

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

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FILER

PROGRESSIVE CORP/OH/

CIK: **80661** | IRS No.: **340963169** | State of Incorporation: **OH** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **001-09518** | Film No.: **061000610**
SIC: **6331** Fire, marine & casualty insurance

Mailing Address	Business Address
6300 WILSON MILLS RD MAYFIELD VILLAGE OH 44143	6300 WILSON MILLS RD MAYFIELD VILLAGE OH 44143 4404615000

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q/A

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2006

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 1-9518

THE PROGRESSIVE CORPORATION

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of
incorporation or organization)

34-0963169

(I.R.S. Employer
Identification No.)

6300 Wilson Mills Road, Mayfield Village, Ohio

(Address of principal executive offices)

44143

(Zip Code)

(440) 461-5000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Shares, \$1.00 par value: 195,623,623 outstanding at April 30, 2006

This Form 10-Q/A amends the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, as filed on May 4, 2006. The purpose of this amendment is (i) to amend the Consolidated Balance Sheet and (ii) to correct an erroneous date in the Section 1350 Certifications filed as Exhibit 32.

Balance Sheet. Upon adoption of Statement of Financial Accounting Standards 123(revised 2004)(SFAS 123(R)), "Share-Based Payment," companies were required to eliminate any unearned compensation accounts (i.e., unamortized restricted stock) against the appropriate equity (i.e., paid-in capital) or liability account. As a result, as of March 31, 2006, we were required to reclassify \$99.5 million of "Unamortized restricted stock," of which \$91.1 million related to equity awards and \$8.4 million related to liability awards. An amended Consolidated Balance Sheet and Note 10-Reclassifications, in their entirety, are included in this Form 10-Q/A.

Certification. Our Section 1350 Certifications were erroneously filed with an incorrect date for the period that they covered. Revised certifications for the period ended March 31, 2006, are included in this Form 10-Q/A under Exhibit 32.

The Progressive Corporation and Subsidiaries
Consolidated Balance Sheets
(unaudited)

(millions)	March 31,		December 31,
	2006	2005	2005
Assets			
Investments – Available-for-sale, at market:			
Fixed maturities (amortized cost: \$10,513.3, \$9,548.0 and \$10,260.7)	\$10,368.0	\$9,505.5	\$ 10,221.9
Equity securities:			
Preferred stocks (cost: \$1,305.5, \$952.0 and \$1,217.0)	1,304.6	957.7	1,220.3
Common equities (cost: \$1,429.2, \$1,400.2 and \$1,423.4)	2,140.3	1,898.9	2,058.9
Short-term investments (amortized cost: \$708.2, \$1,042.3 and \$773.5)	708.5	1,042.8	773.6
Total investments	14,521.4	13,404.9	14,274.7
Cash	10.6	16.8	5.6
Accrued investment income	135.7	100.4	133.1
Premiums receivable, net of allowance for doubtful accounts of \$103.8, \$76.8 and \$116.3	2,639.7	2,469.2	2,500.7
Reinsurance recoverables, including \$55.2, \$53.7 and \$58.5 on paid losses	400.2	391.7	405.7
Prepaid reinsurance premiums	100.5	121.3	103.7
Deferred acquisition costs	461.5	450.6	444.8
Income taxes	–	–	138.3
Property and equipment, net of accumulated depreciation of \$569.7, \$584.0 and \$562.0	822.5	660.9	758.7
Other assets	166.1	107.4	133.3
Total assets	<u>\$19,258.2</u>	<u>\$17,723.2</u>	<u>\$ 18,898.6</u>
Liabilities and Shareholders' Equity			
Unearned premiums	\$4,508.1	\$4,364.3	\$ 4,335.1
Loss and loss adjustment expense reserves	5,632.0	5,348.3	5,660.3
Accounts payable, accrued expenses and other liabilities	1,460.5	1,385.9	1,510.8
Income taxes	48.3	45.4	–
Debt ¹	1,285.0	1,284.5	1,284.9
Total liabilities	<u>12,933.9</u>	<u>12,428.4</u>	<u>12,791.1</u>
Shareholders' equity:			
Common Shares, \$1.00 par value (authorized 600.02; issued 213.1, 213.2 and 213.1, including treasury shares of 17.2, 13.6 and 15.8)	195.9	199.6	197.3
Paid-in capital	814.9	805.8	848.2
Unamortized restricted stock	–	(82.0)	(62.7)
Accumulated other comprehensive income:			
Net unrealized gains on securities	367.4	300.6	390.1
Net unrealized gains on forecasted transactions	8.3	9.4	8.6
Retained earnings	4,937.8	4,061.4	4,726.0
Total shareholders' equity	<u>6,324.3</u>	<u>5,294.8</u>	<u>6,107.5</u>
Total liabilities and shareholders' equity	<u>\$19,258.2</u>	<u>\$17,723.2</u>	<u>\$ 18,898.6</u>

¹Includes current and non-current debt. See *Note 4 – Debt*.

2On April 21, 2006, the shareholders of The Progressive Corporation approved a proposal to amend Progressive's Amended Articles of Incorporation to increase the number of authorized Common Shares from 600.0 million to 900.0 million. See notes to consolidated financial statements.

Note 10 Reclassifications – Upon adoption of SFAS 123(R), companies were required to eliminate any unearned compensation accounts (i.e., unamortized restricted stock) against the appropriate equity (i.e., paid-in capital) or liability account. As a result, as of March 31, 2006, we were required to reclassify \$99.5 million of “Unamortized restricted stock,” of which \$91.1 million related to equity awards and \$8.4 million related to liability awards.

In addition, certain amounts in the Consolidated Statements of Cash Flows (i.e., short-term investments), were reclassified for 2005 to comply with the presentation requirements under SFAS 95, “Statement of Cash Flows,” and SFAS 115, “Accounting for Certain Investments in Debt and Equity Securities.”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PROGRESSIVE CORPORATION
(Registrant)

Date: August 3, 2006

BY: /s/ W. Thomas Forrester
W. Thomas Forrester
Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No. Under Reg. S-K, Item 601</u>	<u>Form 10-Q/A Exhibit Number</u>	<u>Description of Exhibit</u>	<u>If Incorporated by Reference, Documents with Which Exhibit was Previously Filed with SEC</u>
(31)	31(A)	Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer, Glenn M. Renwick	Filed herewith
(31)	31(B)	Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer, W. Thomas Forrester	Filed herewith
(32)	32(A)	Section 1350 Certification of the Principal Executive Officer, Glenn M. Renwick	Filed herewith
(32)	32(B)	Section 1350 Certification of the Principal Financial Officer, W. Thomas Forrester	Filed herewith

CERTIFICATION

I, Glenn M. Renwick, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of The Progressive Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to

2. make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as

4. defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial

5. reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2006

/s/ Glenn M. Renwick

Glenn M. Renwick

President and Chief Executive Officer

CERTIFICATION

I, W. Thomas Forrester, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of The Progressive Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to

2. make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as

4. defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial

5. reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2006

/s/ W. Thomas Forrester

W. Thomas Forrester

Vice President and Chief Financial Officer

SECTION 1350 CERTIFICATION

I, Glenn M. Renwick, President and Chief Executive Officer of The Progressive Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- the Quarterly Report on Form 10-Q, as amended by this Form 10-Q/A, of the Company for the period ended March 31, 2006 (the
- (1) "Report"), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
 - (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Glenn M. Renwick

Glenn M. Renwick
President and Chief Executive Officer
August 3, 2006

SECTION 1350 CERTIFICATION

I, W. Thomas Forrester, Vice President and Chief Financial Officer of The Progressive Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- the Quarterly Report on Form 10-Q, as amended by this Form 10-Q/A, of the Company for the period ended March 31, 2006 (the
- (1) “Report”), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
 - (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ W. Thomas Forrester

W. Thomas Forrester

Vice President and Chief Financial Officer

August 3, 2006