660,870	...3,396,026,641	...3,243,616,483	...3,021,813,129
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	...41,952,910	...37,535,883	...30,367,550	...28,113,172	...26,843,316
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...12,886	...11,765	...7,439	...(304,871)	...1,451,403
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	...10,308,423,289	...9,985,470,383	...9,508,712,733	...9,079,001,804	...8,480,417,343
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).....	...3,206,773,769	...3,114,377,105	...2,978,918,603	...2,844,830,270	...2,657,289,299
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	...1,822,922,171	...1,758,894,417	...1,663,974,545	...1,589,346,389	...1,480,654,321
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	...20,556,937	...18,392,273	...14,865,572	...13,758,975	...13,135,394
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	...6,314	...5,765	...2,025	...4,133	...8,615
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	...5,050,259,192	...4,891,669,560	...4,657,760,746	...4,447,939,767	...4,151,087,629
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	...361,821,352	...362,910,840	...264,799,762	...143,218,359	...236,694,923
14. Net investment gain (loss) (Line 11).....	...243,059,553	...303,208,701	...350,915,418	...346,343,156	...423,131,197
15. Total other income (Line 15).....	...665,033	...6,791,803	...(410,962)	...2,295,544	...3,931,789
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	...154,741,610	...144,915,154	...114,035,482	...85,136,375	...106,953,866
18. Net income (Line 20).....	...450,804,328	...527,996,190	...501,268,736	...406,720,684	...556,804,043
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	...6,245,560,407	...6,061,656,758	...5,780,982,266	...5,332,134,450	...5,129,933,944
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	...116,685,904	...110,650,500	...116,328,887	...108,262,440	...103,071,962
20.2 Deferred and not yet due (Line 15.2).....	...677,962,232	...640,854,583	...597,611,470	...566,073,172	...546,361,594
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	...4,635,468,757	...4,450,278,978	...4,237,871,965	...3,883,660,271	...3,770,062,886
22. Losses (Page 3, Line 1).....	...1,714,633,621	...1,636,282,568	...1,617,478,370	...1,520,032,504	...1,399,143,962
23. Loss adjustment expenses (Page 3, Line 3).....	...360,894,421	...335,785,088	...316,543,561	...303,479,486	...295,101,205
24. Unearned premiums (Page 3, Line 9).....	...1,512,158,427	...1,397,062,734	...1,370,134,504	...1,323,819,379	...1,240,175,199
25. Capital paid up (Page 3, Lines 30 & 31).....	...3,000,000	...3,000,000	...3,000,000	...3,000,000	...3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	...1,610,091,650	...1,611,377,780	...1,543,110,301	...1,448,474,179	...1,359,871,058
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	...587,294,907	...608,227,826	...601,675,005	...648,947,131	...697,826,421
Risk-Based Capital Analysis					
28. Total adjusted capital.....	...1,610,091,650	...1,611,377,780	...1,543,110,301	...1,448,474,179	...1,359,871,058
29. Authorized control level risk-based capital.....	...288,658,496	...286,262,548	...273,475,211	...240,623,822	...218,124,012
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).....	...39.0	...41.3	...38.7	...30.5	...30.7
31. Stocks (Lines 2.1 & 2.2).....	...37.7	...37.0	...39.4	...40.1	...43.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	...10.5	...10.9	...11.0	...11.4	...11.3
34. Cash, cash equivalents and short-term investments (Line 5).....	...10.3	...7.6	...8.1	...15.7	...14.3
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	...2.6	...2.8	...2.7	...2.2	
38. Receivable for securities (Line 9).....		...0.4	...0.0	...0.1	...0.5
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).....	...946,928,471	...990,418,484	...1,037,398,171	...1,131,710,967	...1,237,612,031
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.....	...139,580,760	...144,076,303	...132,526,936	...99,539,620	...102,480
48. Total of above lines 42 to 47.....	...1,086,509,231	...1,134,494,787	...1,169,925,107	...1,231,250,587	...1,237,714,511
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).....	...67.5	...70.4	...75.8	...85.0	...91.0

PROGRESSIVE CASUALTY 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).....	.....(62,535,595)	.....(31,468,782)	.....24,819,308	.....(61,355,669)	.....(260,341,386)
52. Dividends to stockholders (Line 35).....	.....(369,500,000)	.....(425,000,000)	.....(452,000,000)	.....(298,000,000)	.....(303,000,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	.....(1,286,130)	.....68,267,479	.....94,636,122	.....88,603,121	.....26,409,378
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).....	....3,738,482,870	....3,841,188,809	....3,576,871,673	....3,436,951,085	....3,165,978,787
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	....2,285,579,071	....2,256,171,433	....2,138,176,415	....2,087,349,510	....1,915,059,732
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....15,338,921	.....16,599,196	.....13,349,355	.....21,150,223	.....16,306,135
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....(412,771)	.....309,165	.....2,796,544	.....6,515,194	.....5,134,030
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....238,008	.....405,578	.....635,084	.....348,385	.....840,859
59. Total (Line 35).....	....6,039,226,099	....6,114,674,181	....5,731,829,071	....5,552,314,397	....5,103,319,543
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).....	....1,818,001,331	....1,866,806,236	....1,739,808,728	....1,672,094,774	....1,544,271,940
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	....1,119,919,191	....1,105,509,793	....1,047,690,002	....1,022,791,126	....938,350,585
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....7,516,071	.....8,133,606	.....6,541,184	.....10,363,609	.....7,990,006
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....(101,251)	.....(30,928)	.....632,045	.....1,013,157	.....725,925
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....116,624	.....198,733	.....311,191	.....170,709	.....412,021
65. Total (Line 35).....	....2,945,451,966	....2,980,617,440	....2,794,983,150	....2,706,433,375	....2,491,750,477
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).....	.....61.3	.....61.7	.....62.7	.....64.8	.....61.6
68. Loss expenses incurred (Line 3).....	.....10.4	.....10.1	.....10.2	.....10.3	.....10.4
69. Other underwriting expenses incurred (Line 4).....	.....21.0	.....20.7	.....21.3	.....21.6	.....22.3
70. Net underwriting gain (loss) (Line 8).....	.....7.3	.....7.5	.....5.7	.....3.3	.....5.8
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).....	.....20.5	.....20.5	.....21.1	.....21.1	.....21.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....71.6	.....71.8	.....72.9	.....75.1	.....72.0
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).....	.....313.7	.....303.6	.....301.8	.....307.1	.....305.3
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).....	.....(64,765)	.....(9,460)	.....21,325	.....15,561	.....(28,575)
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).....	.....(4.0)	.....(0.6)	.....1.5	.....1.1	.....(2.1)
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).....	.....(22,429)	.....15,038	.....29,003	.....(43,742)	.....(93,548)
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).....	.....(1.5)	.....1.0	.....2.1	.....(3.3)	.....(6.9)

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.....	.....7,991	.....6,658	.....842	.....159	.....441	.....	.....482	.....2,456	.....XXX.....
2. 2006.....	.....4,673,904	.....75,547	.....4,598,356	..2,619,674	.....72,119	.....79,492	.....2,779	.....493,057	.....2,762	.....221,369	.....3,114,563	.....XXX.....
3. 2007.....	.....4,247,466	.....62,633	.....4,184,833	..2,480,566	.....37,107	.....66,834	.....599	.....441,236	.....483	.....230,694	.....2,950,446	.....XXX.....
4. 2008.....	.....4,047,592	.....50,982	.....3,996,610	..2,460,631	.....34,315	.....65,851	.....1,927	.....423,873	.....735	.....212,930	.....2,913,379	.....XXX.....
5. 2009.....	.....4,054,609	.....53,940	.....4,000,669	..2,381,654	.....43,526	.....66,382	.....2,939	.....369,398	.....664	.....200,684	.....2,770,305	.....XXX.....
6. 2010.....	.....4,029,626	.....60,698	.....3,968,928	..2,450,602	.....50,830	.....69,011	.....2,345	.....366,103	.....105	.....215,085	.....2,832,436	.....XXX.....
7. 2011.....	.....4,150,819	.....55,563	.....4,095,256	..2,569,750	.....27,702	.....61,176	.....406	.....362,158	.....0	.....237,795	.....2,964,976	.....XXX.....
8. 2012.....	.....4,409,628	.....45,333	.....4,364,295	..2,773,848	.....24,937	.....57,638	.....122	.....372,316	.....	.....266,711	.....3,178,744	.....XXX.....
9. 2013.....	.....4,657,131	.....45,685	.....4,611,446	..2,719,702	.....18,174	.....45,514	.....41	.....376,412	.....	.....265,612	.....3,123,413	.....XXX.....
10. 2014.....	.....4,912,534	.....47,793	.....4,864,741	..2,585,617	.....13,157	.....25,839	.....12	.....365,778	.....	.....268,738	.....2,964,065	.....XXX.....
11. 2015.....	.....4,984,444	.....49,281	.....4,935,163	..2,067,669	.....9,048	.....7,172	.....3	.....316,698	.....	.....176,804	.....2,382,489	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	..25,117,704	.....337,574	.....545,752	.....11,332	..3,887,470	.....4,748	..2,296,905	..29,197,271	.....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	22			
	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.....	.....93,775	.....85,669	.....4,335	.....	.....1,069	.....5	.....490	.....	.....1,533	.....	.....	.....15,527	.....XXX.....
2. 2006.....	.....25,366	.....24,266	.....73	.....	.....203	.....	.....	.....	.....434	.....	.....	.....1,810	.....XXX.....
3. 2007.....	.....24,373	.....23,454	.....1,549	.....1,474	.....234	.....0	.....	.....	.....538	.....	.....	.....1,766	.....XXX.....
4. 2008.....	.....29,285	.....26,188	.....5,887	.....5,790	.....464	.....4	.....66	.....47	.....674	.....	.....	.....4,348	.....XXX.....
5. 2009.....	.....25,588	.....20,504	.....5,288	.....5,208	.....906	.....6	.....42	.....28	.....977	.....	.....5	.....7,056	.....XXX.....
6. 2010.....	.....26,412	.....15,446	.....6,478	.....6,400	.....1,761	.....11	.....43	.....35	.....1,294	.....	.....4	.....14,095	.....XXX.....
7. 2011.....	.....38,517	.....17,753	.....4,588	.....4,509	.....3,545	.....6	.....84	.....75	.....2,186	.....	.....3	.....26,577	.....XXX.....
8. 2012.....	.....86,781	.....27,787	.....24,936	.....6,283	.....9,423	.....7	.....5,352	.....69	.....6,540	.....	.....10,460	.....98,885	.....XXX.....
9. 2013.....	.....172,832	.....30,514	.....29,796	.....5,719	.....25,087	.....16	.....6,593	.....26	.....13,849	.....	.....9,981	.....211,883	.....XXX.....
10. 2014.....	.....324,345	.....6,078	.....91,213	.....25,900	.....42,934	.....23	.....11,387	.....16	.....34,372	.....	.....20,650	.....472,233	.....XXX.....
11. 2015.....	.....847,369	.....22,219	.....234,453	.....27,445	.....58,779	.....12	.....22,169	.....43	.....108,299	.....	.....109,698	.....1,221,349	.....XXX.....
12. Totals...	...1,694,642	.....299,876	.....408,595	.....88,728	.....144,404	.....90	.....46,225	.....339	.....170,694	.....0	.....150,799	.....2,075,528	.....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.....	.....12,441	.....3,086
2. 2006..	.....3,218,299	.....101,926	.....3,116,373	.....68.9	.....134.9	.....67.8	.....	.....	.....49.00	.....1,172	.....637
3. 2007..	.....3,015,330	.....63,118	.....2,952,212	.....71.0	.....100.8	.....70.5	.....	.....	.....49.00	.....995	.....771
4. 2008..	.....2,986,731	.....69,005	.....2,917,726	.....73.8	.....135.4	.....73.0	.....	.....	.....49.00	.....3,194	.....1,153
5. 2009..	.....2,850,235	.....72,874	.....2,777,361	.....70.3	.....135.1	.....69.4	.....	.....	.....49.00	.....5,165	.....1,891
6. 2010..	.....2,921,703	.....75,172	.....2,846,531	.....72.5	.....123.8	.....71.7	.....	.....	.....49.00	.....11,044	.....3,051
7. 2011..	.....3,042,004	.....50,451	.....2,991,553	.....73.3	.....90.8	.....73.0	.....	.....	.....49.00	.....20,844	.....5,733
8. 2012..	.....3,336,834	.....59,205	.....3,277,628	.....75.7	.....130.6	.....75.1	.....	.....	.....49.00	.....77,647	.....21,238
9. 2013..	.....3,389,786	.....54,489	.....3,335,297	.....72.8	.....119.3	.....72.3	.....	.....	.....49.00	.....166,395	.....45,488
10. 2014..	.....3,481,484	.....45,186	.....3,436,298	.....70.9	.....94.5	.....70.6	.....	.....	.....49.00	.....383,579	.....88,653
11. 2015..	.....3,662,608	.....58,770	.....3,603,838	.....73.5	.....119.3	.....73.0	.....	.....	.....49.00	.....1,032,157	.....189,191
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....1,714,634	.....360,894

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.....	.....797,033	.....817,258	.....803,499	.....782,168	.....779,962	.....779,144	.....781,416	.....785,184	.....792,366	.....792,747	.....380	.....7,563
2. 2006.....	.....2,623,957	.....2,632,856	.....2,653,568	.....2,641,157	.....2,624,125	.....2,623,366	.....2,622,206	.....2,622,407	.....2,622,507	.....2,625,644	.....3,137	.....3,237
3. 2007.....	.....XXX	.....2,535,936	.....2,538,699	.....2,543,584	.....2,531,674	.....2,510,679	.....2,510,769	.....2,512,209	.....2,511,094	.....2,510,922	.....(172)	.....(1,287)
4. 2008.....	.....XXX	.....XXX	.....2,511,520	.....2,510,573	.....2,514,723	.....2,501,044	.....2,489,314	.....2,494,087	.....2,493,760	.....2,493,914	.....154	.....(173)
5. 2009.....	.....XXX	.....XXX	.....XXX	.....2,455,789	.....2,419,114	.....2,425,489	.....2,414,726	.....2,404,989	.....2,407,716	.....2,407,650	.....(66)	.....2,661
6. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....2,481,929	.....2,483,230	.....2,489,356	.....2,492,993	.....2,476,782	.....2,479,238	.....2,456	.....(13,755)
7. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,607,181	.....2,637,909	.....2,647,267	.....2,647,184	.....2,627,210	.....(19,974)	.....(20,058)
8. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,886,596	.....2,894,479	.....2,895,920	.....2,898,773	.....2,853	.....4,293
9. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,949,945	.....2,946,772	.....2,945,036	.....(1,736)	.....(4,910)
10. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....3,087,945	.....3,036,148	.....(51,797)	.....XXX
11. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....3,178,841	.....XXX	.....XXX
12. Totals.....											.....(64,765)	.....(22,429)

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	.....409,425	.....627,656	.....709,830	.....745,445	.....758,803	.....767,956	.....771,976	.....776,738	.....778,753	.....XXX	.....XXX
2. 2006.....	.....1,783,665	.....2,249,177	.....2,446,687	.....2,551,808	.....2,592,567	.....2,609,470	.....2,615,921	.....2,618,951	.....2,620,549	.....2,624,268	.....XXX	.....XXX
3. 2007.....	.....XXX	.....1,728,295	.....2,179,896	.....2,361,127	.....2,448,330	.....2,485,065	.....2,499,030	.....2,506,068	.....2,508,462	.....2,509,694	.....XXX	.....XXX
4. 2008.....	.....XXX	.....XXX	.....1,690,370	.....2,165,936	.....2,332,850	.....2,419,745	.....2,462,052	.....2,480,235	.....2,486,926	.....2,490,241	.....XXX	.....XXX
5. 2009.....	.....XXX	.....XXX	.....XXX	.....1,614,598	.....2,066,765	.....2,242,489	.....2,332,553	.....2,376,456	.....2,394,916	.....2,401,570	.....XXX	.....XXX
6. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....1,633,717	.....2,109,819	.....2,306,342	.....2,405,140	.....2,450,189	.....2,466,437	.....XXX	.....XXX
7. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,749,792	.....2,259,774	.....2,465,012	.....2,565,382	.....2,602,818	.....XXX	.....XXX
8. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,907,914	.....2,485,306	.....2,704,912	.....2,806,427	.....XXX	.....XXX
9. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,908,589	.....2,529,388	.....2,747,001	.....XXX	.....XXX
10. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,032,630	.....2,598,287	.....XXX	.....XXX
11. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,065,791	.....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.....	.....110,298	.....46,419	.....19,535	.....5,613	.....5,311	.....3,934	.....3,788	.....3,036	.....4,815	.....4,825
2. 2006.....	.....205,653	.....64,158	.....32,094	.....15,343	.....598	.....373	.....273	.....64	.....77	.....73
3. 2007.....	.....XXX	.....205,150	.....60,462	.....30,004	.....17,023	.....539	.....303	.....917	.....126	.....75
4. 2008.....	.....XXX	.....XXX	.....221,366	.....62,269	.....33,453	.....16,262	.....507	.....1,024	.....172	.....116
5. 2009.....	.....XXX	.....XXX	.....XXX	.....203,669	.....64,107	.....35,332	.....19,882	.....799	.....201	.....94
6. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....187,149	.....63,996	.....29,183	.....21,045	.....342	.....85
7. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....190,376	.....62,716	.....28,109	.....22,431	.....88
8. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....233,324	.....67,562	.....28,646	.....23,935
9. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....250,623	.....74,595	.....30,645
10. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....236,480	.....76,683
11. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....229,134

PROGRESSIVE CASUALTY 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.....				28,092	(218,700)	46,963		
2. Alaska.....AK	...L.....	89,243	96,818		20,111	(49,833)	11,122	774	
3. Arizona.....AZ	...L.....	19,636,132	20,307,878		10,534,718	11,157,917	4,421,577	281,639	
4. Arkansas.....AR	...L.....	1,632,935	1,707,158		718,900	774,640	1,065,558	31,201	
5. California.....CA	...L.....	29,648,880	29,758,680		16,369,870	15,186,910	6,354,085	466,318	
6. Colorado.....CO	...L.....	7,330,636	7,613,567		4,977,408	4,453,689	2,541,164	84,920	
7. Connecticut.....CT	...L.....	125,275,771	116,145,314		67,629,189	68,870,165	63,696,567	1,933,005	
8. Delaware.....DE	...L.....					(105,309)	6,431		
9. District of Columbia.....DC	...L.....	7,653,949	7,464,643		3,721,273	4,222,048	2,859,442	109,908	
10. Florida.....FL	...L.....	2,955	2,245		2,457,190	(495,131)	31,921		
11. Georgia.....GA	...L.....				(256,586)	(511,156)	17,392		
12. Hawaii.....HI	...L.....	20,630,934	20,625,235		11,516,925	12,457,932	7,412,066	210,116	
13. Idaho.....ID	...L.....				(1,561)	(122,950)	2,177		
14. Illinois.....IL	...L.....	15,305	14,715		404,755	(539,139)	70,423	13	
15. Indiana.....IN	...L.....				7,516	(162,613)	63,774		
16. Iowa.....IA	...L.....	20,356	45,256		7,068,194	5,028,485	167,350		
17. Kansas.....KS	...L.....	107,098	125,769		153,138	83,170	37,026		
18. Kentucky.....KY	...L.....	84,021,653	83,033,471		51,886,468	53,269,249	27,253,557	1,409,903	
19. Louisiana.....LA	...L.....	9,931	9,888		(10,683)	(225,644)	15,032		
20. Maine.....ME	...L.....	1,151,180	1,174,785		353,904	266,439	422,594	18,537	
21. Maryland.....MD	...L.....	29,574,232	27,034,448		12,586,795	13,681,816	17,637,748	175,611	
22. Massachusetts.....MA	...L.....	20,243,360	16,355,270		7,087,050	8,526,232	6,113,895	281,236	
23. Michigan.....MI	...L.....				(395)	(419,237)	29,540		
24. Minnesota.....MN	...L.....	1,371,020	2,670,974		1,730,168	1,027,788	585,366	19,217	
25. Mississippi.....MS	...L.....				211,269	87,146	330,998		
26. Missouri.....MO	...L.....	150,331,511	143,626,537		85,669,087	96,610,979	53,247,018	2,961,476	
27. Montana.....MT	...L.....	312,978	330,647		291,480	232,621	31,719	1,998	
28. Nebraska.....NE	...L.....	414	9,361		21,020	(56,789)	13,250		
29. Nevada.....NV	...L.....	1,241,212	1,270,243		11,669,581	4,452,631	1,240,992	18,441	
30. New Hampshire.....NH	...L.....	70,258	72,323		47,955	(114,040)	37,607	879	
31. New Jersey.....NJ	...L.....				660,601	181,282	226,829		
32. New Mexico.....NM	...L.....	362,895	374,066		3,397,523	3,035,030	118,054	5,322	
33. New York.....NY	...L.....	490,788,238	469,074,577		251,398,011	293,872,949	196,716,446	6,326,361	
34. North Carolina.....NC	...L.....				(1,220)	(65,911)	5,251		
35. North Dakota.....ND	...L.....					(7,255)	546		
36. Ohio.....OH	...L.....	21,185,167	21,650,749		15,644,781	14,860,154	9,217,726	437,049	
37. Oklahoma.....OK	...L.....					(80,043)	7,222		
38. Oregon.....OR	...L.....		264		100,312	(239,252)	53,364		
39. Pennsylvania.....PA	...L.....	9,509,652	9,970,096		5,552,726	3,272,284	3,466,699	184,900	
40. Rhode Island.....RI	...L.....	66,430,462	64,732,445		39,792,894	40,974,121	30,093,900	770,094	
41. South Carolina.....SC	...L.....				(4,841)	(63,380)	4,560		
42. South Dakota.....SD	...L.....					(11,974)	1,725		
43. Tennessee.....TN	...L.....		16,424		140,484	(51,126)	86,074		
44. Texas.....TX	...L.....	21,328,256	21,155,866		7,920,071	8,981,306	4,461,203	183,869	
45. Utah.....UT	...L.....	305,599	318,505		201,820	161,300	53,140	4,209	
46. Vermont.....VT	...L.....	1,409,042	1,493,213		1,136,332	707,543	531,552	24,002	
47. Virginia.....VA	...L.....	1,522,505	1,652,376		3,096,492	862,326	6,470,831	19,623	
48. Washington.....WA	...L.....	121,791,364	122,742,998		78,366,459	78,409,406	60,565,535	1,786,833	
49. West Virginia.....WV	...L.....				19,168	(124,924)	8,999		
50. Wisconsin.....WI	...L.....	255,037	261,556		155,747	8,404	85,137	3,201	
51. Wyoming.....WY	...L.....	(996)	(996)		73,279	20,671	3,502		
52. American Samoa.....AS	...N.....								
53. Guam.....GU	...N.....					(2,944)	252		
54. Puerto Rico.....PR	...N.....					(588)			
55. US Virgin Islands.....VI	...E.....					(7,998)	1,042		
56. Northern Mariana Islands...MP	...N.....								
57. Canada.....CAN	...L.....				1,927,811	58,702			
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....	(a) ...51	1,235,259,164	1,192,937,364	0	706,471,281	742,119,399	507,943,943	17,750,655	0

DETAILS OF WRITE-INS

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

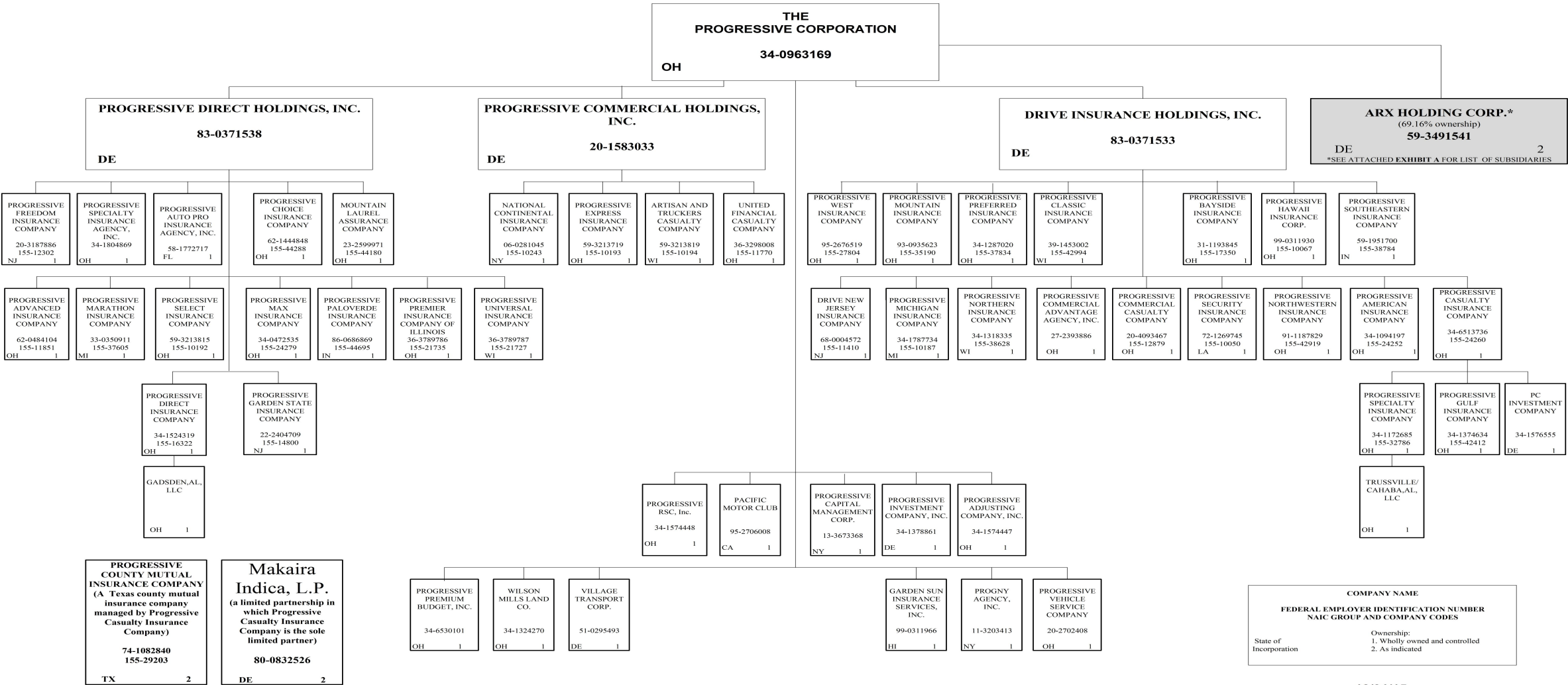
Explanation of Basis of Allocation of Premiums by States, etc.

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

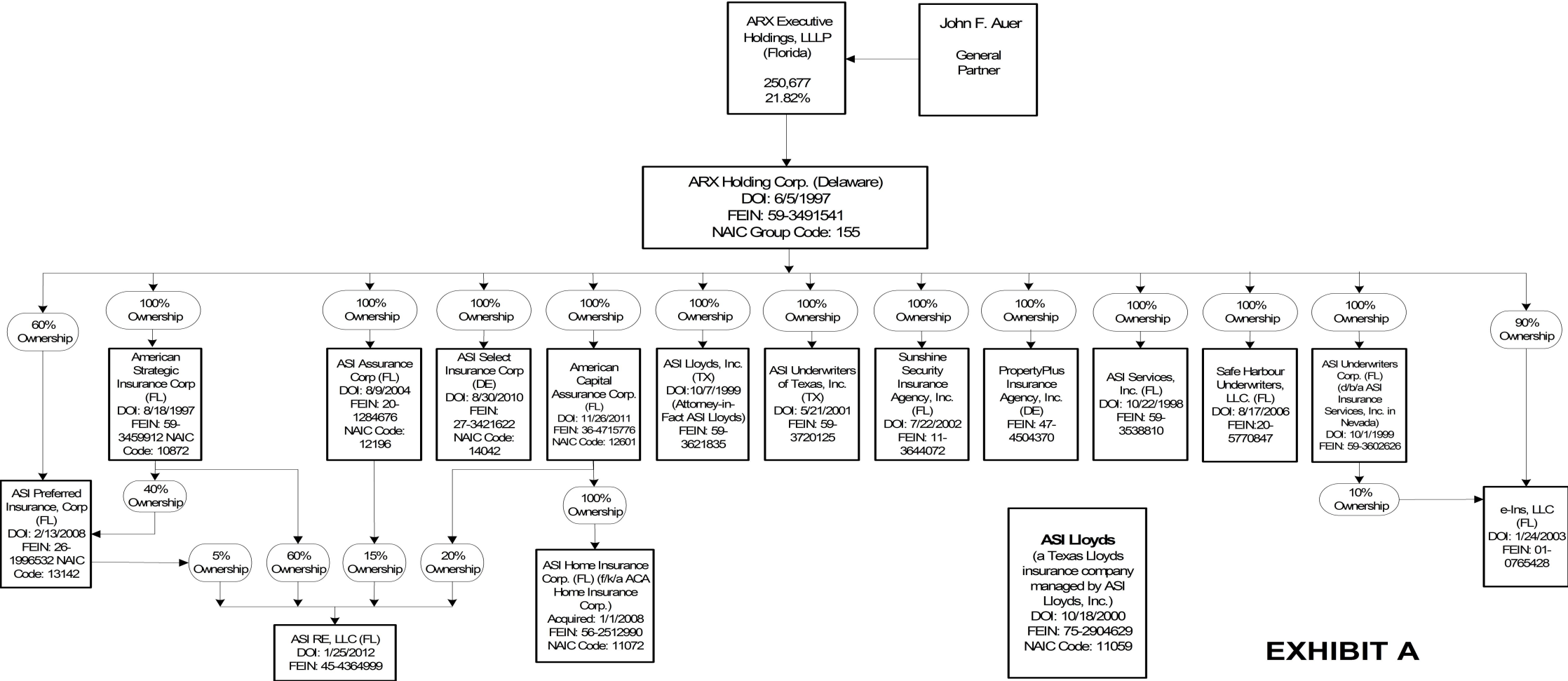


EXHIBIT A

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