



ANNUAL STATEMENT

For the Year Ended December 31, 2020
of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 37834	Employer's ID Number..... 34-1287020
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 24, 1979	Commenced Business..... April 15, 1980	
Statutory Home Office	6300 WILSON MILLS ROAD, W33 .. CLEVELAND .. OH .. US .. 44143-2182 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	6300 WILSON MILLS ROAD, W33 .. CLEVELAND .. OH .. US .. 44143-2182 (Street and Number) (City or Town, State, Country and Zip Code)	440-461-5000 (Area Code) (Telephone Number)
Mail Address	P.O. BOX 89490 .. CLEVELAND .. OH .. US .. 44101-6490 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 .. CLEVELAND .. OH .. US .. 44143-2182 (Street and Number) (City or Town, State, Country and Zip Code)	440-395-4460 (Area Code) (Telephone Number)
Internet Web Site Address	PROGRESSIVE.COM	
Statutory Statement Contact	MARY BETH ANDREANO (Name) FINANCIAL_REPORTING@PROGRESSIVE.COM (E-Mail Address)	440-395-4460 (Area Code) (Telephone Number) 440-603-5500 (Fax Number)

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

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

CHARLES ERNEST CONOVER	JOHN ALLEN CURTISS, JR.	KATHRYN MARGARET LEMIEUX	MARK DONALD NIEHAUS
GEOFFREY THOMAS SOUSER			

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

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

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

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 10TH day of FEBRUARY, 2021	b. If no	1. State the amendment number
		2. Date filed
		3. Number of pages attached

PROGRESSIVE PREFERRED INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,002,320,227		1,002,320,227	917,354,723
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 (\$....9,999,765, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	9,999,765		9,999,765	7,544,327
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).....	1,012,319,992	0	1,012,319,992	924,899,050
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	4,563,475		4,563,475	5,427,805
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	33,345,506	4,763,277	28,582,229	28,723,250
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	221,772,252		221,772,252	199,814,088
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	3,259,894		3,259,894	1,216,477
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.....	22,092,118	179	22,091,939	16,992,399
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.....	92,250,765		92,250,765	73,090,021
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	1,129,675	519,999	609,676	233,827
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,390,733,677	5,283,455	1,385,450,222	1,250,396,917
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	1,390,733,677	5,283,455	1,385,450,222	1,250,396,917

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.....	593,600		593,600	217,960
2502. STATE UNEARNED SURCHARGE RECOVERABLE.....	16,076		16,076	15,867
2503. PREPAID EXPENSES.....	514,893	514,893	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	5,106	5,106	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,129,675	519,999	609,676	233,827

PROGRESSIVE PREFERRED INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	391,859,287	359,095,926
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	3,887,720	1,033,271
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	87,443,951	78,117,869
4. Commissions payable, contingent commissions and other similar charges.....	5,271,869	3,483,859
5. Other expenses (excluding taxes, licenses and fees).....	54,379,830	48,653,345
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	8,757,319	8,143,552
7.1 Current federal and foreign income taxes (including \$.....539,168 on realized capital gains (losses)).....	9,942,165	7,892,863
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 \$.....447,647,166 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).....	373,825,243	336,265,248
10. Advance premium.....	6,904,991	7,143,071
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	6,655,852	(36,464)
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.....	44,114,200	42,186,150
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	4,663,900	2,400,182
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	997,706,327	894,378,872
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	997,706,327	894,378,872
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,003,300	3,003,300
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.....	42,712,474	42,712,474
35. Unassigned funds (surplus).....	342,028,121	310,302,271
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).....	387,743,895	356,018,045
38. TOTAL (Page 2, Line 28, Col. 3).....	1,385,450,222	1,250,396,917

DETAILS OF WRITE-INS		
2501. STATE PLAN LIABILITY.....	3,141,090	1,714,231
2502. ESCHEATABLE PROPERTY.....	927,414	127,402
2503. OTHER LIABILITIES.....	595,396	558,549
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	4,663,900	2,400,182
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 PREFERRED INSURANCE COMPANY
STATEMENT OF INCOME

		1	2
UNDERWRITING INCOME		Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....	1,129,422,336	1,057,454,743
DEDUCTIONS:			
2.	Losses incurred (Part 2, Line 35, Column 7).....	609,775,249	633,527,995
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	103,704,229	99,735,340
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	268,913,346	215,116,881
5.	Aggregate write-ins for underwriting deductions.....	0	0
6.	Total underwriting deductions (Lines 2 through 5).....	982,392,824	948,380,216
7.	Net income of protected cells.....		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	147,029,512	109,074,527
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	24,185,677	25,343,950
10.	Net realized capital gains (losses) less capital gains tax of \$.....6,015,929 (Exhibit of Capital Gains (Losses)).....	22,631,456	4,327,064
11.	Net investment gain (loss) (Lines 9 + 10).....	46,817,133	29,671,014
OTHER INCOME			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....1,050,186 amount charged off \$.....8,742,806).....	(7,692,620)	(5,827,203)
13.	Finance and service charges not included in premiums.....	14,071,236	14,198,706
14.	Aggregate write-ins for miscellaneous income.....	2,301,174	2,792,436
15.	Total other income (Lines 12 through 14).....	8,679,790	11,163,939
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	202,526,435	149,909,480
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).....	202,526,435	149,909,480
19.	Federal and foreign income taxes incurred.....	41,298,621	30,312,806
20.	Net income (Line 18 minus Line 19) (to Line 22).....	161,227,814	119,596,674
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	356,018,045	314,799,295
22.	Net income (from Line 20).....	161,227,814	119,596,674
23.	Net transfers (to) from Protected Cell accounts.....		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....		1,001,993
25.	Change in net unrealized foreign exchange capital gain (loss).....		
26.	Change in net deferred income tax.....	5,098,997	1,180,995
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(1,600,961)	(560,912)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29.	Change in surplus notes.....		
30.	Surplus (contributed to) withdrawn from Protected Cells.....		
31.	Cumulative effect of changes in accounting principles.....		
32.	Capital changes:		
32.1	Paid in.....		
32.2	Transferred from surplus (Stock Dividend).....		
32.3	Transferred to surplus.....		
33.	Surplus adjustments:		
33.1	Paid in.....		
33.2	Transferred to capital (Stock Dividend).....		
33.3.	Transferred from capital.....		
34.	Net remittances from or (to) Home Office.....		
35.	Dividends to stockholders.....	(133,000,000)	(80,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37.	Aggregate write-ins for gains and losses in surplus.....	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	31,725,850	41,218,750
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	387,743,895	356,018,045
DETAILS OF WRITE-INS			
0501.	.....		
0502.	.....		
0503.	.....		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401.	MISCELLANEOUS INCOME.....	2,051,242	1,242,674
1402.	INTEREST INCOME ON INTERCOMPANY BALANCES.....	245,462	1,542,707
1403.	SERVICE BUSINESS REVENUE.....	4,470	7,055
1498.	Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	2,301,174	2,792,436
3701.	.....		
3702.	.....		
3703.	.....		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	1,150,449,187	1,068,404,813
2. Net investment income.....	30,470,322	28,768,217
3. Miscellaneous income.....	8,632,240	11,277,334
4. Total (Lines 1 through 3).....	1,189,551,749	1,108,450,364
5. Benefit and loss related payments.....	576,200,856	583,434,397
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	355,161,343	297,251,903
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....6,055,058 tax on capital gains (losses).....	45,265,248	29,737,216
10. Total (Lines 5 through 9).....	976,627,447	910,423,516
11. Net cash from operations (Line 4 minus Line 10).....	212,924,302	198,026,848
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	794,903,336	565,545,104
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.....		356
12.7 Miscellaneous proceeds.....		11,074,309
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	794,903,336	576,619,769
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	856,643,658	691,266,834
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		11,297,492
13.7 Total investments acquired (Lines 13.1 to 13.6).....	856,643,658	702,564,326
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).....	(61,740,322)	(125,944,557)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	133,000,000	80,000,000
16.6 Other cash provided (applied).....	(15,728,542)	(5,679,440)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(148,728,542)	(85,679,440)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	2,455,438	(13,597,149)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	7,544,327	21,141,476
19.2 End of year (Line 18 plus Line 19.1).....	9,999,765	7,544,327

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

20.0001		
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PROGRESSIVE PREFERRED 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.....	3,352,194	1,691,676	1,725,817	3,318,053
5.	Commercial multiple peril.....	40,459	9,178	27,079	22,559
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	0		0	0
9.	Inland marine.....	17,960,393	7,275,786	8,834,235	16,401,945
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	0		0	0
11.2	Medical professional liability - claims-made.....	1,800	138	148	1,791
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.....	6,203,169	2,447,466	3,022,408	5,628,227
17.2	Other liability - claims-made.....	16,499	1,266	1,352	16,412
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	0		0	0
18.2	Products liability - claims-made.....	0		0	0
19.1, 19.2	Private passenger auto liability.....	622,565,353	162,814,227	173,992,363	611,387,216
19.3, 19.4	Commercial auto liability.....	115,585,649	48,177,108	60,706,530	103,056,227
21.	Auto physical damage.....	401,256,683	113,848,295	125,515,304	389,589,673
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0		0	0
24.	Surety.....	132	108	7	233
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.....	1,166,982,331	336,265,248	373,825,243	1,129,422,336

DETAILS OF WRITE-INS

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

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

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	.....	.....	.....	.....	.....0
2.	Allied lines.....	.....	.....	.....	.....	.....0
3.	Farmowners multiple peril.....	.....	.....	.....	.....	.....0
4.	Homeowners multiple peril.....	1,725,817	.....	.....	.....	.....1,725,817
5.	Commercial multiple peril.....	27,079	.....	.....	.....	.....27,079
6.	Mortgage guaranty.....	.....	.....	.....	.....	.....0
8.	Ocean marine.....	.....	.....	.....	.....	.....0
9.	Inland marine.....	8,834,235	.....	.....	.....	.....8,834,235
10.	Financial guaranty.....	.....	.....	.....	.....	.....0
11.1	Medical professional liability - occurrence.....	.....	.....	.....	.....	.....0
11.2	Medical professional liability - claims-made.....	148	.....	.....	.....	.....148
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.....	3,022,408	.....	.....	.....	.....3,022,408
17.2	Other liability - claims-made.....	1,352	.....	.....	.....	.....1,352
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.....	173,992,363	.....	.....	.....	.....173,992,363
19.3, 19.4	Commercial auto liability.....	60,706,530	.....	.....	.....	.....60,706,530
21.	Auto physical damage.....	125,515,304	.....	.....	.....	.....125,515,304
22.	Aircraft (all perils).....	.....	.....	.....	.....	.....0
23.	Fidelity.....	.....	.....	.....	.....	.....0
24.	Surety.....	7	.....	.....	.....	.....7
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.....	373,825,243	0	0	0	373,825,243
36.	Accrued retrospective premiums based on experience.....					.....
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					373,825,243

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

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

PROGRESSIVE PREFERRED INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....	5,734,054	3,352,194		5,734,054		3,352,194
5. Commercial multiple peril.....	301,829	40,459		204,849	96,980	40,459
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	28,361,253	17,960,393		28,361,253		17,960,393
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....		1,800				1,800
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.....	9,137,958	6,203,169		9,070,505	67,453	6,203,169
17.2 Other liability - claims-made.....	10,848	16,499			10,848	16,499
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.....	680,264,982	622,565,353		680,264,982		622,565,353
19.3, 19.4 Commercial auto liability.....	111,320,663	115,585,650		110,875,382	445,281	115,585,649
21. Auto physical damage.....	478,631,210	401,256,683		478,631,210		401,256,683
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....		132				132
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,313,762,796	1,166,982,331	0	1,313,142,234	620,562	1,166,982,331

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....				0	0		0	0.0
2.	Allied lines.....				0	0		0	0.0
3.	Farmowners multiple peril.....				0	0		0	0.0
4.	Homeowners multiple peril.....	2,276,412	1,981,978	2,276,412	1,981,978	358,179	338,048	2,002,108	60.3
5.	Commercial multiple peril.....	29,406	2,531	29,406	2,531	6,484	940	8,074	35.8
6.	Mortgage guaranty.....				0	0		0	0.0
8.	Ocean marine.....				0	0		0	0.0
9.	Inland marine.....	10,598,960	8,176,187	10,598,960	8,176,187	1,337,160	1,048,284	8,465,062	51.6
10.	Financial guaranty.....				0	0		0	0.0
11.1	Medical professional liability - occurrence.....				0	0		0	0.0
11.2	Medical professional liability - claims-made.....				0	90	97	(7)	(0.4)
12.	Earthquake.....				0	0		0	0.0
13.	Group accident and health.....				0	0		0	0.0
14.	Credit accident and health (group and individual).....				0	0		0	0.0
15.	Other accident and health.....				0	0		0	0.0
16.	Workers' compensation.....		3,805		3,805	109,568	113,344	29	0.0
17.1	Other liability - occurrence.....	3,829,885	2,155,239	3,829,885	2,155,239	3,395,467	2,988,373	2,562,333	45.5
17.2	Other liability - claims-made.....		1,114,597		1,114,597	2,782,525	722,912	3,174,210	19,341.0
17.3	Excess workers' compensation.....				0	0		0	0.0
18.1	Products liability - occurrence.....				0	0		0	0.0
18.2	Products liability - claims-made.....				0	0		0	0.0
19.1, 19.2	Private passenger auto liability.....	334,121,005	308,443,277	334,121,005	308,443,277	291,463,415	277,611,268	322,295,425	52.7
19.3, 19.4	Commercial auto liability.....	36,220,374	44,380,322	36,220,374	44,380,322	88,307,081	74,934,712	57,752,691	56.0
21.	Auto physical damage.....	252,183,667	210,753,282	252,183,667	210,753,282	4,040,390	1,277,864	213,515,809	54.8
22.	Aircraft (all perils).....				0	0		0	0.0
23.	Fidelity.....		(1,400)		(1,400)	0		(1,400)	0.0
24.	Surety.....				0	0		0	0.0
26.	Burglary and theft.....				0	0		0	0.0
27.	Boiler and machinery.....				0	0		0	0.0
28.	Credit.....				0	0		0	0.0
29.	International.....				0	0		0	0.0
30.	Warranty.....				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			0	0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX	2,069		2,069	58,929	60,084	914	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	TOTALS.....	639,259,711	577,011,888	639,259,711	577,011,888	391,859,287	359,095,926	609,775,249	54.0
DETAILS OF WRITE-INS									
3401.	.....				0	0		0	0.0
3402.	.....				0	0		0	0.0
3403.	.....				0	0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire.....				0				0	
2.	Allied lines.....				0				0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....	122,838	236,526	122,838	236,526	201,864	121,653	201,864	358,179	58,410
5.	Commercial multiple peril.....				0	48,174	6,484	48,174	6,484	1,819
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....	1,873,032	968,854	1,873,032	968,854	575,656	368,306	575,656	1,337,160	240,665
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0				0	
11.2	Medical professional liability - claims-made.....				0		90		90	79
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.....		109,568		109,568				109,568	2,939
17.1	Other liability - occurrence.....	3,292,455	2,048,617	3,292,455	2,048,617	2,407,373	1,346,849	2,407,373	3,395,467	545,495
17.2	Other liability - claims-made.....		1,893,235		1,893,235	1,615	889,290	1,615	2,782,525	16,043
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.....	250,688,069	217,311,932	250,688,069	217,311,932	82,344,554	74,151,483	82,344,554	291,463,415	69,331,804
19.3, 19.4	Commercial auto liability.....	65,258,944	75,720,124	65,258,944	75,720,124	9,448,070	12,586,958	9,448,070	88,307,081	12,341,628
21.	Auto physical damage.....	21,179,215	17,884,620	21,179,215	17,884,620	(16,678,071)	(13,844,229)	(16,678,071)	4,040,390	4,905,067
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	16,595		16,595	XXX	42,334		58,929	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	342,414,553	316,190,070	342,414,553	316,190,070	78,349,235	75,669,217	78,349,235	391,859,287	87,443,951
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 PREFERRED INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	12,721,591			12,721,591
1.2 Reinsurance assumed.....	16,219,377			16,219,377
1.3 Reinsurance ceded.....	12,721,591			12,721,591
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	16,219,377	0	0	16,219,377
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		134,276,842		134,276,842
2.2 Reinsurance assumed, excluding contingent.....		109,463,005		109,463,005
2.3 Reinsurance ceded, excluding contingent.....		134,276,842		134,276,842
2.4 Contingent - direct.....		10,048,931		10,048,931
2.5 Contingent - reinsurance assumed.....		7,508,336		7,508,336
2.6 Contingent - reinsurance ceded.....		10,048,931		10,048,931
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	116,971,341	0	116,971,341
3. Allowances to manager and agents.....		2,400,195		2,400,195
4. Advertising.....	2,682	16,541,078		16,543,760
5. Boards, bureaus and associations.....	234,038	210,602	21,927	466,567
6. Surveys and underwriting reports.....		5,945,726		5,945,726
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	61,432,213	42,082,484	292,267	103,806,963
8.2 Payroll taxes.....	4,273,902	2,722,277	13,132	7,009,311
9. Employee relations and welfare.....	8,993,953	6,036,165	13,595	15,043,712
10. Insurance.....	112,978	96,932		209,910
11. Directors' fees.....				0
12. Travel and travel items.....	1,002,709	215,334	973	1,219,016
13. Rent and rent items.....	2,597,128	1,188,728	8,145	3,794,002
14. Equipment.....	289,054	899,906		1,188,960
15. Cost or depreciation of EDP equipment and software.....	5,151,120	9,323,846	1,647	14,476,613
16. Printing and stationery.....	154,598	424,250	381	579,229
17. Postage, telephone and telegraph, exchange and express.....	2,546,237	6,547,067	2,767	9,096,071
18. Legal and auditing.....	459,479	1,059,734	19,011	1,538,224
19. Totals (Lines 3 to 18).....	87,250,092	95,694,322	373,845	183,318,259
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....10,184.....		19,462,235		19,462,235
20.2 Insurance department licenses and fees.....	120,884	730,775		851,659
20.3 Gross guaranty association assessments.....		3,879		3,879
20.4 All other (excluding federal and foreign income and real estate).....	18,029	3,227,467		3,245,496
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	138,913	23,424,356	0	23,563,268
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	95,848	32,823,327	75,153	32,994,328
25. Total expenses incurred.....	103,704,229	268,913,346	448,998	(a).....373,066,573
26. Less unpaid expenses - current year.....	87,443,951	67,596,768	2,250	155,042,969
27. Add unpaid expenses - prior year.....	78,117,868	60,276,618	4,138	138,398,623
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).....	94,378,146	261,593,195	450,885	356,422,227

DETAILS OF WRITE-INS

2401. MISCELLANEOUS EXPENSES.....	95,848	1,587,885	75,153	1,758,885
2402. POLICYHOLDER CREDITS.....		31,235,442		31,235,442
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).....	95,848	32,823,327	75,153	32,994,328

(a) Includes management fees of \$.....216,312,593 to affiliates and \$.....0 to non-affiliates.

PROGRESSIVE PREFERRED INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds.....	(a).....7,865,005	6,618,524
1.1	Bonds exempt from U.S. tax.....	(a).....705,147	607,559
1.2	Other bonds (unaffiliated).....	(a).....16,679,321	17,240,518
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).....249,532	168,074
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....	.....
9.	Aggregate write-ins for investment income.....	0	0
10.	Total gross investment income.....	25,499,005	24,634,675
11.	Investment expenses.....	.....	(g).....448,998
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).....	.....	.....448,998
17.	Net investment income (Line 10 minus Line 16).....	.....	.....24,185,677

DETAILS OF WRITE-INS

0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....832,617 accrual of discount less \$.....6,254,820 amortization of premium and less \$.....1,286,093 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 \$.....6,512 accrual of discount less \$.....111,886 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....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.....	19,477,651	.....	.....19,477,651	.....	.....
1.1	Bonds exempt from U.S. tax.....	1,040,995	.....	.....1,040,995	.....	.....
1.2	Other bonds (unaffiliated).....	8,128,739	.....	.....8,128,739	.....	.....
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).....	28,647,385	0	28,647,385	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
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0	0	0

PROGRESSIVE PREFERRED INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,763,277	3,545,490	(1,217,787)
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.....	179	722	543
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.....	520,000	136,283	(383,717)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	5,283,456	3,682,495	(1,600,961)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	5,283,456	3,682,495	(1,600,961)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. PREPAID EXPENSES.....	514,893	131,177	(383,716)
2502. MISCELLANEOUS OTHER ASSETS.....	5,107	5,106	(1)
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).....	520,000	136,283	(383,717)

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

The 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 DOI. No deviations from NAIC statutory accounting practices (“NAIC SAP”) were used in preparing these statutory-basis financial statements, except for the NAIC’s limited-time exception allowing the classification of policyholder credits related to COVID-19 as an underwriting expense instead of a reduction of premium. The NAIC issued INT 20-08 providing a limited-time exception to NAIC SAP which allows the Company to recognize policyholder credits related to COVID-19 as an underwriting expense (Page 4, Line 4) rather than a reduction of premium (Page 4, Line 1) when a policy endorsement allowing for discretionary payments to policyholders due to COVID-19 related issues was filed, if required by the state, prior to June 15, 2020. This limited-time exception expired on January 1, 2021.

As of December 31, 2020, the Company reported \$31,235,442 in policyholder credits to personal auto policyholders in response to the expected reduction in auto accident frequency and the financial hardships imposed by the impact of COVID-19 social distancing and shelter-in-place restrictions (“COVID-19 restrictions”). In accordance with INT 20-08, the Company has included these policyholder credits in underwriting expense (Page 4, Line 4) rather than a reduction of premium (Page 4, Line 1) due to the Company filing policy endorsements, if required by the state, prior to June 15, 2020. The table below illustrates that there were no other deviations from NAIC SAP and that the permitted practice described above has no net impact on either Net Income or Surplus.

	SSAP #	F/S Page	F/S Line #	2020	2019
NET INCOME					
(1) PROGRESSIVE PREFERRED INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 161,227,814	\$ 119,596,674
(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	\$ 161,227,814	\$ 119,596,674
SURPLUS					
(5) PROGRESSIVE PREFERRED INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 387,743,895	\$ 356,018,045
(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	\$ 387,743,895	\$ 356,018,045

The following table illustrates the impact of reporting the policyholder credits related to COVID-19 restrictions as an underwriting expense rather than a reduction of premium on the operating percentages and other percentages reported in the Five-Year Historical Data Exhibit:

	Policyholder Credits as an Underwriting Expense	Policyholder Credits as a Reduction of Premium
Operating Percentages:		
Premiums earned	100.0	100.0
Losses incurred	54.0	55.5
Loss expenses incurred	9.2	9.4
Other underw riting ex penses incurred	23.8	21.6
Net underw riting gain/loss	13.0	13.4
Other Percentages:		
Other underw riting ex penses to net premiums written	22.3	20.2
Losses and loss expenses incurred to premiums earned	63.2	65.0
Net premiums written to policy holders' surplus	301.0	292.9

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

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense (“LAE”) reserves.

C. Accounting Policy

Insurance premiums written are being earned into income on a pro rata basis over the period of risk based on a daily earnings convention. Unearned premiums are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company’s exposure to credit risk.

Acquisition costs, such as agents’ commissions, premium taxes, and other policy initiation costs, are charged to operations as incurred. Advertising costs are expensed as incurred.

Certain assets designated as “nonadmitted assets”, in accordance with Statement of Statutory Accounting Principles (“SSAP”) No. 4, Assets and Nonadmitted Assets, are reported on page 13, Exhibit of Nonadmitted Assets. The change in nonadmitted assets is charged directly against surplus as regards policyholders on page 4, Statement of Income, capital and surplus section.

In addition, the Company uses the following accounting policies:

Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less and securities acquired with remaining maturities of three months or less that are reported at amortized cost which approximates market value. Also includes money market mutual funds valued at fair value or net asset value (NAV) as a practical expedient.

NOTES TO FINANCIAL STATEMENTS

- 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.
- Nonredeemable preferred stocks are reported at fair market values and are not to exceed currently effective call price. 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 the Securities Valuation Office *Purposes and Procedures Manual*.
- The Company has no investments in mortgage loans.
- Loan-backed and structured securities are accounted for as prescribed by SSAP No. 43R. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends.
- The Company has no investments in joint ventures, partnerships, or limited liability companies.
- The Company has no investments in derivatives.
- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 2020 and December 31, 2019.
- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.
- The Company’s management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for other-than-temporary impairment (“OTTI”) requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company’s ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

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

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

Loss, Loss Adjustment Expense, and Premium Deficiency Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported (“IBNR”). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Notes 25 and 33).
- The Company does not anticipate investment income when evaluating the need for premium deficiency reserves (see Note 30).

Capitalization of Assets

- The Company has written capitalization policies for its various asset classes. The capitalization policy thresholds have not materially changed 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

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

1.

The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.
2.

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

Not Applicable
3.

The Company has not recorded an other-than-temporary impairment for loan-backed and structured debt securities during the current year.
4.

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	11,505
	2. 12 Months or Longer	\$	64,759
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	20,160,201
	2. 12 Months or Longer	\$	8,015,553

5. Additional information

Under SSAP No. 43R, the Company analyzes its structured debt securities to determine if the Company intends to sell, or if it is more likely than not that the Company will be required to sell, the security prior to recovery and, if so, the Company writes down the security to its current fair market value with the entire amount of the write-down recorded as a realized loss. To the extent that it is more likely than not that the Company will hold the debt security until recovery (which could be maturity), the Company determines if any of the decline in value is due to a credit loss (i.e., where the present value of cash flows expected to be collected is lower than the amortized cost basis of the security) and, if so, the Company recognizes that portion of the impairment as a realized loss.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

J. Real Estate

Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						Current Year				
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage	
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements										%	%
c. Subject to repurchase agreements										%	%
d. Subject to reverse repurchase agreements										%	%
e. Subject to dollar repurchase agreements										%	%
f. Subject to dollar reverse repurchase agreements										%	%
g. Placed under option contracts										%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										%	%
i. FHLB capital stock										%	%
j. On deposit with states	5,059,372				5,059,372	5,068,310	(8,938)		5,059,372	0.4%	0.4%
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)										%	%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets										%	%
o. Total Restricted Assets	\$ 5,059,372	\$	\$	\$	\$ 5,059,372	\$ 5,068,310	\$ (8,938)	\$	\$ 5,059,372	0.4%	0.4%

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

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

Not Applicable

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

NOTES TO FINANCIAL STATEMENTS

Not Applicable

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

Not Applicable

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. 5GI Securities

Not Applicable

P. Short Sales

Not Applicable

Q. 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)

	2020			2019			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Gross deferred tax assets	\$ 28,037,098	\$ 473	\$ 28,037,571	\$ 23,762,058	\$ 1,201	\$ 23,763,259	\$ 4,275,040	\$ (728)	\$ 4,274,312
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 28,037,098	\$ 473	\$ 28,037,571	\$ 23,762,058	\$ 1,201	\$ 23,763,259	\$ 4,275,040	\$ (728)	\$ 4,274,312
d. Deferred tax assets nonadmitted		179	179		722	722		(543)	(543)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 28,037,098	\$ 294	\$ 28,037,392	\$ 23,762,058	\$ 479	\$ 23,762,537	\$ 4,275,040	\$ (185)	\$ 4,274,855
f. Deferred tax liabilities	\$ 5,945,159	\$ 294	\$ 5,945,453	\$ 6,769,659	\$ 479	\$ 6,770,138	\$ (824,500)	\$ (185)	\$ (824,685)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 22,091,939		\$ 22,091,939	\$ 16,992,399		\$ 16,992,399	\$ 5,099,540		\$ 5,099,540

2. Admission Calculation Components SSAP No. 101

	2020	2019	Change
--	------	------	--------

NOTES TO FINANCIAL STATEMENTS

	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 26,304,215	\$	\$ 26,304,215	\$ 22,092,249	\$	\$ 22,092,249	\$ 4,211,966	\$	\$ 4,211,966
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)	\$ 1,008,963		\$ 1,008,963	935,662		935,662	\$ 73,301		\$ 73,301
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$ 1,008,963		\$ 1,008,963	935,662		935,662	\$ 73,301		\$ 73,301
2. Adjusted gross deferred tax assets allowed per limitation threshold			\$ 54,847,793			\$ 50,853,847			\$ 3,993,946
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	\$ 723,920	\$ 294	\$ 724,214	734,147	479	734,626	\$ (10,227)	\$ (185)	\$ (10,412)
d. Deferred tax assets admitted as the result of application of SSAP 101.									
Total (2(a)+2(b)+2(c))	\$ 28,037,098	\$ 294	\$ 28,037,392	\$ 23,762,058	\$ 479	\$ 23,762,537	\$ 4,275,040	\$ (185)	\$ 4,274,855

3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount	751.0%	825.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 365,651,956	\$ 339,025,646

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.

	2020		2019		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)	\$ 28,037,098	\$ 473	\$ 23,762,058	\$ 1,201	\$ 4,275,040	\$ (728)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0 %	38.0%	0 %	60.0%	0 %	(22.0)%
3. Net Admitted Adjusted	\$ 28,037,098	\$ 294	\$ 23,762,058	\$ 479	\$ 4,275,040	\$ (185)

NOTES TO FINANCIAL STATEMENTS

	2020		2019		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
Gross DTAs amount from Note 9A1(e)						
4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies						
	0 %	0 %	0 %	0 %	0 %	0 %

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

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2020	2019	(Col 1-2) Change
a. Federal	\$ 41,298,621	\$ 30,312,806	\$ 10,985,815
b. Foreign	\$	\$	\$
c. Subtotal	\$ 41,298,621	\$ 30,312,806	\$ 10,985,815
d. Federal income tax on net capital gains	\$ 6,015,929	\$ 1,150,218	\$ 4,865,711
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$	\$
g. Federal and Foreign income taxes incurred	\$ 47,314,550	\$ 31,463,024	\$ 15,851,526

2. Deferred Tax Assets

	1	2	3
	2020	2019	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 5,106,204	\$ 4,569,497	\$ 536,707
2. Unearned premium reserve	\$ 15,839,873	\$ 14,265,685	\$ 1,574,188
3. Policyholder reserves	\$	\$	\$
4. Investments	\$	\$	\$
5. Deferred acquisition costs	\$	\$	\$
6. Policyholder dividends accrual	\$	\$	\$
7. Fixed assets	\$ 5,154	\$ 143,465	\$ (138,311)
8. Compensation and benefits accrual	\$ 5,551,718	\$ 3,476,736	\$ 2,074,982
9. Pension accrual	\$	\$	\$
10. Receivables - nonadmitted	\$ 1,000,288	\$ 744,553	\$ 255,735
11. Net operating loss carry-forward	\$	\$	\$
12. Tax credit carry-forward	\$	\$	\$
13. Other (items <=5% and >5% of total ordinary tax assets)	\$ 533,861	\$ 562,122	\$ (28,261)
Other (items listed individually >5%of total ordinary tax assets)			

NOTES TO FINANCIAL STATEMENTS

	\$	\$	\$
99. Subtotal	\$ 28,037,098	\$ 23,762,058	\$ 4,275,040
b. Statutory valuation allowance adjustment	\$	\$	\$
c. Nonadmitted	\$	\$	\$
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 28,037,098	\$ 23,762,058	\$ 4,275,040
e. Capital:			
1. Investments	\$ 473	\$ 1,201	\$ (728)
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	\$ 473	\$ 1,201	\$ (728)
f. Statutory valuation allowance adjustment	\$	\$	\$
g. Nonadmitted	\$ 179	\$ 722	\$ (543)
h. Admitted capital deferred tax assets (2e99-2f-2g)	\$ 294	\$ 479	\$ (185)
i. Admitted deferred tax assets (2d+2h)	\$ 28,037,392	\$ 23,762,537	\$ 4,274,855

3. Deferred Tax Liabilities

	1	2	3
	2020	2019	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 272,474	\$ 228,731	\$ 43,743
2. Fixed assets	\$ 3,949,145	\$ 4,636,178	\$ (687,033)
3. Deferred and uncollected premium	\$	\$	\$
4. Policyholder reserves	\$	\$	\$
5. Other (items <=5% and >5% of total ordinary tax liabilities)	\$ 1,723,540	\$ 1,904,750	\$ (181,210)
Other (items listed individually >5% of total ordinary tax liabilities)			
Loss discounting transition adjustment	\$ 1,184,583	\$ 1,421,500	\$ (236,917)
	\$	\$	\$
99. Subtotal	\$ 5,945,159	\$ 6,769,659	\$ (824,500)
b. Capital:			
1. Investments	\$ 294	\$ 479	\$ (185)
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	\$ 294	\$ 479	\$ (185)
c. Deferred tax liabilities (3a99+3b99)	\$ 5,945,453	\$ 6,770,138	\$ (824,685)
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ 22,091,939	\$ 16,992,399	\$ 5,099,540

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, 2020	December 31, 2019	Change
Total deferred tax assets	\$ 28,037,571	\$ 23,763,259	\$ 4,274,312
Total deferred tax liabilities	\$ 5,945,453	\$ 6,770,138	\$ (824,685)
Net deferred tax asset (liability)	\$ 22,092,118	\$ 16,993,121	\$ 5,098,997
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			\$ 5,098,997

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

NOTES TO FINANCIAL STATEMENTS

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 43,793,896	21.0%
Exempt interest income	(97,211)	0.0%
Dividends received deduction	--	0.0%
Impact of nonadmitted assets	(336,316)	-0.2%
Tax credits	(288,000)	-0.1%
Stock-based compensation	(1,322,445)	-0.6%
Change in valuation allowance	--	0.0%
Other	465,629	0.1%
Total	\$ 42,215,553	20.2%
Federal and foreign income taxes incurred	\$ 47,314,550	
Change in net deferred income tax	(5,098,997)	
Total statutory income taxes	\$ 42,215,553	

E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment

1. During the reporting period, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Period	Amount
Current tax year:	\$ 47,441,746
First preceding tax year:	\$ 31,525,990

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

F. Consolidated Federal Income Tax Return

1. The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC") and all of its eligible subsidiaries (the "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 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. Significant Transactions and Changes in Terms of Intercompany Arrangements

All significant transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2. See Note 13.

C. Transactions with Related Parties who are not Reported on Schedule Y

Not Applicable

D. Amounts Due to or from Related Parties

The Company reported a \$92,250,765 and \$73,090,021 receivable from parent, subsidiaries, and affiliates at December 31, 2020 and 2019, 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 \$9,942,165 and \$7,892,863 current Federal income tax payable at December 31, 2020 and 2019, 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. 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.

NOTES TO FINANCIAL STATEMENTS

Effective July 1, 2020, the Company terminated the program administrator agreement with ASI Underwriters Corp. ("ASIU"). Under the terms of the agreement, ASIU charged a fee for designing, implementing, and administrating the Company's renters insurance program. Costs related to the renters insurance program are now being allocated under the Company's existing joint services agreement (see Note 19).

Effective July 1, 2020, the Company terminated the program administrator agreement with ASIU. Under the terms of the agreement, ASIU acted as program administrator to design, implement and administer a manufactured home insurance program on behalf of the Company. Costs related to the manufactured home insurance program are now being allocated under the Company's existing joint services agreement (see Note 19).

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

- F.

Guarantees or Contingencies for Related Parties

Not Applicable
- G.

Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by DIH.
- H.

Amount Deducted for Investment in Upstream Company

Not Applicable
- I.

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

Not Applicable
- J.

Write-Downs for Impairment of Investments in Affiliates

Not Applicable
- K.

Investment in Foreign Insurance Subsidiary

Not Applicable
- L.

Investment in Downstream Non-Insurance Holding Company

Not Applicable
- M.

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

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

- A.

Outstanding Shares

The Company has 750 shares of \$4,700 par value common stock authorized and 639 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.
- B.

Dividend Rate of Preferred Stock

Not Applicable
- C,D,E.

Dividends

The maximum amount of dividends the Company can pay to DIH in 2021 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 \$161,227,814 in 2021 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.

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

The Company paid dividends to DIH as follows:

Date Paid	Amount Paid	Dividend Type
December 14, 2020	\$ 119,000,000	Ordinary
December 14, 2020	\$ 14,000,000	Extraordinary
December 12, 2019	\$ 80,000,000	Ordinary

The extraordinary cash dividends were approved by the Ohio DOI.
- F.

Restrictions on Unassigned Funds

NOTES TO FINANCIAL STATEMENTS

There were no restrictions on the unassigned funds of the Company other than those described above, including for whom the surplus is being held.

- G.

Mutual Surplus Advances

Not Applicable
- H.

Company Stock Held for Special Purposes

Not Applicable
- I.

Changes in Special Surplus Funds

Not Applicable
- J.

Change in Unassigned Funds

Not Applicable
- K.

Surplus Notes

Not Applicable
- L,M.

Impact and Dates of Quasi Reorganizations

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, 2020 and 2019, the Company’s estimated liability for state guaranty fund and other assessments was \$495,031 and \$451,619, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

As of December 31, 2020 and 2019, the Company’s estimated liability for various surcharges was \$527,204 and \$501,401, respectively.

- C.

Gain Contingencies

Not Applicable

- D.

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

PROGRESSIVE PREFERRED 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	\$ 7,354

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

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

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

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

- E.

Product Warranties

Not Applicable

- F.

Joint and Several Liabilities

Not Applicable

- G.

All Other Contingencies

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

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

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

There was an individual lawsuit brought by certain auto body repair shops alleging breach of contract, unjust enrichment, unlawful interference with repair, or bad faith.

There was a putative class action lawsuit alleging that the Company’s uninsured motorist coverage is illusory.

There was a putative class action lawsuit alleging the Company improperly reduces or terminates Med-Pay and/or personal injury protection benefits.

NOTES TO FINANCIAL STATEMENTS

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

Note 15 – Leases

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

The Company maintained a program administrator agreement with ASIU (see Note 10). Effective July 1, 2020, the Company terminated the program administrator agreement with ASIU. Under the terms of the agreement, ASIU charged a fee for designing, implementing, and administrating the Company's renters insurance program. The renters insurance program provided tenants with coverage for damage to personal property, personal liability and medical payments to others. \$788,293 of direct written premium was written through ASIU under this agreement, which is less than 5% of the Company's surplus.

The Company maintained a program administrator agreement with ASIU (see Note 10). Effective July 1, 2020, the Company terminated the program administrator agreement with ASIU. Under the terms of the agreement, ASIU acted as program administrator to design, implement and administer a manufactured home insurance program on behalf of the Company. The manufactured home insurance program provided tenants with coverage for damage to personal property, personal liability and medical payments to others. \$69,809 of direct written premium was written through ASIU under this agreement, 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 at Reporting Date

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

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., U.S. government obligations, which are continually priced on a daily basis, active exchange-traded equity securities, and certain short-term securities).

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

Level 3 - Inputs that are unobservable. Unobservable inputs reflect our subjective evaluation about the assumptions market participants would use in pricing the financial instrument (e.g., certain structured securities and privately held investments).

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

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

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. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

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. Description of Valuation Techniques and Inputs Used in Fair Value Measurement

See Note 20.A.1 above.

5. Derivative Fair Values

Not Applicable

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

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)
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NOTES TO FINANCIAL STATEMENTS

Bonds	\$1,041,163,059	\$1,002,320,227	\$ 384,631,810	\$ 656,531,249	\$	\$	\$
Cash equivalents	\$ 9,999,765	\$ 9,999,765	\$ 9,999,765	\$	\$	\$	\$
Common stock	\$	\$	\$	\$	\$	\$	\$
Preferred stock	\$	\$	\$	\$	\$	\$	\$
Short-term investments	\$	\$	\$	\$	\$	\$	\$

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	\$ 29,400	\$ 35,000
Low Income Housing Tax Credit (NT)	GA	\$	\$ 688
Film Production Tax Credit (NT)	PA	\$ 564,000	\$ 600,000
Total		\$ 593,400	\$ 635,688

2. The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium, taking into account policy growth and rate changes, projecting the future tax liability based on projected premium, tax rates, and tax credits, and comparing the projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.
3. The Company recognized an impairment loss of \$0 related to write-downs as a result of impairment analysis of the carrying amount for transferable and non-transferable state tax credits.
4. State Tax Credits Admitted and Nonadmitted

		Total Admitted	Total Nonadmitted
a.	Transferable	\$	\$
b.	Non-Transferable	\$ 593,400	\$

F. Subprime Mortgage Related Risk Exposure

1. Description of the Subprime-Mortgage-Related Risk Exposure and Related Risk Management Practices
- 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

NOTES TO FINANCIAL STATEMENTS

Not Applicable

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

H. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy

Not Applicable

Note 22 – Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 10, 2021 for the statutory statement that was available for issuance by March 1, 2021.

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	\$ 934,120,000
Total			\$ 934,120,000

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	\$ 373,825,000	\$	\$ 447,404,000	\$	\$ (73,579,000)	\$
b.	All Other			243,000	12,000	(243,000)	(12,000)
c.	Total	\$ 373,825,000	\$	\$ 447,647,000	\$ 12,000	\$ (73,822,000)	\$ (12,000)
d.	Direct Unearned Premium Reserves			\$ 447,515,000			

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

D. Uncollectible Reinsurance

Not Applicable

E. Commutation of Ceded Reinsurance

Not Applicable

F. Retroactive Reinsurance

Not Applicable

G. Reinsurance Accounted for as a Deposit

Not Applicable

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

Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used by Reporting Entity to Estimate Accrued Retrospective Premium Adjustments

Not Applicable

B. Accrued Retrospective Premiums Recorded Through Written Premium or an Adjustment to Earned Premium

NOTES TO FINANCIAL STATEMENTS

	Not Applicable	
C.	Amount of Net Premiums Written Subject to Retrospective Rating Features and Percentage to Total Net Premiums Written	
	Not Applicable	
D.	Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.	
	Not Applicable	
E.	Nonadmitted Retrospective Premium	
	Not Applicable	
F.	Risk-Sharing Provisions of the Affordable Care Act	
	(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions	Yes [☐] No [☒]

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 \$3,925,570 in 2020, which is less than 1.0% of the total prior year net unpaid losses and LAE of \$437,213,795. The unfavorable development is primarily due to adjusting and other expense reserves strengthening during the first quarter of 2020. This is to account for lower than anticipated productivity in claims due to COVID -19 social distancing and shelter-in-place restrictions, and lower than originally anticipated existing claims inventory. In addition, commercial auto liability originally anticipated severity was higher than expected and driven by large losses. Loss reserves were strengthened during the year to account for the increased severity.	
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 intercompany pooling reinsurance agreement 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.

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

NOTES TO FINANCIAL STATEMENTS

Company	NAIC Code	2020 Pool %	2019 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 Mountain Insurance Company	35190	1.0	1.0
Progressive Southeastern Insurance Company	38784	1.0	1.0
Progressive Bayside Insurance Company	17350	0.5	0.5
Progressive Freedom Insurance Company	12302	0.5	0.5
Progressive Hawaii Insurance Corp.	10067	--	--
National Continental Insurance Company	10243	--	--
		100.0%	100.0%

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

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

Company	Amounts Recoverable	Amounts Payable
Progressive Casualty Insurance Company (Lead)	\$ 98,673,527	\$ 28,206,692
Progressive Northern Insurance Company	5,577,279	18,018,025
Progressive Northwestern Insurance Company	150,347	8,825,267
Progressive Specialty Insurance Company	--	12,679,245
Progressive Preferred Insurance Company	3,259,894	10,523,992
Progressive Michigan Insurance Company	539,983	6,478,519
Progressive Classic Insurance Company	--	2,987,378
Progressive American Insurance Company	9,467,035	26,448,583
Progressive Gulf Insurance Company	1,716,607	2,916,803
Progressive Mountain Insurance Company	5,075,735	5,299,155
Progressive Southeastern Insurance Company	2,332,326	3,742,288
Progressive Bayside Insurance Company	54,235	428,659
Progressive Freedom Insurance Company	33,249	323,975
Progressive Hawaii Insurance Corp.	--	1,181
National Continental Insurance Company	--	455
Total	\$ 126,880,217	\$ 126,880,217

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:

January 12, 2021
3.

Was anticipated investment income utilized in the calculation?

Yes [] No [X]

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

NOTES TO FINANCIAL STATEMENTS

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.

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

		2016	2017	2018	2019	2020
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 660	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000
b.	Incurred losses and loss adjustment expense	419,340				
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000

(2) Assumed Reinsurance

		2016	2017	2018	2019	2020
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 220,137	\$ 210,640	\$ 129,462	\$ 270,079	\$ 209,723
b.	Incurred losses and loss adjustment expense	6,504	(62,176)	209,934	(51,024)	57,322
c.	Calendar year payments for losses and loss adjustment expenses	16,001	19,002	69,317	9,332	5,647
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 210,640	\$ 129,462	\$ 270,079	\$ 209,723	\$ 261,398

(3) Net of Ceded Reinsurance

		2016	2017	2018	2019	2020
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 220,797	\$ 275,217	\$ 196,914	\$ 337,531	\$ 285,275
b.	Incurred losses and loss adjustment expense	70,421	(59,301)	209,934	(42,924)	55,193
c.	Calendar year payments for losses and loss adjustment expenses	16,001	19,002	69,317	9,332	5,647
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 275,217	\$ 196,914	\$ 337,531	\$ 285,275	\$ 334,821

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

(1)	Direct basis	\$ 206,625
(2)	Assumed reinsurance basis	112,406
(3)	Net of ceded reinsurance basis	\$ 112,406

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

(1)	Direct basis	\$ 210,000
(2)	Assumed reinsurance basis	44,193
(3)	Net of ceded reinsurance basis	\$ 83,889

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

(1) Direct

		2016	2017	2018	2019	2020
a.	Beginning reserves	\$	\$	\$	\$	\$
b.	Incurred losses and loss adjustment expense					
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves	\$	\$	\$	\$	\$

(2) Assumed Reinsurance

		2016	2017	2018	2019	2020
a.	Beginning reserves	\$ 560,988	\$ 537,831	\$ 630,511	\$ 97,654	\$ 244,407
b.	Incurred losses and loss adjustment expense	(4,272)	106,028	(199,915)	131,019	9,494

NOTES TO FINANCIAL STATEMENTS

c.	Calendar year payments for losses and loss adjustment expenses	18,885	13,348	332,942	(15,734)	2,959
d.	Ending reserves	\$ 537,831	\$ 630,511	\$ 97,654	\$ 244,407	\$ 250,942

(3) Net of Ceded Reinsurance

		2016	2017	2018	2019	2020
a.	Beginning reserves	\$ 560,988	\$ 537,831	\$ 630,511	\$ 97,654	\$ 244,407
b.	Incurred losses and loss adjustment expense	(4,272)	106,028	(199,915)	131,019	9,494
c.	Calendar year payments for losses and loss adjustment expenses	18,885	13,348	332,942	(15,734)	2,959
d.	Ending reserves	\$ 537,831	\$ 630,511	\$ 97,654	\$ 244,407	\$ 250,942

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

(1)	Direct basis	\$
(2)	Assumed reinsurance basis	104,282
(3)	Net of ceded reinsurance basis	\$ 104,282

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

(1)	Direct basis	\$
(2)	Assumed reinsurance basis	55,033
(3)	Net of ceded reinsurance basis	\$ 55,033

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

Note 36 – Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

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

1.3

State regulating? OHIO

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.

12/31/2017

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).

05/08/2019

3.4

By what department or departments?
OHIO

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

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

3.6

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

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

4.1

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

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

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

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If the answer is YES, complete and file the merger history data file with the NAIC.

Yes [] No [X]

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

State the nationality(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	2
Nationality	Type of Entity

8.1

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

Yes [] No [X]

8.2

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

8.3

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

Yes [] No [X]

8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PRICEWATERHOUSECOOPERS, LLP 200 PUBLIC SQUARE, 19TH FLOOR CLEVELAND, OH 44114

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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

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

10.6

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

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

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$ 0

12.2

If yes, provide explanation

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

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

13.2

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

Yes [] No []

13.3

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

Yes [] No []

13.4

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

Yes [] No [] N/A []

14.1

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

Yes [X] No []

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

14.21

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

14.3

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

Yes [] No [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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
			\$

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 []

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

22.23

Other amounts paid

\$ 0

23.1

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

Yes [X] No []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []

24.02 If no, give full and complete information, relating thereto:

24.03 For securities 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).

24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 0

24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ 0

24.06 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]

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

24.08 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]

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

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

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

24.093 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 \$ 5,059,372

25.29 On deposit with other regulatory bodies \$ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0

25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a results of interest rate sensitivity? Yes [] No []

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108 Yes [] No []

26.42 Permitted accounting practice Yes [] No []

26.43 Other accounting guidance Yes [] No []

26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guidance Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

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

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

1	2	3
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GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Name(s)	Location(s)	Complete Explanation(s)

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

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

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

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested 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 invested 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	\$ 1,012,319,992	\$ 1,051,162,824	\$ 38,842,832
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 1,012,319,992	\$ 1,051,162,824	\$ 38,842,832

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 THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- Has the reporting entity self-designated PLGI securities?

Yes [] No [X]
35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

a. The shares were purchased prior to January 1, 2019.

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

c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.

d. The fund only or predominantly holds bonds in its portfolio.

e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.

f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
- Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No [X]
36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E, Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.

b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.

c. If the investment is with a related party or affiliate then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.

d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a-36.c are reported as long-term investments.
- Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

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

OTHER

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

\$53,266
- 37.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS INC	\$53,266
- 38.1 Amount of payments for legal expenses, if any?

\$0
- 38.2 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
	\$
- 39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$0
- 39.2 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
	\$

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:		
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [☐]	No [☒ X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [☐]	No [☐]
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [☐]	No [☒ X]
8.2	If yes, give full information		
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes [☐]	No [☒ X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [☐]	No [☒ X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.		
9.4	Except for transactions meeting the requirements of paragraph 36 of <i>SSAP No. 62R, Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [☐]	No [☒ X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.		
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or, (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [☐]	No [☒ X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [☒ X]	No [☐] N/A [☐]
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [☐]	No [☒ X]
11.2	If yes, give full information		
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$	0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [☐]	No [☒ X] N/A [☐]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To		% %
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [☐]	No [☒ X]
12.6	If yes, state the amount thereof at December 31 of current year:		

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.61	Letters of Credit	\$	0				
12.62	Collateral and other funds	\$	0				
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	3,000,000				
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes []	No [X]				
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.		5				
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?	Yes []	No [X]				
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants:						
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?	Yes []	No []				
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?	Yes []	No []				
14.5	If the answer to 14.4 is no, please explain:						
15.1	Has the reporting entity guaranteed any financed premium accounts?	Yes []	No [X]				
15.2	If yes, give full information						
16.1	Does the reporting entity write any warranty business?	Yes []	No [X]				
	If yes, disclose the following information for each of the following types of warranty coverage:						
		1	2	3	4	5	
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned	
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
	* Disclose type of coverage:						
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that 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 chartered, registered, qualified, eligible, or writing business in at least 2 states?	Yes [X]	No []				
19.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?	Yes []	No []				

FIVE-YEAR HISTORICAL DATA

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

	1 2020	2 2019	3 2018	4 2017	5 2016
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,545,106,920	1,450,730,263	1,270,237,050	1,063,830,737	905,716,396
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	926,209,539	862,730,957	746,022,072	622,641,733	534,283,576
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	9,428,535	9,203,934	8,638,274	7,687,650	6,901,519
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	132	406	1,865	586	199
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	2,480,745,127	2,322,665,560	2,024,899,260	1,694,160,706	1,446,901,689
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	744,372,470	696,960,301	610,613,443	514,204,305	434,934,972
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	419,217,076	392,562,365	342,657,629	288,993,022	249,734,068
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	3,392,653	3,419,948	3,366,770	3,094,763	2,780,988
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	132	406	1,865	586	199
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	1,166,982,331	1,092,943,020	956,639,707	806,292,676	687,450,226
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	147,029,512	109,074,527	96,759,738	47,202,309	25,534,840
14. Net investment gain (loss) (Line 11).....	46,817,133	29,671,014	18,886,893	14,208,365	12,050,558
15. Total other income (Line 15).....	8,679,790	11,163,939	9,327,940	7,067,162	6,967,329
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	41,298,621	30,312,806	26,714,049	24,887,474	16,996,007
18. Net income (Line 20).....	161,227,814	119,596,674	98,260,522	43,590,362	27,556,720
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	1,385,450,222	1,250,396,917	1,116,238,441	931,098,309	793,204,659
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	28,582,229	28,723,250	28,516,438	23,037,341	2,145,705
20.2 Deferred and not yet due (Line 15.2).....	221,772,252	199,814,088	176,590,744	140,757,030	110,398,791
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	997,706,327	894,378,872	801,439,146	677,077,677	571,537,302
22. Losses (Page 3, Line 1).....	391,859,287	359,095,926	309,999,179	265,556,044	233,179,049
23. Loss adjustment expenses (Page 3, Line 3).....	87,443,951	78,117,869	66,857,901	56,342,248	48,649,997
24. Unearned premiums (Page 3, Line 9).....	373,825,243	336,265,248	300,776,970	253,468,228	210,389,044
25. Capital paid up (Page 3, Lines 30 & 31).....	3,003,300	3,003,300	3,003,300	3,003,300	3,003,300
26. Surplus as regards policyholders (Page 3, Line 37).....	387,743,895	356,018,045	314,799,295	254,020,632	221,667,357
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	212,924,302	198,026,848	172,012,063	93,522,479	73,972,250
Risk-Based Capital Analysis					
28. Total adjusted capital.....	387,743,895	356,018,045	314,799,295	254,020,632	221,667,357
29. Authorized control level risk-based capital.....	48,711,853	41,105,549	33,922,847	24,610,164	22,108,410
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	99.0	99.2	96.1	87.3	86.2
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).....	1.0	0.8	2.6	12.7	13.8
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....			1.3	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

PROGRESSIVE PREFERRED INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2020	2019	2018	2017	2016
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....		1,001,993	(340,671)	(661,323)	43,952
52. Dividends to stockholders (Line 35).....	(133,000,000)	(80,000,000)	(39,000,000)	(3,500,000)	(6,700,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	31,725,850	41,218,750	60,778,663	32,353,275	22,958,060
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	730,268,506	741,745,326	625,446,127	549,500,707	500,355,182
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	481,712,096	509,329,455	426,655,262	372,663,837	334,365,731
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	4,290,327	3,870,859	2,980,620	3,372,596	2,165,431
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(1,400)	(3,698)	(1,744)	(12,326)	(1,227)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,069	9,870	212,627	22,241	25,525
59. Total (Line 35).....	1,216,271,598	1,254,951,812	1,055,292,892	925,547,056	836,910,642
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	356,097,241	358,792,767	302,769,869	266,428,253	244,594,985
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	218,929,469	224,153,550	187,301,670	174,974,460	160,638,131
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,984,508	1,478,759	1,152,092	1,266,220	934,687
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(1,400)	(3,698)	(1,744)	(12,326)	(1,227)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,069	9,870	212,627	22,241	25,525
65. Total (Line 35).....	577,011,888	584,431,249	491,434,515	442,678,849	406,192,101
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	54.0	59.9	58.9	62.2	64.8
68. Loss expenses incurred (Line 3).....	9.2	9.4	9.7	10.6	10.5
69. Other underwriting expenses incurred (Line 4).....	23.8	20.3	20.7	21.0	20.8
70. Net underwriting gain (loss) (Line 8).....	13.0	10.3	10.6	6.2	3.9
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	22.3	18.7	18.7	19.0	19.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	63.2	69.3	68.7	72.8	75.3
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).....	301.0	307.0	303.9	317.4	310.1
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	1,253	4,018	(378)	1,137	293
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).....	0.4	1.3	(0.1)	0.5	0.1
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	5,471	1,523	941	(80)	(8,600)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	1.7	0.6	0.4	(0.0)	(4.4)

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

Yes[☐] No[☐]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

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.....	1,786	1,525	125	15	96	.....	.....90	467	XXX.....
2. 2011.....	508,264	6,804	501,460	317,754	4,323	8,215	59	44,754	0	29,424	366,341	XXX.....
3. 2012.....	539,954	5,551	534,403	347,747	4,087	8,678	23	46,432	.....	.....33,223	398,746	XXX.....
4. 2013.....	570,261	5,594	564,667	353,071	3,838	9,042	26	47,907	.....	.....33,671	406,156	XXX.....
5. 2014.....	601,535	5,852	595,683	363,107	2,355	9,599	13	48,985	.....	.....35,170	419,322	XXX.....
6. 2015.....	610,340	6,034	604,306	379,335	2,942	10,256	16	51,698	.....	.....36,328	438,332	XXX.....
7. 2016.....	668,261	6,038	662,223	430,335	4,550	11,095	27	57,452	.....	.....40,108	494,306	XXX.....
8. 2017.....	770,094	6,881	763,213	464,498	3,467	10,726	15	63,187	.....	.....45,809	534,930	XXX.....
9. 2018.....	916,952	7,621	909,331	505,115	3,136	9,162	11	66,480	.....	.....53,580	577,611	XXX.....
10. 2019.....	1,066,392	8,937	1,057,455	533,702	3,047	5,493	4	71,269	.....	.....62,010	607,412	XXX.....
11. 2020.....	1,138,342	8,920	1,129,422	382,207	1,504	960	1	59,388	.....	.....39,491	441,050	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	4,078,656	34,773	83,353	210	557,648	0	408,904	4,684,674	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	18,514	17,530	401	112	415	76	140	95	464			2,121	XXX.....
2. 2011.....	2,248	2,136	58		35				51			257	XXX.....
3. 2012.....	2,461	2,144	690	611	58				87			541	XXX.....
4. 2013.....	1,845	1,495	2,796	2,712	79				93			608	XXX.....
5. 2014.....	1,221	296	3,271	3,185	205				231			1,447	XXX.....
6. 2015.....	3,227	1,036	2,402	2,353	469	0			527			3,236	XXX.....
7. 2016.....	7,868	2,671	1,789	1,786	977	0	0		877			7,055	XXX.....
8. 2017.....	15,636	2,117	6,830	3,543	2,488	0	1,103		2,190		1,543	22,587	XXX.....
9. 2018.....	34,470	1,538	9,702	4,209	6,369	1	1,380	0	4,193		1,623	50,367	XXX.....
10. 2019.....	85,316	2,395	22,477	6,699	11,493	3	2,785	3	9,608		4,510	122,581	XXX.....
11. 2020.....	179,105	2,363	57,655	7,194	12,380	1	5,728	4	23,199		27,300	268,504	XXX.....
12. Totals...	351,910	35,720	108,072	32,403	34,969	82	11,137	102	41,522	0	34,975	479,303	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	.....	.....	.....XXX.....	1,272	848
2. 2011.	373,116	6,518	366,598	73.4	95.8	73.1	.....	.....	.....6.00	170	87
3. 2012.	406,153	6,866	399,287	75.2	123.7	74.7	.....	.....	.....6.00	396	145
4. 2013.	414,834	8,070	406,764	72.7	144.3	72.0	.....	.....	.....6.00	435	173
5. 2014.	426,619	5,849	420,769	70.9	100.0	70.6	.....	.....	.....6.00	1,011	436
6. 2015.	447,914	6,346	441,568	73.4	105.2	73.1	.....	.....	.....6.00	2,240	996
7. 2016.	510,395	9,034	501,361	76.4	149.6	75.7	.....	.....	.....6.00	5,201	1,854
8. 2017.	566,659	9,142	557,517	73.6	132.9	73.0	.....	.....	.....6.00	16,806	5,781
9. 2018.	636,872	8,895	627,977	69.5	116.7	69.1	.....	.....	.....6.00	38,425	11,942
10. 2019.	742,143	12,150	729,993	69.6	135.9	69.0	.....	.....	.....6.00	98,700	23,881
11. 2020.	720,621	11,067	709,554	63.3	124.1	62.8	.....	.....	.....6.00	227,203	41,301
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	391,859	87,444

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	One Year	Two Year
1. Prior.....	85,416	83,558	84,059	83,122	83,844	84,008	84,328	85,277	85,508	85,640	132	363
2. 2011.....	319,247	323,009	324,155	324,145	321,699	321,778	321,740	321,690	321,724	321,793	68	102
3. 2012.....	XXX.....	353,461	354,426	354,602	354,952	352,440	352,759	352,657	352,706	352,769	63	112
4. 2013.....	XXX.....	XXX.....	361,218	360,829	360,617	361,257	358,196	358,437	358,757	358,764	7	326
5. 2014.....	XXX.....	XXX.....	XXX.....	378,116	371,773	372,732	373,519	370,719	371,247	371,554	307	834
6. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	389,246	390,209	391,508	391,402	388,818	389,343	525	(2,059)
7. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	441,561	443,071	444,744	445,651	443,031	(2,620)	(1,713)
8. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	488,781	488,599	491,016	492,139	1,124	3,541
9. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	553,341	555,457	557,304	1,847	3,963
10. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	649,316	649,116	(200)	XXX.....
11. 2020.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	626,967	XXX.....	XXX.....
12. Totals.....											1,253	5,471

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
1. Prior.....	000.....	43,893	65,318	74,986	79,050	80,582	81,826	83,002	83,612	83,983	XXX.....	XXX.....
2. 2011.....	214,260	276,707	301,838	314,128	318,712	320,324	321,090	321,375	321,515	321,587	XXX.....	XXX.....
3. 2012.....	XXX.....	233,622	304,323	331,214	343,644	348,719	350,721	351,707	352,164	352,315	XXX.....	XXX.....
4. 2013.....	XXX.....	XXX.....	233,705	309,721	336,367	349,526	354,778	356,632	357,917	358,249	XXX.....	XXX.....
5. 2014.....	XXX.....	XXX.....	XXX.....	248,894	318,158	347,423	361,270	366,826	369,237	370,337	XXX.....	XXX.....
6. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	252,954	332,112	362,513	377,347	384,294	386,634	XXX.....	XXX.....
7. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	286,119	374,748	410,332	429,701	436,854	XXX.....	XXX.....
8. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	311,196	409,992	453,000	471,742	XXX.....	XXX.....
9. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	344,207	464,245	511,131	XXX.....	XXX.....
10. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	403,571	536,144	XXX.....	XXX.....
11. 2020.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	381,662	XXX.....	XXX.....

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Prior.....	14,747	6,604	3,292	702	645	578	526	351	253	334
2. 2011.....	23,311	7,680	3,442	2,747	11	6	3	1	0	58
3. 2012.....	XXX.....	28,570	8,273	3,508	2,931	4	3	0	0	78
4. 2013.....	XXX.....	XXX.....	30,689	9,134	3,752	3,314	3	0	0	85
5. 2014.....	XXX.....	XXX.....	XXX.....	28,957	9,390	3,872	3,254	0	0	86
6. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	28,057	9,724	4,194	3,323	2	49
7. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	32,514	10,788	4,675	3,712	4
8. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	41,189	12,725	5,623	4,391
9. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	49,788	15,585	6,873
10. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	52,333	18,561
11. 2020.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	56,185

PROGRESSIVE PREFERRED INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		1 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 Pur- chasing Groups (Incl. in Col. 2)
			2 Direct Premiums Written	3 Direct Premiums Earned						
States, Etc.										
1.	Alabama.....AL	N								
2.	Alaska.....AK	L								
3.	Arizona.....AZ	L	323,523,227	313,511,266		163,101,628	170,035,378	90,448,262	4,410,730	
4.	Arkansas.....AR	N								
5.	California.....CA	N								
6.	Colorado.....CO	L	206,577,613	204,464,125		105,543,965	97,313,313	74,559,063	2,162,963	
7.	Connecticut.....CT	N								
8.	Delaware.....DE	L								
9.	District of Columbia.....DC	L								
10.	Florida.....FL	N								
11.	Georgia.....GA	L	3,170,433	3,276,264		1,727,266	2,220,678	3,634,709	21,387	
12.	Hawaii.....HI	L	23,880,500	24,213,013		10,466,750	9,522,586	5,591,930	172,014	
13.	Idaho.....ID	L								
14.	Illinois.....IL	N								
15.	Indiana.....IN	L								
16.	Iowa.....IA	L								
17.	Kansas.....KS	N								
18.	Kentucky.....KY	L								
19.	Louisiana.....LA	N								
20.	Maine.....ME	L								
21.	Maryland.....MD	L								
22.	Massachusetts.....MA	N								
23.	Michigan.....MI	L								
24.	Minnesota.....MN	L	447,815,401	437,788,003		239,337,049	236,272,185	124,486,719	4,683,690	
25.	Mississippi.....MS	L								
26.	Missouri.....MO	L	9,815,802	10,751,585		4,846,603	4,707,317	3,517,619	116,176	
27.	Montana.....MT	L								
28.	Nebraska.....NE	L								
29.	Nevada.....NV	L				4,463	(20,717)	31,346		
30.	New Hampshire.....NH	N								
31.	New Jersey.....NJ	L								
32.	New Mexico.....NM	L	1,384,445	1,439,775		588,907	472,517	510,024	10,805	
33.	New York.....NY	L				34,344	(21,471)	124,250		
34.	North Carolina.....NC	L								
35.	North Dakota.....ND	N								
36.	Ohio.....OH	L	173,386,670	153,902,652		61,425,133	77,295,243	77,542,848	1,422,307	
37.	Oklahoma.....OK	L								
38.	Oregon.....OR	L				(885)	(948)	1		
39.	Pennsylvania.....PA	L	78,905,066	75,007,202		35,728,579	39,779,439	25,903,080	567,975	
40.	Rhode Island.....RI	L								
41.	South Carolina.....SC	L								
42.	South Dakota.....SD	L								
43.	Tennessee.....TN	L								
44.	Texas.....TX	L								
45.	Utah.....UT	L	45,204,369	38,956,428		16,422,364	23,952,611	13,927,783	502,443	
46.	Vermont.....VT	N								
47.	Virginia.....VA	L				(367)	(367)			
48.	Washington.....WA	L	99,269	101,149		33,911	346,689	486,155	745	
49.	West Virginia.....WV	L								
50.	Wisconsin.....WI	N								
51.	Wyoming.....WY	N								
52.	American Samoa.....AS	N								
53.	Guam.....GU	N								
54.	Puerto Rico.....PR	N								
55.	US Virgin Islands.....VI	N								
56.	Northern Mariana Islands.....MP	N								
57.	Canada.....CAN	N								
58.	Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59.	Totals.....	XXX	1,313,762,795	1,263,411,462	0	639,259,710	661,874,453	420,763,789	14,071,235	0

DETAILS OF WRITE-INS

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

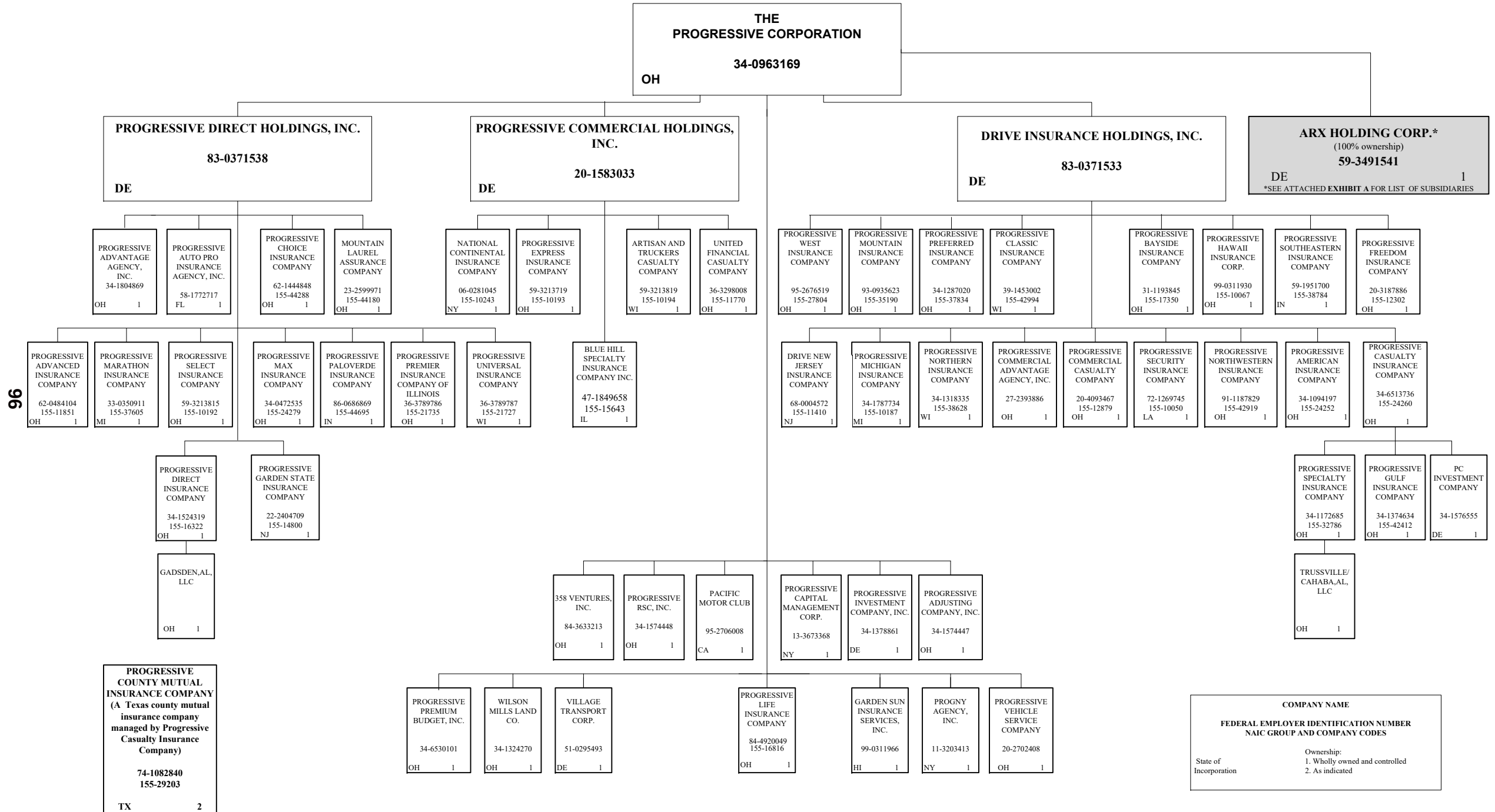
(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	37
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.....	0
N - None of the above - Not allowed to write business in the state.....	20

(b) Explanation of Basis of Allocation of Premiums by States, etc.
Allocation on the basis of the location where the vehicle is principally garaged and used.

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



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

