24252201820100100

ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

PROGRESSIVE AMERICAN INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)
NAIC Company Code..... 24252
Employer's ID Number..... 34-1094197

Organized under the Laws of OH
State of Domicile or Port of Entry OH
Country of Domicile US

Incorporated/Organized..... August 25, 1971
Commenced Business..... April 2, 1979

Statutory Home Office	6300 WILSON MILLS ROAD, W33 .. CLEVELAND .. OH .. US .. 44143-2182 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	6300 WILSON MILLS ROAD, W33 .. CLEVELAND .. OH .. US .. 44143-2182 *(Street and Number) (City or Town, State, Country and Zip Code)*	440-461-5000 *(Area Code) (Telephone Number)*
Mail Address	P.O. BOX 89490 .. CLEVELAND .. OH .. US .. 44101-6490 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 .. CLEVELAND .. OH .. US .. 44143-2182 *(Street and Number) (City or Town, State, Country and Zip Code)*	440-395-4460 *(Area Code) (Telephone Number)*
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO *(Name)*	440-395-4460 *(Area Code) (Telephone Number) (Extension)*
	FINANCIAL_REPORTING@PROGRESSIVE.COM *(E-Mail Address)*	440-603-5500 *(Fax Number)*

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

OFFICERS

Name	Title	Name	Title
GEOFFREY THOMAS SOUSER	PRESIDENT	PETER JAMES ALBERT	SECRETARY
PATRICK SEAN BRENNAN	TREASURER		

OTHER

MARY BETH ANDREANO	(VICE PRESIDENT)	CHRISTINA LYNN CREWS	(ASST. SECRETARY)
HEATHER ELIZABETH DAY #	(VICE PRESIDENT)	JAMES LEE KUSMER	(ASST. TREASURER)
HEATHER MARIE MURRAY	(VICE PRESIDENT)		

DIRECTORS OR TRUSTEES

CHARLES ERNEST CONOVER
RICHARD RUSSELL CRAWLEY
HEATHER ELIZABETH DAY #
KATHRYN MARGARET LEMIEUX
GEOFFREY THOMAS SOUSER

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

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

(Signature)	(Signature)	(Signature)
GEOFFREY THOMAS SOUSER	CHRISTINA LYNN CREWS	PATRICK SEAN BRENNAN
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
PRESIDENT	ASSISTANT SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 13TH day of FEBRUARY, 2019

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)	299,798,431		299,798,431	222,283,580
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 ($..........0, Schedule E-Part 2) and short-term investments ($.....6,263,214, Schedule DA)	6,263,214		6,263,214	25,590,487
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)	306,061,645	0	306,061,645	247,874,067
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	1,901,494		1,901,494	1,681,780
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	49,796,743	8,163,630	41,633,113	36,021,595
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	263,650,218		263,650,218	222,078,828
15.3 Accrued retrospective premiums ($..........0) and contracts subject to redetermination ($..........0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	(5,210,865)		(5,210,865)	9,158,627
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	7,670,871		7,670,871	6,545,970
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	98,708,700		98,708,700	62,414,191
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other-than-invested assets	29,370	29,370	0	86,412
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	722,608,176	8,193,000	714,415,176	585,861,470
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	722,608,176	8,193,000	714,415,176	585,861,470

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. MISCELLANEOUS OTHER ASSETS	25,760	25,760	0	349
2502. PREPAID EXPENSES	3,610	3,610	0	
2503. STATE TAX CREDITS			0	86,063
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)	29,370	29,370	0	86,412

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	103,333,060	88,518,681
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	1,489,244	1,603,961
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	22,285,967	18,780,749
4.	Commissions payable, contingent commissions and other similar charges	1,078,649	628,010
5.	Other expenses (excluding taxes, licenses and fees)	14,291,562	12,025,584
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	2,611,071	2,140,517
7.1	Current federal and foreign income taxes (including $.....(146,394) on realized capital gains (losses))	1,991,588	1,981,111
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 $.....591,666,839 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)	100,258,990	84,489,409
10.	Advance premium	20,691,766	17,815,799
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	17,542,758	11,205,960
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
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 3, Column 78)	54,000	54,000
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	116,033,835	95,817,698
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	684,727	450,087
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	402,347,217	335,511,566
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	402,347,217	335,511,566
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	2,500,000	2,500,000
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	150,654,816	118,654,816
35.	Unassigned funds (surplus)	158,913,143	129,195,088
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)	312,067,959	250,349,904
38.	TOTAL (Page 2, Line 28, Col. 3)	714,415,176	585,861,470

DETAILS OF WRITE-INS

2501.	STATE PLAN LIABILITY	428,299	367,401
2502.	OTHER LIABILITIES	189,446	18,625
2503.	ESCHEATABLE PROPERTY	66,982	64,061
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)	684,727	450,087
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

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4)	303,110,322	254,404,497
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	178,625,883	158,351,948
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	29,531,375	26,926,384
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	62,708,379	53,390,964
5. Aggregate write-ins for underwriting deductions	(8,562)	1,098
6. Total underwriting deductions (Lines 2 through 5)	270,857,075	238,670,394
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	32,253,247	15,734,103
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	5,935,115	3,290,669
10. Net realized capital gains (losses) less capital gains tax of $.....(413,751) (Exhibit of Capital Gains (Losses))	(1,556,532)	(2,055,892)
11. Net investment gain (loss) (Lines 9 + 10)	4,378,583	1,234,777
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered $.....877,000 amount charged off $.....15,098,649)	(14,221,649)	(10,598,761)
13. Finance and service charges not included in premiums	14,051,324	11,593,281
14. Aggregate write-ins for miscellaneous income	2,763,738	1,043,160
15. Total other income (Lines 12 through 14)	2,593,413	2,037,680
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	39,225,243	19,006,560
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)	39,225,243	19,006,560
19. Federal and foreign income taxes incurred	8,748,602	7,885,497
20. Net income (Line 18 minus Line 19) (to Line 22)	30,476,641	11,121,063
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	250,349,904	209,327,484
22. Net income (from Line 20)	30,476,641	11,121,063
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....(138,592)	(521,369)	
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	986,309	(2,505,675)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	(1,223,526)	(2,192,968)
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	32,000,000	34,600,000
33.2 Transferred to capital (Stock Dividend)		
33.3. Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
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)	61,718,055	41,022,420
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	312,067,959	250,349,904

DETAILS OF WRITE-INS

0501. LOSS (GAIN) ON COMMUTATION	(8,562)	1,098
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)	(8,562)	1,098
1401. INTEREST INCOME ON INTERCOMPANY BALANCES	2,447,603	906,153
1402. MISCELLANEOUS INCOME	312,892	134,067
1403. SERVICE BUSINESS REVENUE	3,243	2,940
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)	2,763,738	1,043,160
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

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	279,006,019	218,637,797
2.	Net investment income	5,934,756	3,906,805
3.	Miscellaneous income	3,253,523	2,862,888
4.	Total (Lines 1 through 3)	288,194,298	225,407,490
5.	Benefit and loss related payments	149,556,729	145,680,382
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	85,538,944	74,916,751
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....(1,252,527) tax on capital gains (losses)	8,324,374	6,261,302
10.	Total (Lines 5 through 9)	243,420,047	226,858,435
11.	Net cash from operations (Line 4 minus Line 10)	44,774,252	(1,450,945)
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	145,787,517	192,561,613
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	145,787,517	192,561,613
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	226,151,826	209,964,533
	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)	226,151,826	209,964,533
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)	(80,364,309)	(17,402,920)
	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	32,000,000	34,600,000
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(15,737,216)	(7,039,804)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	16,262,784	27,560,196
	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)	(19,327,273)	8,706,331
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	25,590,487	16,884,156
	19.2 End of year (Line 18 plus Line 19.1)	6,263,214	25,590,487

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

20.0001		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

		1	2	3	4
	Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	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	1,122,257	537,922	583,331	1,076,848
5.	Commercial multiple peril	0		0	0
6.	Mortgage guaranty	0		0	0
8.	Ocean marine	0		0	0
9.	Inland marine	4,606,124	1,990,278	2,218,939	4,377,464
10.	Financial guaranty	0		0	0
11.1	Medical professional liability - occurrence	0		0	0
11.2	Medical professional liability - claims-made	600	54	56	598
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	1,545,088	695,603	747,729	1,492,962
17.2	Other liability - claims-made	5,500	497	512	5,485
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	174,623,443	41,925,589	48,799,538	167,749,494
19.3, 19.4	Commercial auto liability	27,363,183	10,886,173	14,001,240	24,248,117
21.	Auto physical damage	109,613,085	28,453,207	33,907,252	104,159,040
22.	Aircraft (all perils)	0		0	0
23.	Fidelity	0		0	0
24.	Surety	622	86	394	314
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	318,879,902	84,489,409	100,258,990	303,110,322

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

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	583,331				583,331
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	2,218,939				2,218,939
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made	56				56
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	747,729				747,729
17.2	Other liability - claims-made	512				512
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	48,799,538				48,799,538
19.3, 19.4	Commercial auto liability	14,001,240				14,001,240
21.	Auto physical damage	33,907,252				33,907,252
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety	394				394
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	100,258,990	0	0	0	100,258,990
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					100,258,990

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	1	Reinsurance Assumed		Reinsurance Ceded		6
		2	3	4	5	
Line of Business	Direct Business (a)	From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1. Fire						0
2. Allied lines						0
3. Farmowners multiple peril						0
4. Homeowners multiple peril	527,768	1,122,257		527,768		1,122,257
5. Commercial multiple peril						0
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	37,345,728	4,606,124		37,345,728		4,606,124
10. Financial guaranty						0
11.1 Medical professional liability - occurrence						0
11.2 Medical professional liability - claims-made		600				600
12. Earthquake						0
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation						0
17.1 Other liability - occurrence	13,099,073	1,545,088		10,853,613	2,245,461	1,545,088
17.2 Other liability - claims-made		5,500				5,500
17.3 Excess workers' compensation						0
18.1 Products liability - occurrence						0
18.2 Products liability - claims-made						0
19.1, 19.2 Private passenger auto liability	1,524,609,470	174,623,443		1,524,609,470		174,623,443
19.3, 19.4 Commercial auto liability	779,645	27,363,183		779,645		27,363,183
21. Auto physical damage	603,394,213	109,613,085		603,394,213		109,613,085
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety		622				622
26. Burglary and theft						0
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance - nonproportional assumed property	XXX					0
32. Reinsurance - nonproportional assumed liability	XXX					0
33. Reinsurance - nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	2,179,755,897	318,879,902	0	2,177,510,436	2,245,461	318,879,902

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

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0	0		0	0.0
2.	Allied lines				0	0		0	0.0
3.	Farmowners multiple peril				0	0		0	0.0
4.	Homeowners multiple peril	93,497	384,031	93,497	384,031	106,717	112,925	377,822	35.1
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	19,898,346	2,295,657	19,898,346	2,295,657	321,808	277,709	2,339,756	53.5
10.	Financial guaranty				0	0		0	0.0
11.1	Medical professional liability - occurrence				0	0		0	0.0
11.2	Medical professional liability - claims-made				0	30	30	0	0.0
12.	Earthquake				0	0		0	0.0
13.	Group accident and health				0	0		0	0.0
14.	Credit accident and health (group and individual)				0	0		0	0.0
15.	Other accident and health				0	0		0	0.0
16.	Workers' compensation		2,779		2,779	33,459	36,229	9	0.0
17.1	Other liability - occurrence	4,258,058	529,864	4,258,058	529,864	944,650	978,156	496,357	33.2
17.2	Other liability - claims-made		301,219		301,219	319,511	301,663	319,067	5,817.2
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	794,930,783	90,073,601	794,930,783	90,073,601	81,070,456	70,351,366	100,792,692	60.1
19.3, 19.4	Commercial auto liability	219,731	10,015,827	219,731	10,015,827	19,828,949	15,927,303	13,917,472	57.4
21.	Auto physical damage	367,341,399	60,138,233	367,341,399	60,138,233	683,723	419,549	60,402,408	58.0
22.	Aircraft (all perils)				0	0		0	0.0
23.	Fidelity		(581)		(581)	0	40	(622)	0.0
24.	Surety				0	0	5	(5)	(1.6)
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	70,876		70,876	23,757	113,706	(19,073)	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	1,186,741,813	163,811,505	1,186,741,813	163,811,505	103,333,060	88,518,681	178,625,883	58.9

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

		Reported Losses				Incurred But Not Reported			8	9
	Line of Business	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	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				0				0	
2.	Allied lines				0				0	
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril	55,041	65,630	55,041	65,630	13,864	41,086	13,864	106,717	18,037
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	1,213,268	227,526	1,213,268	227,526	699,509	94,282	699,509	321,808	61,644
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0		30		30	26
12.	Earthquake				0				0	
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation		33,459		33,459				33,459	1,497
17.1	Other liability - occurrence	6,396,709	612,175	6,396,709	612,175	7,642,869	332,475	7,642,869	944,650	148,468
17.2	Other liability - claims-made		3,575		3,575		315,936		319,511	5,398
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	438,857,839	60,851,370	438,857,839	60,851,370	258,962,449	20,219,086	258,962,449	81,070,456	18,023,390
19.3, 19.4	Commercial auto liability	113,320	16,743,015	113,320	16,743,015	91,954	3,085,934	91,954	19,828,949	2,953,009
21.	Auto physical damage	25,431,109	3,882,809	25,431,109	3,882,809	(31,471,956)	(3,199,085)	(31,471,956)	683,723	1,074,500
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	7,230		7,230	XXX	16,527		23,757	
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	472,067,286	82,426,789	472,067,286	82,426,789	235,938,689	20,906,271	235,938,689	103,333,060	22,285,967

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.

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	47,629,768			47,629,768
1.2 Reinsurance assumed	5,094,700			5,094,700
1.3 Reinsurance ceded	47,629,768			47,629,768
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	5,094,700	0	0	5,094,700
2. Commission and brokerage:				
2.1 Direct, excluding contingent		227,873,083		227,873,083
2.2 Reinsurance assumed, excluding contingent		30,025,877		30,025,877
2.3 Reinsurance ceded, excluding contingent		227,873,083		227,873,083
2.4 Contingent - direct		12,774,639		12,774,639
2.5 Contingent - reinsurance assumed		1,306,821		1,306,821
2.6 Contingent - reinsurance ceded		12,774,639		12,774,639
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	31,332,698	0	31,332,698
3. Allowances to manager and agents		95,671		95,671
4. Advertising	456	3,554,085		3,554,540
5. Boards, bureaus and associations	66,695	106,656	2,771	176,122
6. Surveys and underwriting reports		1,841,139		1,841,139
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	16,757,519	11,343,296	116,935	28,217,750
8.2 Payroll taxes	1,173,482	728,203	4,061	1,905,746
9. Employee relations and welfare	2,675,742	1,682,161	5,356	4,363,260
10. Insurance	45,277	24,580		69,857
11. Directors' fees				0
12. Travel and travel items	619,169	210,373	1,052	830,594
13. Rent and rent items	831,799	735,165	2,536	1,569,500
14. Equipment	75,368	255,963		331,331
15. Cost or depreciation of EDP equipment and software	1,197,520	2,042,328	778	3,240,626
16. Printing and stationery	70,768	142,825	180	213,773
17. Postage, telephone and telegraph, exchange and express	736,611	1,663,223	1,017	2,400,851
18. Legal and auditing	152,760	183,569	12,987	349,316
19. Totals (Lines 3 to 18)	24,403,167	24,609,237	147,673	49,160,077
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....2,388		5,222,509		5,222,509
20.2 Insurance department licenses and fees	26,725	230,164		256,889
20.3 Gross guaranty association assessments		36,465		36,465
20.4 All other (excluding federal and foreign income and real estate)	5,965	994,134		1,000,099
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	32,690	6,483,272	0	6,515,962
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	817	283,173	23,106	307,096
25. Total expenses incurred	29,531,375	62,708,379	170,779	(a) 92,410,533
26. Less unpaid expenses - current year	22,285,967	17,978,756	2,526	40,267,249
27. Add unpaid expenses - prior year	18,780,749	14,791,726	2,385	33,574,860
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)	26,026,157	59,521,349	170,638	85,718,144

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES	817	283,173	23,106	307,096
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)	817	283,173	23,106	307,096

(a) Includes management fees of $.....49,467,173 to affiliates and $..........0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 2,909,727	3,014,213
1.1	Bonds exempt from U.S. tax	(a) 682,417	31,188
1.2	Other bonds (unaffiliated)	(a) 1,665,800	2,883,962
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) 628,236	176,531
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	5,886,180	6,105,894
11.	Investment expenses		(g) 170,779
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)		170,779
17.	Net investment income (Line 10 minus Line 16)		5,935,115

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 $.....301,872 accrual of discount less $.....521,086 amortization of premium and less $.....1,011,724 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 $.....36 accrual of discount less $.....212,459 amortization of premium and less $.....30,121 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	(2,391,567)		(2,391,567)		
1.1	Bonds exempt from U.S. tax	549,976		549,976		
1.2	Other bonds (unaffiliated)	(128,692)		(128,692)	(659,961)	
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			0		
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)	(1,970,283)	0	(1,970,283)	(659,961)	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):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	8,163,630	6,919,999	(1,243,631)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			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	29,370	49,474	20,104
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	8,193,000	6,969,473	(1,223,527)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	8,193,000	6,969,473	(1,223,527)

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	25,760	45,139	19,379
2502. PREPAID EXPENSES	3,610	4,335	725
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)	29,370	49,474	20,104

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 American Insurance Company (the "Company") were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

The Ohio DOI requires insurance companies domiciled in the state of Ohio to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio DOI. No deviations from NAIC statutory accounting practices ("NAIC SAP") were used in preparing these statutory-basis financial statements as illustrated in the table below:

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) PROGRESSIVE AMERICAN INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	$ 30,476,641	$ 11,121,063
(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	$ 30,476,641	$ 11,121,063
SURPLUS					
(5) PROGRESSIVE AMERICAN INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	$ 312,067,959	$ 250,349,904
(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	$ 312,067,959	$ 250,349,904

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 and securities acquired with remaining maturities of three months or less that are reported at amortized cost which approximates market value. Also includes money market mutual funds valued at fair value or net asset value (NAV) as a practical expedient.

- Short-term investments include securities acquired within one year of maturity, excluding those with 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 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.

- 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, 2018 and December 31, 2017.

- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.

- The Company's management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for other-than-temporary impairment ("OTTI") requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company's ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

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

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

Loss, Loss Adjustment Expense, and Premium Deficiency Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Notes 25 and 33).

- The Company does anticipate investment income when evaluating the need for premium deficiency reserves (see Note 30).

Capitalization of Assets

- Prepaid assets above a $100,000 threshold are capitalized. Under certain circumstances, the Company may decide to establish a prepaid expense for amounts less than the threshold. Prepaid assets are nonadmitted. There have been no changes to the written policy or predefined capitalization threshold from the prior year.

Pharmaceutical Rebate Receivables

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

D. Going Concern

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

Note 2 – Accounting Changes and Correction 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.

NOTES TO FINANCIAL STATEMENTS

4. At the end of the reporting period, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position is as follows:

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	$	60,202
	2. 12 Months or Longer	$	
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	$	23,447,592
	2. 12 Months or Longer	$	

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

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	$	$	$	$	$	$	$	$	$	%	%
b. Collateral held under security lending arrangements										%	%
c. Subject to repurchase agreements										%	%
d. Subject to reverse repurchase agreements										%	%
e. Subject to dollar repurchase agreements										%	%
f. Subject to dollar reverse repurchase agreements										%	%
g. Placed under option contracts										%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										%	%
i. FHLB capital stock										%	%
j. On deposit with states	4,487,078				4,487,078	4,509,172	(22,094)		4,487,078	0.6%	0.6%
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	$ 4,487,078	$	$	$	$ 4,487,078	$ 4,509,172	$ (22,094)	$	$ 4,487,078	0.6%	0.6%

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

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts 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. 5GI Securities

Not Applicable

Q. Short Sales

Not Applicable

R. Prepayment Penalty and Acceleration Fees

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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)

	2018			2017			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	$ 9,469,445	$ 138,602	$ 9,608,047	$ 7,525,185	$ 11	$ 7,525,196	$ 1,944,260	$ 138,591	$ 2,082,851
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	$ 9,469,445	$ 138,602	$ 9,608,047	$ 7,525,185	$ 11	$ 7,525,196	$ 1,944,260	$ 138,591	$ 2,082,851
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	$ 9,469,445	$ 138,602	$ 9,608,047	$ 7,525,185	$ 11	$ 7,525,196	$ 1,944,260	$ 138,591	2,082,851
f. Deferred tax liabilities	1,936,443	733	1,937,176	979,181	45	979,226	957,262	688	957,950
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	$ 7,533,002	$ 137,869	$ 7,670,871	$ 6,546,004	$ (34)	$ 6,545,970	$ 986,998	$ 137,903	$ 1,124,901

2. Admission Calculation Components SSAP No. 101

	2018			2017			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	$ 9,469,445	$ 138,602	$ 9,608,047	$ 7,396,795	$	$ 7,396,795	$ 2,072,650	$ 138,602	$ 2,211,252
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)									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold			45,659,563			36,570,590			9,088,973
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				128,390	11	128,401	(128,390)	(11)	(128,401)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	$ 9,469,445	$ 138,602	$ 9,608,047	$ 7,525,185	$ 11	$ 7,525,196	$ 1,944,260	$ 138,591	$ 2,082,851

3. Other Admissibility Criteria

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	2,573.0%	2,864.8%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 304,397,088	$ 243,803,934

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.

	2018		2017		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)	$ 9,469,445	$ 138,602	$ 7,525,185	$ 11	$ 1,944,260	$ 138,591
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	99.0%	0 %	0 %	0 %	99.0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 9,469,445	$ 138,602	$ 7,525,185	$ 11	$ 1,944,260	$ 138,591
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 2018	2 2017	3 (Col 1-2) Change
a. Federal	$ 8,748,602	$ 7,885,497	$ 863,105
b. Foreign			
c. Subtotal	$ 8,748,602	$ 7,885,497	$ 863,105
d. Federal income tax on net capital gains	(413,751)	(1,107,002)	693,251
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	$ 8,334,851	$ 6,778,495	$ 1,556,356

2. Deferred Tax Assets

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	$ 1,352,340	$ 462,452	$ 889,888
2. Unearned premium reserve	4,257,420	3,589,271	668,149
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	78,739	115,509	(36,770)
8. Compensation and benefits accrual	1,144,327	1,113,466	30,861
9. Pension accrual			
10. Receivables - nonadmitted	1,714,362	1,453,200	261,162
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	922,257	791,287	130,970
Other (items listed individually >5%of total ordinary tax assets)			
Other assets nonadmitted	6,168	10,389	(4,221)
Bad debt reserve	894,486	755,863	138,623
99. Subtotal	9,469,445	7,525,185	1,944,260
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	9,469,445	7,525,185	1,944,260
e. Capital:			
1. Investments	$ 138,602	$ 11	$ 138,591
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	$ 138,602	$ 11	$ 138,591
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	138,602	11	138,591
i. Admitted deferred tax assets (2d+2h)	$ 9,608,047	$ 7,525,196	$ 2,082,851

3. Deferred Tax Liabilities

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	$ 59,027	$ 2,862	$ 56,165
2. Fixed assets	1,130,006	797,940	332,066
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	747,410	178,379	569,031
Other (items listed individually >5% of total ordinary tax liabilities)			
Prepaid expenses	84,088	134,513	(50,425)
Salvage and subrogation	44,759	22,872	21,887
Loss discounting transition adjustment	590,238		590,238
99. Subtotal	1,936,443	979,181	957,262
b. Capital:			
1. Investments	733	45	688
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	733	45	688
c. Deferred tax liabilities (3a99+3b99)	$ 1,937,176	$ 979,226	$ 957,950
4. Net Deferred Tax Assets (2i – 3c)	$ 7,670,871	$ 6,545,970	$ 1,124,901

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, 2018	December 31, 2017	Change
Total deferred tax assets	$ 9,608,047	$ 7,525,196	$ 2,082,851
Total deferred tax liabilities	1,937,176	979,226	957,950
Net deferred tax asset (liability)	$ 7,670,871	$ 6,545,970	$ 1,124,901
Tax effect of unrealized gains (losses)			138,592
Change in net deferred income tax			$ 986,309

On December 22, 2017, legislation commonly known as the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), was signed into law and was generally effective beginning January 1, 2018. The Tax Act made several changes to the loss discounting rules that insurance companies must apply to their loss and loss adjustment expense reserves for tax purposes. At December 31, 2017, the Company did not record any amounts related to these changes because the IRS had not yet determined the interest rate or the loss payment patterns that must be applied to make these calculations and the Company was unable to make a reasonable estimate of such amounts. In December 2018, the IRS published the loss payment patterns, interest rate, and discount factors which enabled us to compute the adjustments. As a result, the Company recorded an increase to the deferred tax asset for discounting of unpaid losses of $697,864 and an increase to the deferred tax liability for salvage and subrogation of $23,306. The net increase of $674,557 was offset by a deferred tax liability in the same amount for the transition adjustment required by the Tax Act, and therefore there was no net impact on deferred taxes.

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	$ 8,150,413	21.0%
Exempt interest income	(7,395)	0.0%
Impact of nonadmitted assets	(256,940)	-0.7%
Tax credits	(68,000)	-0.2%
Stock-based compensation	(473,783)	-1.2%
Other	4,247	0.0%
Total	$ 7,348,542	18.9%
Federal and foreign income taxes incurred	$ 8,334,851	
Change in net deferred income tax	(986,309)	
Total statutory income taxes	$ 7,348,542	

E. Operating Loss Carryfowards and Income Taxes Available for Recoupment

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

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:	$ 8,399,923
First preceding tax year:	$ 6,796,799

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") and all its wholly-owned United States corporate subsidiaries. Effective 4/3/2018, ARX Holding Corp ("ARX"), a holding company incorporated in Delaware and its corporate subsidiaries also became members of TPC's consolidated federal income tax return filing group.

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.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

Not Applicable

I. Alternative Minimum Tax (AMT Credit)

Not Applicable

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 ½% of Admitted Assets

The Company received capital contributions totaling $32,000,000 and $34,600,000 from DIH in 2018 and 2017, respectively.

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

C. Change in Terms of Intercompany Arrangements

Not Applicable

D. Amounts Due to or from Related Parties

The Company reported a $98,708,700 and $62,414,191 receivable from parent, subsidiaries, and affiliates at December 31, 2018 and 2017, respectively. These balances are due to cash collections and disbursements on behalf of the Company under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a $1,991,588 and $1,981,111 current Federal income tax payable at December 31, 2018 and 2017, 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 joint management services agreement with Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. Under the terms of the agreement, Casualty provides the Company with underwriting and loss adjustment services for specific business produced, and the Company may, from time to time, provide Casualty with similar services for other specific business produced. In exchange for these services, the companies charge management fees based on each company's use of the other's services.

The Company participates in 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).

The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.

All intercompany agreements are approved by the participating insurance companies' states of domicile when established. 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

NOTES TO FINANCIAL STATEMENTS

L. Investment in Downstream Non-Insurance Holding Company

Not Applicable

M. Subsidiary, Controlled and Affiliated Entities (except insurance subsidiary, controlled and affiliated entities) Value

Not Applicable

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

Not Applicable

O. SCA Loss Tracking

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 50,000 shares of $100 par value common stock authorized and 25,000 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 2019 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 $31,206,796 in 2019 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.

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: $(659,961)

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, 2018 and 2017, the Company’s estimated liability for state guaranty fund and other assessments was $9,828 and $12,041, 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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$ 1,357,750

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

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

Indicate whether claim count information is disclosed per claim or per claimant:
(f) Per Claim [ ] (g) Per Claimant [X]

E. Product Warranties

Not Applicable

F. Joint and Several Liabilities

Not Applicable

G. All Other Contingencies

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

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

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

There was a lawsuit alleging that as a result of the alleged fraud of an independent insurance agency, the Company should be liable to a premium finance company for its losses relating to fraudulent financed policies.

There were four putative and one certified class action lawsuits challenging the Company's practice in Florida of adjusting personal injury protection and first-party medical payments.

There was one case consolidated into multi-district proceedings alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

There was a putative class action lawsuit alleging the Company undervalues total loss claims through the use of certain valuation tools.

There was a putative class action lawsuit alleging the Company fails to pay the required amount of tag and title transfer fees, and taxes, following a total loss.

There was a putative class action lawsuit challenging the Company's reimbursement to Medicare Advantage Plans on first-party medical claims and settlements with insureds.

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

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 $534,806 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

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., U.S. government obligations, which are continually priced on a daily basis, active exchange-traded equity securities, and certain short-term securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly (e.g., certain corporate and municipal bonds and certain preferred stocks). 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 our subjective evaluation about the assumptions market participants would use in pricing the financial instrument (e.g., certain structured securities and privately held investments).

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

Determining the fair value of the investment portfolio is the responsibility of management. As part of the responsibility, management evaluates whether a market is distressed or inactive in determining the fair value for our portfolio. Management reviews certain market level inputs to evaluate whether sufficient activity, volume, and new issuances exist to create an active market. Based on this evaluation, management concluded that there was sufficient activity related to the sectors and securities for which we obtained valuations.

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

Fair Value Measurements at the reporting date:

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds industrial & miscellaneous	$	$ 10,272,500	$	$	$ 10,272,500
Common stock industrial & miscellaneous	$	$	$	$	$
Preferred stock industrial & miscellaneous	$	$	$	$	$
Total	$	$ 10,272,500	$	$	$ 10,272,500
Liabilities at Fair Value					
	$	$	$	$	$
Total	$	$	$	$	$

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

2. Rollforward of Level 3 Items

Not Applicable

3. Policy on Transfers Into and Out of Level 3

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

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

See Note 20.A.1 above.

5. Derivative Fair Values

Not Applicable

B. Other Fair Value Disclosures

Not Applicable

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

The table below represents the fair value of all financial instruments at 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)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$ 299,004,573	$ 299,798,431	$ 153,268,289	$ 145,736,284	$	$	$
Cash equivalents	$	$	$	$	$	$	$
Common stock	$	$	$	$	$	$	$
Preferred stock	$	$	$	$	$	$	$
Short-term investments	$ 6,261,906	$ 6,263,214	$	$ 6,261,906	$	$	$

D. Not Practicable to Estimate Fair Value

Not Applicable

E. NAV Practical Expedient Investments

Not Applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring Debtors

Not Applicable

C. Other Disclosures

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

At December 31, 2018 and 2017, the Company reported net admitted premiums and agents' balances in course of collection of $41,633,113 and $36,021,595 , respectively. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable and Non-Transferable Tax Credits

1. Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total

Description of State Transferable and Non-Transferable Tax Credits	State	Carrying Value	Unused Amount
Low Income Housing Tax Credit (NT)	GA	$	$ 4,602
Total		$	$ 4,602

2 The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium, taking into account policy growth and rate changes, projecting the future tax liability based on projected premium, tax rates, and tax credits, and comparing the projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

3. The Company recognized an impairment loss of $0 related to write-downs as a result of impairment analysis of the carrying amount for transferable and non-transferable state tax credits.

4. State Tax Credits Admitted and Nonadmitted

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 Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

3. Direct Exposure Through Other Investments

Not Applicable

4. Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not Applicable

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

Note 22 – Events Subsequent

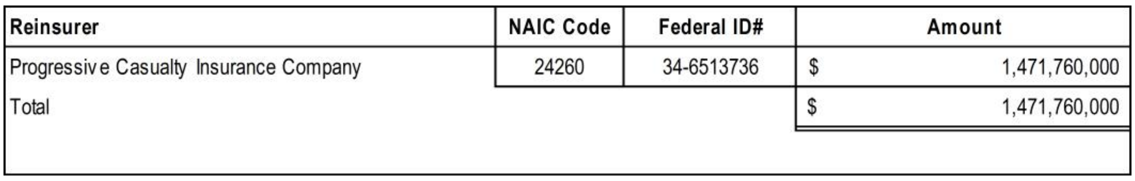
Subsequent events have been considered through February 14, 2019 for the statutory statement that was available for issuance by March 1, 2019.

Effective January 1 , 2019, the Company's intercompany pooling reinsurance agreement (see Note 26) with property-casualty affiliates was amended to include Progressive Freedom Insurance Company at a pooling percentage of .5% while reducing Progressive Bayside Insurance Company's percentage from 1 % to .5%. This amendment to the agreement was approved by the Ohio DOI, Wisconsin DOI, Indiana DOI, Michigan Department of Insurance and Financial Services, and Florida Department of Financial Services.

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [ ] No [X]

Note 23 – Reinsurance

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



Reinsurer	NAIC Code	Federal ID#	Amount
Progressive Casualty Insurance Company	24260	34-6513736	$ 1,471,760,000
Total			$ 1,471,760,000

B. Reinsurance Recoverable in Dispute

Not Applicable

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

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

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	$ 100,259,000	$	$ 590,547,000	$	$ (490,288,000)	$
b.	All Other			1,120,000	308,000	(1,120,000)	(308,000)
c.	Total	$ 100,259,000	$	$ 591,667,000	$ 308,000	$ (491,408,000)	$ (308,000)
d.	Direct Unearned Premium Reserves			$ 591,667,000			

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

F. Risk Sharing Provisions of the Affordable Care Act

1. Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions? Yes [ ] No [X]

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 $224,709 in 2018, which is less than 1% of the total prior year net unpaid losses and LAE of $107,299,430. The unfavorable development is primarily due to LAE. Defense and cost containment reserves developed unfavorably primarily due to higher than anticipated attorney costs, while adjusting and other reserves developed unfavorably primarily due to higher than anticipated claims costs.

B. Information about Significant Changes in Methodologies and Assumptions

Not Applicable

Note 26 – Intercompany Pooling Arrangements

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

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

Effective January 1 , 2019, The Company's pooling reinsurance agreement with property-casualty affiliates was amended to include Progressive Freedom Insurance Company (see Note 22).

NOTES TO FINANCIAL STATEMENTS

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

Company	NAIC Code	2018 Pool %	2017 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:

Company	Amounts Recoverable	Amounts Payable
Progressive Casualty Insurance Company (Lead)	$ 64,974,460	$ 111,771,863
Progressive Northern Insurance Company	28,112,548	8,935,470
Progressive Northwestern Insurance Company	20,671,359	8,935,470
Progressive Specialty Insurance Company	28,877,749	5,212,357
Progressive Preferred Insurance Company	10,154,728	4,467,734
Progressive Michigan Insurance Company	6,330,637	2,978,490
Progressive Classic Insurance Company	6,271,841	2,233,868
Progressive American Insurance Company	--	23,878,979
Progressive Gulf Insurance Company	5,160,318	1,489,244
Progressive Bayside Insurance Company	1,692,231	744,623
Progressive Mountain Insurance Company	4,477,361	4,252,683
Progressive Southeastern Insurance Company	--	1,838,386
Progressive Hawaii Insurance Corp.	--	7,156
National Continental Insurance Company	23,091	--
Total	$ 176,746,323	$ 176,746,323

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

Not Applicable

Note 29 – Participating Policies

Not Applicable

Note 30 – Premium Deficiency Reserves

1. Liability carried for premium deficiency reserve: $0
2. Date of most recent evaluation of this liability: December 31, 2018
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

Because the Company is primarily an insurer of motor vehicles, it has limited exposure for asbestos and environmental claims. In accordance with disclosure requirements, the amounts reported for direct, assumed, and net below reflect the Company's pooled share (see Note 26) of the Agency Pool's exposure to asbestos and environmental claims. The Agency Pool's exposure arises from Casualty's participation in various reinsurance pools from 1972 to 1975, which underwrote general liability insurance, Casualty's aggregate stop loss reinsurance agreement with Max for various reinsurance pools from 1972 to 1974, the Company's exposure from a limited number of general liability policies issued from 1972 to 1975, and Casualty's aggregate stop loss reinsurance agreement with National Continental for general liability business written on or before November 25, 1985. During 2018, Casualty and Max entered a commutation agreement to commute various reinsurance pool reserves from 1965 to 1975. (see Note 10.F and 26).

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

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

(1) Direct

		2014	2015	2016	2017	2018
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 4,100	$ 220	$ 220	$ 140,000	$ 140,000
b.	Incurred losses and loss adjustment expense	(3,880)		139,780		
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 220	$ 220	$ 140,000	$ 140,000	$ 140,000

(2) Assumed Reinsurance

		2014	2015	2016	2017	2018
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 43,574	$ 76,812	$ 73,380	$ 70,213	$ 43,154
b.	Incurred losses and loss adjustment expense	39,805	435	2,167	(20,725)	69,978
c.	Calendar year payments for losses and loss adjustment expenses	6,567	3,867	5,334	6,334	23,106
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 76,812	$ 73,380	$ 70,213	$ 43,154	$ 90,026

(3) Net of Ceded Reinsurance

		2014	2015	2016	2017	2018
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 47,675	$ 77,032	$ 73,600	$ 91,739	$ 65,638
b.	Incurred losses and loss adjustment expense	35,924	435	23,473	(19,767)	69,978
c.	Calendar year payments for losses and loss adjustment expenses	6,567	3,867	5,334	6,334	23,106
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 77,032	$ 73,600	$ 91,739	$ 65,638	$ 112,510

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

(1)	Direct basis	$ 89,389
(2)	Assumed reinsurance basis	74,310
(3)	Net of ceded reinsurance basis	$ 80,799

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

(1)	Direct basis	$ 70,000
(2)	Assumed reinsurance basis	16,260
(3)	Net of ceded reinsurance basis	$ 27,502

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

(1) Direct

		2014	2015	2016	2017	2018
a.	Beginning reserves	$ 1,022	$	$	$	$
b.	Incurred losses and loss adjustment expense	(1,022)				
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves	$	$	$	$	$

(2) Assumed Reinsurance

		2014	2015	2016	2017	2018
a.	Beginning reserves	$ 161,621	$ 196,862	$ 186,996	$ 179,277	$ 210,170
b.	Incurred losses and loss adjustment expense	141,902	2,034	(1,424)	35,342	(66,638)
c.	Calendar year payments for losses and loss adjustment expenses	106,661	11,900	6,295	4,449	110,981
d.	Ending reserves	$ 196,862	$ 186,996	$ 179,277	$ 210,170	$ 32,551

(3) Net of Ceded Reinsurance

		2014	2015	2016	2017	2018
a.	Beginning reserves	$ 162,643	$ 196,862	$ 186,996	$ 179,277	$ 210,170
b.	Incurred losses and loss adjustment expense	140,880	2,034	(1,424)	35,342	(66,638)
c.	Calendar year payments for losses and loss adjustment expenses	106,661	11,900	6,295	4,449	110,981
d.	Ending reserves	$ 196,862	$ 186,996	$ 179,277	$ 210,170	$ 32,551

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

(1)	Direct basis	$
(2)	Assumed reinsurance basis	27,850
(3)	Net of ceded reinsurance basis	$ 27,850

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

(1)	Direct basis	$
(2)	Assumed reinsurance basis	7,438
(3)	Net of ceded reinsurance basis	$ 7,438

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

1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [X] No [ ]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000080661

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]
If the answer is YES, complete and file the merger history data file with the NAIC.

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 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [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, 19TH 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 [ ]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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).
ON AUGUST 3, 2018, THE BOARD OF DIRECTORS APPROVED CHANGES TO THE COMPANY'S CODE OF BUSINESS CONDUCT AND ETHICS AND THE CEO/SENIOR FINANCIAL OFFICE CODE OF CONDUCT TO PROVIDE THAT PROHIBITIONS IN THE "GIFTS AND ENTERTAINMENT" POLICY DO NOT APPLY TO THE CHIEF EXECUTIVE OFFICER, THE EXECUTIVES THAT REPORT TO HER, AND CERTAIN OTHER SENIOR LEADERS, IN CONNECTION WITH HOSTING OF, OR ATTENDANCE AT, EVENTS THAT ARE INTENDED TO FACILITATE BUSINESS GOALS AND ARE REASONABLE GIVEN THE CONTEXT. IN ADDITION, THE AMENDMENTS PROVIDE A MECHANISM FOR OTHER EMPLOYEES TO OBTAIN EXCEPTIONS TO THOSE PROHIBITIONS IN APPROPRIATE CIRCUMSTANCES.

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 reporting 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

21.23 Leased from others $ 0

21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $ 0

22.22 Amount paid as expenses $ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [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 *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.103 Total payable for securities lending reported on the liability page: $ 0

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

25.2 If yes, state the amount thereof at December 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	$ 4,487,078
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? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [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 *Financial Condition Examiners Handbook*? Yes [X] No [ ]

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 CORP		N/A	DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [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	$ 306,061,646	$ 305,266,479	$ (795,167)
30.2	Preferred Stocks	$ 0	$ 0	$ 0
30.3	Totals	$ 306,061,646	$ 305,266,479	$ (795,167)

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 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 19,095

35.2 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	$ 19,095

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

36.1 Amount of payments for legal expenses, 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 payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NONE	$

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

37.2 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	$ 303,110,322	$ 254,404,497
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	$ 0	$ 0
2.5	Reserve Denominator	$ 227,367,261	$ 193,392,800
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 [ ] N/A [ ]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]

5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [ ]

5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. THE COMPANY'S NET COMPREHENSIVE EXPOSURE IN THE CATASTROPHE PRONE STATES OF FLORIDA, LOUISIANA, TEXAS, MISSISSIPPI, ALABAMA, NEW YORK, AND CALIFORNIA IS LIMITED SINCE THE COMPANY IS A MEMBER OF A 100% POOLING REINSURANCE ARRANGEMENT WITH 11 OF ITS PROPERTY AND CASUALTY AFFILIATES. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS COMPREHENSIVE FOR AUTOMOBILE AND INLAND MARINE FOR BOATS. THE ESTIMATE OF THE PML IS 7% OF THE SURPLUS.

6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
THE COMPANY'S ESTIMATED PML IS 7% OF THE SURPLUS. THE COMPANY CARRIES NO EXTERNAL CATASTROPHE REINSURANCE TO COVER ITS LIMITED CATASTROPHE EXPOSURE. THE COMPANY PARTICIPATES IN A POOLING ARRANGEMENT, WHICH SPREADS THE UNDERWRITING RISK INCLUDING THE CATASTROPHE EXPOSURE AMONG ALL PARTIES TO THE POOLING AGREEMENT.

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
NONE

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

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

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]

(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 Yes [ ] No [X]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $ 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]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

12.61 Letters of Credit $ 0

12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 1,000,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 3

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 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 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 is exempt from the statutory provision for unauthorized reinsurance? Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance $ 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

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

19\. Is the reporting entity licensed or charted, registered, qualified, eligible, or writing business in at least 2 states? Yes [X] No [ ]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ ]

FIVE-YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2018	2017	2016	2015	2014
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)	1,742,026,003	1,425,357,100	1,170,817,344	1,039,903,064	1,000,105,524
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	754,959,150	617,186,136	496,549,129	418,124,847	394,633,195
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,650,025	1,136,063	926,996	839,059	750,705
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	622	195	66	258	235
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	2,498,635,799	2,043,679,494	1,668,293,535	1,458,867,227	1,395,489,659
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)	203,537,814	171,401,435	144,978,324	130,888,725	127,117,434
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	114,219,210	96,331,007	83,244,689	74,404,987	71,791,609
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,122,257	1,031,588	926,996	839,059	750,705
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	622	195	66	258	235
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	318,879,902	268,764,225	229,150,075	206,133,028	199,659,983
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	32,253,247	15,734,103	8,511,614	14,768,219	14,812,688
14. Net investment gain (loss) (Line 11)	4,378,583	1,234,777	1,697,630	2,076,824	1,836,748
15. Total other income (Line 15)	2,593,413	2,037,680	1,777,987	1,307,899	1,750,147
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	8,748,602	7,885,497	4,584,823	6,067,528	6,228,606
18. Net income (Line 20)	30,476,641	11,121,063	7,402,408	12,085,414	12,170,977
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	714,415,176	585,861,470	493,843,386	427,372,322	416,237,096
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	41,633,113	36,021,595	30,563,476	25,793,750	24,758,128
20.2 Deferred and not yet due (Line 15.2)	263,650,218	222,078,828	177,485,334	143,424,115	135,264,398
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	402,347,217	335,511,566	284,515,902	244,572,451	240,883,262
22. Losses (Page 3, Line 1)	103,333,060	88,518,681	77,726,349	69,985,046	66,787,043
23. Loss adjustment expenses (Page 3, Line 3)	22,285,967	18,780,749	16,216,666	14,730,385	13,705,514
24. Unearned premiums (Page 3, Line 9)	100,258,990	84,489,409	70,129,681	61,720,752	57,022,969
25. Capital paid up (Page 3, Lines 30 & 31)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	312,067,959	250,349,904	209,327,484	182,799,871	175,353,834
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	44,774,252	(1,450,945)	(9,443,112)	10,806,954	11,073,643
Risk-Based Capital Analysis					
28. Total adjusted capital	312,067,959	250,349,904	209,327,484	182,799,871	175,353,834
29. Authorized control level risk-based capital	11,831,747	8,510,405	7,574,602	6,991,106	7,175,274
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)	98.0	89.7	92.5	42.8	75.7
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)	2.0	10.3	7.5	57.2	24.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38 Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2018	2017	2016	2015	2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(521,369)				
52. Dividends to stockholders (Line 35)				(5,000,000)	
53. Change in surplus as regards policyholders for the year (Line 38)	61,718,055	41,022,420	26,527,613	7,446,037	16,903,394
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)	900,331,861	738,737,904	677,430,257	601,107,894	589,453,747
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	449,673,634	401,485,283	311,996,449	255,070,965	238,167,930
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	477,528	422,073	311,562	306,778	331,984
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(581)	(4,109)	(409)	(4,133)	(1,262)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	70,876	7,414	8,508	4,760	8,112
59. Total (Line 35)	1,350,553,318	1,140,648,566	989,746,367	856,486,265	827,960,510
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)	100,923,290	88,809,418	81,531,662	74,204,136	76,196,174
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	62,433,890	58,324,820	53,546,044	45,710,987	45,122,849
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	384,031	422,073	311,562	306,778	331,984
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(581)	(4,109)	(409)	(4,133)	(1,262)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	70,876	7,414	8,508	4,760	8,112
65. Total (Line 35)	163,811,505	147,559,616	135,397,367	120,222,529	121,657,856
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)	58.9	62.2	64.8	61.3	61.7
68. Loss expenses incurred (Line 3)	9.7	10.6	10.5	10.4	10.1
69. Other underwriting expenses incurred (Line 4)	20.7	21.0	20.8	21.0	20.7
70. Net underwriting gain (loss) (Line 8)	10.6	6.2	3.9	7.3	7.5
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)	18.8	19.1	19.3	19.9	19.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	68.7	72.8	75.3	71.6	71.8
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)	102.2	107.4	109.5	112.8	113.9
One Year Loss Development ($000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(126)	379	98	(2,643)	(386)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)	(0.1)	0.2	0.1	(1.5)	(0.2)
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)	314	(27)	(2,867)	(915)	614
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.1	(0.0)	(1.6)	(0.6)	0.4

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)

	Premiums Earned			Loss and Loss Expense Payments								12
Years in Which Premiums Were Earned and Losses Were Incurred	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)	Number of Claims Reported- Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	711	427	42	4	30		26	353	XXX
2. 2009	165,494	2,202	163,293	97,728	2,031	2,788	133	15,131	27	8,226	113,456	XXX
3. 2010	164,475	2,477	161,997	100,544	2,264	2,923	98	15,021	4	8,824	116,122	XXX
4. 2011	169,421	2,268	167,153	105,777	1,339	2,706	19	14,896	0	9,791	122,021	XXX
5. 2012	179,985	1,850	178,134	115,644	1,230	2,828	7	15,434		11,048	132,669	XXX
6. 2013	190,087	1,865	188,222	117,062	1,082	2,904	6	15,889		11,158	134,766	XXX
7. 2014	200,512	1,951	198,561	120,047	728	2,961	4	16,175		11,653	138,451	XXX
8. 2015	203,447	2,011	201,435	123,753	892	2,926	4	16,926		11,966	142,708	XXX
9. 2016	222,754	2,013	220,741	135,469	1,173	2,488	7	18,470		13,064	155,248	XXX
10. 2017	256,698	2,294	254,404	136,091	828	1,404	3	19,513		14,485	156,177	XXX
11. 2018	305,651	2,540	303,110	114,848	449	336	0	16,926		10,338	131,662	XXX
12. Totals	XXX	XXX	XXX	1,167,674	12,442	24,307	285	164,410	31	110,578	1,343,632	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior	6,173	5,738	140	49	100	25	60	34	126			753	XXX
2. 2009	762	725	0		16	0			28			81	XXX
3. 2010	526	462	73	73	15	0			24			102	XXX
4. 2011	849	767	446	446	23	0	1	1	25			130	XXX
5. 2012	1,138	869	468	468	48	0	0	0	52			369	XXX
6. 2013	1,360	853	377	377	95	0	0	0	77			678	XXX
7. 2014	1,242	145	506	505	201	0	0	0	137			1,435	XXX
8. 2015	3,548	518	1,639	775	547	0	245	0	433		421	5,118	XXX
9. 2016	9,951	1,576	2,096	866	1,538	0	328	0	884		430	12,355	XXX
10. 2017	20,197	918	5,030	1,433	2,682	1	646	1	2,125		1,045	28,327	XXX
11. 2018	49,899	647	17,373	2,248	3,864	0	1,474	2	6,559		7,009	76,271	XXX
12. Totals	95,646	13,219	28,147	7,241	9,127	27	2,754	38	10,471	0	8,905	125,619	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	526	227
2. 2009	116,454	2,916	113,537	70.4	132.5	69.5			2.00	37	44
3. 2010	119,125	2,901	116,224	72.4	117.1	71.7			2.00	64	39
4. 2011	124,724	2,573	122,151	73.6	113.4	73.1			2.00	82	48
5. 2012	135,612	2,574	133,038	75.3	139.1	74.7			2.00	269	99
6. 2013	137,764	2,319	135,445	72.5	124.4	72.0			2.00	507	172
7. 2014	141,268	1,382	139,886	70.5	70.9	70.4			2.00	1,097	338
8. 2015	150,017	2,190	147,826	73.7	108.9	73.4			2.00	3,893	1,225
9. 2016	171,224	3,622	167,602	76.9	180.0	75.9			2.00	9,606	2,749
10. 2017	187,686	3,183	184,504	73.1	138.8	72.5			2.00	22,876	5,451
11. 2018	211,279	3,347	207,933	69.1	131.7	68.6			2.00	64,377	11,894
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	103,333	22,286

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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior	28,113	27,012	25,532	25,102	25,518	25,756	25,899	25,956	25,959	26,252	293	297
2. 2009	100,236	98,739	99,000	98,560	98,163	98,274	98,271	98,294	98,397	98,406	9	111
3. 2010	XXX	101,303	101,356	101,606	101,755	101,093	101,193	101,168	101,170	101,184	14	15
4. 2011	XXX	XXX	106,416	107,670	108,052	108,048	107,233	107,259	107,247	107,230	(17)	(29)
5. 2012	XXX	XXX	XXX	117,820	118,142	118,201	118,317	117,480	117,586	117,552	(34)	72
6. 2013	XXX	XXX	XXX	XXX	120,406	120,276	120,206	120,419	119,399	119,479	80	(940)
7. 2014	XXX	XXX	XXX	XXX	XXX	126,039	123,924	124,244	124,506	123,573	(933)	(671)
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	129,749	130,070	130,503	130,467	(35)	398
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	147,187	147,690	148,248	557	1,061
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	162,927	162,866	(61)	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	184,447	XXX	XXX
										12. Totals	(126)	314

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	13,489	19,771	22,704	24,022	24,652	25,072	25,191	25,302	25,625	XXX	XXX
2. 2009	65,902	84,358	91,530	95,206	96,998	97,752	98,023	98,152	98,331	98,353	XXX	XXX
3. 2010	XXX	66,682	86,115	94,136	98,169	100,008	100,671	100,934	101,058	101,105	XXX	XXX
4. 2011	XXX	XXX	71,420	92,236	100,613	104,709	106,237	106,775	107,030	107,125	XXX	XXX
5. 2012	XXX	XXX	XXX	77,874	101,441	110,405	114,548	116,240	116,907	117,236	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	77,902	103,240	112,122	116,509	118,259	118,877	XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX	82,965	106,053	115,808	120,423	122,275	XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	84,318	110,704	120,838	125,782	XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	95,373	124,916	136,777	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	103,732	136,664	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	114,736	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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior	4,622	2,301	862	199	206	212	208	189	173	117
2. 2009	8,313	2,617	1,442	811	33	8	4	2	1	0
3. 2010	XXX	7,639	2,612	1,191	859	14	3	2	2	0
4. 2011	XXX	XXX	7,770	2,560	1,147	916	4	2	1	0
5. 2012	XXX	XXX	XXX	9,523	2,758	1,169	977	1	1	0
6. 2013	XXX	XXX	XXX	XXX	10,230	3,045	1,251	1,105	1	0
7. 2014	XXX	XXX	XXX	XXX	XXX	9,652	3,130	1,291	1,085	0
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	9,352	3,241	1,398	1,108
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,838	3,596	1,558
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,730	4,242
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,596

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
	States, Etc.	Active Status (a)	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1.	Alabama AL	N								
2.	Alaska AK	N								
3.	Arizona AZ	N								
4.	Arkansas AR	E								
5.	California CA	N								
6.	Colorado CO	L								
7.	Connecticut CT	N								
8.	Delaware DE	N								
9.	District of Columbia DC	N								
10.	Florida FL	L	2,165,875,039	2,072,495,974		1,177,788,263	1,314,851,664	699,813,980	13,845,636	
11.	Georgia GA	L	9,763,345	10,052,827		6,064,744	5,987,450	3,140,951	147,192	
12.	Hawaii HI	L								
13.	Idaho ID	N								
14.	Illinois IL	L				337	337			
15.	Indiana IN	L								
16.	Iowa IA	N								
17.	Kansas KS	N								
18.	Kentucky KY	L								
19.	Louisiana LA	N								
20.	Maine ME	E								
21.	Maryland MD	L	2,350,665	3,407,875		2,373,361	1,314,149	1,140,642	28,745	
22.	Massachusetts MA	E								
23.	Michigan MI	L								
24.	Minnesota MN	N								
25.	Mississippi MS	L								
26.	Missouri MO	E								
27.	Montana MT	E								
28.	Nebraska NE	N								
29.	Nevada NV	N								
30.	New Hampshire NH	N								
31.	New Jersey NJ	N								
32.	New Mexico NM	E								
33.	New York NY	Q					1	3,500,000		
34.	North Carolina NC	L	(99)	(99)		(4,207)	(11,490)	534		
35.	North Dakota ND	E								
36.	Ohio OH	L								
37.	Oklahoma OK	L								
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	N								
44.	Texas TX	N								
45.	Utah UT	E								
46.	Vermont VT	N								
47.	Virginia VA	L	1,539,988	1,600,258		461,211	430,076	336,080	27,020	
48.	Washington WA	L	226,958	244,408		58,103	(37,184)	73,790	2,731	
49.	West Virginia WV	N								
50.	Wisconsin WI	E								
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	XXX	2,179,755,896	2,087,801,243	0	1,186,741,812	1,322,535,003	708,005,977	14,051,324	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

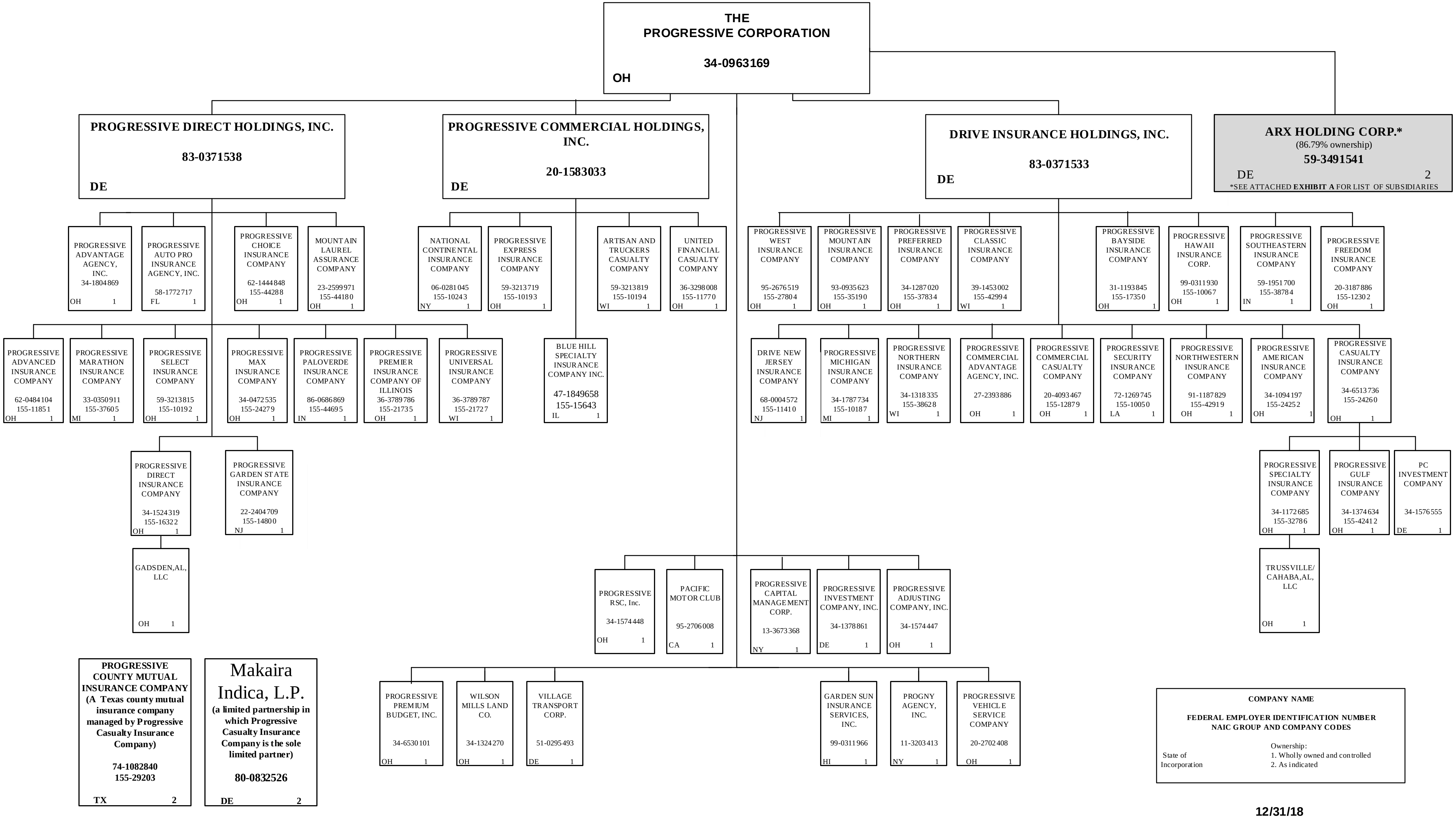
Explanation of Basis of Allocation of Premiums by States, etc.

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

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	15	R - Registered - Non-domiciled RRGs	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)	9	Q - Qualified - Qualified or accredited reinsurer	1
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile	0	N - None of the above - Not allowed to write business in the state	32

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



12/31/18

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

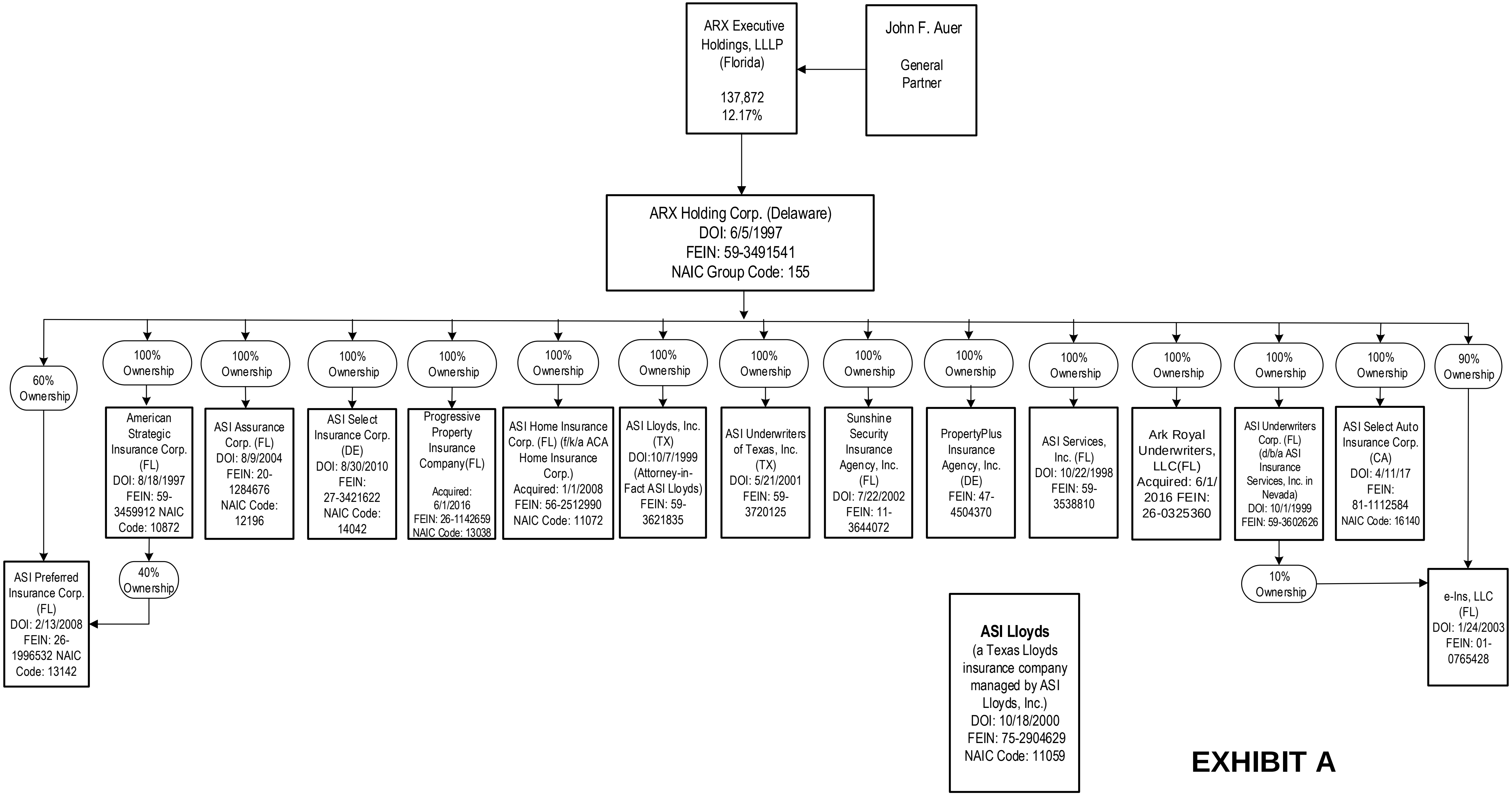


EXHIBIT A

2018 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK