



ANNUAL STATEMENT

For the Year Ended December 31, 2016
of the Condition and Affairs of the

PROGRESSIVE GULF INSURANCE COMPANY

NAIC Group Code.....155, 155
(Current Period) (Prior Period)
Organized under the Laws of OH
Incorporated/Organized..... April 20, 1982
Statutory Home Office
Main Administrative Office
Mail Address
Primary Location of Books and Records
Internet Web Site Address
Statutory Statement Contact

NAIC Company Code..... 42412
State of Domicile or Port of Entry OH
Commenced Business..... January 1, 1983
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
KATHRYN MARGARET LEMIEUX	PRESIDENT	PETER JAMES ALBERT	SECRETARY
PATRICK SEAN BRENNAN #	TREASURER		

OTHER

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

DIRECTORS OR TRUSTEES

KAREN BARONE BAILO	RICHARD RUSSELL CRAWLEY	THOMAS HUDSON HOLLYER	KATHRYN MARGARET LEMIEUX
DAVID LLOYD PRATT			

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) KATHRYN MARGARET LEMIEUX	(Signature) CHRISTINA LYNN CREWS	(Signature) PATRICK SEAN BRENNAN #
1. (Printed Name) PRESIDENT	2. (Printed Name) ASSISTANT SECRETARY	3. (Printed Name) TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 14TH day of FEBRUARY, 2017	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).....	173,266,482		173,266,482	147,875,612
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 (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0, Schedule E-Part 1), cash equivalents (\$....6,090,340, Schedule E-Part 2) and short-term investments (\$.....8,299,219, Schedule DA).....	14,389,559		14,389,559	19,998,271
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	187,656,041	.0	187,656,041	167,873,883
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	951,760		951,760	978,743
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	5,079,795	1,780,213	3,299,582	4,488,731
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	63,316,575		63,316,575	54,423,307
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	241,945		241,945	965,727
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.....	7,343,819		7,343,819	6,647,471
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	6,953,959		6,953,959	8,676,864
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other-than-invested assets.....	111,595	111,595	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	271,655,489	1,891,808	269,763,681	244,054,726
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	271,655,489	1,891,808	269,763,681	244,054,726

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 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. PREPAID EXPENSES.....	106,195	106,195	.0	
2502. MISCELLANEOUS OTHER ASSETS.....	5,400	5,400	.0	
2503.			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	111,595	111,595	.0	.0

PROGRESSIVE GULF INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	77,726,349	69,985,046
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,228,678	360,546
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	16,216,666	14,730,385
4. Commissions payable, contingent commissions and other similar charges.....	459,985	308,343
5. Other expenses (excluding taxes, licenses and fees).....	9,823,187	9,118,117
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,671,847	1,269,933
7.1 Current federal and foreign income taxes (including \$.....(20,254) on realized capital gains (losses)).....	1,491,313	1,354,909
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 \$.....108,447,384 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).....	70,129,681	61,720,752
10. Advance premium.....	1,527,911	1,189,571
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	28,062	26,333
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	15,672,630	12,930,584
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	297,098	490,794
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	196,273,407	173,485,313
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	196,273,407	173,485,313
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	1,500,000	1,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	3,188,612	3,188,612
35. Unassigned funds (surplus).....	68,801,662	65,880,801
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).....	73,490,274	70,569,413
38. TOTAL (Page 2, Line 28, Col. 3).....	269,763,681	244,054,726

DETAILS OF WRITE-INS		
2501. STATE PLAN LIABILITY.....	267,874	269,341
2502. OTHER LIABILITIES.....	17,380	16,191
2503. ESCHEATABLE PROPERTY.....	11,844	205,262
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	297,098	490,794
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 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 through 3203 plus 3298) (Line 32 above).....	0	0

PROGRESSIVE GULF INSURANCE COMPANY
STATEMENT OF INCOME

			1	2
			Current Year	Prior Year
UNDERWRITING INCOME				
1.	Premiums earned (Part 1, Line 35, Column 4).....		220,741,146	201,435,245
DEDUCTIONS:				
2.	Losses incurred (Part 2, Line 35, Column 7).....		143,138,671	123,420,531
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		23,098,741	20,898,672
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		45,991,583	42,347,823
5.	Aggregate write-ins for underwriting deductions.....		537	0
6.	Total underwriting deductions (Lines 2 through 5).....		212,229,532	186,667,026
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		8,511,614	14,768,219
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		7,007,705	4,950,800
10.	Net realized capital gains (losses) less capital gains tax of \$.....(38,161) (Exhibit of Capital Gains (Losses)).....		612,463	(181,793)
11.	Net investment gain (loss) (Lines 9 + 10).....		7,620,168	4,769,007
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....126,249 amount charged off \$.....3,176,290).....		(3,050,041)	(3,367,831)
13.	Finance and service charges not included in premiums.....		5,622,943	5,398,985
14.	Aggregate write-ins for miscellaneous income.....		205,702	196,973
15.	Total other income (Lines 12 through 14).....		2,778,604	2,228,127
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....		18,910,386	21,765,353
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).....		18,910,386	21,765,353
19.	Federal and foreign income taxes incurred.....		6,641,770	6,917,127
20.	Net income (Line 18 minus Line 19) (to Line 22).....		12,268,616	14,848,226
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		70,569,413	76,379,009
22.	Net income (from Line 20).....		12,268,616	14,848,226
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(9).....		(18)	
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....		579,248	37
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		(126,985)	342,141
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.....			
33.2	Transferred to capital (Stock Dividend).....			
33.3.	Transferred from capital.....			
34.	Net remittances from or (to) Home Office.....			
35.	Dividends to stockholders.....		(9,800,000)	(21,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....			
37.	Aggregate write-ins for gains and losses in surplus.....		0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....		2,920,861	(5,809,596)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		73,490,274	70,569,413
DETAILS OF WRITE-INS				
0501.	LOSS ON COMMUTATION.....		537	
0502.	.....			
0503.	.....			
0598.	Summary of remaining write-ins for Line 5 from overflow page.....		0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....		537	0
1401.	MISCELLANEOUS INCOME.....		152,646	185,053
1402.	INTEREST INCOME ON INTERCOMPANY BALANCES.....		50,695	7,675
1403.	SERVICE BUSINESS REVENUE.....		2,361	4,245
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....		205,702	196,973
3701.	.....			
3702.	.....			
3703.	.....			
3798.	Summary of remaining write-ins for Line 37 from overflow page.....		0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....		0	0

PROGRESSIVE GULF INSURANCE COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	221,368,140	208,389,554
2. Net investment income.....	6,010,725	6,253,240
3. Miscellaneous income.....	2,943,730	2,140,210
4. Total (Lines 1 through 3).....	230,322,595	216,783,004
5. Benefit and loss related payments.....	133,805,454	122,293,273
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	66,345,345	61,040,759
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....(39,475) tax on capital gains (losses).....	6,467,205	8,225,872
10. Total (Lines 5 through 9).....	206,618,004	191,559,904
11. Net cash from operations (Line 4 minus Line 10).....	23,704,591	25,223,100
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	106,159,578	66,963,295
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	1,596	
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	106,161,174	66,963,295
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	129,954,415	55,723,659
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	129,954,415	55,723,659
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).....	(23,793,241)	11,239,636
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	9,800,000	21,000,000
16.6 Other cash provided (applied).....	4,279,938	(564,274)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(5,520,062)	(21,564,274)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(5,608,712)	14,898,462
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	19,998,271	5,099,809
19.2 End of year (Line 18 plus Line 19.1).....	14,389,559	19,998,271
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		

PROGRESSIVE GULF 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		0	0
2.	Allied lines.....	0		0	0
3.	Farmowners multiple peril.....	0		0	0
4.	Homeowners multiple peril.....	926,996	438,138	483,269	881,865
5.	Commercial multiple peril.....	0		0	0
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	0		0	0
9.	Inland marine.....	3,899,343	1,716,616	1,832,232	3,783,727
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	0		0	0
11.2	Medical professional liability - claims-made.....	600	49	52	597
12.	Earthquake.....	0		0	0
13.	Group accident and health.....	0		0	0
14.	Credit accident and health (group and individual).....	0		0	0
15.	Other accident and health.....	0		0	0
16.	Workers' compensation.....	0		0	0
17.1	Other liability - occurrence.....	1,382,611	638,028	658,883	1,361,756
17.2	Other liability - claims-made.....	4,736	908	529	5,115
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	0		0	0
18.2	Products liability - claims-made.....	0		0	0
19.1, 19.2	Private passenger auto liability.....	126,016,394	30,917,026	34,827,251	122,106,170
19.3, 19.4	Commercial auto liability.....	17,573,982	7,098,590	8,472,277	16,200,294
21.	Auto physical damage.....	79,345,346	20,911,290	23,855,169	76,401,467
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0		0	0
24.	Surety.....	66	106	20	152
26.	Burglary and theft.....	0		0	0
27.	Boiler and machinery.....	0		0	0
28.	Credit.....	0		0	0
29.	International.....	0		0	0
30.	Warranty.....	0		0	0
31.	Reinsurance - nonproportional assumed property.....	0		0	0
32.	Reinsurance - nonproportional assumed liability.....	0		0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0		0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	229,150,074	61,720,752	70,129,681	220,741,145

DETAILS OF WRITE-INS

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

PROGRESSIVE GULF 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.....	483,269	.....	.....	.....	483,269
5.	Commercial multiple peril.....	.....	.....	.....	.....	.....0
6.	Mortgage guaranty.....	.....	.....	.....	.....	.....0
8.	Ocean marine.....	.....	.....	.....	.....	.....0
9.	Inland marine.....	1,832,232	.....	.....	.....	1,832,232
10.	Financial guaranty.....	.....	.....	.....	.....	.....0
11.1	Medical professional liability - occurrence.....	.....	.....	.....	.....	.....0
11.2	Medical professional liability - claims-made.....	52	.....	.....	.....	52
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.....	658,883	.....	.....	.....	658,883
17.2	Other liability - claims-made.....	440	89	.....	.....	529
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.....	34,827,251	.....	.....	.....	34,827,251
19.3, 19.4	Commercial auto liability.....	8,472,277	.....	.....	.....	8,472,277
21.	Auto physical damage.....	23,855,169	.....	.....	.....	23,855,169
22.	Aircraft (all perils).....	.....	.....	.....	.....	.....0
23.	Fidelity.....	.....	.....	.....	.....	.....0
24.	Surety.....	20	.....	.....	.....	20
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.....	70,129,593	89	0	0	70,129,681
36.	Accrued retrospective premiums based on experience.....					.....
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					70,129,681

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 through 3403 plus 3498) (Line 34 above).....	0	0	0	0

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

PROGRESSIVE GULF 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.....	114,103	926,996		114,103		926,996
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	5,337,184	3,899,343		5,337,184		3,899,343
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....		600				600
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.....	2,332,388	1,382,612		2,174,872	157,517	1,382,611
17.2 Other liability - claims-made.....		4,736				4,736
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.....	168,531,542	126,016,394		168,531,542		126,016,394
19.3, 19.4 Commercial auto liability.....	26,805,496	17,573,982		26,774,177	31,319	17,573,982
21. Auto physical damage.....	113,185,324	79,345,346		113,185,324		79,345,346
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....		66				66
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.....	316,306,037	229,150,075	0	316,117,202	188,836	229,150,074

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 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
If yes: 1. The amount of such installment premiums \$......0.
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$......0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....				0	0		0	0.0
2.	Allied lines.....				0	0		0	0.0
3.	Farmowners multiple peril.....				0	0		0	0.0
4.	Homeowners multiple peril.....	54,049	311,562	54,049	311,562	73,163	74,450	310,276	35.2
5.	Commercial multiple peril.....				0	0		0	0.0
6.	Mortgage guaranty.....				0	0		0	0.0
8.	Ocean marine.....				0	0		0	0.0
9.	Inland marine.....	2,168,492	1,766,793	2,168,492	1,766,793	244,983	166,647	1,845,129	48.8
10.	Financial guaranty.....				0	0		0	0.0
11.1	Medical professional liability - occurrence.....				0	0		0	0.0
11.2	Medical professional liability - claims-made.....				0	30	30	(0)	(0.0)
12.	Earthquake.....				0	0		0	0.0
13.	Group accident and health.....				0	0		0	0.0
14.	Credit accident and health (group and individual).....				0	0		0	0.0
15.	Other accident and health.....				0	0		0	0.0
16.	Workers' compensation.....		1,065		1,065	37,394	38,459	0	0.0
17.1	Other liability - occurrence.....	585,823	412,540	585,823	412,540	947,485	819,465	540,559	39.7
17.2	Other liability - claims-made.....		6,167		6,167	67,384	24,166	49,384	965.4
17.3	Excess workers' compensation.....				0	0		0	0.0
18.1	Products liability - occurrence.....				0	0		0	0.0
18.2	Products liability - claims-made.....				0	0		0	0.0
19.1, 19.2	Private passenger auto liability.....	100,371,683	74,187,169	100,371,683	74,187,169	62,706,052	58,733,789	78,159,432	64.0
19.3, 19.4	Commercial auto liability.....	10,336,342	6,924,721	10,336,342	6,924,721	13,013,664	9,630,005	10,308,380	63.6
21.	Auto physical damage.....	72,243,910	51,779,251	72,243,910	51,779,251	507,676	360,447	51,926,480	68.0
22.	Aircraft (all perils).....				0	0		0	0.0
23.	Fidelity.....		(409)		(409)	124	390	(675)	0.0
24.	Surety.....				0	14	62	(48)	(31.4)
26.	Burglary and theft.....				0	0		0	0.0
27.	Boiler and machinery.....				0	0		0	0.0
28.	Credit.....				0	0		0	0.0
29.	International.....				0	0		0	0.0
30.	Warranty.....				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			0	0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX	8,508		8,508	128,380	137,137	(249)	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	TOTALS.....	185,760,299	135,397,367	185,760,299	135,397,367	77,726,349	69,985,048	143,138,668	64.8
DETAILS OF WRITE-INS									
3401.	.....				0	0		0	0.0
3402.	.....				0	0		0	0.0
3403.	.....				0	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 through 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.....	50,000	43,703	50,000	43,703	1,116	29,461	1,116	73,163	16,207
5.	Commercial multiple peril.....				0				0	
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....	180,409	159,885	180,409	159,885	124,399	85,098	124,399	244,983	41,816
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0				0	
11.2	Medical professional liability - claims-made.....				0		30		30	26
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.....		37,394		37,394				37,394	2,081
17.1	Other liability - occurrence.....	829,297	661,069	829,297	661,069	473,622	286,415	473,622	947,485	141,583
17.2	Other liability - claims-made.....		8,607		8,607		58,777		67,384	4,800
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.....	66,685,918	48,435,592	66,685,918	48,435,592	13,752,112	14,270,461	13,752,113	62,706,052	13,417,366
19.3, 19.4	Commercial auto liability.....	16,324,933	11,023,139	16,324,933	11,023,139	3,678,296	1,990,525	3,678,296	13,013,664	1,969,639
21.	Auto physical damage.....	3,867,932	2,683,634	3,867,932	2,683,634	(2,519,386)	(2,175,958)	(2,519,386)	507,676	622,877
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....		1		1		123		124	244
24.	Surety.....				0		14		14	25
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	29,277		29,277	XXX	99,103		128,380	
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.....	87,938,489	63,082,302	87,938,489	63,082,302	15,510,159	14,644,048	15,510,160	77,726,349	16,216,665
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 through 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 GULF 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.....	3,762,349			3,762,349
1.2 Reinsurance assumed.....	3,735,357			3,735,357
1.3 Reinsurance ceded.....	3,762,349			3,762,349
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	3,735,357	0	0	3,735,357
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		31,779,789		31,779,789
2.2 Reinsurance assumed, excluding contingent.....		21,372,498		21,372,498
2.3 Reinsurance ceded, excluding contingent.....		31,779,789		31,779,789
2.4 Contingent - direct.....		485,964		485,964
2.5 Contingent - reinsurance assumed.....		538,835		538,835
2.6 Contingent - reinsurance ceded.....		485,964		485,964
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	21,911,333	0	21,911,333
3. Allowances to manager and agents.....		133,906		133,906
4. Advertising.....	2,203	2,102,906		2,105,110
5. Boards, bureaus and associations.....	55,537	109,146		164,683
6. Surveys and underwriting reports.....		1,384,186		1,384,186
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	13,120,327	9,277,293	115,614	22,513,234
8.2 Payroll taxes.....	910,884	611,180	3,175	1,525,239
9. Employee relations and welfare.....	2,234,015	1,475,858	4,381	3,714,254
10. Insurance.....	30,870	26,329		57,199
11. Directors' fees.....				0
12. Travel and travel items.....	557,747	156,673	693	715,113
13. Rent and rent items.....	751,376	781,470	2,537	1,535,383
14. Equipment.....	55,721	249,044		304,765
15. Cost or depreciation of EDP equipment and software.....	866,903	1,409,240	1,610	2,277,753
16. Printing and stationery.....	74,848	132,036	260	207,144
17. Postage, telephone and telegraph, exchange and express.....	586,982	1,229,695	855	1,817,531
18. Legal and auditing.....	73,094	160,049	9,212	242,355
19. Totals (Lines 3 to 18).....	19,320,507	19,239,013	138,336	38,697,855
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....2,460.....		3,781,279		3,781,279
20.2 Insurance department licenses and fees.....	23,055	209,991		233,046
20.3 Gross guaranty association assessments.....		12,256		12,256
20.4 All other (excluding federal and foreign income and real estate).....	3,913	669,711		673,625
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	26,968	4,673,237	0	4,700,205
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	15,909	168,001	23,888	207,798
25. Total expenses incurred.....	23,098,741	45,991,583	162,224	(a).....69,252,549
26. Less unpaid expenses - current year.....	16,216,665	11,954,114	905	28,171,684
27. Add unpaid expenses - prior year.....	14,730,385	10,694,879	1,514	25,426,777
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).....	21,612,460	44,732,348	162,833	66,507,641

DETAILS OF WRITE-INS				
2401. MISCELLANEOUS EXPENSES.....	15,909	168,001	23,888	207,798
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	15,909	168,001	23,888	207,798

(a) Includes management fees of \$.....38,905,654 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).....459,478	276,765
1.1 Bonds exempt from U.S. tax.....	(a).....1,288,434	1,514,670
1.2 Other bonds (unaffiliated).....	(a).....5,345,300	5,266,416
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....103,701	112,079
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	7,196,913	7,169,930
11. Investment expenses.....	.....	(g).....162,224
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).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....162,224
17. Net investment income (Line 10 minus Line 16).....	.....	.....7,007,706

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 through 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 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$....4,598,895 accrual of discount less \$....3,575,541 amortization of premium and less \$....623,927 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$....100,190 accrual of discount less \$.....0 amortization of premium and less \$....4,582 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 \$.....0 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.....	424,836	.....	.....424,836	.....	.....
1.1 Bonds exempt from U.S. tax.....	(2,229)	.....	.....(2,229)	.....	.....
1.2 Other bonds (unaffiliated).....	150,099	.....	.....150,099	(27)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	1,596	.....	.....1,596	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	574,302	0	574,302	(27)	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 through 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

PROGRESSIVE GULF 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).....			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).....	0	0	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.....	1,780,213	1,527,454	(252,759)
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.....		117,091	117,091
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
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.....	111,595	120,278	8,683
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,891,808	1,764,823	(126,985)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	1,891,808	1,764,823	(126,985)

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 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. PREPAID EXPENSES.....	106,195	104,938	(1,257)
2502. MISCELLANEOUS OTHER ASSETS.....	5,400	15,340	9,940
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	111,595	120,278	8,683

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Gulf 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:

	SSAP #	F/S Page	F/S Line #	2016	2015
NET INCOME					
(1) PROGRESSIVE GULF INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 12,268,616	\$ 14,848,226
(2) State Prescribed Practices that increase/decrease NAIC SAP					
(3) State Permitted Practices that increase/decrease NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 12,268,616	\$ 14,848,226
SURPLUS					
(5) PROGRESSIVE GULF INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 73,490,274	\$ 70,569,413
(6) State Prescribed Practices that increase/decrease NAIC SAP					
(7) State Permitted Practices that increase/decrease NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 73,490,274	\$ 70,569,413

B. Use of Estimates in the Preparation of the Financial Statement

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.

C. Accounting Policy

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.

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.
- The Company has no investments in joint ventures, partnerships, or limited liability companies.
- The Company has no investments in derivatives.

NOTES TO FINANCIAL STATEMENTS

- 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, 2016 and December 31, 2015.
- 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 other-than-temporary impairment ("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.

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

- 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. There have been no changes to the written policy or predefined capitalization threshold from the prior year.

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.

Note 2 – Accounting Changes and Corrections of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

Not applicable

Note 4 – Discontinued Operations

Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable

B. Debt Restructuring

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

- The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.
- Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment

Not applicable
- During the year, the Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.

NOTES TO FINANCIAL STATEMENTS

4.

At the end of the reporting period, 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:

a.	The aggregate amount of unrealized losses:	1.	Less than 12 Months	\$	47,453
		2.	12 Months or Longer	\$	167
b.	The aggregate related fair value of securities with unrealized losses:	1.	Less than12 Months	\$	8,612,344
		2.	12 Months or Longer	\$	861,481

5.

Additional information

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

F.

Real Estate

Not applicable

G.

Investments in Low-Income Housing Trade Credits (LIHTC)

Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

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

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year									Percentage	
	1	2	3	4	5	6	7	8	9	10	11
	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 Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending arrangements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	460,466				460,466	461,222	(756)		460,466	0.170	0.171
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)											
m. Pledged as collateral not captured in other categories											
n. Other restricted assets											
o. Total Restricted Assets	\$ 460,466	\$	\$	\$	\$ 460,466	\$ 461,222	\$ (756)		\$ 460,466	0.170	0.171%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of assets pledged as collateral not captured in other categories (from above table) is as follows:

Not applicable

3. Detail of Other Restricted Assets

Not applicable

4. Collateral Received and reflected as Assets Within the Reporting Entity's Financial Statements

Not applicable

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

NOTES TO FINANCIAL STATEMENTS

L. 5* Securities

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 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

Note 8 – Derivative Instruments

Not applicable

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

Description	2016			2015			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 8,908,800	\$ 26,324	\$ 8,935,124	\$ 7,837,115	\$ 691,470	\$ 8,528,585	\$ 1,071,685	\$ (665,146)	\$ 406,539
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	8,908,800	26,324	8,935,124	7,837,115	691,470	8,528,585	1,071,685	(665,146)	406,539
d. Deferred tax assets nonadmitted					117,091	117,091		(117,091)	(117,091)
e. Subtotal net admitted deferred tax asset (1c-1d)	8,908,800	26,324	8,935,124	7,837,115	574,379	8,411,494	1,071,685	(548,055)	523,630
f. Deferred tax liabilities	1,482,224	109,081	1,591,305	1,189,644	574,379	1,764,023	292,580	(465,298)	(172,718)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 7,426,576	\$ (82,757)	\$ 7,343,819	\$ 6,647,471	\$	\$ 6,647,471	\$ 779,105	\$ (82,757)	\$ 696,348

2. Admission Calculation Components

Description	2016			2015			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 8,377,455	\$	\$ 8,377,455	\$ 7,355,411	\$	\$ 7,355,411	\$ 1,022,044	\$	\$ 1,022,044
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:	306,399		306,399	264,336		264,336	42,063		42,063
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	306,399		306,399	264,336		264,336	42,063		42,063
Adjusted gross deferred tax assets allowed per limitation threshold			9,921,968			9,588,291			333,677
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	224,946	26,324	251,270	217,368	574,379	791,747	7,578	(548,055)	(540,477)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	\$ 8,908,800	\$ 26,324	\$ 8,935,124	\$ 7,837,115	\$ 574,379	\$ 8,411,494	\$ 1,071,685	\$ (548,055)	\$ 523,630

3. Other Admissibility Criteria

Description		2016	2015
a.	Ratio percentage used to determine recovery period and threshold limitation amount	909.997%	940.000%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 66,146,455	\$ 63,921,942

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2016		2015		Change	
Description	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 8,908,800	\$ 26,324	\$ 7,837,115	\$ 691,470	\$ 1,071,685	\$ (665,146)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	0 %	0 %	17.000%	0 %	(17.000)%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 8,908,800	\$ 26,324	\$ 7,837,115	\$ 574,379	\$ 1,071,685	\$ (548,055)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0 %	0 %	0 %	0 %	0 %	0 %

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

Not applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

Description	1 2016	2 2015	3 (Col 1-2) Change
a. Federal	\$ 6,641,770	\$ 6,917,127	\$ (275,357)
b. Foreign			
c. Subtotal	\$ 6,641,770	\$ 6,917,127	\$ (275,357)
d. Federal income tax on net capital gains	(38,161)	578,434	(616,595)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ 6,603,609	\$ 7,495,561	\$ (891,952)

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets

Description	1 2016	2 2015	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 732,923	\$ 727,969	\$ 4,954
2. Unearned premium reserve	4,963,313	4,363,929	599,384
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	241,855	192,972	48,883
8. Compensation and benefits accrual	1,874,319	1,636,515	237,804
9. Pension accrual			
10. Receivables - nonadmitted	623,074	534,609	88,465
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other – other nonadmitted assets	39,058	42,098	(3,040)
14. Other – bad debt reserve	342,843	285,049	57,794
15. Other – foreign currency translation			
16. Other (including items <5% of total ordinary tax assets)	91,415	53,974	37,441
99. Subtotal	\$ 8,908,800	\$ 7,837,115	\$ 1,071,685
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 8,908,800	\$ 7,837,115	\$ 1,071,685
e. Capital:			
1. Investments	\$ 26,324	\$ 691,470	\$ (665,146)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$ 26,324	\$ 691,470	\$ (665,146)
f. Statutory valuation allowance adjustment			
g. Nonadmitted		117,091	(117,091)
h. Admitted capital deferred tax assets (2e99-2f-2g)	26,324	574,379	(548,055)
i. Admitted deferred tax assets (2d+2h)	\$ 8,935,124	\$ 8,411,494	\$ 523,630

3. Deferred Tax Liabilities

Description	1 2016	2 2015	3 (Col 1–2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets	1,241,406	884,036	357,370
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other liabilities – prepaid expenses	168,482	230,706	(62,224)
6. Other liabilities – salvage and subrogation	39,260	45,889	(6,629)
7. Other liabilities – foreign currency translation			
8. Other (including items <5% of total ordinary tax liabilities)	33,076	29,013	4,063
99. Subtotal	\$ 1,482,224	\$ 1,189,644	\$ 292,580
b. Capital:			
1. Investments	\$ 109,081	\$ 574,379	\$ (465,298)
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	109,081	574,379	(465,298)
c. Deferred tax liabilities (3a99+3b99)	\$ 1,591,305	\$ 1,764,023	\$ (172,718)

4. Net Deferred Tax Assets (2i – 3c)	\$ 7,343,819	\$ 6,647,471	\$ 696,348
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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	2016	2015	Change
Total deferred tax assets	\$ 8,935,124	\$ 8,528,585	\$ 406,539
Total deferred tax liabilities	1,591,305	1,764,023	(172,718)
Net deferred tax asset (liability)	\$ 7,343,819	\$ 6,764,562	\$ 579,257
Tax effect of unrealized gains (losses)			9
Change in net deferred income tax			\$ 579,248

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 6,605,279	35%
Exempt interest income	(450,145)	-2%
Dividends received deduction		
Impact of nonadmitted assets	(85,426)	0%
Tax credits	(53,000)	0%
Other	7,653	-1%
Total	\$ 6,024,361	32%
Federal and foreign income taxes incurred	\$ 6,603,609	
Change in net deferred income tax	(579,248)	
Total statutory income taxes	\$ 6,024,361	

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses:

Period	Amount
Current tax year:	\$ 6,494,805
First preceding tax year:	\$ 7,180,809

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

The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

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 Federal 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.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

The Company is wholly owned by Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. The structure of the holding company organization is shown on Schedule Y, Part 1.

B. Detail of Transactions Greater than 1/2% of Admitted Assets

All significant 2016 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.

See Note 13.4

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company reported a \$6,953,959 and \$8,676,864 receivable from parent, subsidiaries, and affiliates at December 31, 2016 and 2015, respectively. These balances are due to cash collections and disbursements on behalf of the Company under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a \$1,491,313 and \$1,354,909 current Federal income tax payable at December 31, 2016 and 2015, 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 cash transactions. These transactions are dependent upon market timing, investment needs and overall portfolio strategy as to the timing of such settlement transactions.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

Management, operations and claims services are provided under a management agreement with Casualty. Under the terms of the agreement, the Company is provided underwriting and loss adjustment services for business produced in exchange for a management fee based on the Company's use of 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.

NOTES TO FINANCIAL STATEMENTS

The Company participates in a program administrator agreement with ASI Underwriters Corp. ("ASIU"), a non-insurance affiliate. Under the terms of the agreement, ASIU charges a fee for designing, implementing, and administering the Company's renters insurance program (see Note 19).

All intercompany agreements are approved by the participating insurance companies' states of domicile when established. Upon redomestication, intercompany agreements are not required to be approved by the new state of domicile.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Casualty.

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

Not applicable

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

Not applicable

Note 11 – Debt

Not applicable

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

Not applicable

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. Outstanding Shares

The Company has 150 shares of \$10,000 par value common stock authorized and 150 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 Casualty in 2017 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 \$12,268,616 in 2017 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 Casualty as follows:

Date Paid	Amount Paid	Dividend Type
December 21, 2016	\$ 9,800,000	Ordinary
December 21, 2015	\$ 15,800,000	Ordinary
December 21, 2015	\$ 5,200,000	Extraordinary

The extraordinary cash dividends were approved by the Ohio DOI.

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purposes

Not applicable

9. Changes in Special Surplus Funds

Not applicable

NOTES TO FINANCIAL STATEMENTS

10.

The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses.

Not applicable
11.

The reporting entity issued the following surplus debentures or similar obligations:

Not applicable
12.

The impact of any restatement due to prior quasi-reorganizations is as follows:

Not applicable
13.

The effective dates of all quasi-reorganizations in the prior 10 years are:

Not applicable

Note 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, 2016 and 2015, the Company's estimated liability for state guaranty fund and other assessments was \$522,154 and \$494,949, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

C. Gain Contingencies

Not applicable

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

PROGRESSIVE GULF INSURANCE COMPANY paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ 225,000

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

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

Indicate whether claim count information is disclosed per claim or per claimant:
(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 a 100% pooling reinsurance agreement for which it is allocated litigation expenses (see Note 26).

The following is a discussion of a potentially significant pending case at the reporting date.

There was a putative class action lawsuit challenging fees charged to insureds. The Company does consider a loss from this case to be probable and a loss reserve was established accordingly.

Note 15 – Leases

Not applicable

Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A.

Transfers of Receivables Reported as Sales

Not applicable
- B.

Transfer and Servicing of Financial Assets

Not applicable
- C.

Wash Sales

Not applicable

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans

Not applicable

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company maintains a Program Administrator Agreement with ASIU (see Note 10.F). The agreement gives ASIU authority for designing, implementing, and administering the Company's renters insurance program. The renters insurance program provides tenants with coverage for damage to personal property, personal liability and medical payments to others. The renters insurance program generated \$115,016 of direct written premiums, which is less than 5% of the Company's surplus.

Note 20 – Fair Value Measurements

- A.

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

1.

Fair Value Measurements by Levels 1, 2 and 3

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

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

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

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

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

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

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

2.

Roll forward of Level 3 Items

Not applicable

3.

Policy on Transfers Into and Out of Level 3

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

4.

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

See Note 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 the reporting date, 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	\$ 173,248,855	\$ 173,266,482	\$ 61,908,147	\$ 111,135,192	\$ 205,516	\$
Cash equivalents	6,090,340	6,090,340	6,090,340			
Common stock						
Preferred stock						
Short-term investments	8,292,019	8,299,219	299,219	7,992,800		

D.

Not Practicable to Estimate Fair Value

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 21 – Other Items

- A.

Unusual or Infrequent Items

Not applicable
- B.

Troubled Debt Restructuring Debtors

Not applicable
- C.

Other Disclosures

Not applicable
- D.

Business Interruption Insurance Recoveries

Not applicable
- E.

State Transferable and Non-Transferable Tax Credits

Not applicable
- F.

Subprime Mortgage Related Risk Exposure

1.

Exposure to Subprime Mortgage Related Risk

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

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

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

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

2.

Direct Investment in Subprime Mortgage Loans

Not applicable

3.

Direct Investment in Securities with Underlying Subprime Exposure

Not applicable

4

Mortgage or Financial Guaranty Subprime Exposure

Not applicable

G.

Insurance-Linked Securities (ILS) Contracts

Not applicable

Note 22 – Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 15, 2017 for the statutory statement that was available for issuance by March 1, 2017.

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.

Note 23 – Reinsurance

- A.

Unsecured Reinsurance Recoverables at the reporting date the Company had the following unsecured reinsurance recoverable balances which exceeded 3% of policyholders’ surplus:

Reinsurer	NAIC Code	Federal ID#	Amount
Progressive Casualty Insurance Company	24260	34-6513736	\$ 228,070,000
Total			\$ 228,070,000
- B.

Reinsurance Recoverable in Dispute

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

1. The table below summarizes ceded and assumed unearned premiums and the related commission equity at reporting date.

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	\$ 70,130,000	\$	\$ 108,356,000	\$	\$ (38,226,000)	\$
b.	All Other			91,000	23,000	(91,000)	(23,000)
c.	Total	\$ 70,130,000	\$	\$ 108,447,000	\$ 23,000	\$ (38,317,000)	\$ (23,000)
d.	Direct Unearned Premium Reserves			\$ 108,447,000			

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

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

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

Not applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years decreased by \$34,060 in 2016, which is less than 1.0% of the total prior year net unpaid losses and LAE of \$84,715,431. The favorable development is primarily due to more salvage and subrogation recoveries than anticipated in auto physical damage. Private passenger auto liability experienced favorable development due to originally anticipated severity for accident years 2015, 2014, and 2013 and prior decreasing less than 1.0%, partially offset by higher than anticipated severity for 2014. LAE reserves developed favorably primarily in adjusting and other expenses for accident years 2014 and 2015.

Note 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 Casualty, 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.

NOTES TO FINANCIAL STATEMENTS

The pooling percentages for each Agency Pool participant were as follows:

Company	NAIC Code	2016 Pool %	2015 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 eac 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.

At the reporting period, 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)	\$ 151,665,701	\$ 37,971,227
Progressive Northern Insurance Company	919,094	27,400,956
Progressive Northwestern Insurance Company	3,787,464	38,508,271
Progressive Specialty Insurance Company	7,581,874	8,743,210
Progressive Preferred Insurance Company	4,943,760	18,806,806
Progressive Michigan Insurance Company	3,650,619	14,837,533
Progressive Classic Insurance Company	1,476,695	9,792,088
Progressive American Insurance Company	10,621,867	14,177,564
Progressive Gulf Insurance Company	241,945	7,472,808
Progressive Bayside Insurance Company	343,834	3,184,038
Progressive Mountain Insurance Company	4,398,256	3,865,875
Progressive Southeastern Insurance Company	--	4,874,960
Progressive Hawaii Insurance Corp.	--	1,592
National Continental Insurance Company	5,819	--
Total	\$ 189,636,928	\$ 189,636,928

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

1.

Liability carried for premium deficiency reserve:

\$0
2.

Date of most recent evaluation of this liability:

December 31, 2016
3.

Was anticipated investment income utilized in the calculation?

Yes [X] No []

Note 31 – High Deductibles

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

Note 33 – Asbestos/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 Casualty's participation in various reinsurance pools from 1968 to 1975, which underwrote general liability insurance, Casualty's aggregate stop loss reinsurance agreement with Progressive Max Insurance Company, an insurance affiliate domiciled in Ohio, for various reinsurance pools from 1965 to 1975, Progressive American Insurance Company's, an insurance affiliate and Agency Pool member domiciled in Ohio, limited number of general liability policies issued from 1972 to 1975, and Casualty's aggregate stop loss reinsurance agreement with National Continental Insurance Company, an insurance affiliate domiciled in New York, for general liability business written on or before November 25, 1985.

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

(1) Direct

		2012	2013	2014	2015	2016
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 4,100	\$ 4,100	\$ 4,100	\$ 220	\$ 220
b.	Incurred losses and loss adjustment expense			(3,880)		139,780
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 4,100	\$ 4,100	\$ 220	\$ 220	\$ 140,000

(2) Assumed Reinsurance

		2012	2013	2014	2015	2016
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 64,824	\$ 65,629	\$ 43,574	\$ 76,812	\$ 73,380
b.	Incurred losses and loss adjustment expense	2,937	(13,095)	39,805	435	2,167
c.	Calendar year payments for losses and loss adjustment expenses	2,132	8,960	6,567	3,867	5,334
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 65,629	\$ 43,574	\$ 76,812	\$ 73,380	\$ 70,213

(3) Net of Ceded Reinsurance

		2012	2013	2014	2015	2016
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 68,924	\$ 69,729	\$ 47,674	\$ 77,032	\$ 73,600
b.	Incurred losses and loss adjustment expense	2,937	(13,095)	35,925	435	23,473
c.	Calendar year payments for losses and loss adjustment expenses	2,132	8,960	6,567	3,867	5,334
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 69,729	\$ 47,674	\$ 77,032	\$ 73,600	\$ 91,739

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

(1)	Direct basis	\$ 112,072
(2)	Assumed reinsurance basis	47,634
(3)	Net of ceded reinsurance basis	\$ 53,511

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

(1)	Direct basis	\$ 70,000
(2)	Assumed reinsurance basis	8,280
(3)	Net of ceded reinsurance basis	\$ 19,043

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

(1) Direct

		2012	2013	2014	2015	2016
a.	Beginning reserves	\$ 1,022	\$ 1,022	\$ 1,022	\$	\$
b.	Incurred losses and loss adjustment expense			(1,022)		
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves	\$ 1,022	\$ 1,022	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

(2) Assumed Reinsurance

		2012	2013	2014	2015	2016
a.	Beginning reserves	\$ 70,552	\$ 102,094	\$ 161,621	\$ 196,862	\$ 186,996
b.	Incurred losses and loss adjustment expense	31,420	60,661	141,902	2,034	(1,424)
c.	Calendar year payments for losses and loss adjustment expenses	(122)	1,134	106,661	11,900	6,295
d.	Ending reserves	\$ 102,094	\$ 161,621	\$ 196,862	\$ 186,996	\$ 179,277

(3) Net of Ceded Reinsurance

		2012	2013	2014	2015	2016
a.	Beginning reserves	\$ 71,574	\$ 103,116	\$ 162,643	\$ 196,862	\$ 186,996
b.	Incurred losses and loss adjustment expense	31,420	60,661	140,880	2,034	(1,424)
c.	Calendar year payments for losses and loss adjustment expenses	(122)	1,134	106,661	11,900	6,295
d.	Ending reserves	\$ 103,116	\$ 162,643	\$ 196,862	\$ 186,996	\$ 179,277

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

(1)	Direct basis	\$
(2)	Assumed reinsurance basis	105,860
(3)	Net of ceded reinsurance basis	\$ 105,860

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

(1)	Direct basis	\$
(2)	Assumed reinsurance basis	23,551
(3)	Net of ceded reinsurance basis	\$ 23,551

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

Not applicable

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. TRACOFF, 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
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$

0
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [☐] No [☐]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [☐] No [☐]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [☐] No [☐] N/A [☐]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [☒] No [☐]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐] No [☒]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [☐] No [☒]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes [☒] No [☐]
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate 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

\$
- 21.22

Borrowed from others

\$
- 21.23

Leased from others

\$
- 21.24

Other

\$
- 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

\$
- 22.22

Amount paid as expenses

\$
- 22.23

Other amounts paid

\$
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☒] No [☐]
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

6,953,959

PROGRESSIVE GULF INSURANCE COMPANY
GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all of 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 *Risk-Based Capital Instructions*?

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

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$

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 31 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

\$460,466

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes []No [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 31 of the current year:

\$

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X]No []

28.01

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

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

28.02

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

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

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes []No [X]

28.04

If yes, give full and complete information relating thereto:

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

28.05

Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
PROGRESSIVE CAPITAL MANAGEMENT CORP.	A

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.0597

For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [☐] No [☐]

28.0598

For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [☐] No [☐]

28.06

For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
N/A	PROGRESSIVE CAPITAL MANAGEMENT CORP.		N/A	DS

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	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	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	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	187,656,041	187,631,213	(24,828)
30.2	Preferred Stocks	0	0	0
30.3	Totals	187,656,041	187,631,213	(24,828)

30.4

Describe the sources or methods utilized in determining the 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, INDEPENDENTBROKER/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 reliable pricing source for purposes of disclosure of fair value for Schedule D:

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?

\$16,570

33.2

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

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS I	\$16,570

34.1

Amount of payments for legal expenses, if any?

\$0

34.2

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

1 Name	2 Amount Paid
NONE	\$

35.1

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

\$0

35.2

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

1 Name	2 Amount Paid
NONE	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes []

No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$

0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

0

1.31

Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

\$

0

2.2

Premium Denominator

\$

220,741,146

\$

201,435,245

2.3

Premium Ratio (2.1/2.2)

2.4

Reserve Numerator

\$

0

\$

0

2.5

Reserve Denominator

\$

165,301,374

\$

146,796,729

2.6

Reserve Ratio (2.4/2.5)

3.1

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

Yes []

No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$

0

3.22

Non-participating policies

\$

0

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1

Does the reporting entity issue assessable policies?

Yes []

No []

4.2

Does the reporting entity issue non-assessable policies?

Yes []

No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$

0

5.

FOR RECIPROCAL EXCHANGES ONLY:

5.1

Does the exchange appoint local agents?

Yes []

No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes []

No []

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 fulfillment 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?
THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.

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.

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GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.6

If yes, state the amount thereof at December 31 of current year:

12.61

Letters of Credit

\$0

12.62

Collateral and other funds

\$0

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$1,000,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

1

14.1

Is the reporting entity a cedant in a multiple cedant reinsurance contract?

Yes [] No [X]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

1

2

3

4

5

Direct Losses Incurred

Direct Losses Unpaid

Direct Written Premium

Direct Premium Unearned

Direct Premium Earned

16.11

Home

\$0

\$0

\$0

\$0

\$0

16.12

Products

\$0

\$0

\$0

\$0

\$0

16.13

Automobile

\$0

\$0

\$0

\$0

\$0

16.14

Other*

\$0

\$0

\$0

\$0

\$0

* Disclose type of coverage:

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5.

Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

\$0

17.12

Unfunded portion of Interrogatory 17.11

\$0

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$0

17.14

Case reserves portion of Interrogatory 17.11

\$0

17.15

Incurred but not reported portion of Interrogatory 17.11

\$0

17.16

Unearned premium portion of Interrogatory 17.11

\$0

17.17

Contingent commission portion of Interrogatory 17.11

\$0

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above.

17.18

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

\$0

17.19

Unfunded portion of Interrogatory 17.18

\$0

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

\$0

17.21

Case reserves portion of Interrogatory 17.18

\$0

17.22

Incurred but not reported portion of Interrogatory 17.18

\$0

17.23

Unearned premium portion of Interrogatory 17.18

\$0

17.24

Contingent commission portion of Interrogatory 17.18

\$0

18.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

18.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$0

18.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

18.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$0

FIVE-YEAR HISTORICAL DATA

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

	1 2016	2 2015	3 2014	4 2013	5 2012
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).....	342,647,750	308,793,738	313,351,694	309,288,731	298,979,657
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	201,767,197	182,504,169	182,765,282	178,120,900	169,456,376
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,041,099	857,304	750,705	606,758	561,591
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	66	258	235	83	169
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	545,456,112	492,155,468	496,867,916	488,016,473	468,997,793
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).....	144,978,323	130,888,725	127,117,433	121,588,514	116,115,521
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	83,244,689	74,404,987	71,791,609	67,917,328	64,871,281
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	926,996	839,059	750,705	606,758	561,591
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	66	258	235	83	169
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	229,150,074	206,133,028	199,659,982	190,112,684	181,548,562
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	8,511,614	14,768,219	14,812,688	10,808,153	5,845,648
14. Net investment gain (loss) (Line 11).....	7,620,168	4,769,007	5,176,103	6,282,821	7,294,588
15. Total other income (Line 15).....	2,778,604	2,228,127	2,937,403	3,320,594	3,354,951
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	6,641,770	6,917,127	7,056,091	7,006,871	5,481,117
18. Net income (Line 20).....	12,268,616	14,848,226	15,870,103	13,404,697	11,014,070
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	269,763,681	244,054,726	241,522,235	257,262,184	282,446,649
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	3,299,582	4,488,731	5,859,317	5,602,635	5,324,276
20.2 Deferred and not yet due (Line 15.2).....	63,316,575	54,423,307	54,822,022	56,530,291	55,796,127
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	196,273,407	173,485,313	165,143,226	161,538,831	155,436,576
22. Losses (Page 3, Line 1).....	77,726,349	69,985,046	66,787,043	66,019,525	62,042,143
23. Loss adjustment expenses (Page 3, Line 3).....	16,216,666	14,730,385	13,705,514	12,920,145	12,386,918
24. Unearned premiums (Page 3, Line 9).....	70,129,681	61,720,752	57,022,969	55,923,857	54,033,444
25. Capital paid up (Page 3, Lines 30 & 31).....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	73,490,274	70,569,413	76,379,009	95,723,353	127,010,073
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	23,704,591	25,223,100	21,634,120	20,444,272	20,127,596
Risk-Based Capital Analysis					
28. Total adjusted capital.....	73,490,274	70,569,413	76,379,009	95,723,353	127,010,073
29. Authorized control level risk-based capital.....	7,268,864	6,799,170	6,962,872	6,745,632	6,050,751
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).....	92.3	88.1	96.9	100.0	96.9
31. Stocks (Lines 2.1 & 2.2).....					
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	7.7	11.9	3.1		3.1
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

PROGRESSIVE GULF INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2016	2015	2014	2013	2012
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(18)			166,183	(110,023)
52. Dividends to stockholders (Line 35).....	(9,800,000)	(21,000,000)	(35,000,000)	(45,000,000)	(59,500,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	2,920,861	(5,809,596)	(19,344,344)	(31,286,720)	(46,974,429)
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).....	192,825,510	178,532,542	189,345,237	188,200,094	177,531,413
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	127,958,446	108,555,151	116,719,121	124,423,341	107,510,949
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	365,611	306,778	331,984	266,987	423,004
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(409)	(4,133)	(1,262)	25,798	41,353
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	8,508	4,760	8,112	12,702	6,968
59. Total (Line 35).....	321,157,666	287,395,099	306,403,191	312,928,922	285,513,687
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).....	81,531,662	74,204,136	76,196,173	71,012,601	68,248,766
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	53,546,044	45,710,987	45,122,849	42,762,857	41,746,577
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	311,562	306,778	331,984	266,987	423,004
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(409)	(4,133)	(1,262)	25,798	41,353
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	8,508	4,760	8,112	12,702	6,968
65. Total (Line 35).....	135,397,367	120,222,529	121,657,855	114,080,945	110,466,668
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).....	64.8	61.3	61.7	62.7	64.8
68. Loss expenses incurred (Line 3).....	10.5	10.4	10.1	10.2	10.3
69. Other underwriting expenses incurred (Line 4).....	20.8	21.0	20.7	21.3	21.6
70. Net underwriting gain (loss) (Line 8).....	3.9	7.3	7.5	5.7	3.3
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).....	18.9	19.5	19.1	19.4	19.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	75.3	71.6	71.8	72.9	75.1
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).....	311.8	292.1	261.4	198.6	142.9
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	98	(2,643)	(386)	870	635
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).....	0.1	(3.5)	(0.4)	0.7	0.4
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).....	(2,867)	(915)	614	1,184	(1,785)
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).....	(3.8)	(1.0)	0.5	0.7	(0.8)

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*?
If no, please explain:

Yes[] No[]

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.....	343	285	19	4	18	.....	.....21	92	XXX.....
2. 2007.....	173,366	2,556	170,810	101,322	1,584	2,734	26	18,017	20	9,423	120,444	XXX.....
3. 2008.....	165,208	2,081	163,127	100,516	1,465	2,709	82	17,312	30	8,706	118,960	XXX.....
4. 2009.....	165,494	2,202	163,293	97,365	1,832	2,744	125	15,104	27	8,205	113,228	XXX.....
5. 2010.....	164,475	2,477	161,997	100,305	2,147	2,872	97	14,985	4	8,800	115,915	XXX.....
6. 2011.....	169,421	2,268	167,153	105,389	1,201	2,605	18	14,842	0	9,750	121,617	XXX.....
7. 2012.....	179,985	1,850	178,134	114,706	1,095	2,635	6	15,325	.....	.....10,979	131,564	XXX.....
8. 2013.....	190,087	1,865	188,222	114,900	879	2,491	3	15,669	.....	.....11,031	132,178	XXX.....
9. 2014.....	200,512	1,951	198,561	114,447	619	1,982	2	15,688	.....	.....11,407	131,495	XXX.....
10. 2015.....	203,447	2,011	201,435	110,195	660	1,171	3	15,692	.....	.....11,251	126,396	XXX.....
11. 2016.....	222,754	2,013	220,741	95,606	534	301	0	14,248	.....	.....7,442	109,621	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	1,055,096	12,301	22,263	366	156,900	81	97,016	1,221,510	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.....	5,059	4,688	219	53	62	6	75	53	78			693	XXX.....
2. 2007.....	990	951	0		9				21			69	XXX.....
3. 2008.....	1,163	1,076	92	92	15	0			27			129	XXX.....
4. 2009.....	1,000	882	392	390	22	0	1	1	31			174	XXX.....
5. 2010.....	770	570	331	330	33	0	2	2	35			269	XXX.....
6. 2011.....	1,301	886	181	179	68	0	1	1	55			539	XXX.....
7. 2012.....	2,108	1,018	256	255	150	0	1	1	86			1,327	XXX.....
8. 2013.....	3,641	1,229	1,095	207	393	0	216	1	293		355	4,203	XXX.....
9. 2014.....	6,247	194	1,904	894	1,093	0	281	0	591		389	9,028	XXX.....
10. 2015.....	15,128	964	3,484	730	1,960	0	488	1	1,496		809	20,862	XXX.....
11. 2016.....	39,935	1,802	10,925	1,107	2,844	0	1,022	2	4,836		5,521	56,651	XXX.....
12. Totals...	77,341	14,258	18,881	4,237	6,649	8	2,089	62	7,549	0	7,075	93,943	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.....	537	156
2. 2007.	123,093	2,580	120,513	71.0	100.9	70.6	.....	.....	.....2.00	39	30
3. 2008.	121,834	2,745	119,089	73.7	131.9	73.0	.....	.....	.....2.00	87	42
4. 2009.	116,659	3,257	113,402	70.5	147.9	69.4	.....	.....	.....2.00	121	53
5. 2010.	119,335	3,150	116,184	72.6	127.2	71.7	.....	.....	.....2.00	201	68
6. 2011.	124,443	2,286	122,156	73.5	100.8	73.1	.....	.....	.....2.00	417	123
7. 2012.	135,266	2,376	132,891	75.2	128.4	74.6	.....	.....	.....2.00	1,091	236
8. 2013.	138,699	2,318	136,381	73.0	124.3	72.5	.....	.....	.....2.00	3,302	901
9. 2014.	142,233	1,710	140,523	70.9	87.7	70.8	.....	.....	.....2.00	7,063	1,965
10. 2015.	149,615	2,358	147,258	73.5	117.2	73.1	.....	.....	.....2.00	16,919	3,943
11. 2016.	169,716	3,445	166,271	76.2	171.2	75.3	.....	.....	.....2.00	47,951	8,700
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	77,726	16,217

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior.....	32,307	32,590	31,213	30,428	30,364	30,409	30,571	30,868	31,012	31,073	61	205
2. 2007.....	103,508	103,620	103,820	103,334	102,477	102,480	102,539	102,494	102,487	102,495	8	1
3. 2008.....	XXX.....	102,511	102,472	102,642	102,083	101,605	101,799	101,786	101,792	101,780	(13)	(6)
4. 2009.....	XXX.....	XXX.....	100,236	98,739	99,000	98,560	98,163	98,274	98,271	98,294	23	20
5. 2010.....	XXX.....	XXX.....	XXX.....	101,303	101,356	101,606	101,755	101,093	101,193	101,168	(25)	75
6. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	106,416	107,670	108,052	108,048	107,233	107,259	26	(789)
7. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	117,820	118,142	118,201	118,317	117,480	(837)	(721)
8. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	120,406	120,276	120,206	120,419	213	142
9. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	126,039	123,924	124,244	320	(1,794)
10. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	129,749	130,070	321	XXX.....
11. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	147,187	XXX.....	XXX.....
12. Totals.....											98	(2,867)

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior.....	000.....	16,969	24,614	27,731	28,966	29,603	29,891	30,150	30,384	30,458	XXX.....	XXX.....
2. 2007.....	70,543	88,975	96,373	99,932	101,431	102,001	102,288	102,386	102,436	102,446	XXX.....	XXX.....
3. 2008.....	XXX.....	68,995	88,406	95,218	98,765	100,492	101,234	101,507	101,642	101,678	XXX.....	XXX.....
4. 2009.....	XXX.....	XXX.....	65,902	84,358	91,530	95,206	96,998	97,752	98,023	98,152	XXX.....	XXX.....
5. 2010.....	XXX.....	XXX.....	XXX.....	66,682	86,115	94,136	98,169	100,008	100,671	100,934	XXX.....	XXX.....
6. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	71,420	92,236	100,613	104,709	106,237	106,775	XXX.....	XXX.....
7. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	77,874	101,441	110,405	114,548	116,240	XXX.....	XXX.....
8. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	77,902	103,240	112,122	116,509	XXX.....	XXX.....
9. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	82,965	106,053	115,808	XXX.....	XXX.....
10. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	84,318	110,704	XXX.....	XXX.....
11. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	95,373	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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior.....	4,513	2,107	855	241	176	166	127	200	200	188
2. 2007.....	8,373	2,468	1,225	695	22	12	37	5	3	0
3. 2008.....	XXX.....	9,035	2,542	1,365	664	21	42	7	5	0
4. 2009.....	XXX.....	XXX.....	8,313	2,617	1,442	811	33	8	4	2
5. 2010.....	XXX.....	XXX.....	XXX.....	7,639	2,612	1,191	859	14	3	2
6. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	7,770	2,560	1,147	916	4	2
7. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	9,523	2,758	1,169	977	1
8. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	10,230	3,045	1,251	1,105
9. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	9,652	3,130	1,291
10. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	9,352	3,241
11. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	10,838

PROGRESSIVE GULF INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

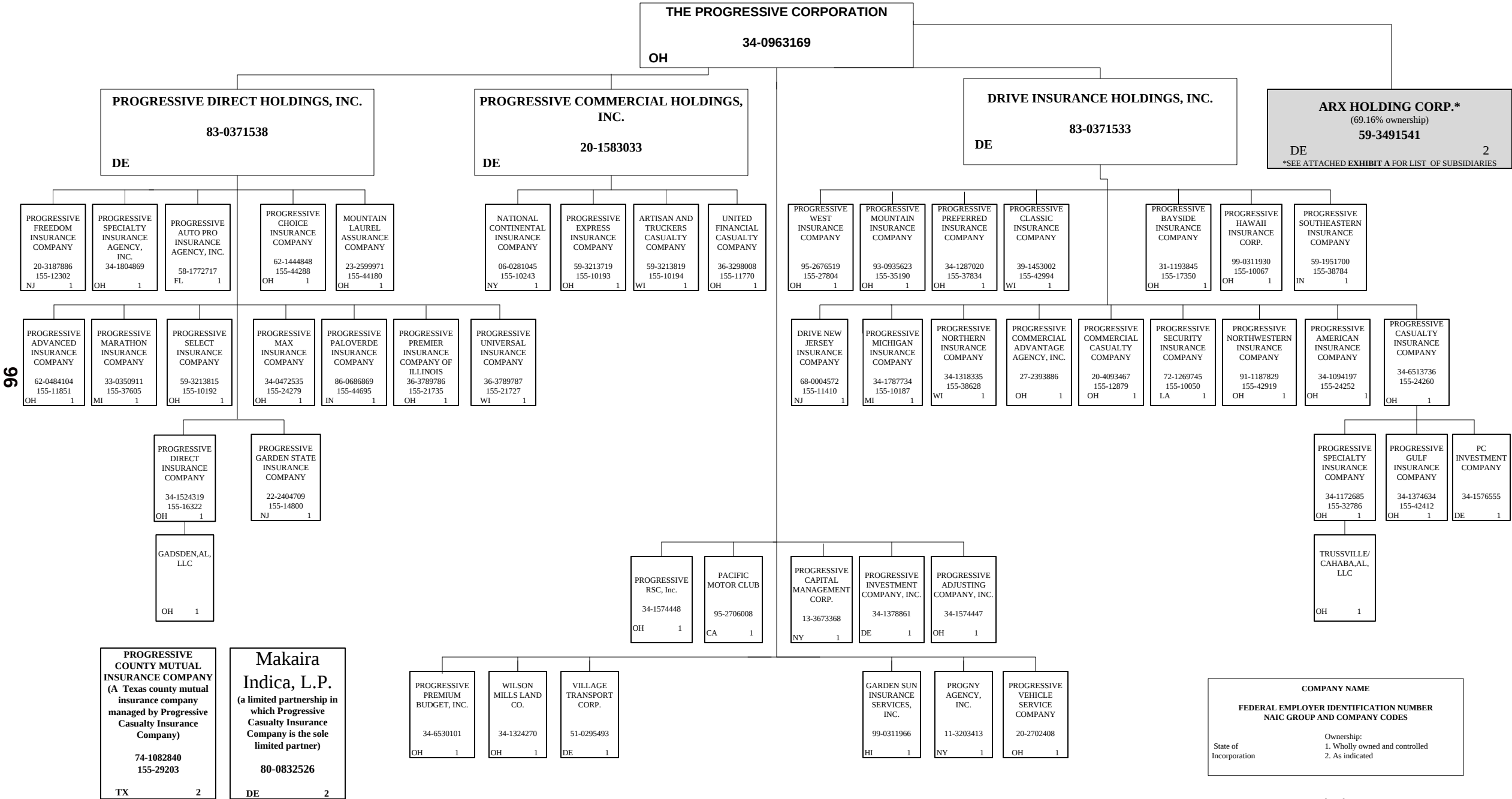
		1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service 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						
States, Etc.										
1.	Alabama.....AL	...N....								
2.	Alaska.....AK	...N....								
3.	Arizona.....AZ	...N....								
4.	Arkansas.....AR	...N....								
5.	California.....CA	...N....								
6.	Colorado.....CO	...N....								
7.	Connecticut.....CT	...N....								
8.	Delaware.....DE	...N....								
9.	District of Columbia.....DC	...N....								
10.	Florida.....FL	...N....								
11.	Georgia.....GA	...L....				(3,842)	(4,571)	5,943		
12.	Hawaii.....HI	...N....								
13.	Idaho.....ID	...N....								
14.	Illinois.....IL	...N....								
15.	Indiana.....IN	...N....								
16.	Iowa.....IA	...N....								
17.	Kansas.....KS	...N....								
18.	Kentucky.....KY	...N....								
19.	Louisiana.....LA	...N....								
20.	Maine.....ME	...N....								
21.	Maryland.....MD	...N....								
22.	Massachusetts.....MA	...N....								
23.	Michigan.....MI	...Q....								
24.	Minnesota.....MN	...N....								
25.	Mississippi.....MS	...L....	149,548,112	143,270,799		84,701,481	96,716,207	50,124,877	2,436,576	
26.	Missouri.....MO	...N....								
27.	Montana.....MT	...N....								
28.	Nebraska.....NE	...N....								
29.	Nevada.....NV	...N....								
30.	New Hampshire.....NH	...N....								
31.	New Jersey.....NJ	...N....								
32.	New Mexico.....NM	...N....								
33.	New York.....NY	...N....								
34.	North Carolina.....NC	...N....								
35.	North Dakota.....ND	...N....								
36.	Ohio.....OH	...L....								
37.	Oklahoma.....OK	...N....								
38.	Oregon.....OR	...E....								
39.	Pennsylvania.....PA	...N....								
40.	Rhode Island.....RI	...N....								
41.	South Carolina.....SC	...N....								
42.	South Dakota.....SD	...N....								
43.	Tennessee.....TN	...N....								
44.	Texas.....TX	...N....								
45.	Utah.....UT	...N....								
46.	Vermont.....VT	...N....								
47.	Virginia.....VA	...L....	166,757,926	158,619,612		101,062,661	101,904,838	53,317,827	3,186,367	
48.	Washington.....WA	...N....								
49.	West Virginia.....WV	...N....								
50.	Wisconsin.....WI	...N....								
51.	Wyoming.....WY	...N....								
52.	American Samoa.....AS	...N....								
53.	Guam.....GU	...N....								
54.	Puerto Rico.....PR	...N....								
55.	US Virgin Islands.....VI	...N....								
56.	Northern Mariana Islands...MP	...N....								
57.	Canada.....CAN	...N....								
58.	Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59.	Totals.....	(a)....4	316,306,038	301,890,411	0	185,760,300	198,616,474	103,448,647	5,622,943	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

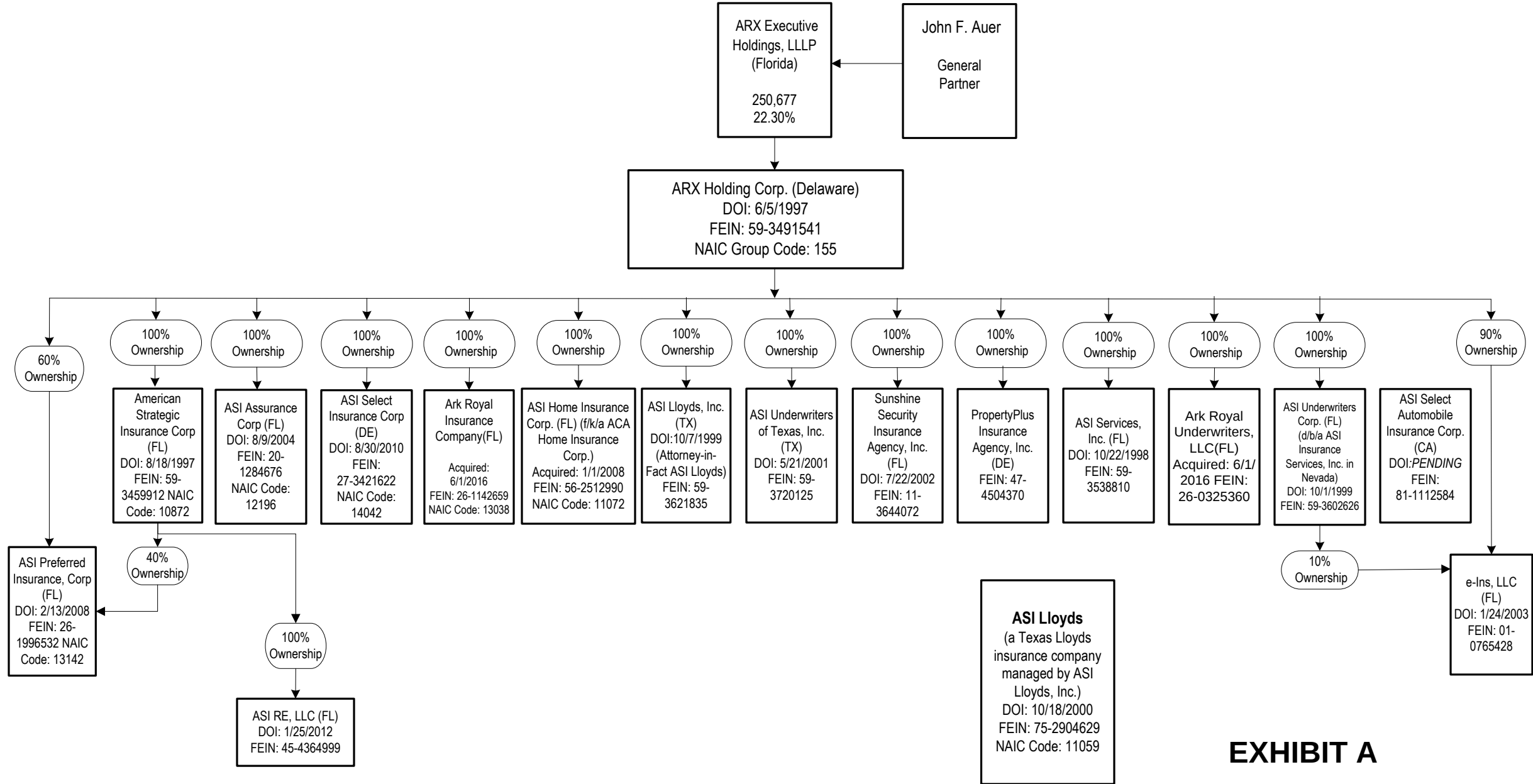
(a) Insert the number of "L" responses except for Canada and Other Alien.
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to 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



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP -- PART 1 – ORGANIZATIONAL CHART

96.1



2016 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

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