

PROGRESSIVE INSURANCE GROUP

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AMB#: 00780

KEY FINANCIAL INDICATORS

Period <u>Ending</u>	Statutory Data (\$000)		
	Direct	Net	Pretax
	Premiums <u>Written</u>	Premiums <u>Written</u>	Operating <u>Income</u>
2003	12,248,134	11,972,167	1,824,450
2004	13,747,911	13,432,030	2,391,478
2005	14,332,972	14,046,869	2,140,418
2006	14,389,701	14,089,288	2,401,097
2007	13,983,744	13,773,877	1,549,401
09/2007	10,861,382	10,689,690	1,213,464
09/2008	10,645,913	10,513,439	910,656

Period <u>Ending</u>	Statutory Data (\$000)		
	Net	Total	Policy-
	<u>Income</u>	<u>Admitted</u> <u>Assets</u>	holders' <u>Surplus</u>
2003	1,264,569	16,616,436	4,592,988
2004	1,661,748	16,899,638	4,689,621
2005	1,406,506	17,543,252	4,738,034
2006	1,710,426	17,870,983	4,955,060
2007	1,169,024	17,431,217	4,589,514
09/2007	904,565	18,885,937	4,894,783
09/2008	175,107	18,241,378	4,636,366

(*) Data reflected within all tables of this report has been compiled through the A.M. Best Consolidation of statutory filings. Within several financial tables of this report, this group is compared against the Private Passenger Automobile Composite.

CORPORATE OVERVIEW

The Progressive Corporation (Progressive) is an Ohio based publicly traded holding company that through its subsidiaries is a leading provider of personal and commercial automobile insurance coverage in the United States. Progressive Insurance Group operates through thirty-four property / casualty insurance company subsidiaries and a county mutual affiliate. The parent company was formed in 1965 as an insurance holding company, although the organization dates back to 1937 with the formation of the Progressive Mutual Insurance Company. The Progressive Insurance Group is the third largest writer of private passenger automobile and commercial automobile insurance and ranks among the ten largest property / casualty insurers in the country.

A.M. Best assigns four distinct ratings to the Progressive Insurance Group of property / casualty insurance companies. The first rating unit, The Progressive Agency Pool, is based on the consolidation of a twelve member inter-company pool, led by Progressive Casualty Insurance Company, four non-pooled property / casualty affiliates that receive a "group" rating, one property / casualty affiliate that receives a "reinsured" rating and one county mutual affiliate that receives a "reinsured" rating.

The Progressive Agency Pool markets its personal and commercial lines insurance products through a network of more than 30,000 independent agencies. The group also participates in strategic alliance business relationships, which includes relationships with other insurance companies, financial institutions, employers and national brokerage agencies. The second rating unit, The Progressive Direct Pool, is based on the consolidation of a seven member inter-company pool, led by Progressive Direct Insurance Company, three non-pooled property / casualty subsidiaries that receive a "group" rating and two property / casualty affiliates that receive a "reinsured" rating.

The third rating unit, Progressive Commercial Auto Group, is based on the consolidation of the lead company, United Financial Casualty Company, and its affiliates, Artisan & Truckers Casualty Company and Progressive Express Insurance Company. The group writes small fleet commercial vehicle insurance throughout the United States. The fourth rating unit, National Continental Insurance Company, is a New York based subsidiary that writes personal and commercial automobile coverages, including policies written under state-mandated involuntary Commercial Auto Insurance Plans (CAIP) and Special Risk Distribution Plans (SRDP), for which the company retains no underwriting risk.

CORPORATE STRUCTURE

<u>AMB#</u>	<u>COMPANY NAME</u>	<u>DOMICILE</u>	<u>%OWN</u>
58454	<i>Progressive Corporation</i>	OH	
51230	<i>Drive Insurance Holdings, Inc.</i>	DE	100.00
01891	Drive New Jersey Ins Co	NJ	100.00
04456	Progressive American Ins Co	FL	100.00
00638	Progressive Bayside Ins Co	FL	100.00
02407	Progressive Casualty Ins Co	OH	100.00
01762	Progressive Gulf Ins Co	OH	100.00
03645	Progressive Specialty Ins Co	OH	100.00
01864	Progressive Classic Ins Co	WI	100.00
11665	Progressive Hawaii Ins Corp	OH	100.00
11761	Progressive Michigan Ins Co	MI	100.00
10724	Progressive Mountain Ins Co	OH	100.00
11652	Progressive Northeastern Ins	NY	100.00
02650	Progressive Northern Ins Co	WI	100.00
01853	Progressive Northwestern Ins	OH	100.00
02609	Progressive Preferred Ins Co	OH	100.00
11698	Progressive Security Ins Co	LA	100.00
02640	Progressive Southeastern Ins	IN	100.00
04287	Progressive West Insurance Co	OH	100.00
51232	<i>Progressive Comm Hldgs, Inc.</i>	DE	100.00
11759	Artisan & Truckers Casualty	WI	100.00
00547	National Continental Ins Co	NY	100.00
11760	Progressive Express Ins Co	FL	100.00
01900	United Financial Casualty Co	OH	100.00
13820	Progressive Commercial Cas Co	OH	100.00
51231	<i>Progressive Direct Hldgs, Inc.</i>	DE	100.00
58416	<i>Midland Financial Group, Inc</i>		100.00
00586	Progressive Advanced Ins Co	OH	100.00
11150	Mountain Laurel Assur Co	OH	100.00
11758	Progressive Select Ins Co	FL	100.00
11088	Progressive Choice Ins Co	OH	100.00
11441	Progressive Freedom Ins Co	NJ	100.00
00649	Progressive Direct Ins Co	OH	100.00
01839	Progressive Garden State Ins	NJ	100.00
10745	Progressive Marathon Ins Co	MI	100.00
02408	Progressive Max Insurance Co	OH	100.00
11246	Progressive Paloverde Ins Co	IN	100.00
11247	Progressive Premier Ins of IL	OH	100.00
11248	Progressive Universal Ins Co	WI	100.00

03690 Progressive Cty Mut Ins Co

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2007 BUSINESS PRODUCTION AND PROFITABILITY (\$000)

Product	Premiums Written		% of	Pure	Loss
<u>Line</u>	<u>Direct</u>	<u>Net</u>	<u>Total</u>	<u>Loss</u>	<u>& LAE</u>
Priv Pass Auto Liab	7,193,304	7,074,370	51.4	60.2	4,229,033
Auto Physical	5,038,036	5,035,382	36.6	59.9	19,933
Comm'l Auto Liab	1,398,139	1,339,329	9.7	59.6	1,309,288
All Other	354,266	324,796	2.4	42.5	96,919
Totals	13,983,744	13,773,877	100.0	59.6	5,655,173

HISTORY

The Progressive insurance organization began business in 1937 with the formation of Progressive Mutual Insurance Company (currently known as Progressive Max Insurance Company). Progressive Casualty Insurance Company, the lead company of the Progressive Insurance Group, was founded in 1956. The Progressive Corporation, a publicly traded holding company formed in 1965, owns 64 operating subsidiaries and has one mutual insurance company affiliate. The companies provide personal automobile insurance and other specialty property-casualty insurance and related services through both the independent agency channel and the direct channel in the United States.