



**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**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).....	189,528,385		189,528,385	159,740,194
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 (\$.....16,987,911, Schedule DA).....	16,987,911		16,987,911	30,526,860
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).....	206,516,296	0	206,516,296	190,267,054
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,583,982		2,583,982	3,261,377
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	36,094,032	6,930,675	29,163,357	23,625,299
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	160,120,434		160,120,434	126,694,068
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	4,477,361		4,477,361	4,036,603
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.....	4,789,552		4,789,552	3,863,296
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.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	2,541,143	.6,143	2,535,000	2,084,625
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	417,122,800	6,936,818	410,185,982	353,832,322
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	417,122,800	6,936,818	410,185,982	353,832,322

**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. STATE TAX CREDITS.....	2,535,000		2,535,000	2,084,625
2502. MISCELLANEOUS OTHER ASSETS.....	.6,143	.6,143	0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	2,541,143	.6,143	2,535,000	2,084,625

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY  
LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	51,666,530	44,259,341
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	744,623	801,981
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	11,142,983	9,390,375
4. Commissions payable, contingent commissions and other similar charges.....	539,324	314,005
5. Other expenses (excluding taxes, licenses and fees).....	7,146,210	6,013,192
6. Taxes, licenses and fees (excluding federal and foreign income tax es).....	1,305,535	1,070,258
7.1 Current federal and foreign income tax es (including \$.....(4,612) on realized capital gains (losses)).....	1,262,689	1,628,398
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 \$.....262,755,067 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).....	50,129,495	42,244,705
10. Advance premium.....	2,979,710	2,812,058
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	3,552,563	2,780,014
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).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	28,079,687	22,902,377
19. Payable to parent, subsidiaries and affiliates.....	58,962,261	11,928,695
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.....	80,442,516	119,371,388
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	297,954,126	265,516,787
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	297,954,126	265,516,787
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	1,500,000	1,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	31,300,000	25,300,000
35. Unassigned funds (surplus).....	79,431,856	61,515,535
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).....	112,231,856	88,315,535
38. TOTAL (Page 2, Line 28, Col. 3).....	410,185,982	353,832,322

**DETAILS OF WRITE-INS**

2501. RECEIVABLE FACTORING LIABILITY.....	80,000,000	119,000,000
2502. STATE PLAN LIABILITY.....	424,378	331,334
2503. ESCHEATABLE PROPERTY.....	9,816	10,866
2598. Summary of remaining write-ins for Line 25 from overflow page.....	8,322	29,188
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	80,442,516	119,371,388
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4).....	151,555,161	127,202,249
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	89,312,942	79,175,974
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	14,765,687	13,463,192
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	31,354,190	26,695,482
5. Aggregate write-ins for underwriting deductions.....	(4,281)	550
6. Total underwriting deductions (Lines 2 through 5).....	135,428,538	119,335,198
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	16,126,623	7,867,051
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	3,869,056	2,755,419
10. Net realized capital gains (losses) less capital gains tax of \$....36,623 (Exhibit of Capital Gains (Losses)).....	138,493	(48,871)
11. Net investment gain (loss) (Lines 9 + 10).....	4,007,549	2,706,548
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....519,765 amount charged off \$....13,034,274).....	(12,514,509)	(8,331,932)
13. Finance and service charges not included in premiums.....	15,145,268	12,609,272
14. Aggregate write-ins for miscellaneous income.....	790,646	145,289
15. Total other income (Lines 12 through 14).....	3,421,405	4,422,629
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	23,555,511	14,996,228
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).....	23,555,511	14,996,228
19. Federal and foreign income taxes incurred.....	4,878,489	4,908,089
20. Net income (Line 18 minus Line 19) (to Line 22).....	18,677,088	10,088,139
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	88,315,535	78,411,316
22. Net income (from Line 20).....	18,677,088	10,088,139
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....		
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	925,923	(1,250,776)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(1,686,690)	(1,933,144)
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.....	6,000,000	3,000,000
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).....	23,916,321	9,904,219
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	112,231,856	88,315,535

**DETAILS OF WRITE-INS**

0501. LOSS (GAIN) ON COMMUTATION.....	(4,281)	550
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).....	(4,281)	550
1401. INTEREST INCOME ON INTERCOMPANY BALANCES.....	981,541	355,657
1402. MISCELLANEOUS INCOME.....	156,446	67,033
1403. SERVICE BUSINESS REVENUE.....	1,622	1,470
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(348,963)	(278,871)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	790,646	145,289
3701. .....		
3702. .....		
3703. .....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

# PROGRESSIVE MOUNTAIN INSURANCE COMPANY CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	118,424,244	95,873,725
2. Net investment income.....	6,543,527	5,346,873
3. Miscellaneous income.....	4,721,291	5,072,301
4. Total (Lines 1 through 3).....	129,689,062	106,292,899
5. Benefit and loss related payments.....	82,403,869	73,092,844
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	42,769,474	37,458,375
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$....41,116 tax on capital gains (losses).....	5,280,821	4,254,759
10. Total (Lines 5 through 9).....	130,454,164	114,805,978
11. Net cash from operations (Line 4 minus Line 10).....	(765,102)	(8,513,079)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	113,857,281	20,066,519
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).....	113,857,281	20,066,519
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	145,467,331	31,029,729
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).....	145,467,331	31,029,729
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).....	(31,610,050)	(10,963,210)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	6,000,000	3,000,000
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).....	12,836,203	36,483,549
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	18,836,203	39,483,549
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(13,538,949)	20,007,260
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	30,526,860	10,519,600
19.2 End of year (Line 18 plus Line 19.1).....	16,987,911	30,526,860

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

20,0001 .....	.....	.....
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**PROGRESSIVE MOUNTAIN INSURANCE COMPANY  
UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	0		0	0
2. Allied lines.....	0		0	0
3. Farmowners multiple peril.....	0		0	0
4. Homeowners multiple peril.....	561,128	268,961	291,665	538,424
5. Commercial multiple peril.....	0		0	0
6. Mortgage guaranty.....	0		0	0
8. Ocean marine.....	0		0	0
9. Inland marine.....	2,303,062	995,139	1,109,469	2,188,732
10. Financial guaranty.....	0		0	0
11.1 Medical professional liability - occurrence.....	0		0	0
11.2 Medical professional liability - claims-made.....	300	27	28	299
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.....	772,544	347,801	373,864	746,481
17.2 Other liability - claims-made.....	2,750	249	256	2,742
17.3 Ex cess 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.....	87,311,722	20,962,794	24,399,769	83,874,747
19.3, 19.4 Commercial auto liability.....	13,681,592	5,443,087	7,000,620	12,124,059
21. Auto physical damage.....	54,806,543	14,226,603	16,953,626	52,079,520
22. Aircraft (all perils).....	0		0	0
23. Fidelity.....	0		0	0
24. Surety.....	311	43	197	157
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.....	159,439,951	42,244,705	50,129,495	151,555,161

**DETAILS OF WRITE-INS**

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

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

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....	.291,665				.291,665
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	1,109,469				1,109,469
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....	28				28
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.....	.373,864				.373,864
17.2 Other liability - claims-made.....	.256				.256
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....	24,399,769				24,399,769
19.3, 19.4 Commercial auto liability.....	7,000,620				7,000,620
21. Auto physical damage.....	16,953,626				16,953,626
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....	.197				.197
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.....	50,129,495	.0	.0	.0	50,129,495
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					50,129,495

**DETAILS OF WRITE-INS**

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

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

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

**PART 1B - PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Col. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....	717,695	561,128		717,695		.561,128
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	7,484,031	2,303,062		7,484,031		.2,303,062
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....		300				.300
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....	2,242,355	772,544		2,015,508	.226,847	.772,544
17.2 Other liability - claims-made.....		2,750				.2,750
17.3 Ex cess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	486,462,171	87,311,722		486,462,171		.87,311,722
19.3, 19.4 Commercial auto liability.....	111,629,598	13,681,592		111,553,654	.75,943	.13,681,592
21. Auto physical damage.....	235,843,039	54,806,543		235,843,039		.54,806,543
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....		311				.311
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.....	844,378,889	159,439,951	0	844,076,099	.302,790	.159,439,951

**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.

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

## PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0	.0		.0	.0
2. Allied lines.....				0	.0		.0	.0
3. Farmowners multiple peril.....				0	.0		.0	.0
4. Homeowners multiple peril.....	173,697	192,015	173,697	192,015	53,358	56,463	188,911	35.1
5. Commercial multiple peril.....				0	.0		.0	.0
6. Mortgage guaranty.....				0	.0		.0	.0
8. Ocean marine.....				0	.0		.0	.0
9. Inland marine.....	3,589,076	1,147,828	3,589,076	1,147,828	160,904	138,855	1,169,878	53.5
10. Financial guaranty.....				0	.0		.0	.0
11.1 Medical professional liability - occurrence.....				0	.0		.0	.0
11.2 Medical professional liability - claims-made.....				0	15	15	.0	.0
12. Earthquake.....				0	.0		.0	.0
13. Group accident and health.....				0	.0		.0	.0
14. Credit accident and health (group and individual).....				0	.0		.0	.0
15. Other accident and health.....				0	.0		.0	.0
16. Workers' compensation.....		1,389		1,389	16,729	18,114	.5	.0
17.1 Other liability - occurrence.....	936,627	264,932	936,627	264,932	47,325	489,078	248,179	33.2
17.2 Other liability - claims-made.....		150,610		150,610	159,756	150,832	159,534	581.2
17.3 Excess workers' compensation.....				0	.0		.0	.0
18.1 Products liability - occurrence.....				0	.0		.0	.0
18.2 Products liability - claims-made.....				0	.0		.0	.0
19.1, 19.2 Private passenger auto liability.....	245,119,676	45,036,801	245,119,676	45,036,801	40,535,228	35,175,683	50,396,346	60.1
19.3, 19.4 Commercial auto liability.....	47,805,503	5,007,913	47,805,503	5,007,913	9,914,474	7,963,651	6,958,736	57.4
21. Auto physical damage.....	119,491,131	30,069,717	119,491,131	30,069,717	341,862	209,774	30,201,204	58.0
22. Aircraft (all perils).....				0	.0		.0	.0
23. Fidelity.....		(291)		(291)	.0	.20	(311)	.0
24. Surety.....				0	.0	.3	(3)	(1.6)
26. Burglary and theft.....				0	.0		.0	.0
27. Boiler and machinery.....				0	.0		.0	.0
28. Credit.....				0	.0		.0	.0
29. International.....				0	.0		.0	.0
30. Warranty.....				0	.0		.0	.0
31. Reinsurance - nonproportional assumed property.....	XXX			0	.0		.0	.0
32. Reinsurance - nonproportional assumed liability.....	XXX	35,438		35,438	11,879	56,853	(9,537)	.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	.0		.0	.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	.0
35. TOTALS.....	417,373,709	81,905,752	417,373,709	81,905,752	51,666,530	44,259,341	89,312,942	58.9

#### DETAILS OF WRITERS

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

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				0				0	
2. Allied lines.....				0				0	
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	41,612	32,815	41,612	32,815	24,112	20,543	24,112	53,358	9,018
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....	746,074	113,763	746,074	113,763	209,291	47,141	209,291	160,904	30,822
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0		15		15	13
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.....		16,729		16,729				16,729	.748
17.1 Other liability - occurrence.....	544,437	306,087	544,437	306,087	574,776	166,238	574,776	472,325	74,234
17.2 Other liability - claims-made.....		1,788		1,788		157,968		159,756	2,699
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.....	149,712,466	30,425,685	149,712,466	30,425,685	51,988,859	10,109,543	51,988,859	40,535,228	9,011,695
19.3, 19.4 Commercial auto liability.....	61,007,111	8,371,507	61,007,111	8,371,507	9,790,092	1,542,967	9,790,092	9,914,474	1,476,504
21. Auto physical damage.....	8,049,397	1,941,404	8,049,397	1,941,404	(5,293,391)	(1,599,543)	(5,293,391)	341,862	537,250
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	3,615		3,615	XXX	8,264		11,879	
33. Reinsurance - nonproportional assumed financial lines.....	XXX		0	0	XXX			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	220,101,097	41,213,394	220,101,097	41,213,394	57,293,739	10,453,136	57,293,739	51,666,530	11,142,983

DETAILS OF WRITE-INS

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

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

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

**PART 3 - EXPENSES**

	1 Loss Adjustment Ex penses	2 Other Underwriting Ex penses	3 Investment Ex penses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	12,221,837			12,221,837
1.2 Reinsurance assumed.....	2,547,350			2,547,350
1.3 Reinsurance ceded.....	12,221,837			12,221,837
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	2,547,350	0	0	2,547,350
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		87,203,937		87,203,937
2.2 Reinsurance assumed, excluding contingent.....		15,012,938		15,012,938
2.3 Reinsurance ceded, excluding contingent.....		87,203,937		87,203,937
2.4 Contingent - direct.....		3,168,386		3,168,386
2.5 Contingent - reinsurance assumed.....		653,411		653,411
2.6 Contingent - reinsurance ceded.....		3,168,386		3,168,386
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	15,666,349	0	15,666,349
3. Allowances to manager and agents.....		47,835		47,835
4. Advertising.....	228	1,777,042		1,777,270
5. Boards, bureaus and associations.....	33,348	53,328	2,247	88,923
6. Surveys and underwriting reports.....		920,569		920,569
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	8,378,759	5,671,648	97,926	14,148,334
8.2 Payroll taxes.....	586,741	364,102	3,311	954,154
9. Employee relations and welfare.....	1,337,871	841,081	4,452	2,183,403
10. Insurance.....	22,639	12,290		34,929
11. Directors' fees.....				0
12. Travel and travel items.....	309,584	105,186	864	415,635
13. Rent and rent items.....	415,899	367,583	2,119	785,601
14. Equipment.....	37,684	127,981		165,665
15. Cost or depreciation of EDP equipment and software.....	598,760	1,021,164	612	1,620,536
16. Printing and stationery.....	35,384	71,413	152	106,949
17. Postage, telephone and telegraph, exchange and express.....	368,306	831,611	858	1,200,775
18. Legal and auditing.....	76,380	91,785	9,386	177,551
19. Totals (Lines 3 to 18).....	12,201,584	12,304,618	121,927	24,628,129
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....1,194.....		2,611,255		2,611,255
20.2 Insurance department licenses and fees.....	13,363	115,082		128,444
20.3 Gross guaranty association assessments.....		18,232		18,232
20.4 All other (excluding federal and foreign income and real estate).....	2,983	497,067		500,050
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	16,345	3,241,636	0	3,257,981
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	408	141,586	19,315	161,310
25. Total expenses incurred.....	14,765,687	31,354,190	141,243	(a).....46,261,119
26. Less unpaid expenses - current year.....	11,142,983	8,989,378	1,692	20,134,054
27. Add unpaid expenses - prior year.....	9,390,375	7,395,863	1,593	16,787,830
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).....	13,013,078	29,760,675	141,143	42,914,896

**DETAILS OF WRITE-INS**

2401. MISCELLANEOUS EXPENSES.....	408	141,586	19,315	161,310
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).....	408	141,586	19,315	161,310

(a) Includes management fees of \$....24,789,439 to affiliates and \$.....0 to non-affiliates.

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a)	
1.1 Bonds exempt from U.S. tax .....	(a).....3,907,911	.....2,061,040
1.2 Other bonds (unaffiliated).....	(a).....(11,435)	.....1,674,209
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).....791,217	.....275,050
7. Derivative instruments.....	(f)	
8. Other invested assets.....		
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	.....4,687,693	.....4,010,299
11. Investment expenses.....		(g).....141,243
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).....		.....141,243
17. Net investment income (Line 10 minus Line 16).....		.....3,869,056

**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	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	0	0

- (a) Includes \$.....38,612 accrual of discount less \$.....2,035,588 amortization of premium and less \$.....206,993 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 \$.....29,042 accrual of discount less \$.....558,521 amortization of premium and less \$.....16,728 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 tax es, licenses and fees, excluding federal income tax es, 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.....			.0		
1.1 Bonds exempt from U.S. tax .....	175,116		175,116		
1.2 Other bonds (unaffiliated).....			.0		
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).....	175,116	.0	175,116	.0	.0

**DETAILS OF WRITE-INS**

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

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			0
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			0
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	6,930,675	5,239,077	(1,691,598)
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.....	.333	333	333
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.....	.6,143	10,719	4,576
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	6,936,818	5,250,129	(1,686,689)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	6,936,818	5,250,129	(1,686,689)

**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.....	.6,143	10,719	4,576
2502.....			.0
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	.6,143	10,719	4,576

**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 Mountain 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
<b>NET INCOME</b>					
(1) PROGRESSIVE MOUNTAIN INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 18,677,088	\$ 10,088,139
(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	\$ 18,677,088	\$ 10,088,139
<b>SURPLUS</b>					
(5) PROGRESSIVE MOUNTAIN INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 112,231,856	\$ 88,315,535
(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	\$ 112,231,856	\$ 88,315,535

**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. Uneamed 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.

**NOTES TO FINANCIAL STATEMENTS**

- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 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 (ii) 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**

The Company does not own any loan-backed or structured debt securities.

**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

**NOTES TO FINANCIAL STATEMENTS****H. Repurchase Agreements Transactions Accounted for as a Sale**

Not Applicable

**I. Reverse Repurchase Agreements Transactions Accounted for as a Sale**

Not Applicable

**J. Real Estate**

Not Applicable

**K. Low-Income Housing Tax Credits (LIHTC)**

Not Applicable

**L. Restricted Assets****1. Restricted Assets (Including Pledged)**

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					Percentage	
	Current Year		Total Protected Cell Account Assets Supporting G/A Activity (b)	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)	
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)										
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	2,804,468				2,804,468	3,083,792	(279,324)		2,804,468	0.7%	0.7%	
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										%	%	
<b>o. Total Restricted Assets</b>	<b>\$ 2,804,468</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,804,468</b>	<b>\$ 3,083,792</b>	<b>\$ (279,324)</b>	<b>\$</b>	<b>\$ 2,804,468</b>	<b>0.7%</b>	<b>0.7%</b>	

(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 (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)**

Not Applicable

**3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)**

Not Applicable

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

Not Applicable

**M. Working Capital Finance Investments**

Not Applicable

**N. Offsetting and Netting of Assets and Liabilities**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## O. Structured Notes

Not Applicable

## P. 5GI Securities

Not Applicable

## Q. Short Sales

Not Applicable

## R. Prepayment Penalty and Acceleration Fees

Not Applicable

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

Not Applicable

**Note 7 – Investment Income**

## A. Accrued Investment Income

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

## B. Amounts Nonadmitted

Not Applicable

**Note 8 – Derivative Instruments**

Not Applicable

**Note 9 – Income Taxes**

## A. Deferred Tax Assets/(Liabilities)

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

	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	\$ 5,753,054	\$ 617	\$ 5,753,671	\$ 4,351,456	\$ 768	\$ 4,352,224	\$ 1,401,598	\$ (151)	\$ 1,401,447
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 5,753,054	\$ 617	\$ 5,753,671	\$ 4,351,456	\$ 768	\$ 4,352,224	\$ 1,401,598	\$ (151)	\$ 1,401,447
d. Deferred tax assets nonadmitted					333	333		(333)	(333)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 5,753,054	\$ 617	\$ 5,753,671	\$ 4,351,456	\$ 435	\$ 4,351,891	\$ 1,401,598	\$ 182	1,401,780
f. Deferred tax liabilities	946,608	17,511	964,119	488,160	435	488,595	458,448	17,076	475,524
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 4,806,446	\$ (16,894)	\$ 4,789,552	\$ 3,863,296	\$	\$ 3,863,296	\$ 943,150	\$ (16,894)	\$ 926,256

**NOTES TO FINANCIAL STATEMENTS**

## 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	\$ 5,753,054	\$ 617	\$ 5,753,671	\$ 4,287,260	\$	\$ 4,287,260	\$ 1,465,794	\$ 617	\$ 1,466,411
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			16,116,346			12,667,836			3,448,510
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				64,196	435	64,631	(64,196)	(435)	(64,631)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 5,753,054	\$ 617	\$ 5,753,671	\$ 4,351,456	\$ 435	\$ 4,351,891	\$ 1,401,598	\$ 182	\$ 1,401,780

## 3. Other Admissibility Criteria

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	1,894.0%	2,038.8%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 107,442,304	\$ 84,452,239

## 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)	\$ 5,753,054	\$ 617	\$ 4,351,456	\$ 768	\$ 1,401,598	\$ (151)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	0 %	0 %	43.0%	0 %	(43.0)%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 5,753,054	\$ 617	\$ 4,351,456	\$ 435	\$ 1,401,598	\$ 182
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	\$ 4,878,489	\$ 4,908,089	\$ (29,600)
b. Foreign			
c. Subtotal	\$ 4,878,489	\$ 4,908,089	\$ (29,600)
d. Federal income tax on net capital gains	36,623	(26,731)	63,354
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ 4,915,112	\$ 4,881,358	\$ 33,754

**2. Deferred Tax Assets**

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 676,170	\$ 231,226	\$ 444,944
2. Unearned premium reserve	2,128,710	1,794,635	334,075
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	39,370	57,754	(18,384)
8. Compensation and benefits accrual	572,163	556,733	15,430
9. Pension accrual			
10. Receivables - nonadmitted	1,455,442	1,100,206	355,236
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	881,199	610,902	270,297
Other (items listed individually >5% of total ordinary tax assets)			
Other assets nonadmitted	1,290	2,251	(961)
Bad debt reserve	869,108	596,132	272,976
99. Subtotal	5,753,054	4,351,456	1,401,598
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	5,753,054	4,351,456	1,401,598
e. Capital:			
1. Investments	\$ 617	\$ 768	\$ (151)
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	\$ 617	\$ 768	\$ (151)
f. Statutory valuation allowance adjustment			
g. Nonadmitted		333	(333)
h. Admitted capital deferred tax assets (2e99-2f-2g)	617	435	182
i. Admitted deferred tax assets (2d+2h)	\$ 5,753,671	\$ 4,351,891	\$ 1,401,780

**NOTES TO FINANCIAL STATEMENTS**

## 3. Deferred Tax Liabilities

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 8,068	\$	\$ 8,068
2. Fixed assets	565,003	398,970	166,033
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	373,537	89,190	284,347
Other (items listed individually >5% of total ordinary tax liabilities)			
Prepaid expenses	42,044	67,256	(25,212)
Salvage and subrogation	22,380	11,436	10,944
Loss discounting transition adjustment	294,951		294,951
99. Subtotal	946,608	488,160	458,448
b. Capital:			
1. Investments	17,511	435	17,076
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	17,511	435	17,076
c. Deferred tax liabilities (3a99+3b99)	\$ 964,119	\$ 488,595	\$ 475,524
4. Net Deferred Tax Assets (2i – 3c)	\$ 4,789,552	\$ 3,863,296	\$ 926,256

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	\$ 5,753,671	\$ 4,352,224	\$ 1,401,447
Total deferred tax liabilities	964,119	488,595	475,524
Net deferred tax asset (liability)	\$ 4,789,552	\$ 3,863,629	\$ 925,923
Tax effect of unrealized gains (losses)			---
Change in net deferred income tax			\$ 925,923

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 \$348,735 and an increase to the deferred tax liability for salvage and subrogation of \$11,648. The net increase of \$337,087 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	\$ 4,954,362	21.0%
Exempt interest income	(343,247)	-1.5%
Impact of nonadmitted assets	(354,275)	-1.5%
Tax credits	(34,000)	-0.1%
Stock-based compensation	(236,891)	-1.0%
Other	3,240	0.0%
Total	\$ 3,989,189	16.9%
Federal and foreign income taxes incurred	\$ 4,915,112	
Change in net deferred income tax	(925,923)	
Total statutory income taxes	\$ 3,989,189	

## E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

- During the reporting period, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- 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:	\$ 4,944,378
First preceding tax year:	\$ 4,820,179

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.

**NOTES TO FINANCIAL STATEMENTS****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 1/2% of Admitted Assets**

The Company received capital contributions of \$6,000,000 and \$3,000,000 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.

See Note 17.B.

**C. Change in Terms of Intercompany Arrangements**

Not Applicable

**D. Amounts Due to or from Related Parties**

The Company reported a \$58,962,261 and \$11,928,695 payable to 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 \$1,262,689 and \$1,628,398 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 management agreement with Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. Under the terms of the agreement, the Company is provided underwriting and loss adjustment services for business produced in exchange for a management fee based on the Company's use of services.

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

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

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

**G. Nature of Relationships that Could Affect Operations**

All outstanding shares of the Company are owned by DIH.

**H. Amount Deducted for Investment in Upstream Company**

Not Applicable

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

Not Applicable

**J. Write-Downs for Impairment of Investments in Affiliates**

Not Applicable

**K. Investment in Foreign Insurance Subsidiary**

Not Applicable

**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 500 shares of \$3,000 par value common stock authorized and 500 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

## 2. Dividend Rate of Preferred Stock

Not Applicable

## 3,4,5,6. Dividends

The maximum amount of dividends the Company can pay to DIH in 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 \$18,677,088 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.

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

**Note 14 – Liabilities, Contingencies and Assessments**

## A. Contingent Commitments

Not Applicable

## B. Assessments

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

As of December 31, 2018 and 2017, the Company's estimated liability for state guaranty fund and other assessments was \$296,509 and \$250,276, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

As of December 31, 2018 and 2017, the Company's estimated liability for various surcharges was \$447 and \$1,589, respectively.

**NOTES TO FINANCIAL STATEMENTS****C. Gain Contingencies**

Not Applicable

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

PROGRESSIVE MOUNTAIN 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	\$ 260,342

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

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

Indicate whether claim count information is disclosed per claim or per claimant:

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

**E. Product Warranties**

Not Applicable

**F. Joint and Several Liabilities**

Not Applicable

**G. All Other Contingencies**

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

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

**Note 15 – Leases**

Not Applicable

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

Not Applicable

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities****A. Transfers of Receivables Reported as Sales**

Not Applicable

**B. Transfer and Servicing of Financial Assets**

The Company transferred \$289,200,000 and \$294,400,000 of premiums receivable to Progressive Investment Company, Inc. ("PICI"), a non-insurance affiliate, for \$288,851,037 and \$294,121,129 in cash and/or securities in 2018 and 2017, respectively. The related premiums receivable remained in the Company's assets, and a corresponding liability was established. As the related cash was collected it was transferred to PICI, and the liability was reduced. These premiums receivable transactions were approved by the Ohio DOI.

**C. Wash Sales**

Not Applicable

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

Not Applicable

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

The Company maintains a program administrator agreement with ASIU (see Note 10.F). The agreement gives ASIU authority for designing, implementing, and administrating the Company's renters insurance program. The renters insurance program provides tenants with coverage for damage to personal property, personal liability and medical payments to others. The renters insurance program generated \$719,508 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.

**NOTES TO FINANCIAL STATEMENTS**

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.

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

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

**2. 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	\$ 190,637,975	\$ 189,528,385	\$	\$ 190,637,975	\$	\$	\$
Cash equivalents	\$	\$	\$	\$	\$	\$	\$
Common stock	\$	\$	\$	\$	\$	\$	\$
Preferred stock	\$	\$	\$	\$	\$	\$	\$
Short-term investments	\$ 16,989,022	\$ 16,987,911	\$	\$ 16,989,022	\$	\$	\$

**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**

Not Applicable

**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	\$ 2,535,000	\$ 3,000,000
Low Income Housing Tax Credit (NT)	GA	\$	\$ 163,677
<b>Total</b>		<b>\$ 2,535,000</b>	<b>\$ 3,163,677</b>

**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.**

**NOTES TO FINANCIAL STATEMENTS**

## 4. State Tax Credits Admitted and Nonadmitted

		Total Admitted	Total Nonadmitted
a.	Transferable	\$	\$
b.	Non-Transferable	\$ 2,535,000	\$

## F. Subprime Mortgage Related Risk Exposure

## 1. Exposure to Subprime Mortgage Related Risk

The following sub prime 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 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	\$ 597,702,000
Total			\$ 597,702,000

## B. Reinsurance Recoverable in Dispute

Not Applicable

## C. Reinsurance Assumed and Ceded

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

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 50,129,000	\$	\$ 262,610,000	\$	\$ (212,481,000)	\$
b. All Other			145,000	31,000	(145,000)	(31,000)
c. Total	\$ 50,129,000	\$	\$ 262,755,000	\$ 31,000	\$ (212,626,000)	\$ (31,000)
d. Direct Unearned Premium Reserves			\$ 262,755,000			

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

## D. Uncollectible Reinsurance

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

E. Commutation of Ceded Reinsurance  
Not Applicable

F. Retroactive Reinsurance  
Not Applicable

G. Reinsurance Accounted for as a Deposit  
Not Applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements  
Not Applicable

I. Certified Reinsurer 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 \$112,355 in 2018, which is less than 1% of the total prior year net unpaid losses and LAE of \$53,649,716. 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).

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.

**NOTES TO FINANCIAL STATEMENTS**

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	--
<b>Total</b>	<b>\$ 176,746,323</b>	<b>\$ 176,746,323</b>

**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, Progressive American Insurance Company's, an insurance affiliate domiciled in Ohio and Agency Pool member, exposure from a limited number of general liability policies issued from 1972 to 1975, and 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)	\$ 2,050	\$ 110	\$ 110	\$ 70,000	\$ 70,000
b. Incurred losses and loss adjustment expense	(1,940)		69,890		
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 110	\$ 110	\$ 70,000	\$ 70,000	\$ 70,000

**NOTES TO FINANCIAL STATEMENTS**

## (2) Assumed Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 21,787	\$ 38,405	\$ 36,689	\$ 35,107	\$ 21,577
b. Incurred losses and loss adjustment expense	19,902	217	1,085	(10,363)	34,989
c. Calendar year payments for losses and loss adjustment expenses	3,284	1,933	2,667	3,167	11,553
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 38,405	\$ 36,689	\$ 35,107	\$ 21,577	\$ 45,013

## (3) Net of Ceded Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 23,838	\$ 38,515	\$ 36,799	\$ 45,870	\$ 32,819
b. Incurred losses and loss adjustment expense	17,961	217	11,738	(9,884)	34,989
c. Calendar year payments for losses and loss adjustment expenses	3,284	1,933	2,667	3,167	11,553
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 38,515	\$ 36,799	\$ 45,870	\$ 32,819	\$ 56,255

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

(1) Direct basis	\$ 44,695
(2) Assumed reinsurance basis	37,155
(3) Net of ceded reinsurance basis	\$ 40,400

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

(1) Direct basis	\$ 35,000
(2) Assumed reinsurance basis	8,130
(3) Net of ceded reinsurance basis	\$ 13,751

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

## (1) Direct

	2014	2015	2016	2017	2018
a. Beginning reserves	\$ 511	\$	\$	\$	\$
b. Incurred losses and loss adjustment expense		(511)			
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves	\$	\$	\$	\$	\$

## (2) Assumed Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves	\$ 80,810	\$ 98,431	\$ 93,498	\$ 89,639	\$ 105,085
b. Incurred losses and loss adjustment expense	70,951	1,017	(711)	17,671	(33,319)
c. Calendar year payments for losses and loss adjustment expenses	53,330	5,950	3,148	2,225	55,490
d. Ending reserves	\$ 98,431	\$ 93,498	\$ 89,639	\$ 105,085	\$ 16,276

## (3) Net of Ceded Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves	\$ 81,321	\$ 98,431	\$ 93,498	\$ 89,639	\$ 105,085
b. Incurred losses and loss adjustment expense	70,440	1,017	(711)	17,671	(33,319)
c. Calendar year payments for losses and loss adjustment expenses	53,330	5,950	3,148	2,225	55,490
d. Ending reserves	\$ 98,431	\$ 93,498	\$ 89,639	\$ 105,085	\$ 16,276

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

(1) Direct basis	\$
(2) Assumed reinsurance basis	13,925
(3) Net of ceded reinsurance basis	\$ 13,925

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

(1) Direct basis	\$
(2) Assumed reinsurance basis	3,719
(3) Net of ceded reinsurance basis	\$ 3,719

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**NOTES TO FINANCIAL STATEMENTS**

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**Note 34 – Subscriber Savings Accounts**

Not Applicable

**Note 35 – Multiple Peril Crop Insurance**

Not Applicable

**Note 36 – Financial Guaranty Insurance**

Not Applicable

# PROGRESSIVE MOUNTAIN INSURANCE COMPANY

## 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 [X]  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 [ ]

# PROGRESSIVE MOUNTAIN INSURANCE COMPANY

## 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. TRACOFF, FCAS, MAAA CORPORATE ACTUARY 6300 WILSON MILLS ROAD MAYFIELD VILLAGE, OH 44143-2182

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]

12.11 Name of real estate holding company	\$ 0
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;	\$ 0
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;	\$ 0
(c) Compliance with applicable governmental laws, rules and regulations;	\$ 0
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and	\$ 0
(e) Accountability for adherence to the code.	\$ 0

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
			\$ 0

**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

# PROGRESSIVE MOUNTAIN INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

22.23	Other amounts paid	\$ 0		
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [ ] No [ X ]		
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$ 0		
<b>INVESTMENT</b>				
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). <u>N/A</u>			
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	Yes [ ] No [ ] N/A [ X ]		
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs:	\$ 0		
24.06	If answer to 24.04 is no, report amount of collateral for other programs	\$ 0		
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [ ] No [ ] N/A [ X ]		
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [ ] No [ ] N/A [ X ]		
24.09	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?	Yes [ ] No [ ] N/A [ X ]		
24.10	For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:			
24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 0		
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 0		
24.103	Total payable for securities lending reported on the liability page:	\$ 0		
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)	Yes [ X ] No [ ]		
25.2	If yes, state the amount thereof at December 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	\$ 2,804,468		
25.29	On deposit with other regulatory bodies	\$ 0		
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ 0		
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ 0		
25.32	Other	\$ 0		
25.3	For category (25.26) provide the following:			
	1 Nature of Restriction	2 Description	3 Amount	
			\$	
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [ ] No [ X ]		
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes [ ] No [ ] N/A [ X ]		
27.1	Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?	Yes [ ] No [ X ]		
27.2	If yes, state the amount thereof at December 31 of the current year:	\$ 0		
28.	Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC <i>Financial Condition Examiners Handbook</i> ?	Yes [ X ] No [ ]		
28.01	For agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:			
	1 Name of Custodian(s)	2 Custodian's Address	3	
	CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013		
28.02	For all agreements that do not comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , provide the name, location and a complete explanation			
	1 Name(s)	2 Location(s)	3 Complete Explanation(s)	
	NONE			
28.03	Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?	Yes [ ] No [ X ]		
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"].			

# PROGRESSIVE MOUNTAIN INSURANCE COMPANY

## 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	\$ 206,516,295	\$ 207,626,997	\$ 1,110,702
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 206,516,295	\$ 207,626,997	\$ 1,110,702

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 [X]  No [ ]

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

THE COMPANY'S FAIR MARKET VALUATION PROCESS, REGARDLESS OF WHAT PRICING SOURCE IS USED, ANALYZES AND COMPARES INDEPENDENT VENDOR QUOTATIONS/SPREADS, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTES, INDEPENDENT BROKER/DEALER PRICING SERVICES, INPUTS FROM THE PORTFOLIO MANAGEMENT TEAM, DISCUSSIONS WITH EXTERNAL AUDITORS, AND/OR SECURITY SPECIFIC PARAMETERS TO ENSURE THAT THE VALUATION PROCESS REFLECTS THE MOST ACCURATE FAIR VALUE AT THE REPORTING DATE.

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

32.2 If no, list exceptions:

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?	\$ <u>17,486</u>
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.	

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

	Name	Amount Paid
INDEPENDENT STATISTICAL SVCS I		\$ 17,486

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		\$

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**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
2.2	Premium Denominator	\$ 151,555,161
2.3	Premium Ratio (2.1/2.2)	0.0%
2.4	Reserve Numerator	\$ 0
2.5	Reserve Denominator	\$ 113,683,631
2.6	Reserve Ratio (2.4/2.5)	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?	
	<u>THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.</u>	
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:	
	<u>THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. 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.</u>	
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?	
	<u>THE COMPANY'S ESTIMATED PML IS 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.</u>	

# PROGRESSIVE MOUNTAIN INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes [ ] No [ X ]
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss: <u>NONE</u>	
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [ ] No [ X ]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	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 noncancelable by the reporting entity during the contract term;	
	(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;	
	(c) Aggregate stop loss reinsurance coverage;	
	(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;	
	(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or	
	(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:	Yes [ ] No [ X ]
	(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or	
	(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [ ] No [ X ]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:	
	(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;	
	(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and	
	(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:	
	(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or	Yes [ ] No [ X ]
	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
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 reinsurance 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 ]

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**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):	<u>\$ 500,000</u>			
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.	<u>3</u>			
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
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0
16.14	Other*	\$ 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 [ ]			

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**FIVE-YEAR HISTORICAL DATA**

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

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
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).....	702,103,031	557,423,921	417,318,439	350,880,988	355,375,709
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	300,436,675	255,731,922	204,262,920	175,395,285	179,135,744
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,278,823	996,198	682,113	503,678	375,353
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	311	.98	.33	.129	.118
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	1,003,818,840	814,152,138	622,263,505	526,780,080	534,886,924
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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).....	101,768,907	85,700,718	72,489,160	65,444,363	63,558,715
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	57,109,605	48,165,504	41,622,345	37,202,493	35,895,804
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	561,128	515,794	463,498	.419,529	375,353
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	311	.98	.33	.129	.118
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	159,439,951	134,382,113	114,575,036	103,066,514	99,829,990
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	16,126,623	7,867,051	4,255,806	7,384,108	7,406,343
14. Net investment gain (loss) (Line 11).....	4,007,549	2,706,548	2,568,235	2,389,245	2,970,035
15. Total other income (Line 15).....	3,421,405	4,422,629	3,261,984	1,704,511	1,742,661
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	4,878,489	4,908,089	3,140,515	3,268,100	3,205,735
18. Net income (Line 20).....	18,677,088	10,088,139	6,945,510	8,209,764	8,913,304
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	410,185,982	353,832,322	287,224,730	243,994,302	222,985,808
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	29,163,357	23,625,299	15,327,395	10,593,402	12,028,164
20.2 Deferred and not yet due (Line 15.2).....	160,120,434	126,694,068	95,716,479	72,341,043	65,743,031
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	297,954,126	265,516,787	208,813,414	172,868,669	160,478,701
22. Losses (Page 3, Line 1).....	51,666,530	44,259,341	38,863,175	34,992,523	33,393,522
23. Loss adjustment expenses (Page 3, Line 3).....	11,142,983	9,390,375	8,108,332	7,365,192	6,852,757
24. Unearned premiums (Page 3, Line 9).....	50,129,495	42,244,705	35,064,841	30,860,376	28,511,484
25. Capital paid up (Page 3, Lines 30 & 31).....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	112,231,856	88,315,535	78,411,316	71,125,633	62,507,107
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	(765,102)	(8,513,079)	(14,591,050)	17,029,627	15,967,804
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	112,231,856	88,315,535	78,411,316	71,125,633	62,507,107
29. Authorized control level risk-based capital.....	5,674,037	4,142,173	3,701,104	3,481,777	3,527,776
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	.91.8	.84.0	.93.5	.96.1	100.0
31. Stocks (Lines 2.1 & 2.2).....					
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	8.2	16.0	.6.5	.3.9	
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	.0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....					
52. Dividends to stockholders (Line 35).....					(7,200,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	23,916,321	9,904,219	7,285,683	8,618,526	1,871,358
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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).....	344,323,450	287,756,805	233,349,196	209,379,891	236,805,275
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	154,555,152	132,844,108	114,372,237	102,874,845	111,669,444
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	365,712	312,917	163,595	160,097	165,992
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(291)	(2,054)	(205)	(2,066)	(631)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	35,438	3,707	4,254	2,380	4,056
59. Total (Line 35).....	499,279,461	420,915,482	347,889,077	312,415,147	348,644,136
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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).....	50,461,645	44,404,709	40,765,831	37,102,068	38,098,086
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	31,216,945	29,162,410	26,773,022	22,855,494	22,561,424
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	192,015	211,037	155,781	153,389	165,992
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(291)	(2,054)	(205)	(2,066)	(631)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	35,438	3,707	4,254	2,380	4,056
65. Total (Line 35).....	81,905,752	73,779,808	67,698,683	60,111,265	60,828,927
<b>Operating Percentages (Page 4)</b> (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
<b>Other Percentages</b>					
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).....	17.5	16.6	17.2	18.9	18.9
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).....	142.1	152.2	146.1	144.9	159.7
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(63)	189	49	(1,322)	(193)
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	(2.1)	(0.3)
<b>Two Year Loss Development (\$000 omitted)</b>					
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).....	157	(13)	(1,433)	(458)	307
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).....	0.2	(0.0)	(2.3)	(0.8)	0.5

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

Yes  No

If no, please explain:

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....356.....	....213.....	....21.....	....2.....	....15.....	....13.....	....176.....	....XXX.....		
2. 2009.....	....82,747.....	....1,101.....	....81,646.....	....48,864.....	....1,015.....	....1,394.....	....67.....	....7,565.....	....14.....	....4,113.....	....56,728.....	....XXX.....	
3. 2010.....	....82,237.....	....1,239.....	....80,999.....	....50,272.....	....1,132.....	....1,461.....	....49.....	....7,510.....	....2.....	....4,412.....	....58,061.....	....XXX.....	
4. 2011.....	....84,711.....	....1,134.....	....83,577.....	....52,889.....	....670.....	....1,353.....	....10.....	....7,448.....	....0.....	....4,895.....	....61,010.....	....XXX.....	
5. 2012.....	....89,992.....	....925.....	....89,067.....	....57,822.....	....615.....	....1,414.....	....3.....	....7,717.....		....5,524.....	....66,335.....	....XXX.....	
6. 2013.....	....95,043.....	....932.....	....94,111.....	....58,531.....	....541.....	....1,452.....	....3.....	....7,944.....		....5,579.....	....67,383.....	....XXX.....	
7. 2014.....	....100,256.....	....975.....	....99,280.....	....60,023.....	....364.....	....1,480.....	....2.....	....8,088.....		....5,826.....	....69,225.....	....XXX.....	
8. 2015.....	....101,723.....	....1,006.....	....100,718.....	....61,876.....	....446.....	....1,463.....	....2.....	....8,463.....		....5,983.....	....71,354.....	....XXX.....	
9. 2016.....	....111,377.....	....1,006.....	....110,371.....	....67,735.....	....586.....	....1,244.....	....4.....	....9,235.....		....6,532.....	....77,624.....	....XXX.....	
10. 2017.....	....128,349.....	....1,147.....	....127,202.....	....68,046.....	....414.....	....702.....	....1.....	....9,756.....		....7,242.....	....78,089.....	....XXX.....	
11. 2018.....	....152,825.....	....1,270.....	....151,555.....	....57,424.....	....224.....	....168.....	....0.....	....8,463.....		....5,169.....	....65,831.....	....XXX.....	
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....583,837.....	....6,221.....	....12,153.....	....143.....	....82,205.....	....16.....	....55,289.....	....671,816.....	....XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed			
	Case Basis		BULK + IBNR		Case Basis		BULK + IBNR		21 Direct and Assumed	22 Ceded						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded								
1. Prior.....	....3,087.....	....2,869.....	....70.....	....24.....	....50.....	....12.....	....30.....	....17.....	....63.....			....376.....	....XXX.....			
2. 2009.....	....381.....	....363.....	....0.....		....8.....	....0.....			....14.....			....40.....	....XXX.....			
3. 2010.....	....263.....	....231.....	....37.....	....37.....	....7.....	....0.....			....12.....			....51.....	....XXX.....			
4. 2011.....	....425.....	....384.....	....223.....	....223.....	....11.....	....0.....	....0.....	....0.....	....13.....			....65.....	....XXX.....			
5. 2012.....	....569.....	....435.....	....234.....	....234.....	....24.....	....0.....	....0.....	....0.....	....26.....			....184.....	....XXX.....			
6. 2013.....	....680.....	....427.....	....189.....	....189.....	....48.....	....0.....	....0.....	....0.....	....38.....			....339.....	....XXX.....			
7. 2014.....	....621.....	....72.....	....253.....	....253.....	....100.....	....0.....	....0.....	....0.....	....69.....			....718.....	....XXX.....			
8. 2015.....	....1,774.....	....259.....	....819.....	....388.....	....274.....	....0.....	....122.....	....0.....	....216.....			....210.....	....2,559.....			
9. 2016.....	....4,975.....	....788.....	....1,048.....	....433.....	....769.....	....0.....	....164.....	....0.....	....442.....			....215.....	....6,177.....			
10. 2017.....	....10,099.....	....459.....	....2,515.....	....717.....	....1,341.....	....0.....	....323.....	....0.....	....1,062.....			....522.....	....14,163.....			
11. 2018.....	....24,949.....	....324.....	....8,686.....	....1,124.....	....1,932.....	....0.....	....737.....	....1.....	....3,280.....			....3,505.....	....38,135.....			
12. Totals.....	....47,823.....	....6,609.....	....14,074.....	....3,621.....	....4,563.....	....13.....	....1,377.....	....19.....	....5,235.....	....0.....		....4,453.....	....62,810.....			

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount		35 Losses Unpaid	36 Loss Expenses Unpaid			
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense								
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....				....XXX.....	....263.....	....113.....				
2. 2009.....	....58,227.....	....1,458.....	....56,769.....	....70.4.....	....132.5.....	....69.5.....				....1.00.....	....19.....	....22.....				
3. 2010.....	....59,562.....	....1,450.....	....58,112.....	....72.4.....	....117.1.....	....71.7.....				....1.00.....	....32.....	....19.....				
4. 2011.....	....62,362.....	....1,286.....	....61,076.....	....73.6.....	....113.4.....	....73.1.....				....1.00.....	....41.....	....24.....				
5. 2012.....	....67,806.....	....1,287.....	....66,519.....	....75.3.....	....139.1.....	....74.7.....				....1.00.....	....135.....	....50.....				
6. 2013.....	....68,882.....	....1,160.....	....67,722.....	....72.5.....	....124.4.....	....72.0.....				....1.00.....	....253.....	....86.....				
7. 2014.....	....70,634.....	....691.....	....69,943.....	....70.5.....	....70.9.....	....70.4.....				....1.00.....	....548.....	....169.....				
8. 2015.....	....75,008.....	....1,095.....	....73,913.....	....73.7.....	....108.9.....	....73.4.....				....1.00.....	....1,947.....	....612.....				
9. 2016.....	....85,612.....	....1,811.....	....83,801.....	....76.9.....	....180.0.....	....75.9.....				....1.00.....	....4,803.....	....1,375.....				
10. 2017.....	....93,843.....	....1,591.....	....92,252.....	....73.1.....	....138.8.....	....72.5.....				....1.00.....	....11,438.....	....2,725.....				
11. 2018.....	....105,640.....	....1,673.....	....103,966.....	....69.1.....	....131.7.....	....68.6.....				....1.00.....	....32,188.....	....5,947.....				
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0.....	....0.....	....XXX.....	....51,667.....	....11,143.....					

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.

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY****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.....	14,057	13,506	12,766	12,551	12,759	12,878	12,950	12,978	12,979	13,126	147	148
2. 2009.....	50,118	49,370	49,500	49,280	49,081	49,137	49,136	49,147	49,198	49,203	4	56
3. 2010.....	XXX.....	50,652	50,678	50,803	50,877	50,547	50,597	50,584	50,585	50,592	7	8
4. 2011.....	XXX.....	XXX.....	53,208	53,835	54,026	54,024	53,617	53,630	53,623	53,615	(8)	(15)
5. 2012.....	XXX.....	XXX.....	XXX.....	58,910	59,071	59,100	59,159	58,740	58,793	58,776	(17)	36
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	60,203	60,138	60,103	60,209	59,699	59,740	40	(470)
7. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	63,019	61,962	62,122	62,253	61,787	(467)	(335)
8. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	64,874	65,035	65,251	65,234	(18)	199
9. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	73,594	73,845	74,124	74,124	279	530
10. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	81,464	81,433	81,433	(30)	XXX.....
11. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	92,223	XXX.....	XXX.....	XXX.....
										12. Totals.....	(63)	157

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior.....	000.....	6,745	9,885	11,352	12,011	12,326	12,536	12,595	12,651	12,812	XXX.....	XXX.....
2. 2009.....	32,951	42,179	45,765	47,603	48,499	48,876	49,012	49,076	49,166	49,176	XXX.....	XXX.....
3. 2010.....	XXX.....	33,341	43,058	47,068	49,084	50,004	50,335	50,467	50,529	50,553	XXX.....	XXX.....
4. 2011.....	XXX.....	XXX.....	35,710	46,118	50,306	52,355	53,119	53,387	53,515	53,563	XXX.....	XXX.....
5. 2012.....	XXX.....	XXX.....	XXX.....	38,937	50,721	55,202	57,274	58,120	58,454	58,618	XXX.....	XXX.....
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	38,951	51,620	56,061	58,254	59,130	59,439	XXX.....	XXX.....
7. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	41,482	53,026	57,904	60,212	61,138	XXX.....	XXX.....
8. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	42,159	55,352	60,419	62,891	XXX.....	XXX.....
9. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	47,686	62,458	68,389	XXX.....	XXX.....
10. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	51,866	68,332	XXX.....	XXX.....
11. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	57,368	XXX.....	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.....	2,311	1,151	431	.99	103	106	104	.94	.86	.59
2. 2009.....	4,157	1,308	721	.406	16	.4	2	1	0	0
3. 2010.....	XXX.....	3,819	1,306	.596	429	.7	2	1	1	0
4. 2011.....	XXX.....	XXX.....	3,885	1,280	.574	458	2	1	1	0
5. 2012.....	XXX.....	XXX.....	XXX.....	4,762	1,379	.585	488	1	0	0
6. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	5,115	1,522	625	552	0	0
7. 2014.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	4,826	1,565	645	.542	0
8. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	4,676	1,621	.699	.554
9. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	5,419	1,798	.779
10. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	6,865	2,121
11. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	.8,298

**PROGRESSIVE MOUNTAIN INSURANCE COMPANY**  
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

## Allocated by States and Territories

States, Etc.	I Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	N							
2. Alaska.....	AK	N							
3. Arizona.....	AZ	N							
4. Arkansas.....	AR	N							
5. California.....	CA	N							
6. Colorado.....	CO	L	748,332	767,603					
7. Connecticut.....	CT	N							
8. Delaware.....	DE	N							
9. District of Columbia.....	DC	N							
10. Florida.....	FL	N							
11. Georgia.....	GA	L	843,630,557	796,416,350					
12. Hawaii.....	HI	N							
13. Idaho.....	ID	N							
14. Illinois.....	IL	N							
15. Indiana.....	IN	N							
16. Iowa.....	IA	N							
17. Kansas.....	KS	N							
18. Kentucky.....	KY	N							
19. Louisiana.....	LA	N							
20. Maine.....	ME	N							
21. Maryland.....	MD	N							
22. Massachusetts.....	MA	N							
23. Michigan.....	MI	Q							
24. Minnesota.....	MN	N							
25. Mississippi.....	MS	N							
26. Missouri.....	MO	N							
27. Montana.....	MT	N							
28. Nebraska.....	NE	N							
29. Nevada.....	NV	N							
30. New Hampshire.....	NH	N							
31. New Jersey.....	NJ	N							
32. New Mexico.....	NM	N							
33. New York.....	NY	N							
34. North Carolina.....	NC	N							
35. North Dakota.....	ND	N							
36. Ohio.....	OH	L							
37. Oklahoma.....	OK	N							
38. Oregon.....	OR	N							
39. Pennsylvania.....	PA	N							
40. Rhode Island.....	RI	N							
41. South Carolina.....	SC	N							
42. South Dakota.....	SD	N							
43. Tennessee.....	TN	N							
44. Texas.....	TX	N							
45. Utah.....	UT	N							
46. Vermont.....	VT	N							
47. Virginia.....	VA	L							
48. Washington.....	WA	N							
49. West Virginia.....	WV	N							
50. Wisconsin.....	WI	N							
51. Wyoming.....	WY	N							
52. American Samoa.....	AS	N							
53. Guam.....	GU	N							
54. Puerto Rico.....	PR	N							
55. US Virgin Islands.....	VI	N							
56. Northern Mariana Islands.....	MP	N							
57. Canada.....	CAN	N							
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0	0
59. Totals.....		XXX	844,378,889	797,183,953	0	417,373,709	479,493,403	277,394,838	15,145,268

## DETAILS OF WRITE-INS

58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary or 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

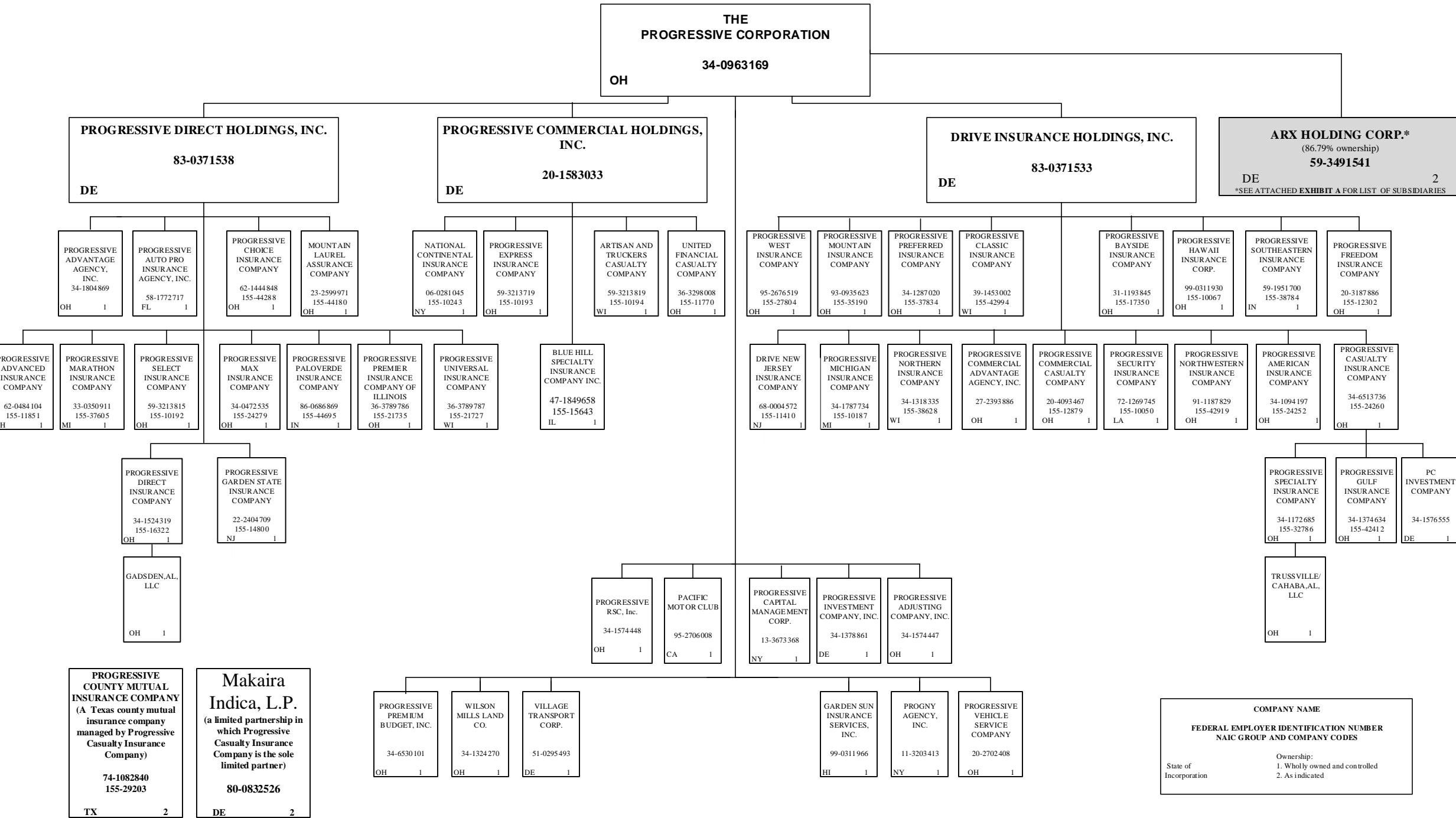
## Explanation of Basis of Allocation of Premiums by States, etc.

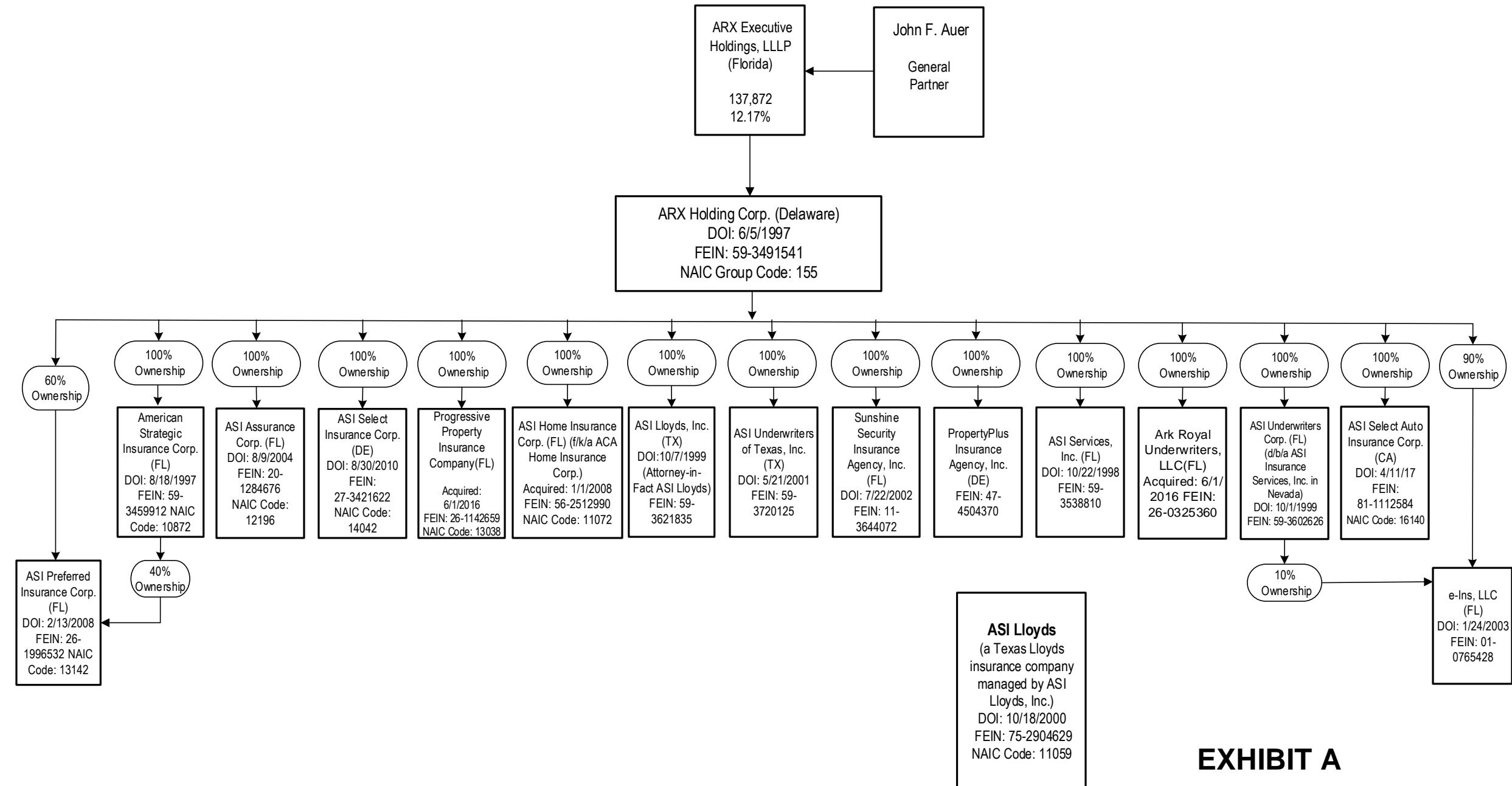
Allocation on the basis of the location where the vehicle is principally garaged and used.

## (a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 4  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state  
 (other than their state of domicile - See DSLI)..... 0  
 D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write  
 surplus lines in the state of domicile..... 0

R - Registered - Non-domiciled RRGs..... 0  
 Q - Qualified - Qualified or accredited reinsurer..... 1  
 N - None of the above - Not allowed to write business in the state..... 52

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

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

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