



ANNUAL STATEMENT

For the Year Ended December 31, 2017

of the Condition and Affairs of the

PROGRESSIVE HAWAII INSURANCE CORP.

NAIC Group Code.....155, 155
(Current Period) (Prior Period)

Organized under the Laws of OH

Incorporated/Organized..... May 4, 1994

Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 10067

State of Domicile or Port of Entry OH

Employer's ID Number..... 99-0311930

Country of Domicile US

Commenced Business..... July 15, 1994

6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182
(Street and Number) (City or Town, State, County and Zip Code)

6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US.... 44143-2182 440-461-5000
(Street and Number) (City or Town, State, County 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, County and Zip Code)

6300 WILSON MILLS ROAD, W33..... CLEVELAND OH US 44143-2182 440-395-4460
(Street and Number) (City or Town, State, County 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
GEOFFREY THOMAS SOUSER
PATRICK SEAN BRENNAN

Title
PRESIDENT
TREASURER

Name
PETER JAMES ALBERT

Title
SECRETARY

OTHER

MARY BETH ANDREANO
CHRISTINA LYNN CREWS

(VICE PRESIDENT)
(ASST. SECRETARY)

KAREN BARONE BAILO
JAMES LEE KUSMER

(VICE PRESIDENT)
(ASST. TREASURER)

DIRECTORS OR TRUSTEES

CHARLES ERNEST CONOVER #
GEOFFREY THOMAS SOUSER

RICHARD RUSSELL CRAWLEY

KATHRYN MARGARET LEMIEUX

MARK DONALD NIEHAUS

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

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

(Signature) GEOFFREY THOMAS SOUSER	(Signature) CHRISTINA LYNN CREWS	(Signature) 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

This 13TH day of FEBRUARY, 2018

a. Is this an original filing?

Yes [X] No []

b. If no 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	149,170,356		149,170,356	144,341,308
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 (\$....4,899,646, Schedule E-Part 2) and short-term investments (\$....9,639,800, Schedule DA).....	14,539,446		14,539,446	4,986,976
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).....	163,709,802	0	163,709,802	149,328,284
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,822,146		1,822,146	1,623,209
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	6,697,276	1,033,764	5,663,512	5,299,308
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	35,575,676		35,575,676	32,413,384
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	(215)		(215)	(1,593)
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.....	3,564,963	27,449	3,537,514	5,352,014
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.....	8,191,237		8,191,237	7,773,032
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	219,560,885	1,061,213	218,499,672	201,787,638
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	219,560,885	1,061,213	218,499,672	201,787,638

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.....			0	
2502.....			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).....	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	61,505,709	56,526,518
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	11,000,778	9,361,209
4. Commissions payable, contingent commissions and other similar charges.....	926,013	276,486
5. Other expenses (excluding taxes, licenses and fees).....	109,326	49,518
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	513,266	481,558
7.1 Current federal and foreign income taxes (including \$....(63,956) on realized capital gains (losses)).....	2,758,848	2,292,770
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 \$....84,597 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).....	66,249,119	59,763,764
10. Advance premium.....	1,259,881	1,120,908
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	24,685	17,989
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.....	6,249,872	6,805,940
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.....	543,934	562,504
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	151,141,431	137,259,164
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	151,141,431	137,259,164
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.....	19,400,000	19,400,000
35. Unassigned funds (surplus).....	46,458,241	43,628,474
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).....	67,358,241	64,528,474
38. TOTAL (Page 2, Line 28, Col. 3).....	218,499,672	201,787,638

DETAILS OF WRITE-INS

2501. STATE PLAN LIABILITY.....	531,763	460,196
2502. PREMIUM REFUND LIABILITY.....	10,719	
2503. ESCHEATABLE PROPERTY.....	1,452	102,308
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).....	543,934	562,504
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 HAWAII INSURANCE CORP.
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	197,952,832	178,623,520
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	118,575,442	109,186,541
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	18,373,086	16,521,895
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	40,215,078	36,100,768
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	177,163,606	161,809,204
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	20,789,226	16,814,316
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	2,817,837	2,409,455
10. Net realized capital gains (losses) less capital gains tax of \$....(78,471) (Exhibit of Capital Gains (Losses)).....	(145,732)	(11,290)
11. Net investment gain (loss) (Lines 9 + 10).....	2,672,105	2,398,165
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....176,704 amount charged off \$....1,906,355).....	(1,729,651)	(1,660,727)
13. Finance and service charges not included in premiums.....	3,944,628	3,837,659
14. Aggregate write-ins for miscellaneous income.....	111,832	32,050
15. Total other income (Lines 12 through 14).....	2,326,809	2,208,982
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	25,788,140	21,421,463
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).....	25,788,140	21,421,463
19. Federal and foreign income taxes incurred.....	9,056,126	7,397,167
20. Net income (Line 18 minus Line 19) (to Line 22).....	16,732,014	14,024,296
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	64,528,474	55,989,569
22. Net income (from Line 20).....	16,732,014	14,024,296
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(1,751).....	(6,587)	
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(1,846,088)	598,564
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(49,572)	(83,955)
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.....	(12,000,000)	(6,000,000)
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).....	2,829,767	8,538,905
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	67,358,241	64,528,474

DETAILS OF WRITE-INS

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. INTEREST INCOME ON INTERCOMPANY BALANCES.....	123,123	35,287
1402. MISCELLANEOUS OTHER INCOME	176	1,184
1403. INTEREST EXPENSE ON PREMIUM REFUNDS.....	(11,467)	(4,421)
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).....	111,832	32,050
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 HAWAII INSURANCE CORP.
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	200,971,707	180,926,067
2. Net investment income.....	4,147,976	3,867,251
3. Miscellaneous income.....	2,332,267	2,142,779
4. Total (Lines 1 through 3).....	207,451,950	186,936,097
5. Benefit and loss related payments.....	113,597,629	102,285,781
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	56,208,352	51,908,937
7. Commissions, expenses paid and aggregate write-ins for deductions.....	.....	.....
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$....(74,904) tax on capital gains (losses).....	8,511,577	6,939,376
10. Total (Lines 5 through 9).....	178,317,558	161,134,094
11. Net cash from operations (Line 4 minus Line 10).....	29,134,392	25,802,003
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	85,871,862	51,934,325
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.....	(3,523)	46
12.7 Miscellaneous proceeds.....	.....	7,342,845
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	85,868,339	59,277,216
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	92,458,203	79,106,702
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).....	92,458,203	79,106,702
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).....	(6,589,864)	(19,829,486)
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.....	12,000,000	6,000,000
16.6 Other cash provided (applied).....	(992,058)	14,170
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(12,992,058)	(5,985,830)
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).....	9,552,470	(13,313)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	4,986,976	5,000,289
19.2 End of year (Line 18 plus Line 19.1).....	14,539,446	4,986,976

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

20.0001
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PROGRESSIVE HAWAII INSURANCE CORP.
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.....	241,310	85,304	131,825	194,789
5. Commercial multiple peril.....	0		0	0
6. Mortgage guaranty.....	0		0	0
8. Ocean marine.....	0		0	0
9. Inland marine.....	4,379,796	1,951,845	2,088,546	4,243,095
10. Financial guaranty.....	0		0	0
11.1 Medical professional liability - occurrence.....	0		0	0
11.2 Medical professional liability - claims-made.....	0		0	0
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.....	1,254,714	541,534	598,894	1,197,354
17.2 Other liability - claims-made.....	0		0	0
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.....	94,872,261	23,137,344	24,397,494	93,612,111
19.3, 19.4 Commercial auto liability.....	34,565,419	14,350,691	17,381,790	31,534,320
21. Auto physical damage.....	69,124,687	19,697,047	21,650,570	67,171,164
22. Aircraft (all perils).....	0		0	0
23. Fidelity.....	0		0	0
24. Surety.....	0		0	0
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.....	204,438,187	59,763,765	66,249,119	197,952,833

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 HAWAII INSURANCE CORP.
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....	131,825				131,825
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	2,088,546				2,088,546
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....	598,894				598,894
17.2 Other liability - claims-made.....					0
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.....	24,397,494				24,397,494
19.3, 19.4 Commercial auto liability.....	17,381,790				17,381,790
21. Auto physical damage.....	21,650,570				21,650,570
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	66,249,119	0	0	0	66,249,119
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					66,249,119

DETAILS OF WRITE-INS

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

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

PROGRESSIVE HAWAII INSURANCE CORP.
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.....	241,310					241,310
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	4,379,796					4,379,796
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....	1,339,629				84,915	1,254,714
17.2 Other liability - claims-made.....						0
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.....	94,872,261					94,872,261
19.3, 19.4 Commercial auto liability.....	34,636,987				71,568	34,565,419
21. Auto physical damage.....	69,124,687					69,124,687
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	204,594,670	0	0	0	156,483	204,438,187

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.....	83,709			83,709	29,196	26,652	86,254	44.3
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.....	2,185,028			2,185,028	259,884	333,611	2,111,301	49.8
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	0		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.....				0	0		0	0.0
17.1 Other liability - occurrence.....	152,227			152,227	200,130	202,355	150,002	12.5
17.2 Other liability - claims-made.....				0	0		0	0.0
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.....	57,620,644		(5,978)	57,626,622	36,434,739	34,683,587	59,377,773	63.4
19.3, 19.4 Commercial auto liability.....	16,366,731			16,366,731	24,058,574	20,479,682	19,945,623	63.3
21. Auto physical damage.....	37,180,143		(1,790)	37,181,934	.523,186	.800,633	36,904,486	54.9
22. Aircraft (all perils).....				0	0		0	0.0
23. Fidelity.....				0	0		0	0.0
24. Surety.....				0	0		0	0.0
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			0	0		0	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.....	113,588,482	0	(7,768)	113,596,251	61,505,709	56,526,520	118,575,440	59.9
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

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				0				0	
2. Allied lines.....				0				0	
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	26,486			26,486	2,711			29,196	.4,384
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....	143,956			143,956	115,928			259,884	60,563
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a).	0
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a).	0
16. Workers' compensation.....				0				0	
17.1 Other liability - occurrence.....	78,585		25,000	53,585	212,756			200,130	28,380
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	29,144,823			29,144,823	7,289,916			36,434,739	6,809,503
19.3, 19.4 Commercial auto liability.....	20,418,088			20,418,088	3,681,945			24,058,574	3,581,089
21. Auto physical damage.....	2,711,596			2,711,596	(2,188,410)			523,186	516,859
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....				0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	52,523,533	0	25,000	52,498,533	9,114,845	0	0	107,669	61,505,709
									11,000,778

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 HAWAII INSURANCE CORP.
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.....	3,472,266			3,472,266
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	.47			.47
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	3,472,218	0	0	3,472,218
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		20,125,843		20,125,843
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....		23,352		23,352
2.4 Contingent - direct.....		903,602		903,602
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
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	21,006,093	0	21,006,093
3. Allowances to manager and agents.....		190,654		190,654
4. Advertising.....	1,613	2,671,336		2,672,949
5. Boards, bureaus and associations.....	43,802	38,769		82,571
6. Surveys and underwriting reports.....		1,192,991		1,192,991
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	10,052,682	8,234,782	96,782	18,384,245
8.2 Payroll taxes.....	718,866	585,419	3,008	1,307,292
9. Employee relations and welfare.....	1,675,788	1,187,050	3,677	2,866,515
10. Insurance.....	62,879	23,526		86,405
11. Directors' fees.....				0
12. Travel and travel items.....	481,860	145,269	405	627,534
13. Rent and rent items.....	520,474	322,857	2,301	845,632
14. Equipment.....	42,711	215,735		258,446
15. Cost or depreciation of EDP equipment and software.....	719,252	1,335,291	1,220	2,055,763
16. Printing and stationery.....	44,104	111,464	161	155,730
17. Postage, telephone and telegraph, exchange and express.....	523,969	1,128,349	760	1,653,078
18. Legal and auditing.....	24,674	161,651	9,366	195,691
19. Totals (Lines 3 to 18).....	14,912,672	17,545,144	117,679	32,575,495
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		1,397,810		1,397,810
20.2 Insurance department licenses and fees.....	378	100,723		101,101
20.3 Gross guaranty association assessments.....		300		300
20.4 All other (excluding federal and foreign income and real estate).....	2,660	9,563		12,223
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	3,038	1,508,397	0	1,511,435
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	(14,843)	155,445	18,681	159,282
25. Total expenses incurred.....	18,373,085	40,215,078	136,359	(a) 58,724,522
26. Less unpaid expenses - current year.....	11,000,778	1,547,037	1,567	12,549,382
27. Add unpaid expenses - prior year.....	9,361,209	806,795	767	10,168,771
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).....	16,733,517	39,474,835	135,559	56,343,911

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES.....	(14,843)	155,445	18,681	159,282
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).....	(14,843)	155,445	18,681	159,282

(a) Includes management fees of \$....32,394,110 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).....	115,162	297,265
1.1 Bonds exempt from U.S. tax.....	(a).....	1,811,410	1,747,925
1.2 Other bonds (unaffiliated).....	(a).....	784,862	737,698
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).....	43,825	171,308
7. Derivative instruments.....	(f).....		
8. Other invested assets.....			
9. Aggregate write-ins for investment income.....		0	0
10. Total gross investment income.....		2,755,259	2,954,196
11. Investment expenses.....			(g).....136,359
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).....			136,359
17. Net investment income (Line 10 minus Line 16).....			2,817,837

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 \$....15,345 accrual of discount less \$....1,543,621 amortization of premium and less \$....216,031 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 \$....88,770 accrual of discount less \$....30,669 amortization of premium and less \$....75,371 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.....	.....(206,800)		.....(206,800)		
1.1 Bonds exempt from U.S. tax.....	.....55,294		.....55,294		
1.2 Other bonds (unaffiliated).....	.....(69,174)		.....(69,174)	.....(8,338)	
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.....	.....(3,523)		.....(3,523)		
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).....	.....(224,203)	.....0	.....(224,203)	.....(8,338)	.....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

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):			0
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			0
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			0
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.....	1,033,764	953,569	(80,195)
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.....	.27,449	.57,286	29,837
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.....	0	.786	.786
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,061,213	1,011,641	(49,572)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	1,061,213	1,011,641	(49,572)

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. MISCELLANEOUS OTHER ASSETS.....		.786	.786
2502.....			0
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).....	0	.786	.786

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 Hawaii Insurance Corp. (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 #	2017	2016
NET INCOME					
(1) PROGRESSIVE HAWAII INSURANCE CORP. state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 16,732,014	\$ 14,024,296
(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	\$ 16,732,014	\$ 14,024,296
SURPLUS					
(5) PROGRESSIVE HAWAII INSURANCE CORP. state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 67,358,241	\$ 64,528,474
(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	\$ 67,358,241	\$ 64,528,474

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, 2017 and December 31, 2016.
- 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 Note 25).
- 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

1. The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.

2. Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment

Not applicable

3. The Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.

4. 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	\$
	2. 12 Months or Longer	\$ 61,774
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$
	2. 12 Months or Longer	\$ 5,016,759

NOTES TO FINANCIAL STATEMENTS

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. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

J. Real Estate

Not applicable

K. Low-Income Housing Tax Credits (LIHTC)

Not applicable

L. Restricted Assets

1 Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					6	7	8	9	Current Year		
	Current Year									Percentage		
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted (5 minus 8)	Total Admitted Restricted (5 minus 8)	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 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	1,702,373				1,702,373	1,705,239	(2,866)		1,702,373	0.8%	0.8%	
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	\$ 1,702,373	\$	\$	\$	\$ 1,702,373	\$ 1,705,239	\$ (2,866)	\$	\$ 1,702,373	0.8%	0.8%	

(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

NOTES TO FINANCIAL STATEMENTS

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)
Not applicable

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)
Not applicable

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements
Not applicable

M. Working Capital Finance Investments
Not applicable

N. Offsetting and Netting of Assets and Liabilities
Not applicable

O. Structured Notes
Not applicable

P. 5* Securities
Not applicable

Q. Short Sales
Not applicable

R. Prepayment Penalty and Acceleration Fees
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)

	2017			2016			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	\$ 3,568,933	\$ 15,389	\$ 3,584,322	\$ 5,415,129	\$ 22,730	\$ 5,437,859	\$ (1,846,196)	\$ (7,341)	\$ (1,853,537)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	3,568,933	15,389	3,584,322	5,415,129	22,730	5,437,859	(1,846,196)	(7,341)	(1,853,537)
d. Deferred tax assets nonadmitted	12,060	15,389	27,449	35,724	21,562	57,286	(23,664)	(6,173)	(29,837)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 3,556,873	\$	\$ 3,556,873	\$ 5,379,405	\$ 1,168	\$ 5,380,573	\$ (1,822,532)	\$ (1,168)	(1,823,700)
f. Deferred tax liabilities	19,359		19,359	27,391	1,168	28,559	(8,032)	(1,168)	(9,200)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 3,537,514	\$	\$ 3,537,514	\$ 5,352,014	\$	\$ 5,352,014	\$ (1,814,500)	\$	\$ (1,814,500)

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101

		2017			2016			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	\$ 3,537,514	\$ 3,537,514	\$ 5,264,204	\$ 5,264,204	\$ (1,726,690)	\$ (1,726,690)			
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:)			87,810		87,810	(87,810)		(87,810)	
Adjusted gross deferred tax assets expected to be realized following the balance sheet date			87,810		87,810	(87,810)		(87,810)	
Adjusted gross deferred tax assets allowed per limitation threshold		9,573,109			8,876,469				696,640
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	19,359	19,359	27,391	1,168	28,559	(8,032)	(1,168)	(9,200)	
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 3,556,873	\$ 3,556,873	\$ 5,379,405	\$ 1,168	\$ 5,380,573	\$ (1,822,532)	\$ (1,168)	\$ (1,823,700)	

3. Other Admissibility Criteria

		2017	2016
a. Ratio percentage used to determine recovery period and threshold limitation amount		1,403.6%	1,530.6%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 63,820,727	\$ 59,176,460	

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.

	12/31/2017		12/31/2016		Change	
	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)	\$ 3,568,933	\$ 15,389	\$ 5,415,129	\$ 22,730	\$ (1,846,196)	\$ (7,341)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	100.0%	0 %	95.0%	0 %	5.0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 3,556,873	\$ 5,379,405	\$ 1,168	\$ (1,822,532)	\$ (1,168)	
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

NOTES TO FINANCIAL STATEMENTS**B. Deferred Tax Liabilities Not Recognized**

Not applicable

C. Current and Deferred Income Taxes**1. Current Income Tax**

	1 2017	2 2016	3 (Col 1-2) Change
a. Federal	\$ 9,056,126	\$ 7,397,167	\$ 1,658,959
b. Foreign			
c. Subtotal	\$ 9,056,126	\$ 7,397,167	\$ 1,658,959
d. Federal income tax on net capital gains	(78,471)	204,237	(282,708)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ 8,977,655	\$ 7,601,404	\$ 1,376,251

2. Deferred Tax Assets

	1 2017	2 2016	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 418,356	\$ 656,765	\$ (238,409)
2. Unearned premium reserve	2,816,295	4,234,206	(1,417,911)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	217,090	333,749	(116,659)
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <5% of total ordinary tax assets)	9,828	13,380	(3,552)
Other (items >=5% of total ordinary tax assets)			
14. Bad debt reserve	107,364	177,029	(69,665)
15.			
16.			
17.			
99. Subtotal	\$ 3,568,933	\$ 5,415,129	\$ (1,846,196)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	12,060	35,724	(23,664)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	3,556,873	5,379,405	(1,822,532)
e. Capital:			
1. Investments	15,389	22,730	(7,341)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <5% of total capital tax assets)			
Other (items >=5% of total capital tax assets)			
5.			
6.			
7.			
8.			
99. Subtotal	\$ 15,389	\$ 22,730	\$ (7,341)
f. Statutory valuation allowance adjustment			
g. Nonadmitted	15,389	21,562	(6,173)
h. Admitted capital deferred tax assets (2e99-2f-2g)		1,168	(1,168)
i. Admitted deferred tax assets (2d+2h)	\$ 3,556,873	\$ 5,380,573	\$ (1,823,700)

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities

	1 2017	2 2016	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 1,961	\$	\$ 1,961
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <5% of total ordinary tax liabilities)		1	(1)
Other (items >=5% of total ordinary tax liabilities)			
6. Prepaid expenses		275	(275)
7. Salvage and subrogation	17,398	27,115	(9,717)
8.			
9.			
99. Subtotal	\$ 19,359	\$ 27,391	\$ (8,032)
b. Capital:			
1. Investments		1,168	(1,168)
2. Real estate			
3. Other (items <5% of total capital tax liabilities)			
Other (items >=5% of total capital tax liabilities)			
4.			
5.			
6.			
7.			
99. Subtotal	\$	\$ 1,168	\$ (1,168)
c. Deferred tax liabilities (3a99+3b99)	\$ 19,359	\$ 28,559	\$ (9,200)
4. Net Deferred Tax Assets (2i – 3c)	\$ 3,537,514	\$ 5,352,014	\$ (1,814,500)

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

Description	December 31, 2017	December 31, 2016	Change
Total deferred tax assets	\$ 3,584,322	\$ 5,437,859	\$ (1,853,537)
Total deferred tax liabilities	19,359	28,559	(9,200)
Net deferred tax asset (liability)	\$ 3,564,963	\$ 5,409,300	\$ (1,844,337)
Tax effect of unrealized gains (losses)			1,751
Change in net deferred income tax			\$ (1,846,088)

On December 22, 2017, legislation commonly known as the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), was signed into law and is generally effective beginning January 1, 2018. The Tax Act reduces the corporate federal income tax rate from 35% to 21%. As of December 31, 2017, we were required to revalue all our deferred tax assets and liabilities using the new rate. The effects of this change are reflected in the change in deferred income taxes, except for the portion related to deferred taxes on unrealized gains and losses, which is reflected in the change in unrealized gains and losses. The total decrease in the deferred tax asset as a result of the tax rate change was \$2,376,642.

The Tax Act makes several changes to the loss discounting rules that insurance companies must apply to their loss and loss adjustment expense reserves for tax purposes. Under pre-Tax Act law, the discounting is based on an interest rate determined by the Internal Revenue Service (IRS) and by loss payment patterns either published by the IRS or based on the company's own loss payment experience. In general, the Tax Act increases the interest rates, extends the loss payment patterns, and no longer allows companies to use their own loss payment experience. These new rules must be applied to the year-end 2017 loss reserves and the resulting increase in the discount must be brought into taxable income ratably over the next eight years beginning in 2018. The IRS has not yet published the interest rate or the loss payment pattern that must be applied to make this determination. Based on the uncertainty surrounding the payment patterns and the interest rates, we were not able to estimate the magnitude that this change would have on our year-end reserves and, therefore, have not reflected any adjustments to deferred taxes for 2017. However, we believe that if we could calculate the adjustment, there would be no net impact to deferred taxes since the adjustment would result in an increase to the gross deferred tax asset associated with loss reserves that would be fully offset by a gross deferred tax liability for the tax to be paid over the eight-year transition period.

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	\$ 8,998,385	35%
Impact of tax rate change	2,375,475	9%
Exempt interest income	(521,208)	-2%
Impact of nonadmitted assets	(27,793)	0%
Other	(1,116)	0%
Total	\$ 10,823,743	42%
Federal and foreign income taxes incurred	\$ 8,977,655	
Change in net deferred income tax	1,846,088	
Total statutory income taxes	\$ 10,823,743	

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

- During the reporting period, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

NOTES TO FINANCIAL STATEMENTS

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Period	Amount
Current tax year:	\$ 8,977,378
First preceding tax year:	\$ 7,612,400

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 Drive Insurance Holdings, Inc. ("DIH"), a holding company incorporated in Delaware. The structure of the holding company organization is shown on Schedule Y, Part 1.

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

All significant 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 \$8,191,237 and \$7,773,032 receivable from parent, subsidiaries, and affiliates at December 31, 2017 and 2016, 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 management agreements in which the Company participates. The Company also reported a \$2,758,848 and \$2,292,770 current Federal income tax payable at December 31, 2017 and 2016, 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 Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. 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.

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 administrating 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 DIH.

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Write-Downs for Impairment of Investments in Affiliates

Not applicable

K. Investment in Foreign Insurance Subsidiary

Not applicable

L. Investment in Downstream Non-Insurance Holding Company

Not applicable

NOTES TO FINANCIAL STATEMENTS

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 1,500 shares of \$1,000 par value common stock authorized and 1,500 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3,4,5,6. Dividends

The maximum amount of dividends the Company can pay to DIH in 2018 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 \$16,732,014 in 2018 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.

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

The Company paid dividends to DIH as follows:

Date Paid	Amount Paid	Dividend Type
December 12, 2017	\$ 12,000,000	Ordinary
December 12, 2016	\$ 6,000,000	Ordinary

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purposes

Not applicable

9. Changes in Special Surplus Funds

Not applicable

10. The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$(8,338)

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, 2017 and 2016, the Company's estimated liability for state guaranty fund and other assessments was \$65,710 and \$59,717, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

C. Gain Contingencies

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

Not applicable

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.

All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and loss adjustment expense ("LAE") reserves. The Company also has potential exposure relating to lawsuits due to its participation in the management agreement for which it is allocated litigation expenses (see Note 10.F).

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

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 administrating 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 \$243,185 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.

Fair Value Measurements at the reporting date:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Bonds industrial & miscellaneous	\$	\$ 2,231,600	\$	\$ 2,231,600
Common stock industrial & miscellaneous				
Preferred stock industrial & miscellaneous				

The Company does not have any liabilities measured at fair value on the balance sheet.

2. Roll forward of Level 3 Items

Not applicable

NOTES TO FINANCIAL STATEMENTS

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	\$ 148,562,530	\$ 149,170,356	\$ 47,951,455	\$ 100,611,075	\$	\$
Cash equivalents	4,899,646	4,899,646	4,899,646			
Common stock						
Preferred stock						
Short-term investments	9,629,003	9,639,800		9,629,003		

D. Not Practicable to Estimate Fair Value

Not applicable

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

NOTES TO FINANCIAL STATEMENTS**Note 22 – Events Subsequent**

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 14, 2018 for the statutory statement that was available for issuance by March 1, 2018.

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:

Not applicable

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded

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

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All Other			85,000	13,000	(85,000)	(13,000)
c. Total	\$	\$	\$ 85,000	\$ 13,000	\$ (85,000)	\$ (13,000)
d. Direct Unearned Premium Reserves			\$ 66,334,000			

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

A. Change in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years increased by \$4,063,577 in 2017, which is 6.2% of the total prior year net unpaid losses and LAE of \$65,887,727. The unfavorable development is primarily due to private passenger auto liability originally anticipated severity increasing by 3.0% for accident year 2016 and commercial auto liability originally anticipated severity increasing by 14.9% for accident year 2016. LAE reserves developed unfavorably in total. Defense cost containment reserves developed favorably, while adjusting and other expense reserves developed unfavorably primarily from accident years 2015 and 2016.

B. Information about Significant Changes in Methodologies and Assumptions

Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 26 – Intercompany Pooling Arrangements**

Effective November 5, 2005, the Company elected to terminate its future participation 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. The Company has a zero percent retrocession participation in the Agency Pool for all policies written prior to November 5, 2005.

National Continental Insurance Company ("National Continental"), an insurance affiliate domiciled in New York, terminated their future participation in the Agency Pool effective January 1, 1996. National Continental has zero percent retrocession participation in the Agency Pool for all policies written prior to that date.

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

Company	NAIC Code	2017 Pool %	2016 Pool %
Progressive Casualty Insurance Company (Lead)	24260	49.0%	49.0%
Progressive Northern Insurance Company	38628	12.0	12.0
Progressive Northwestern Insurance Company	42919	12.0	12.0
Progressive Specialty Insurance Company	32786	7.0	7.0
Progressive Preferred Insurance Company	37834	6.0	6.0
Progressive Michigan Insurance Company	10187	4.0	4.0
Progressive Classic Insurance Company	42994	3.0	3.0
Progressive American Insurance Company	24252	2.0	2.0
Progressive Gulf Insurance Company	42412	2.0	2.0
Progressive Bayside Insurance Company	17350	1.0	1.0
Progressive Mountain Insurance Company	35190	1.0	1.0
Progressive Southeastern Insurance Company	38784	1.0	1.0
Progressive Hawaii Insurance Corp.	10067	--	--
National Continental Insurance Company	10243	--	--
		100.0%	100.0%

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

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

	Amounts Recoverable	Amounts Payable
Progressive Casualty Insurance Company (Lead)	\$ 56,939,956	\$ 63,435,785
Progressive Northern Insurance Company	8,250,602	9,623,761
Progressive Northwestern Insurance Company	10,878,803	9,623,761
Progressive Specialty Insurance Company	6,233,519	5,613,861
Progressive Preferred Insurance Company	8,630,257	4,811,881
Progressive Michigan Insurance Company	5,548,492	3,207,920
Progressive Classic Insurance Company	3,107,545	2,405,939
Progressive American Insurance Company	9,156,649	12,442,988
Progressive Gulf Insurance Company	3,401,558	1,603,961
Progressive Bayside Insurance Company	713,821	1,097,940
Progressive Mountain Insurance Company	4,036,603	3,548,095
Progressive Southeastern Insurance Company	3,472,702	2,959,635
Progressive Hawaii Insurance Corp.	--	215
National Continental Insurance Company	5,234	--
Total	\$ 120,375,741	\$ 120,375,741

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 30 – Premium Deficiency Reserves

1.	Liability carried for premium deficiency reserve:	\$0
2.	Date of most recent evaluation of this liability:	December 31, 2017
3.	Was anticipated investment income utilized in the calculation?	Yes [X] No []

Note 31 – High Deductibles

Not applicable

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

Not applicable

Note 33 – Asbestos/Environmental Reserves

Not applicable

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****GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []

1.3 State regulating? OHIO

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/06/2013

3.4 By what department or departments? OHIO

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2 NAIC Company Code	3 State of Domicile
Name of Entity		

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PRICEWATERHOUSECOOPERS, LLP 200 PUBLIC SQUARE, 18TH FLOOR CLEVELAND, OH 44114-2301

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
GARY S. TRAICOFF, 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 [X]
 12.11 Name of real estate holding company _____
 12.12 Number of parcels involved _____ 0
 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 [X] No []
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

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 [X] No []
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).

THE COMPANY'S MANAGEMENT APPROVED CHANGES TO OUR CHIEF EXECUTIVE OFFICER/SENIOR FINANCIAL OFFICERS CODE OF ETHICS, EFFECTIVE MARCH 1, 2017. SIGNIFICANT CHANGES TO THE CODE INCLUDED THE FOLLOWING: PROVISIONS WERE ADDED TO CLARIFY THAT A "COVERED EXECUTIVE" AND HIS OR HER FAMILY MAY OWN MORE THAN 2% OF THE OUTSTANDING SECURITIES OF A PUBLIC COMPANY THAT IS A SUPPLIER TO OR COMPETES WITH THE COMPANY, OR THEY MAY OWN AN INTEREST IN A PRIVATE COMPANY THAT IS A SUPPLIER TO OR COMPETES WITH THE COMPANY, IN EACH CASE WITH APPROPRIATE NOTICES TO THE COMPANY AND RECEIPT OF APPROVAL. THE REQUIREMENTS THAT MUST BE SATISFIED BEFORE A COVERED EXECUTIVE CAN TAKE A DIRECTOR POSITION OR OTHER SPECIFIED ADVISORY POSITIONS WITH A SUPPLIER OR WITH A COMPETITOR WERE ALSO AMENDED. THESE PROVISIONS REQUIRE NON-EXECUTIVE OFFICERS TO PROVIDE PRIOR NOTICE AND CERTAIN DISCLOSURES TO THE COMPANY AND RECEIVE APPROPRIATE APPROVALS BEFORE TAKING A BOARD POSITION WITH A COMPANY THAT DOES BUSINESS WITH PROGRESSIVE. EXECUTIVE OFFICERS HAVE SIMILAR DISCLOSURE REQUIREMENTS, ALTHOUGH A POSITION WOULD ONLY REQUIRE APPROVAL OF OUR BOARD OF DIRECTORS IF THE VOLUME OF BUSINESS BETWEEN THE COMPANIES EXCEEDS SPECIFIED ANNUAL DOLLAR LIMITS. IF THERE IS POTENTIAL OR ACTUAL COMPETITION BETWEEN THE COMPANIES, OR IF THE SITUATION IS NOT OTHERWISE EXPLICITLY COVERED, THERE ARE EXPLICIT EXCLUSIONS FROM THE APPROVAL REQUIREMENTS IF THE BUSINESS RELATIONSHIP WITH THE OTHER COMPANY SOLELY INVOLVES PAYMENTS ARISING FROM THE ADMINISTRATION OF INSURANCE CLAIMS IN THE ORDINARY COURSE OF OUR BUSINESSES. ANY APPROVAL GIVEN BY THE BOARD OF DIRECTORS IN SUCH CIRCUMSTANCES WOULD BE REVIEWED ON AN ANNUAL BASIS. THE COVERED EXECUTIVE IS REQUIRED TO UPDATE THE PREVIOUSLY DISCLOSED INFORMATION AS NECESSARY, AND THE BOARD MAY WITHDRAW ITS PREVIOUSLY GIVEN APPROVAL AT ANY TIME.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 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 [X]
 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 [X] 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 [X] 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 [X] 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 [X]
 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 reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others _____ \$ 0
 21.22 Borrowed from others _____ \$ 0

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

21.23	Leased from others	\$	0
21.24	Other	\$	0
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?	Yes []	No [X]
22.2	If answer is yes:		
22.21	Amount paid as losses or risk adjustment	\$	0
22.22	Amount paid as expenses	\$	0
22.23	Other amounts paid	\$	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [X]	No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$	0
INVESTMENT			
24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?	Yes [X]	No []
24.02	If no, give full and complete information, relating thereto:		
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).	N/A	
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	Yes []	No []
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$	0
24.06	If answer to 24.04 is no, report amount of collateral for other programs	\$	0
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes []	No []
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes []	No []
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 []
24.10	For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:	Yes []	No []
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	\$	1,702,373
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 []
26.2	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:	\$	0
28.	Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC <i>Financial Condition Examiners Handbook</i> ?	Yes [X]	No []
28.01	For agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , 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 <i>Financial Condition Examiners Handbook</i> , 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]

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 163,709,801	\$ 163,091,179	\$ (618,622)
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 163,709,801	\$ 163,091,179	\$ (618,622)

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, INDEPENDENT BROKER/DEALER QUOTATIONS, INDEPENDENT BROKER/DEALER PRICING SERVICES, OR ACTIVE MARKET CLOSING QUOTATIONS FROM A REGULATED EXCHANGE. IN VERY RARE CASES, IF NONE OF THE AFOREMENTIONED PRIMARY SOURCES ARE AVAILABLE, MATRIX PRICING USING THE REPORTING ENTITY'S OWN MARKET BASED ASSUMPTIONS MAY BE UTILIZED. THE APPROVED METHODS FOR COMPUTATION OF FAIR MARKET VALUE ARE PRESCRIBED IN PART FIVE OF THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [] No [X]

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 [X] No []

32.2 If no, list exceptions:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities?

Yes [] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 11,033

34.2 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	\$ 11,033

35.1 Amount of payments for legal expenses, if any?

\$ 0

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

35.2 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	\$

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

36.2 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	\$ 197,952,832	\$ 178,623,520
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ 0	\$ 0
2.5	Reserve Denominator	\$ 138,755,606	\$ 125,651,492
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%
3.1	Does the reporting entity issue both participating and non-participating policies?	Yes []	No [X]
3.2	If yes, state the amount of calendar year premiums written on:		
3.21	Participating policies	\$ 0	
3.22	Non-participating policies	\$ 0	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?	Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes []	No []
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes []	No []
5.22	As a direct expense of the exchange	Yes []	N/A []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes []	No []
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?		
	<u>THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.</u>		
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:		
	<u>THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. OVER 98% OF THE COMPANY'S TOTAL EXPOSURES ARE IN THE STATE OF TENNESSEE. THE ESTIMATE OF THE PML IS 11% OF THE TOTAL SURPLUS. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS AUTO COMPREHENSIVE.</u>		
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?		
	<u>THE CATASTROPHE EXPOSURE IS 11% OF THE SURPLUS. THE COMPANY DOES NOT CARRY ANY EXTERNAL CATASTROPHE REINSURANCE TO COVER THEIR CATASTROPHE EXPOSURE.</u>		
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes []	No [X]
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:		

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**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]
0

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. Yes [] No []

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: Yes [] No [X]

- (a) A contract term longer than two years and the contract is noncancelable 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?

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: Yes [] No [X]

- (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.

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: Yes [] No [X]

- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: Yes [] No [X]

- (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?

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. Yes [] No [X]

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: Yes [] No [X]

- (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.

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 [] No [] N/A [X]

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: \$ 0

- 12.11 Unpaid losses \$ 0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 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]

12.6 If yes, state the amount thereof at December 31 of current year: \$ 0

- 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): \$ 3,600,000

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

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.		0			
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 2017	2 2016	3 2015	4 2014	5 2013
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).....	130,848,877	118,692,855	106,863,820	94,926,564	82,778,455
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	73,504,483	66,411,627	57,737,783	52,276,808	47,332,705
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	241,310	149,795	69,305		
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	204,594,670	185,254,277	164,670,908	147,203,372	130,111,160
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).....	130,692,394	118,564,268	106,790,562	94,843,604	82,741,750
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	73,504,483	66,411,627	57,737,783	52,276,808	47,332,705
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	241,310	149,795	69,305		
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	204,438,187	185,125,690	164,597,650	147,120,412	130,074,455
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	20,789,226	16,814,316	15,583,716	28,253,011	13,098,100
14. Net investment gain (loss) (Line 11).....	2,672,105	2,398,165	2,406,950	2,314,284	2,660,011
15. Total other income (Line 15).....	2,326,809	2,208,982	1,350,184	1,010,512	413,243
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	9,056,126	7,397,167	6,639,436	10,511,022	5,159,472
18. Net income (Line 20).....	16,732,014	14,024,296	12,701,414	21,066,785	11,011,882
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	218,499,672	201,787,638	175,790,348	155,016,904	147,546,696
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	5,663,512	5,299,308	4,694,176	3,997,049	3,743,184
20.2 Deferred and not yet due (Line 15.2).....	35,575,676	32,413,384	28,562,727	23,826,895	21,423,481
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	151,141,431	137,259,164	119,800,779	103,490,850	103,516,221
22. Losses (Page 3, Line 1).....	61,505,709	56,526,518	49,626,489	42,597,088	48,268,386
23. Loss adjustment expenses (Page 3, Line 3).....	11,000,778	9,361,209	8,533,572	7,623,012	7,421,612
24. Unearned premiums (Page 3, Line 9).....	66,249,119	59,763,764	53,261,593	45,649,217	41,851,995
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).....	67,358,241	64,528,474	55,989,569	51,526,054	44,030,475
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	29,134,392	25,802,003	24,042,831	19,836,971	18,215,631
Risk-Based Capital Analysis					
28. Total adjusted capital.....	67,358,241	64,528,474	55,989,569	51,526,054	44,030,475
29. Authorized control level risk-based capital.....	4,546,977	3,866,128	4,158,334	3,821,757	4,719,928
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).....	91.1	96.7	90.6	98.5	99.7
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).....	8.9	3.3	3.8	1.5	0.3
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....			5.6	0.0	
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 HAWAII INSURANCE CORP.
FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(6,587)				
52. Dividends to stockholders (Line 35).....	(12,000,000)	(6,000,000)	(9,000,000)	(13,500,000)	(8,300,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	2,829,767	8,538,905	4,463,515	7,495,579	2,684,758
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).....	74,139,602	64,513,776	52,360,412	52,538,970	44,780,151
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	39,365,172	37,755,744	34,699,982	26,559,069	26,041,568
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	83,709	1,880	999		
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	113,588,482	102,271,400	87,061,393	79,098,039	70,821,719
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).....	74,145,580	64,527,215	52,371,937	52,545,622	44,791,660
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	39,366,962	37,757,417	34,699,763	26,560,800	26,043,168
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	83,709	1,880	999		
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	113,596,251	102,286,512	87,072,699	79,106,422	70,834,828
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).....	59.9	61.1	59.9	51.2	59.8
68. Loss expenses incurred (Line 3).....	9.3	9.3	9.5	8.8	9.3
69. Other underwriting expenses incurred (Line 4).....	20.3	20.2	20.6	20.3	20.6
70. Net underwriting gain (loss) (Line 8).....	10.5	9.4	9.9	19.7	10.3
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).....	18.5	18.3	18.8	19.1	19.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	69.2	70.4	69.5	60.0	69.1
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).....	303.5	286.9	294.0	285.5	295.4
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).....	3,854	(258)	(4,614)	(5,691)	(1,977)
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).....	6.0	(0.5)	(9.0)	(12.9)	(4.8)
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).....	(1,241)	(7,458)	(7,802)	(7,794)	(1,366)
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).....	(2.2)	(14.5)	(17.7)	(18.9)	(3.6)

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

Yes No

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	(4).....	.....1	.....	.....	.....	.....	4.....	(3).....	XXX.....
2. 2008.....	90,957.....	.....	90,957.....	47,894.....	.....1,336	.....	7,347.....	.....	.....	3,432.....	56,577.....	XXX.....
3. 2009.....	91,617.....	.....	91,617.....	48,252.....	.....980	.....	7,226.....	.....	.....	4,096.....	56,457.....	XXX.....
4. 2010.....	95,876.....	6.....	95,870.....	56,328.....	.....1,606	.....	8,130.....	.....	.....	4,952.....	66,064.....	XXX.....
5. 2011.....	102,266.....	10.....	102,256.....	66,549.....	.....1,636	.....	9,169.....	.....	.....	5,101.....	77,354.....	XXX.....
6. 2012.....	114,911.....	17.....	114,894.....	69,272.....	.....1,534	.....	9,337.....	.....	.....	5,883.....	80,142.....	XXX.....
7. 2013.....	127,461.....	38.....	127,424.....	74,577.....	.....1,538	.....	9,707.....	.....	.....	6,110.....	85,822.....	XXX.....
8. 2014.....	143,378.....	55.....	143,323.....	74,052.....	.....1,366	.....	11,084.....	.....	.....	6,385.....	86,502.....	XXX.....
9. 2015.....	157,059.....	73.....	156,985.....	94,174.....	.....1,302	.....	12,774.....	.....	.....	7,857.....	108,250.....	XXX.....
10. 2016.....	178,734.....	110.....	178,624.....	100,945.....	.....571	.....	13,733.....	.....	.....	8,239.....	115,250.....	XXX.....
11. 2017.....	198,089.....	136.....	197,953.....	75,958.....	.....142	.....	12,048.....	.....	.....	5,225.....	88,148.....	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	707,996.....	0.....	12,013.....	0.....	100,555.....	0.....	57,284.....	820,564.....	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	Direct and Assumed	Ceded			
1. Prior.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.....	XXX.....
2. 2008.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.....	XXX.....
3. 2009.....	0.....	.....	.....	.....	(0).....	.....	.....	.....	.....	.....	.....	0.....	XXX.....
4. 2010.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.....	XXX.....
5. 2011.....	179.....	.....	.....	.....	50.....	.....	.....	.....	.....	13.....	.....	242.....	XXX.....
6. 2012.....	164.....	.....	.....	.....	37.....	.....	.....	.....	.....	15.....	.....	216.....	XXX.....
7. 2013.....	397.....	.....	.....	.....	67.....	.....	.....	.....	.....	17.....	.....	481.....	XXX.....
8. 2014.....	2,122.....	.....	93.....	.1.....	380.....	.....	.89.....	.....	.....	105.....	.....	2,788.....	XXX.....
9. 2015.....	6,204.....	.....	340.....	.6.....	1,076.....	.....	153.....	0.....	.....	.294.....	.....	8,062.....	XXX.....
10. 2016.....	12,114.....	.....	1,280.....	.27.....	1,611.....	.....	265.....	0.....	.....	.737.....	.....	15,980.....	XXX.....
11. 2017.....	31,343.....	.25.....	7,401.....	.73.....	2,496.....	1.....	540.....	1.....	.....	3,058.....	.....	44,737.....	XXX.....
12. Totals.....	52,524.....	.25.....	9,115.....	.108.....	5,718.....	1.....	1,047.....	1.....	.....	4,239.....	0.....	5,192.....	72,506.....

	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
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	.....	.....	XXX.....	0.....	0.....
2. 2008.....	56,577.....	0.....	56,577.....	62.2.....	0.0.....	62.2.....	.....	.....	.....	0.....	0.....
3. 2009.....	56,458.....	0.....	56,458.....	61.6.....	0.0.....	61.6.....	.....	.....	.....	0.....	(0).....
4. 2010.....	66,064.....	0.....	66,064.....	68.9.....	0.0.....	68.9.....	.....	.....	.....	0.....	0.....
5. 2011.....	77,596.....	0.....	77,596.....	75.9.....	0.0.....	75.9.....	.....	.....	.....	179.....	.63.....
6. 2012.....	80,358.....	0.....	80,358.....	69.9.....	0.0.....	69.9.....	.....	.....	.....	164.....	.52.....
7. 2013.....	86,303.....	0.....	86,303.....	67.7.....	0.0.....	67.7.....	.....	.....	.....	397.....	.84.....
8. 2014.....	89,291.....	.1.....	89,289.....	62.3.....	.26.....	62.3.....	.....	.....	.....	2,214.....	.574.....
9. 2015.....	116,318.....	.6.....	116,312.....	74.1.....	.78.....	74.1.....	.....	.....	.....	6,539.....	1,524.....
10. 2016.....	131,258.....	.28.....	131,230.....	73.4.....	.25.1.....	73.5.....	.....	.....	.....	13,367.....	2,613.....
11. 2017.....	132,985.....	.100.....	132,885.....	67.1.....	.73.6.....	.67.1.....	.....	.....	.....	38,646.....	6,091.....
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	61,506.....	11,001.....

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 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	11 One Year	12 Two Year
1. Prior....	9,206	7,265	6,849	6,194	6,155	6,022	5,976	5,970	5,871	5,868	(3)	(102)
2. 2008....	49,437	52,045	51,163	49,594	49,203	49,292	49,267	49,257	49,246	49,230	(16)	(27)
3. 2009....	XXX....	51,326	50,521	50,314	49,741	49,334	49,224	49,217	49,247	49,232	(15)	15
4. 2010....	XXX....	XXX....	62,971	60,708	62,806	59,985	58,408	58,340	57,937	57,934	(2)	(405)
5. 2011....	XXX....	XXX....	XXX....	69,424	70,377	70,235	68,957	68,555	68,410	68,415	5	(140)
6. 2012....	XXX....	XXX....	XXX....	XXX....	73,185	74,623	71,841	71,258	71,166	71,007	(159)	(251)
7. 2013....	XXX....	XXX....	XXX....	XXX....	XXX....	80,025	80,151	79,118	77,245	76,580	(665)	(2,538)
8. 2014....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	80,792	78,289	78,036	78,100	64	(188)
9. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	100,848	103,435	103,244	(191)	2,396
10. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	111,923	116,760	4,837	XXX....
11. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	117,779	XXX....	XXX....
										12. Totals....	3,854	(1,241)

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017		
1. Prior....	000....	4,022	5,298	5,756	5,992	5,891	5,868	5,864	5,871	5,868	XXX....	XXX....
2. 2008....	32,589	42,714	46,909	48,680	49,041	49,236	49,267	49,257	49,246	49,230	XXX....	XXX....
3. 2009....	XXX....	33,526	43,199	47,194	48,456	49,146	49,167	49,188	49,218	49,232	XXX....	XXX....
4. 2010....	XXX....	XXX....	39,069	49,257	53,926	56,054	57,042	57,151	57,937	57,934	XXX....	XXX....
5. 2011....	XXX....	XXX....	XXX....	47,810	60,074	64,850	66,376	67,960	68,186	68,185	XXX....	XXX....
6. 2012....	XXX....	XXX....	XXX....	XXX....	47,145	63,627	67,994	69,672	70,625	70,806	XXX....	XXX....
7. 2013....	XXX....	XXX....	XXX....	XXX....	XXX....	48,311	69,076	72,843	75,489	76,116	XXX....	XXX....
8. 2014....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	52,936	69,046	72,815	75,417	XXX....	XXX....
9. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	65,418	88,119	95,476	XXX....	XXX....
10. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	72,904	101,517	XXX....	XXX....
11. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	76,100	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 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017
1. Prior....	1,135	334	160	0	0		3			
2. 2008....	4,233	1,162	490	215	0		1			
3. 2009....	XXX....	3,806	1,156	471	208	3				
4. 2010....	XXX....	XXX....	3,421	1,006	488	197				
5. 2011....	XXX....	XXX....	XXX....	3,619	1,125	526	184			
6. 2012....	XXX....	XXX....	XXX....	XXX....	4,890	1,383	446	200		
7. 2013....	XXX....	XXX....	XXX....	XXX....	XXX....	6,173	1,408	417	215	
8. 2014....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	5,830	1,382	487	180
9. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	6,020	1,517	488
10. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	6,747	1,518
11. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	7,866

PROGRESSIVE HAWAII INSURANCE CORP.
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL ..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 ..N.								
12. Hawaii.....	HI ..L.	1,431,701	1,552,754		601,411	608,855	353,071	13,563	
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 ..N.								
24. Minnesota.....	MN ..N.								
25. Mississippi.....	MS ..N.								
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.				(2,298)	(2,298)			
37. Oklahoma.....	OK ..N.								
38. Oregon.....	OR ..N.								
39. Pennsylvania.....	PA ..N.								
40. Rhode Island.....	RI ..N.								
41. South Carolina.....	SC ..N.								
42. South Dakota.....	SD ..N.								
43. Tennessee.....	TN ..L.	203,162,969	196,535,970		112,989,370	118,010,852	61,285,307	3,931,065	
44. Texas.....	TX ..N.								
45. Utah.....	UT ..N.								
46. Vermont.....	VT ..N.								
47. Virginia.....	VA ..N.								
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) ..3	204,594,670	198,088,724	0	113,588,483	118,617,409	61,638,378	3,944,628	0

DETAILS OF WRITE-INS

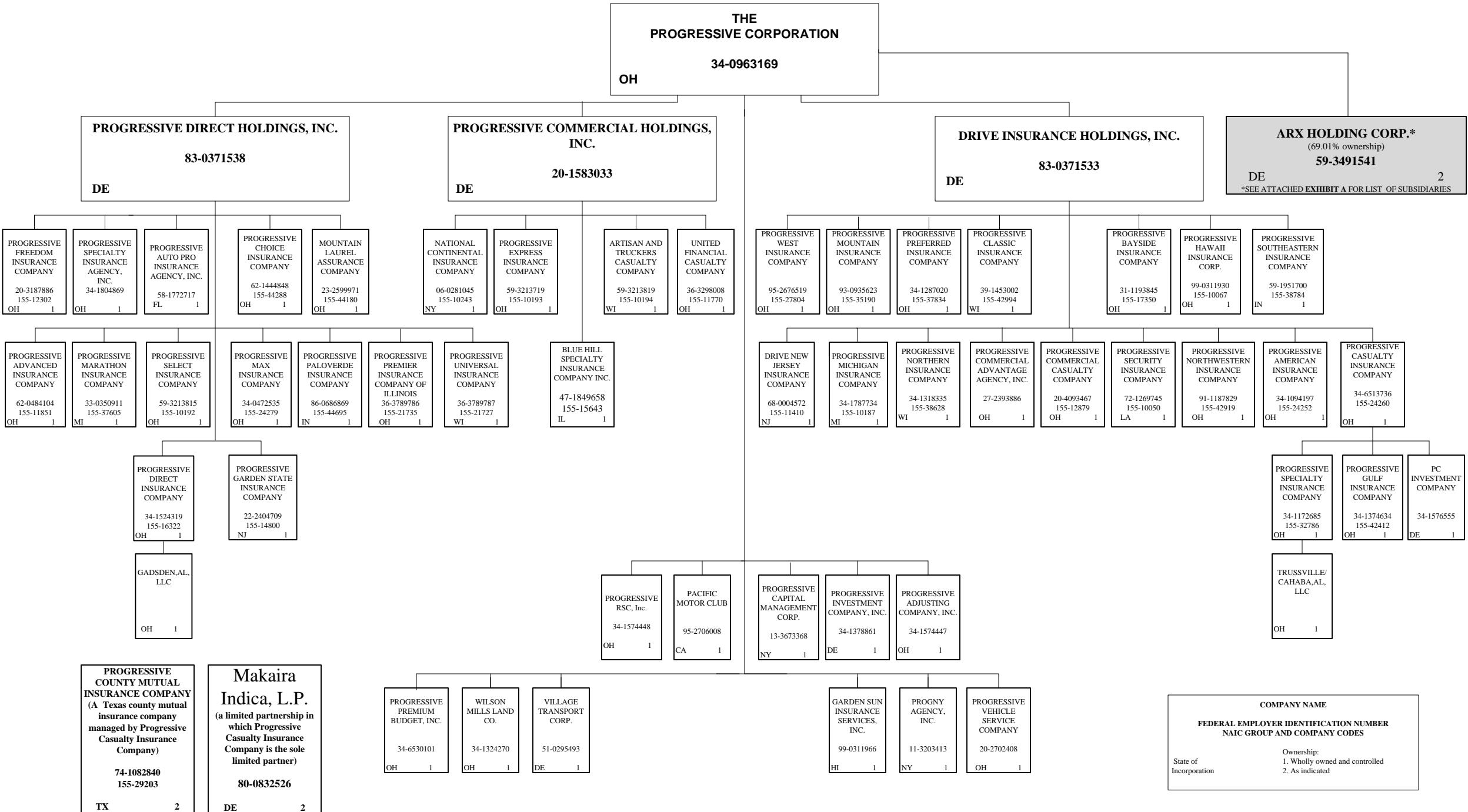
58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

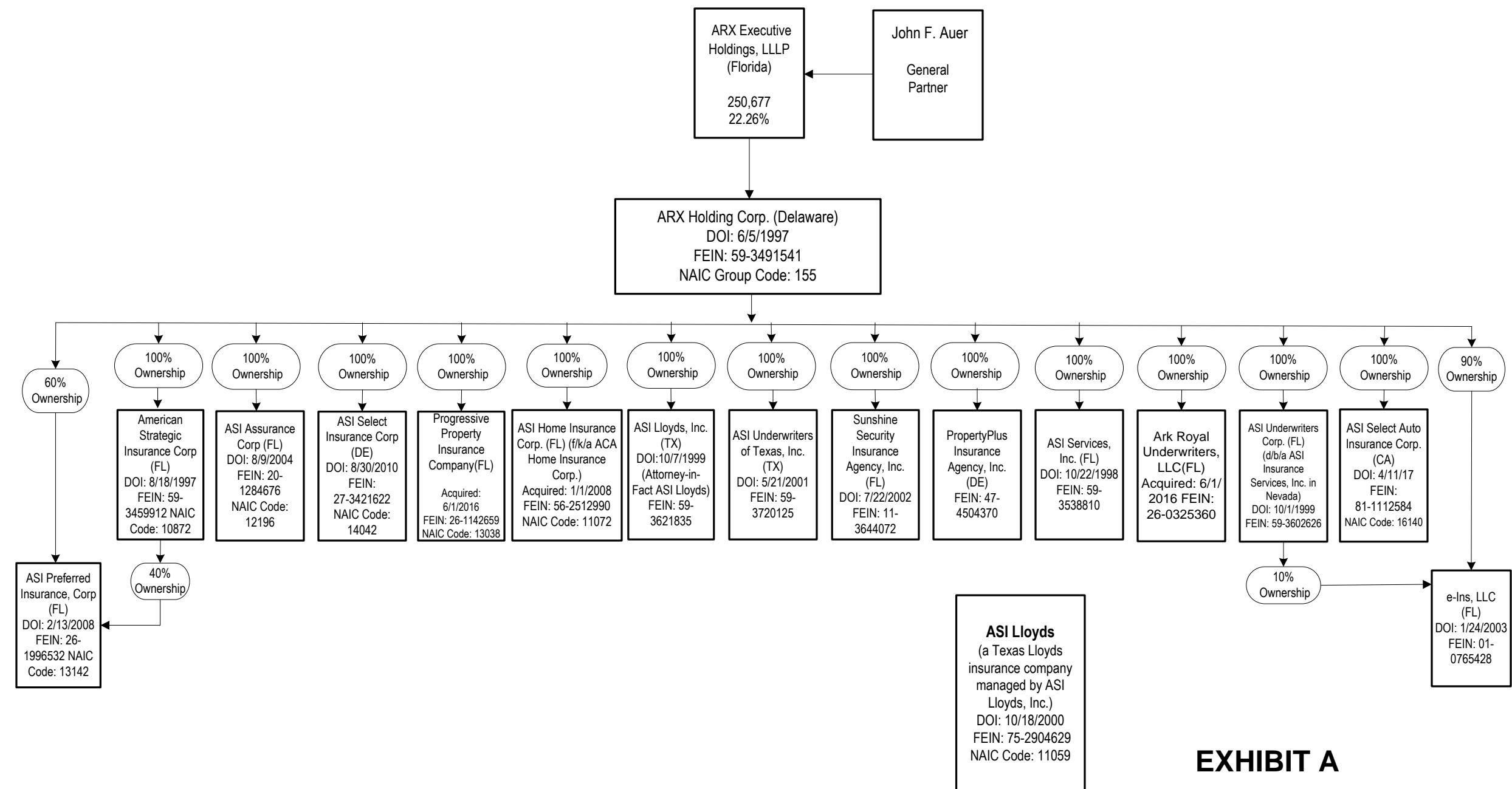
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (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.

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

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

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

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