

PROGRESSIVE[®]

THE PROGRESSIVE CORPORATION
2013 INVESTOR RELATIONS MEETING





year review

Since We Last Met
Glenn Renwick



2012 FULL YEAR PERSONAL AUTO RESULTS



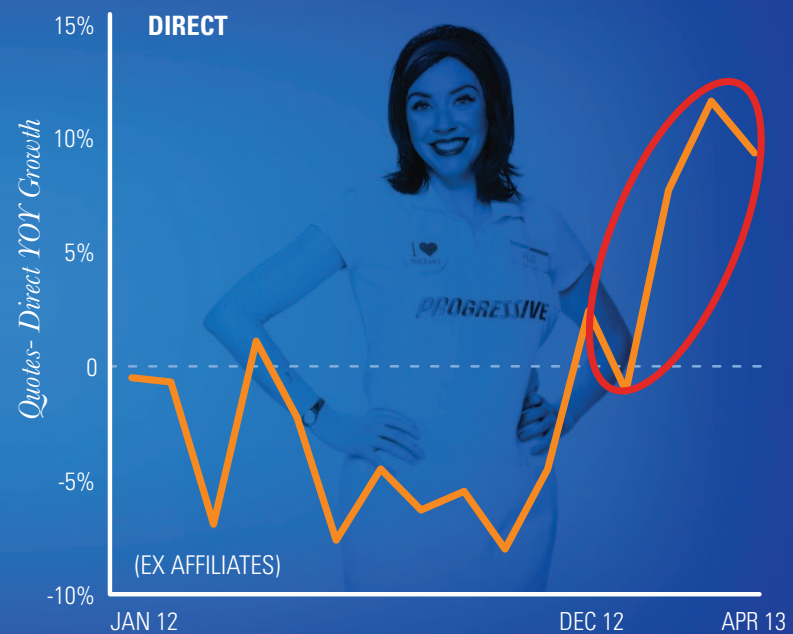
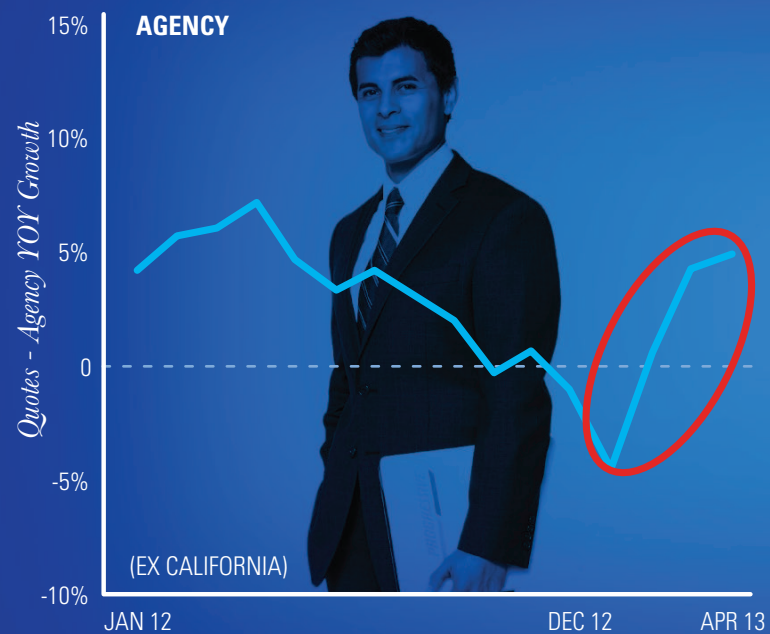
*Source: SNL data, company disclosures and Progressive analysis



DEMAND FOR OUR PRODUCT IS UP

PERSONAL AUTO RESULTS

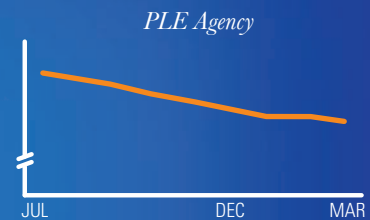
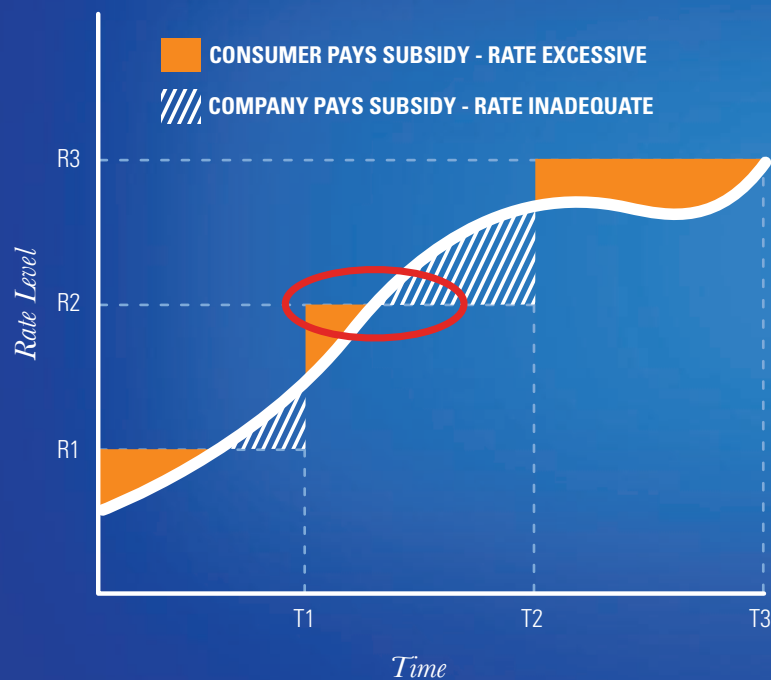
/ SINCE WE LAST MET...



Ex California due to conversion of comparative rater to real-time
Ex Affiliates due to variable quote quality

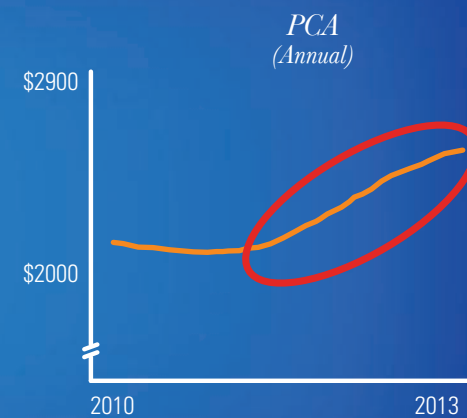
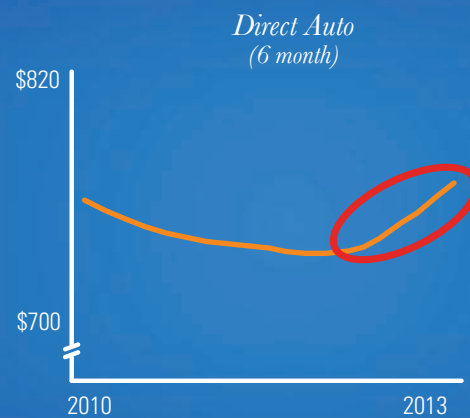
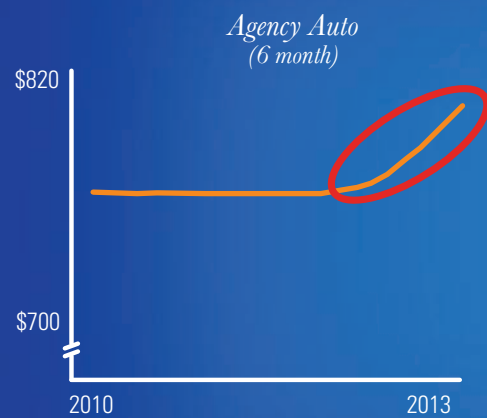
MARKET DYNAMICS VS RATE MAKING PROCESS

RATE MAKING DOESN'T MODEL REALITY. SPEED OF RESPONSE DIRECTLY RELATES TO SIZE OF SUBSIDY. THE CONSUMER IS DISADVANTAGED BY INADEQUATE KNOWLEDGE OF THE PHASE OF THE CYCLE.



AVERAGE WRITTEN PREMIUMS ARE UP

/ SINCE WE LAST MET...



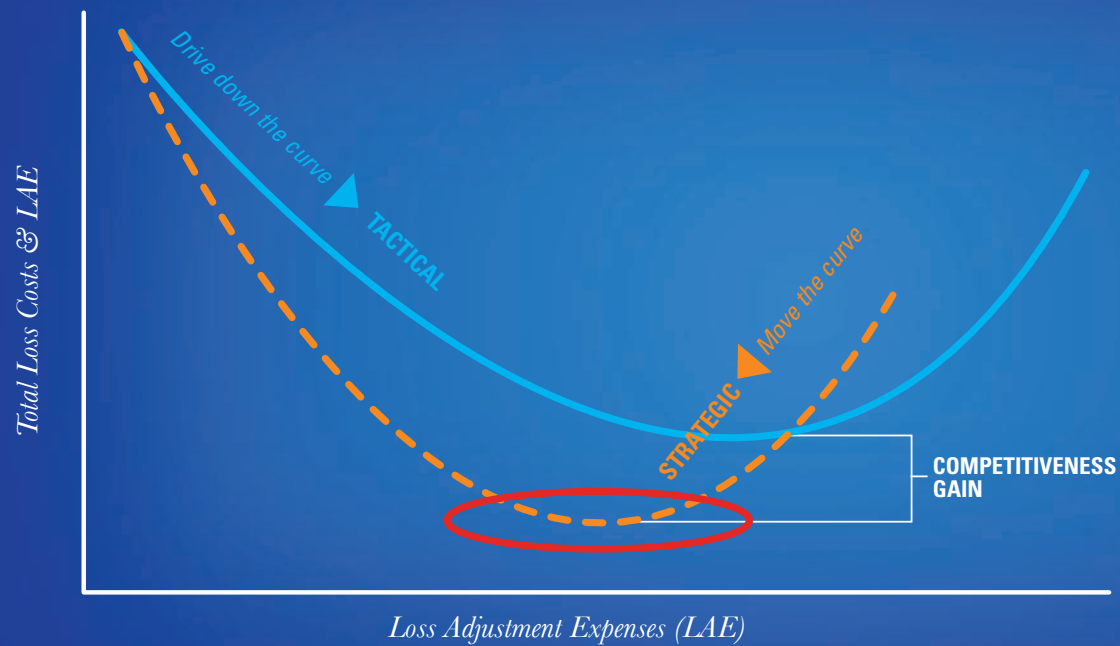
Trailing 12-month data



even more

WE BECAME CONFIDENT IN OUR REALIZATION AND CALIBRATION OF CLEAR COST + QUALITY ADVANTAGE

/ SINCE WE LAST MET...



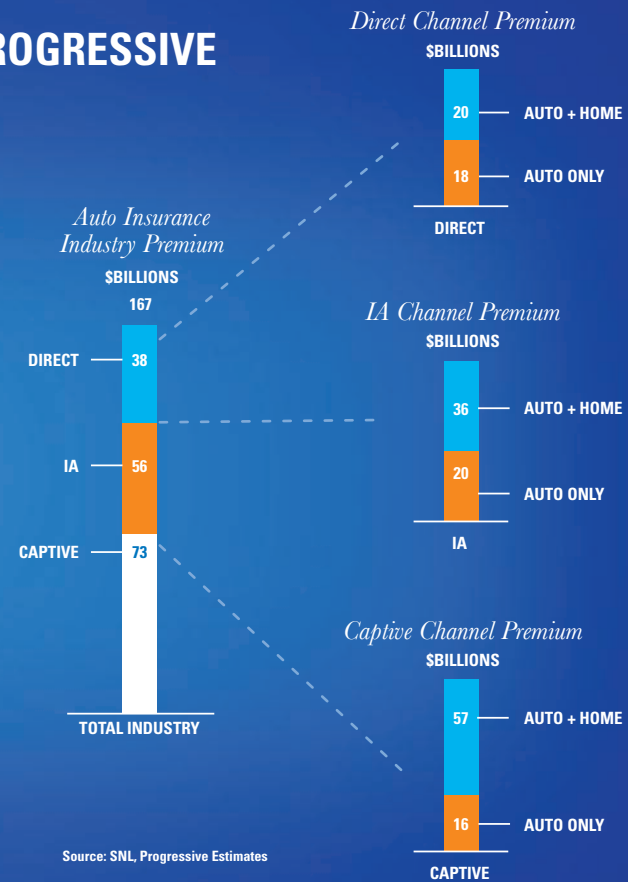
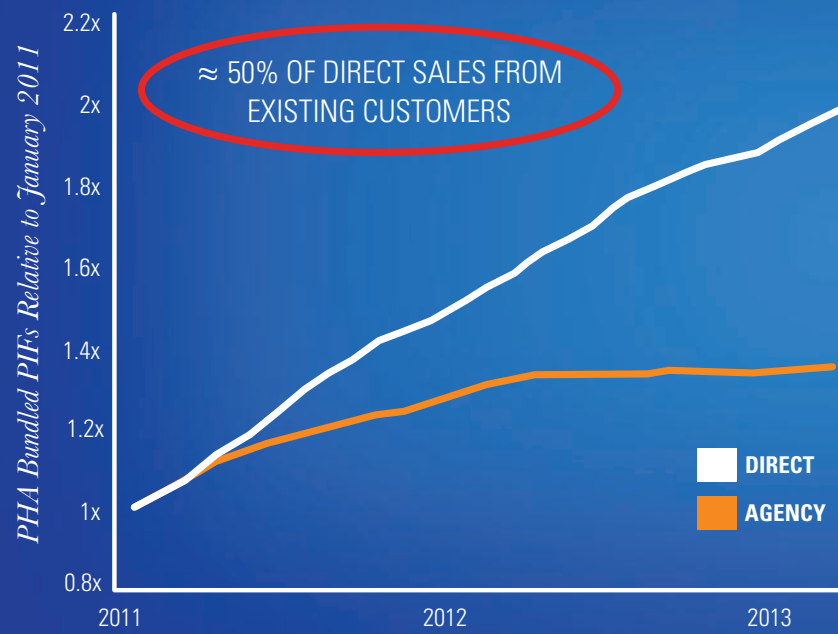
DELTA LAE (as of YE 2012)

1 YR	<0.1>
3 YR	<0.7>
5 YR	<1.4>

Can claims create a sustainable pricing advantage?



CONTINUED TO CONFIRM OUR BRAND AND PROGRESSIVE HOME ADVANTAGE® WORK WELL TOGETHER



STEEPEST DEMAND CURVE YET = MOBILE

/ SINCE WE LAST MET...



RELEVANCE OF “FOR ME” MESSAGE NEEDED MORE
THAN A CALL FOR SAVINGS

/ SINCE WE LAST MET...



ANTI-SUBSIDIZATION CAMPAIGN









6%
of PPA market

SAM



BIOGRAPHICAL SYNOPSIS

- 25-year-old single male
- Inconsistently insured
- Often a renter
- Liability only policy
- Agency bias



39%
of PPA market

DIANE



BIOGRAPHICAL SYNOPSIS

- 38-year-old single female
- Renter
- Full coverage policy
- Increasing direct bias



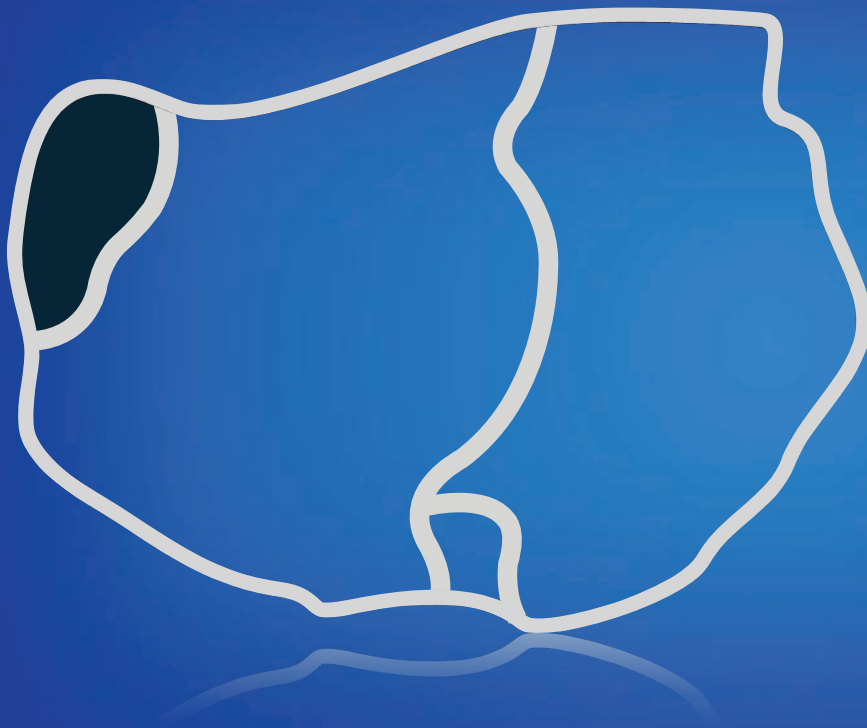
43%
of PPA market

ROBINSON FAMILY



BIOGRAPHICAL SYNOPSIS

- 49-year-old married male
- 47-year-old married female
- 19-year-old son
- Home, boat owner (bundled)
- Full coverage and umbrella
- Agency customer



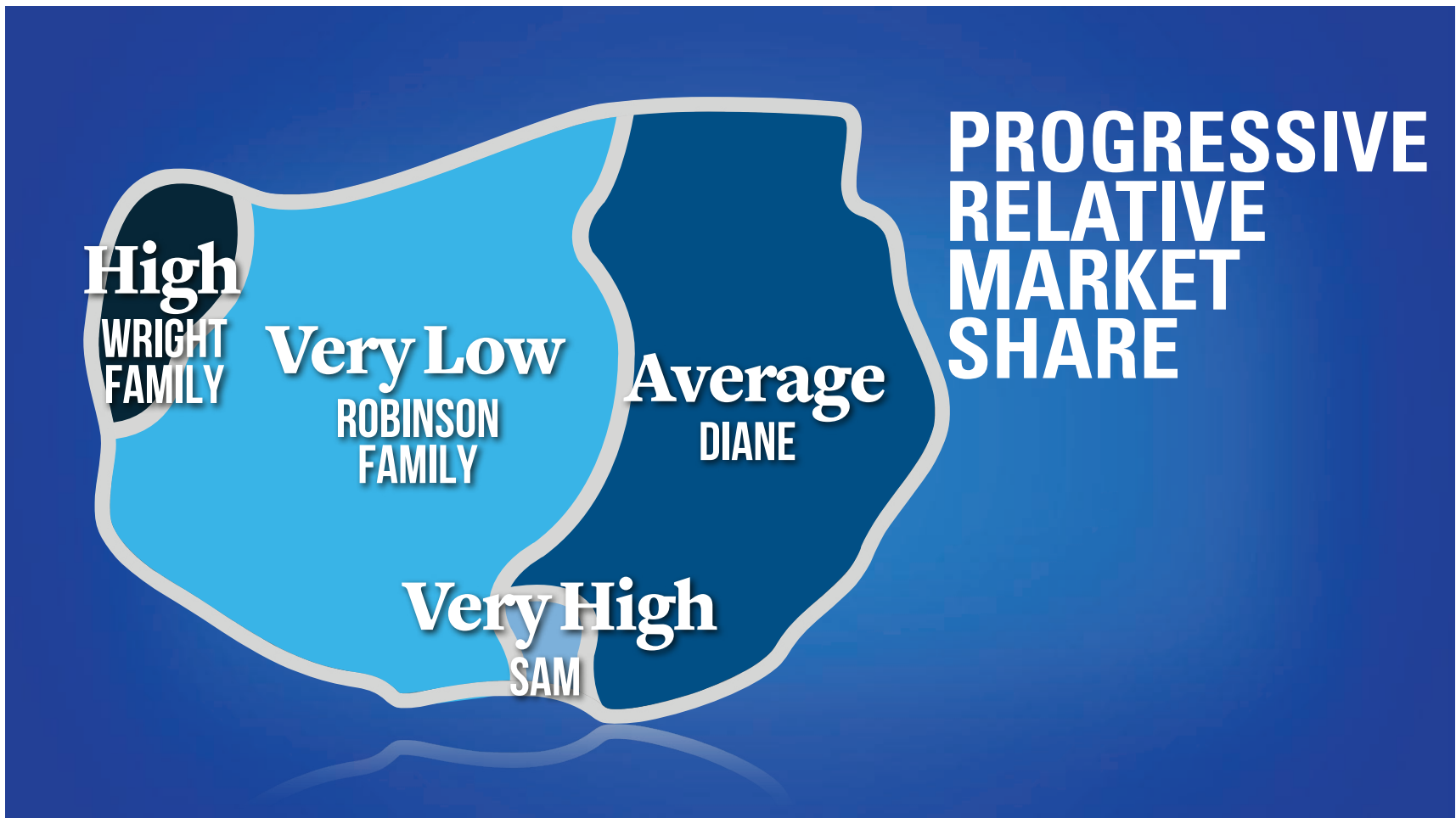
12%
of PPA market

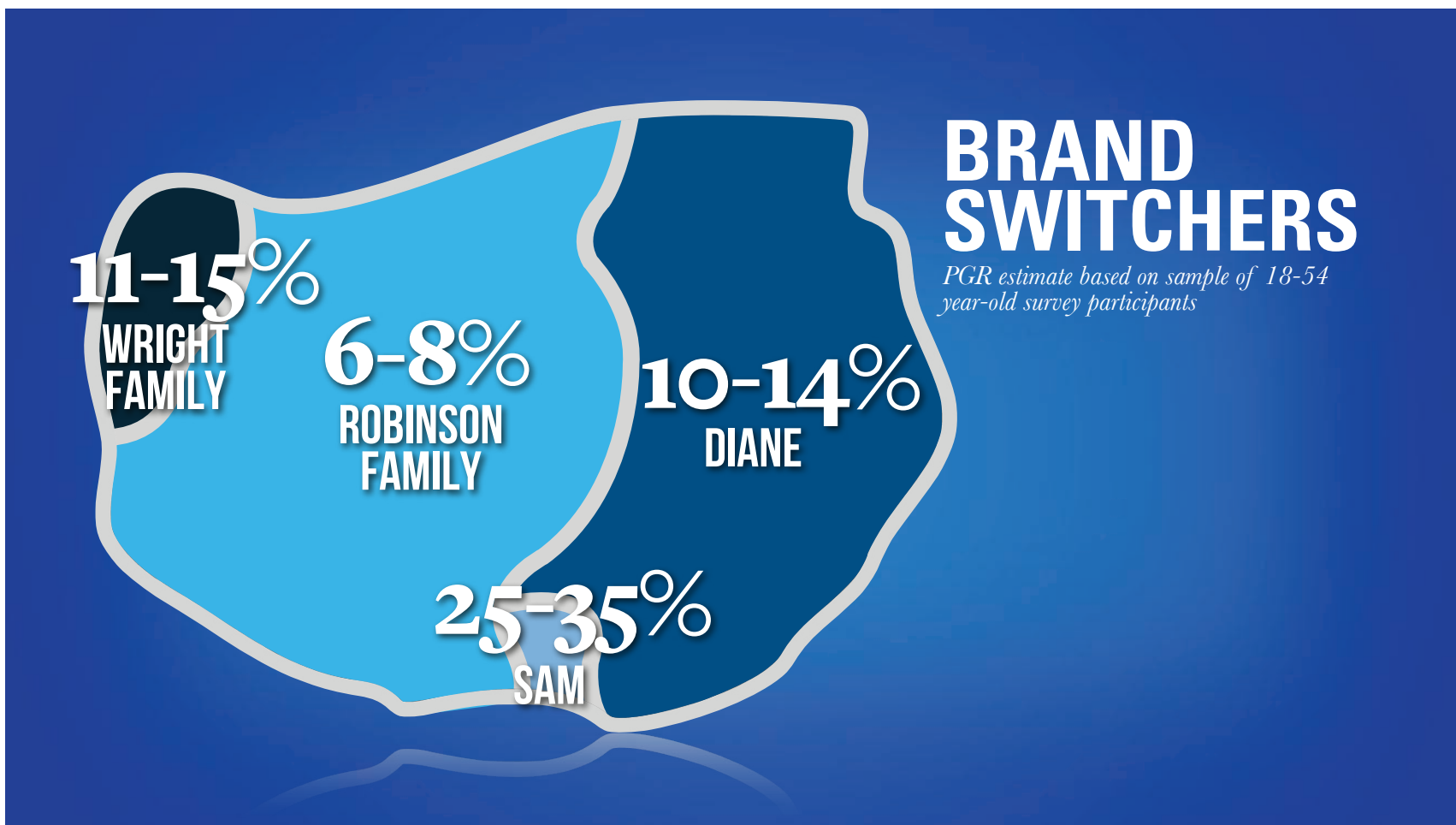
WRIGHT FAMILY

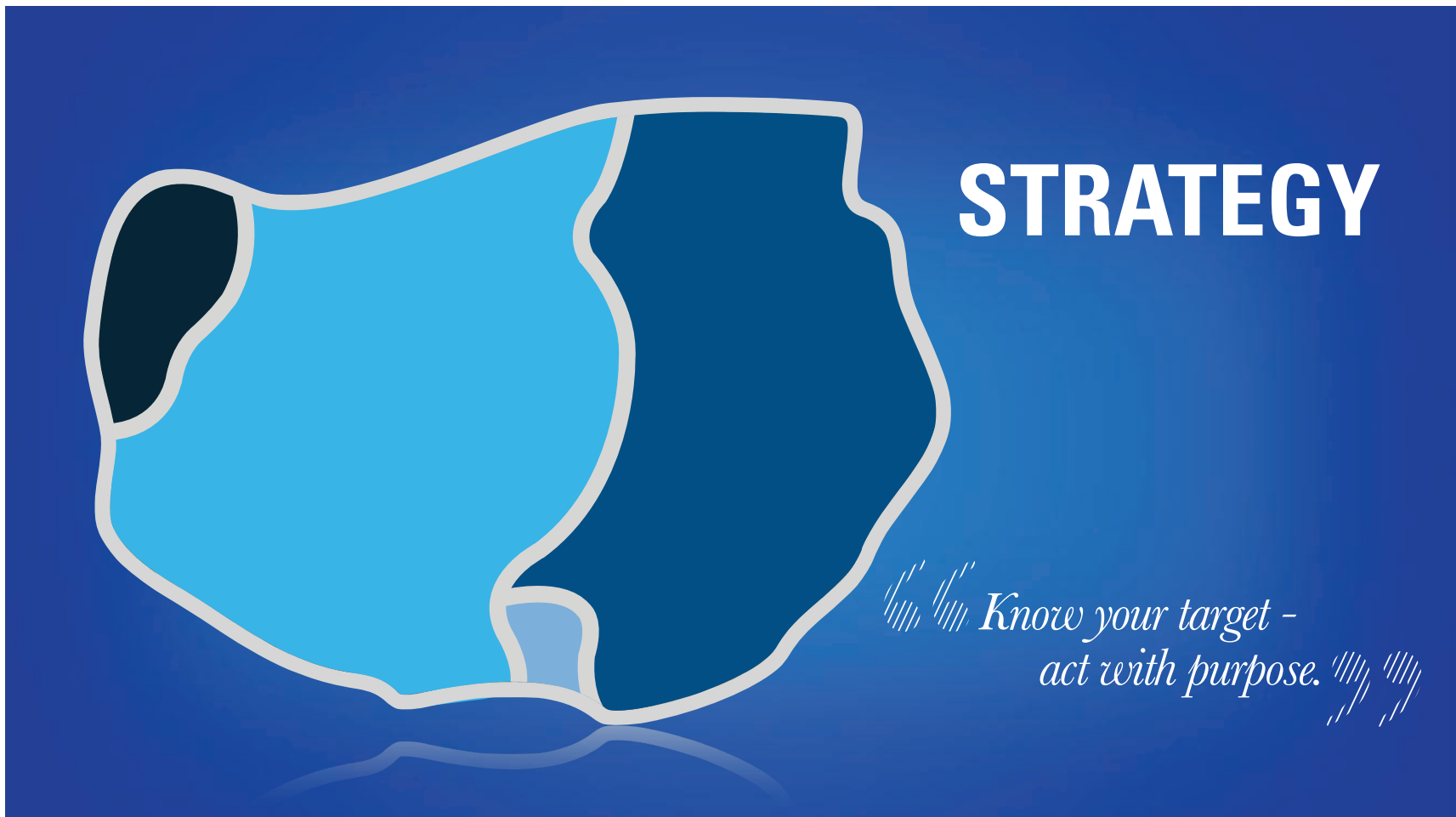


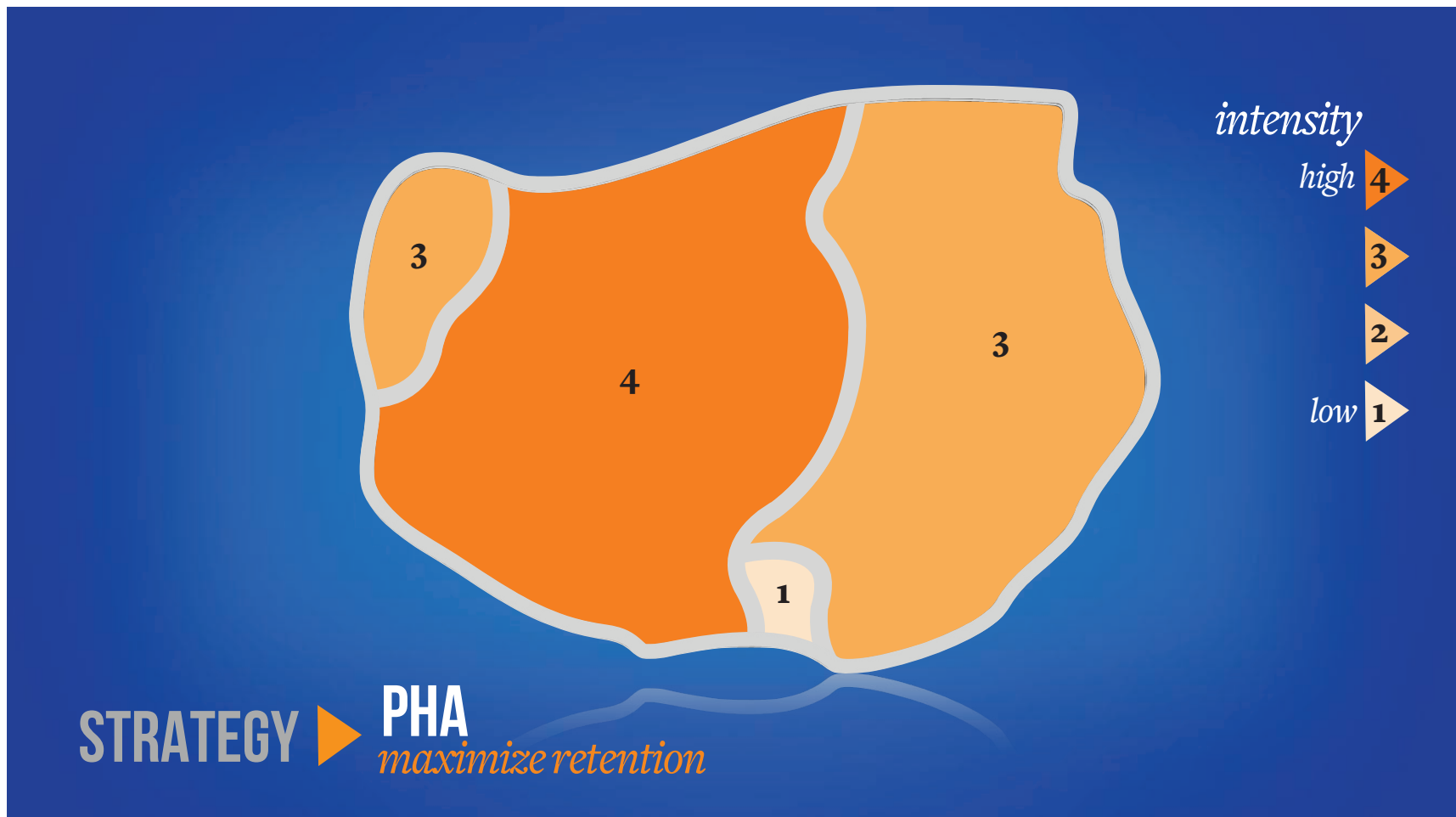
BIOGRAPHICAL SYNOPSIS

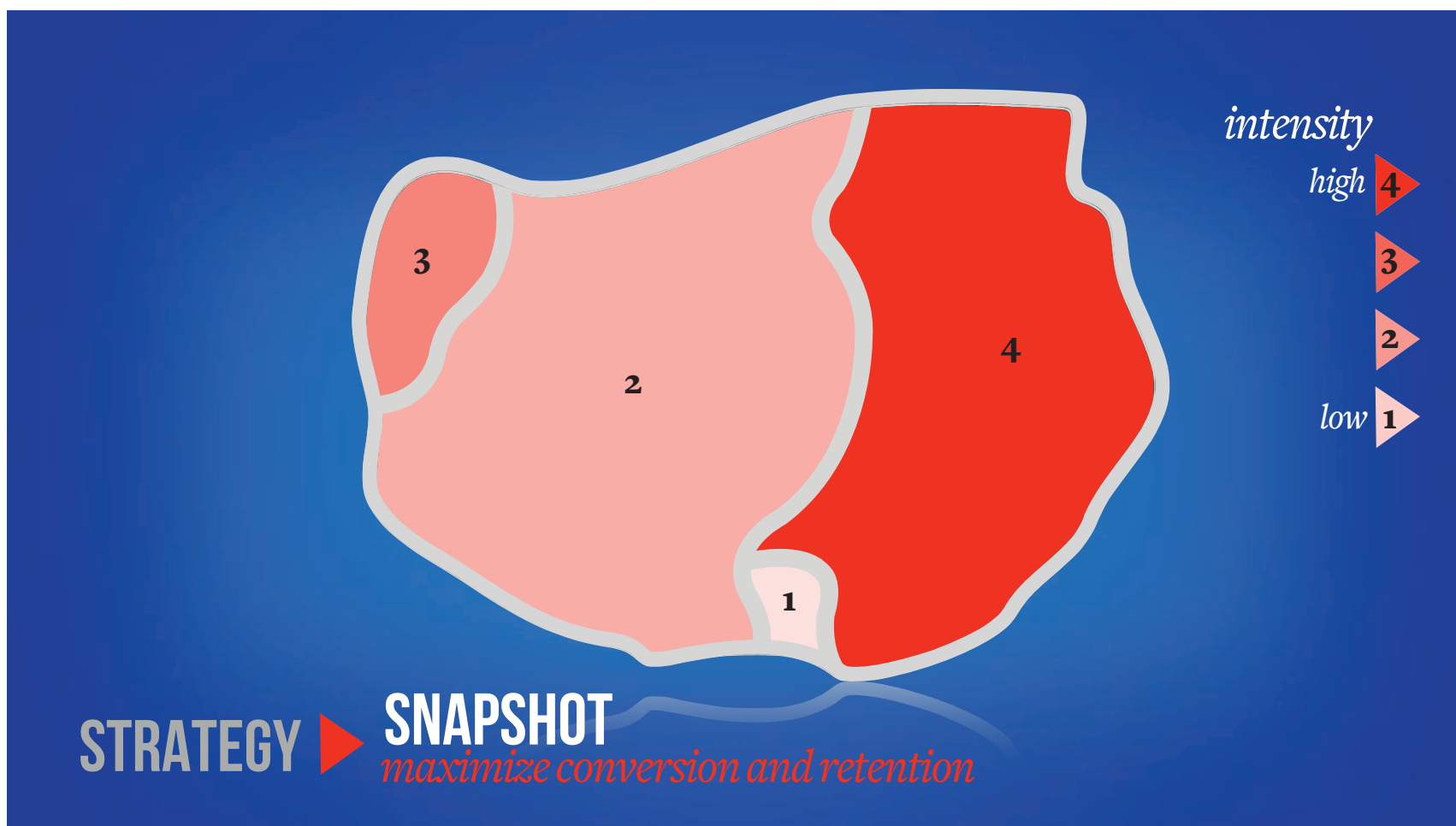
- 37-year-old married male
- 35-year-old married female
- 3 children
- Homeowner (self-packaged)
- Continuous insurance
- Full coverage, higher deductibles
- Increasing direct bias

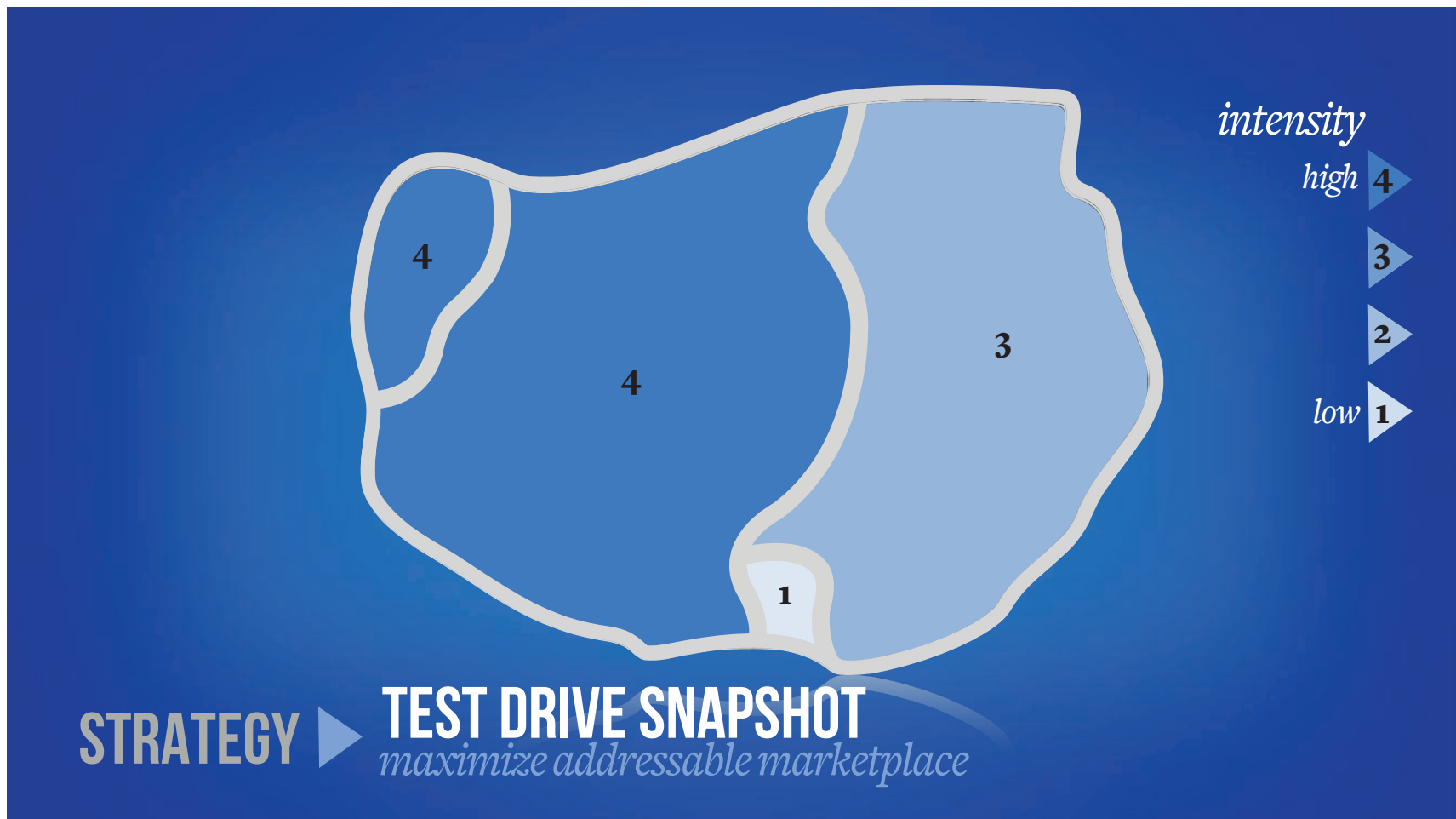


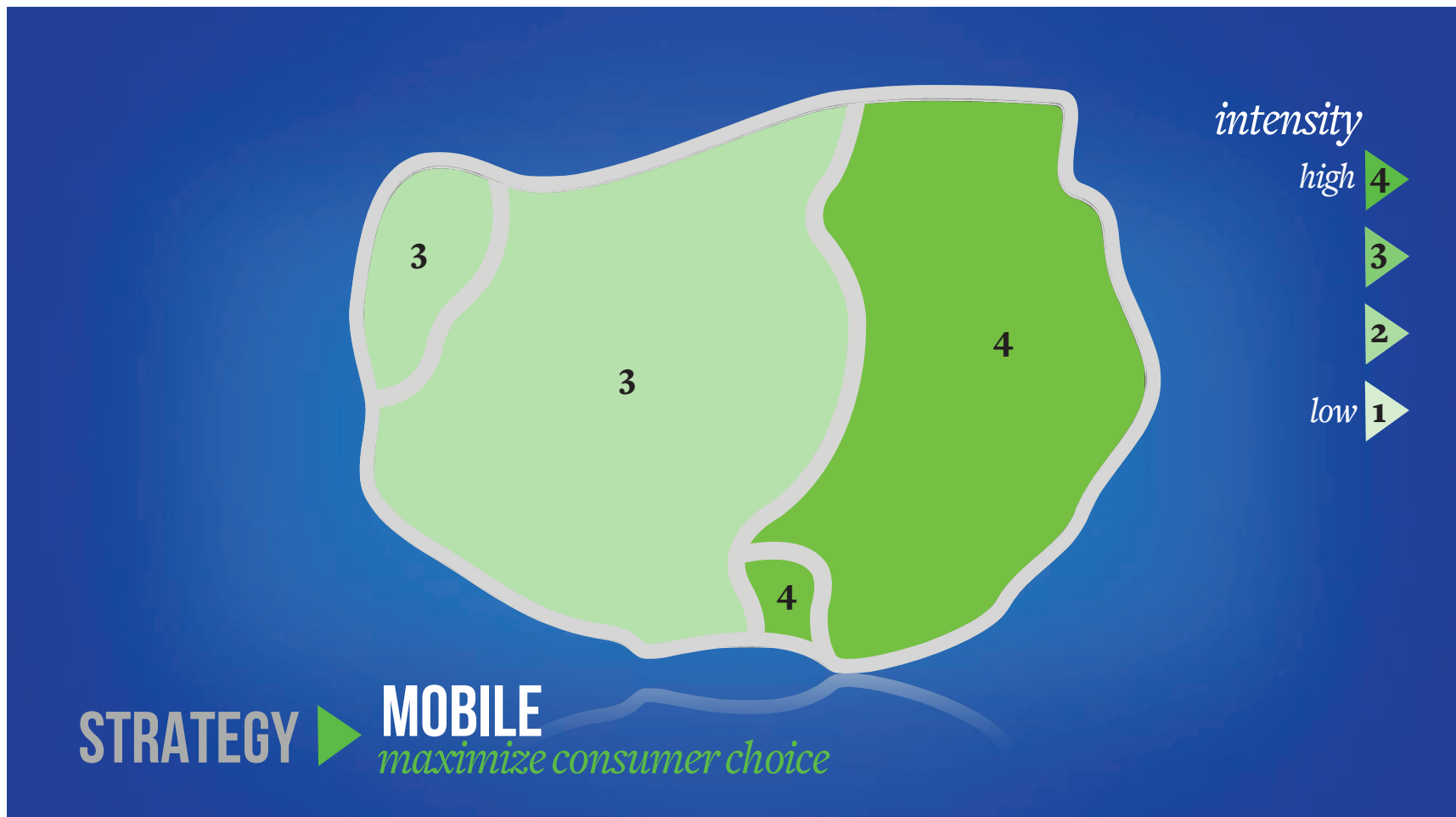




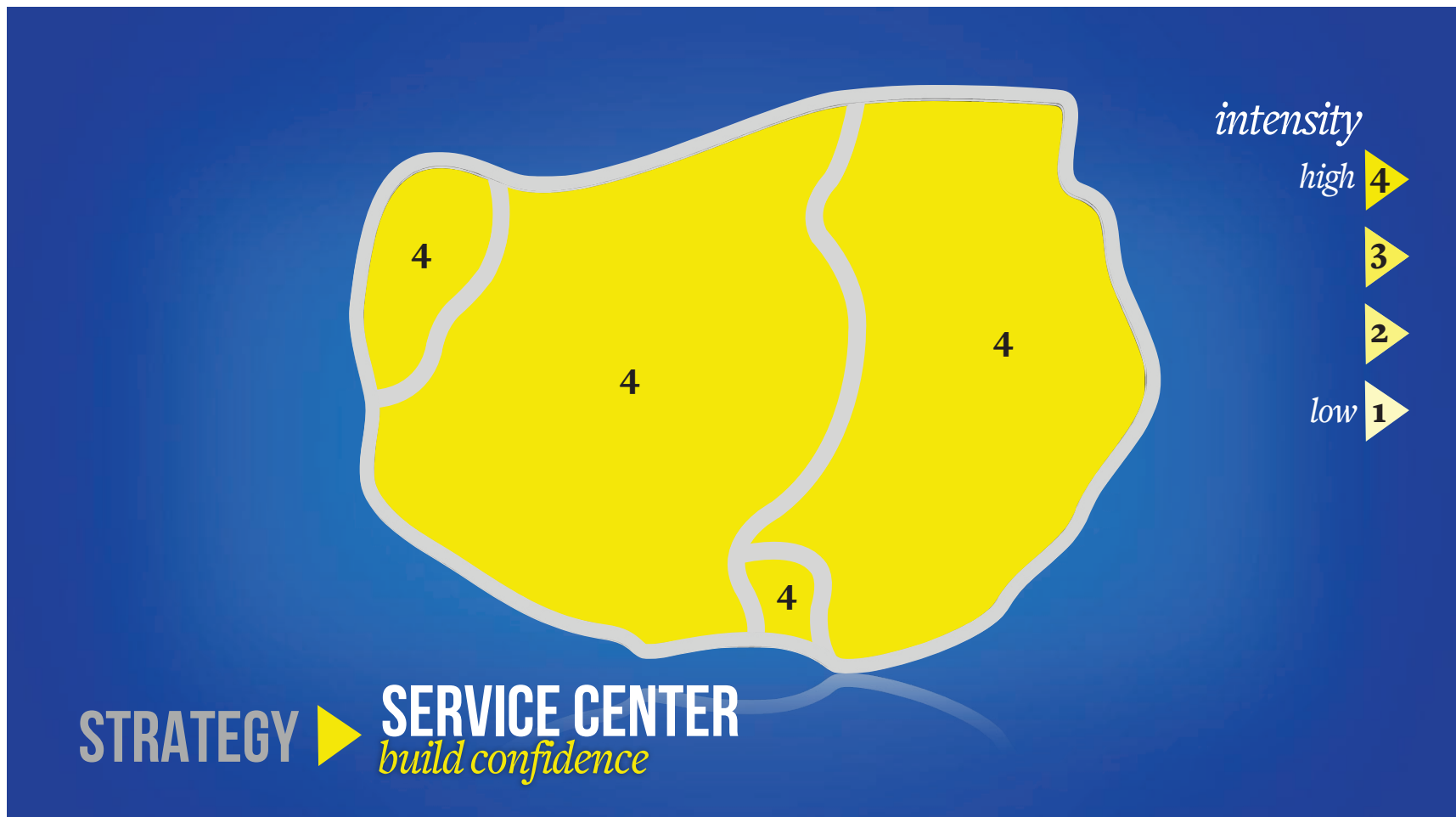


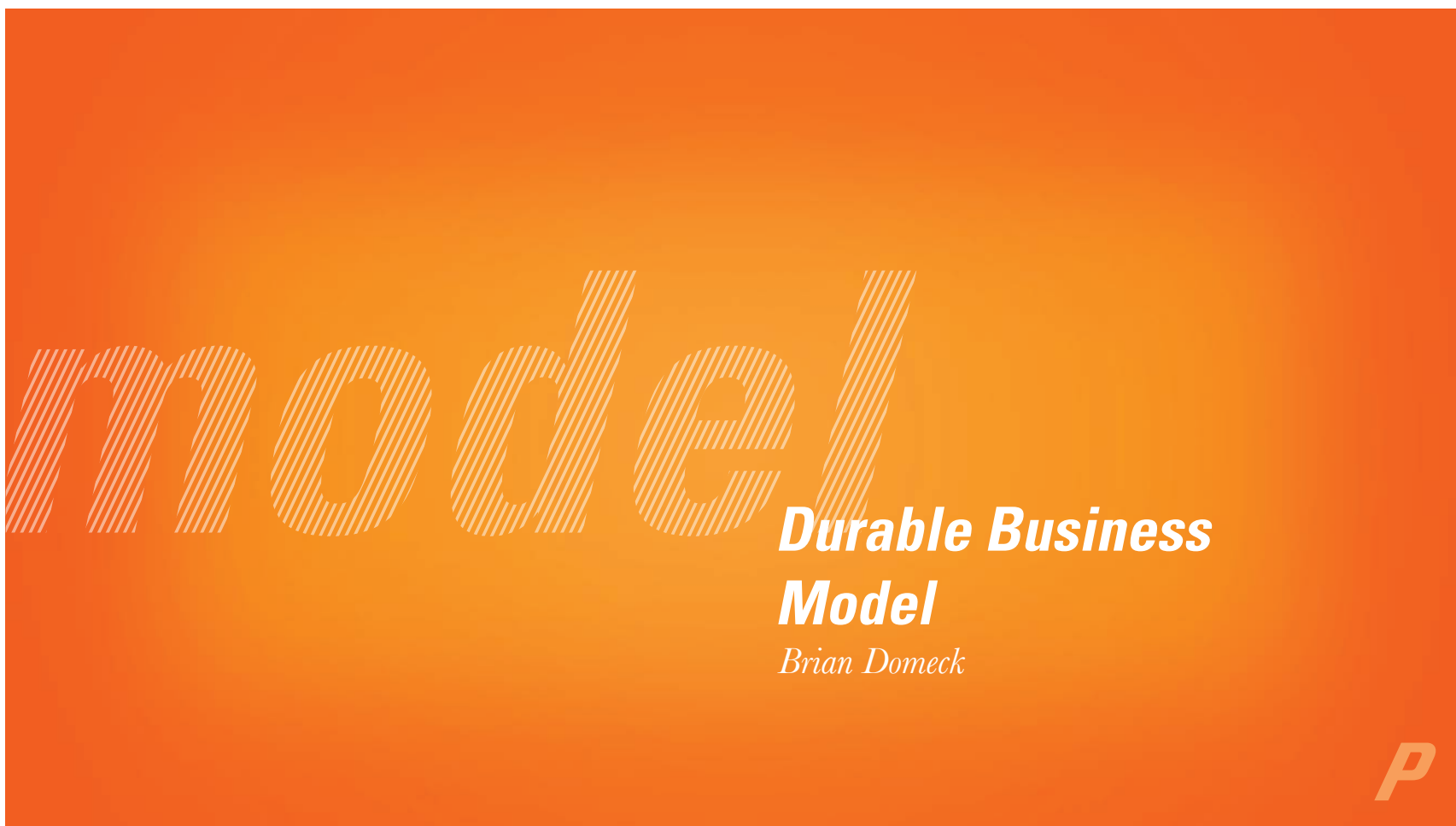













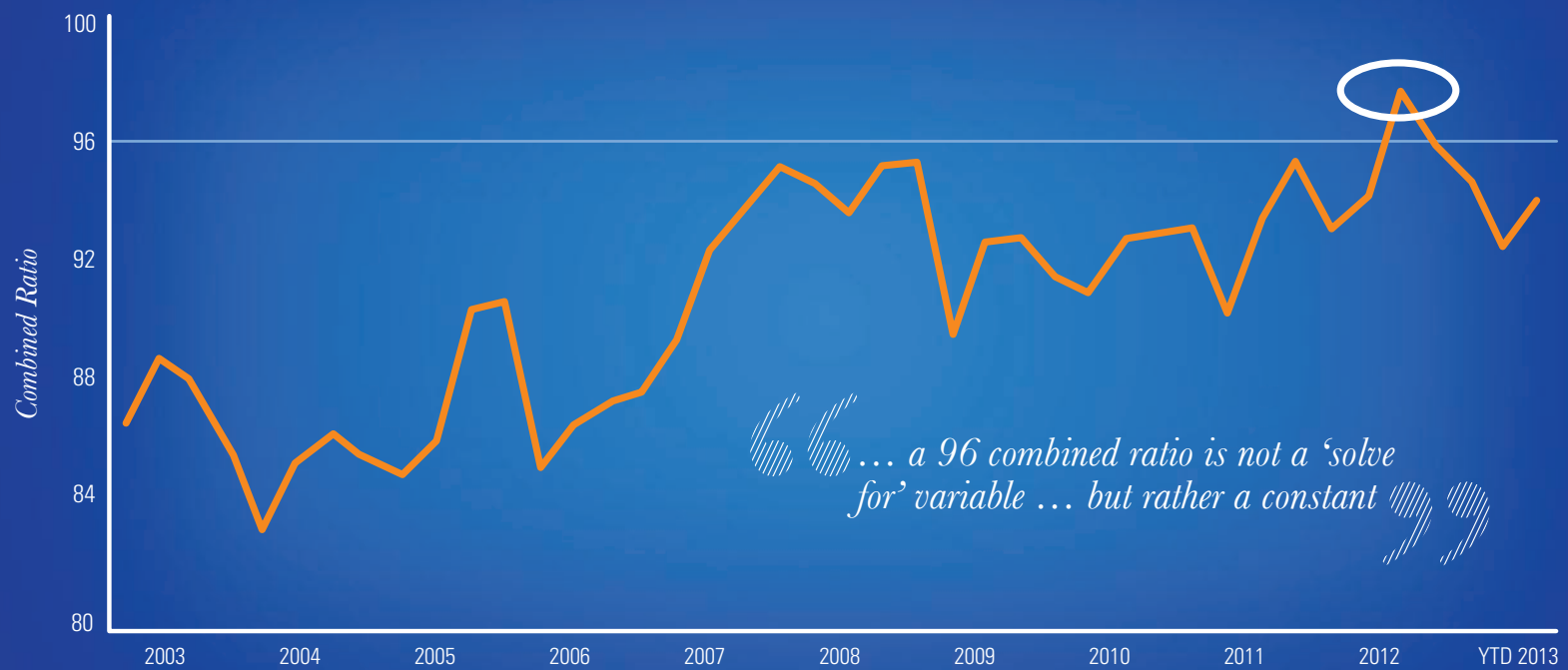
model

***Durable Business
Model***

Brian Domeck

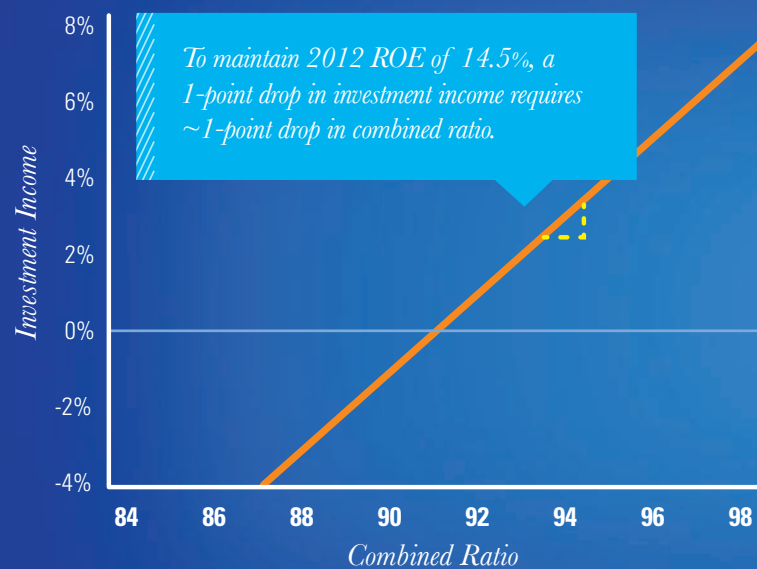


GROW AS FAST AS POSSIBLE AT A 96 CR



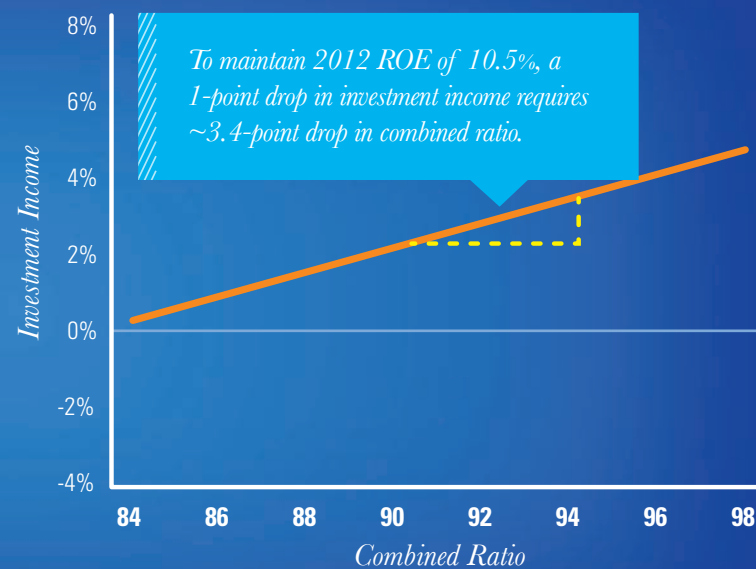
MORE LEVERAGE TO UNDERWRITING RESULTS

PROGRESSIVE



PORTFOLIO \$ / EQUITY \$ 2.7x
PREMIUM \$ / EQUITY \$ 2.7x

PEER GROUP

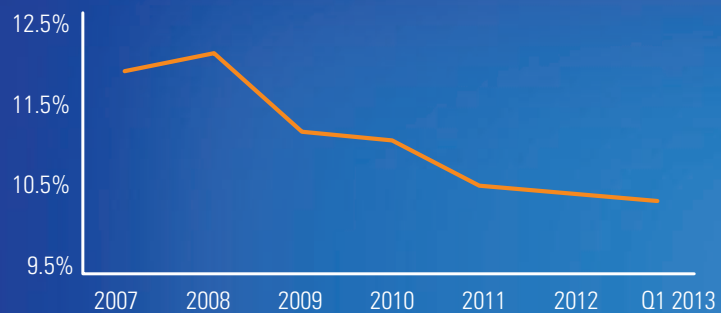


PORTFOLIO \$ / EQUITY \$ 3.5x
PREMIUM \$ / EQUITY \$ 1.0x

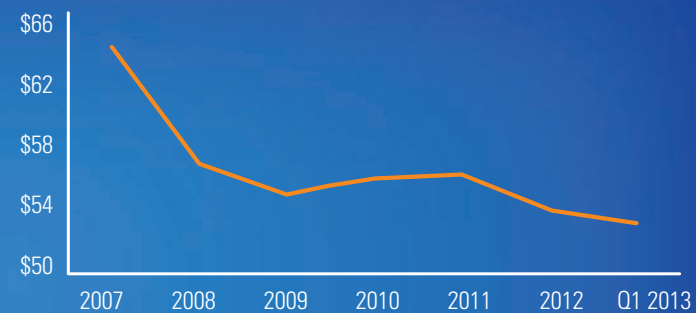


LOWER COSTS YIELD COMPETITIVE PRICES

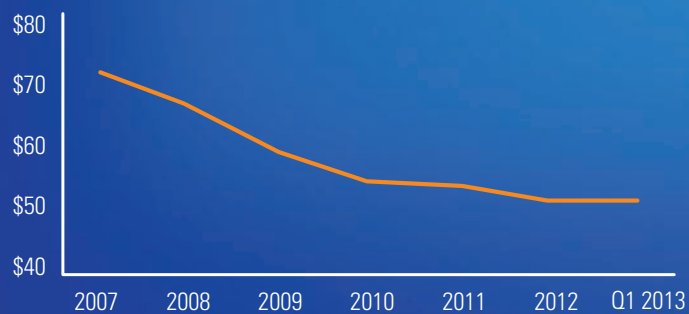
LOSS ADJUSTMENT EXPENSE RATIO



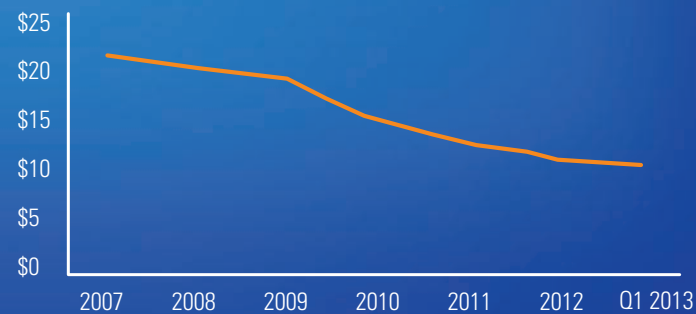
TOTAL CUSTOMER SERVICING COST PER PIF



INFORMATION TECHNOLOGY COST PER PIF

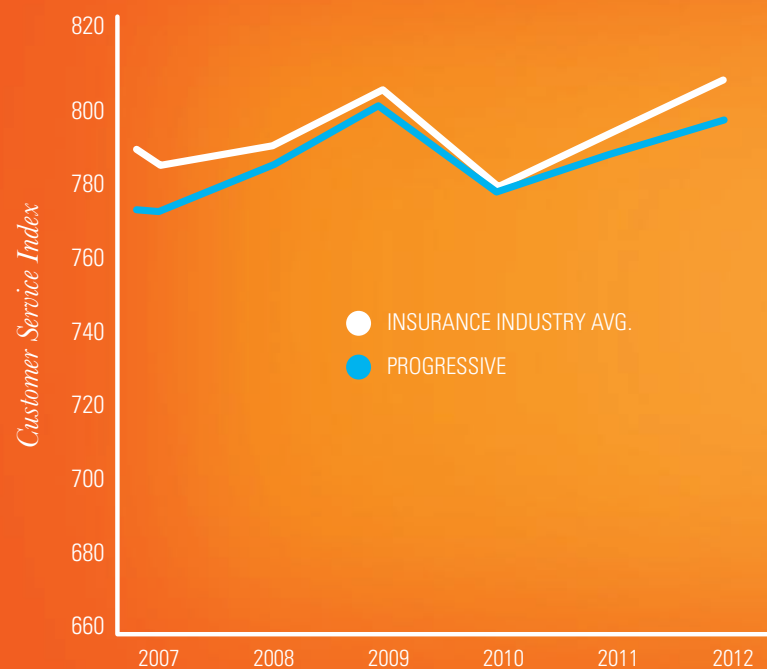


REAL ESTATE COST PER PIF

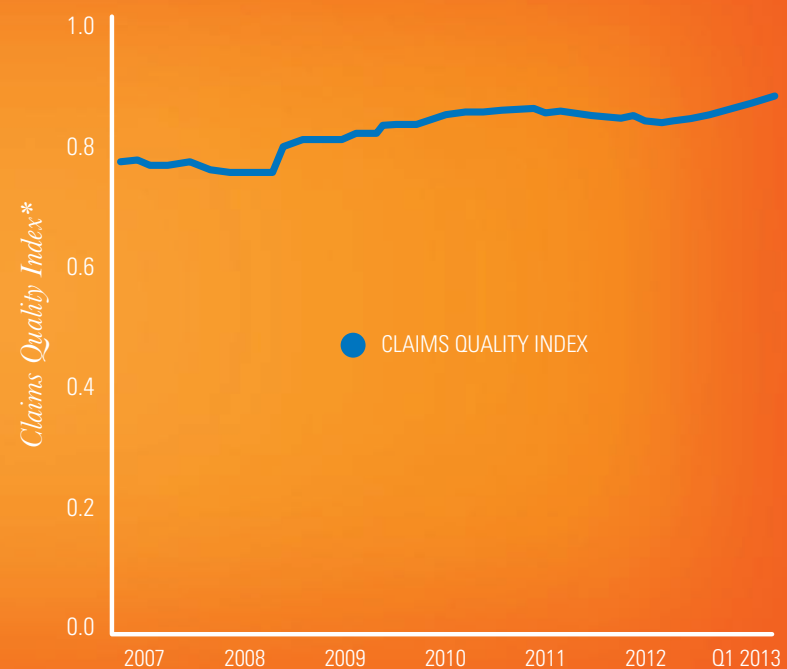


COSTS LOWER, AND QUALITY IMPROVING

JD POWER CUSTOMER SERVICE INDEX STUDY SM



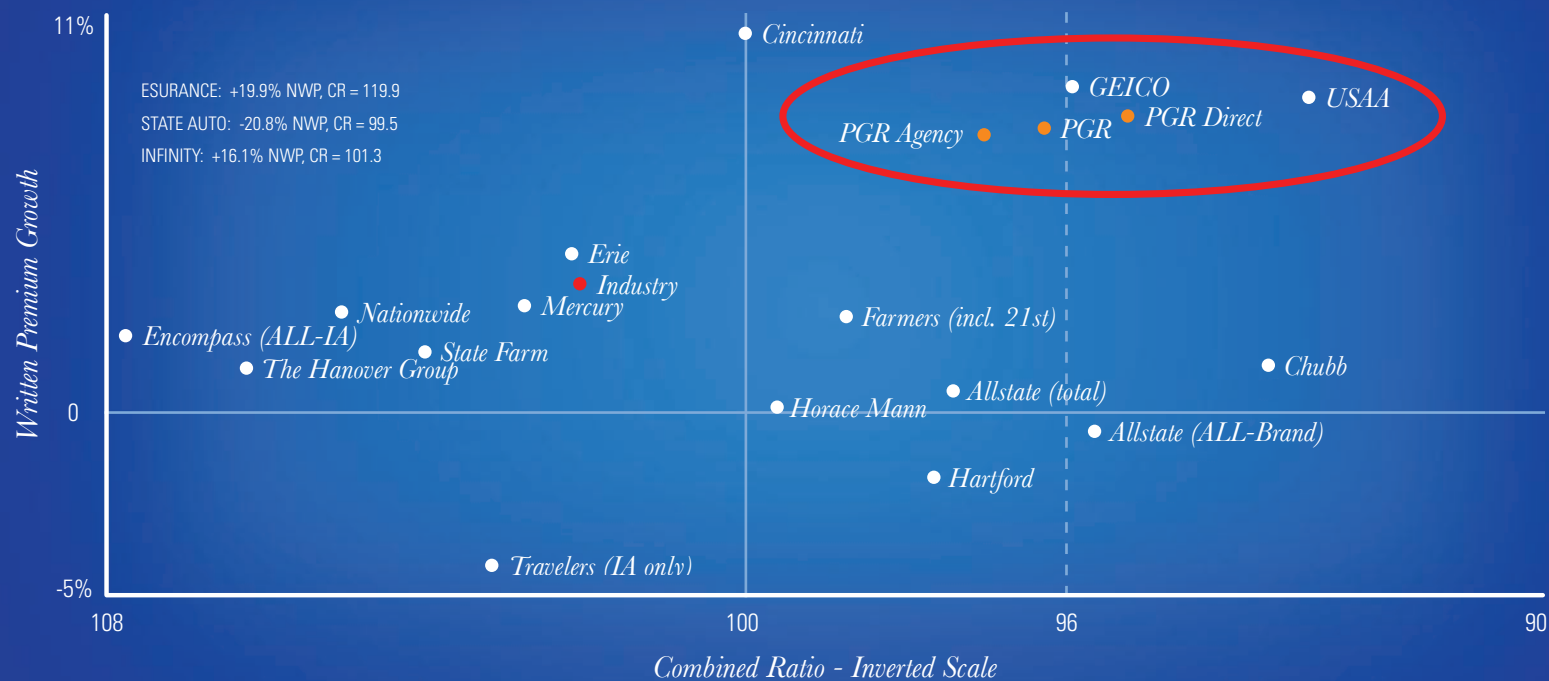
PROGRESSIVE'S CLAIMS QUALITY INDEX



*The Claims Quality Index (CQI) is an internal measure of the quality of our claim file handling. A higher CQI value indicates higher quality.

LOWER COSTS YIELD COMPETITIVE PRICES

2012 FULL YEAR PERSONAL AUTO RESULTS



Source: SNL data, company disclosures and Progressive analysis



EFFICIENT CAPITAL MANAGEMENT

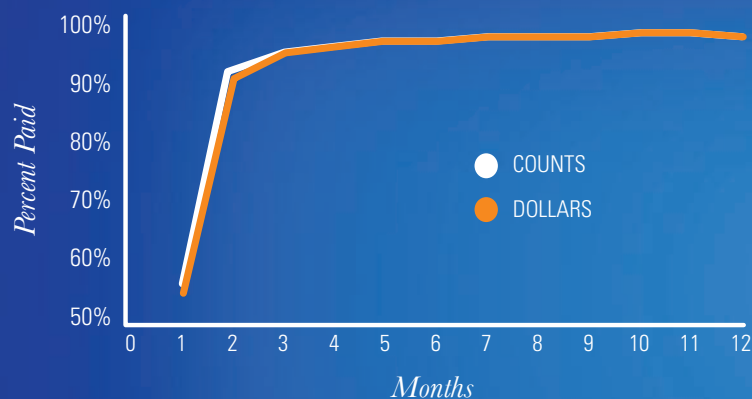
From January 2010 through April 2013, Progressive generated **\$4.0B** of comprehensive income, and have returned **\$3.6B** in the form of share repurchases and dividends.

YEAR	VARIABLE DIVIDEND	SPECIAL DIVIDEND	SHARE REPURCHASE	DEBT
2010	\$108M	\$663M	\$259M	\$223M REPURCHASED
2011	\$264M		\$998M	(\$497M) NET ISSUED \$15M REPURCHASED
2012	\$249M	\$605M	\$174M	\$350M RETIRED \$31M REPURCHASED
2013 YTD	\$172M		\$72M	
TOTAL	\$793M	\$1,268M	\$1,503M	NET REDUCTION: \$122M

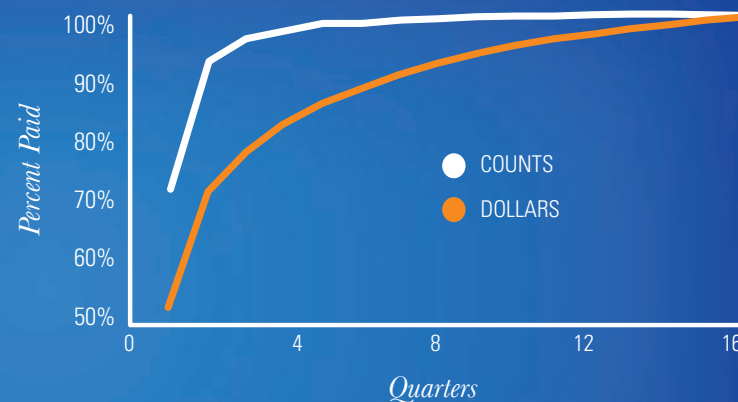
\$3.6 Billion

KNOW YOUR RISK PROFILE: SHORT-TAILED / HIGH FREQUENCY / LOW SEVERITY PRODUCTS

PHYSICAL DAMAGE



TOTAL PERSONAL AUTO



/ Many personal and commercial auto insurance consumers prefer to bundle their auto policies with higher severity products.

/ Progressive Home Advantage® and Progressive Commercial AdvantageSM enable us to address those customers without adding exposure to the balance sheet and diverting from our strategic discipline.





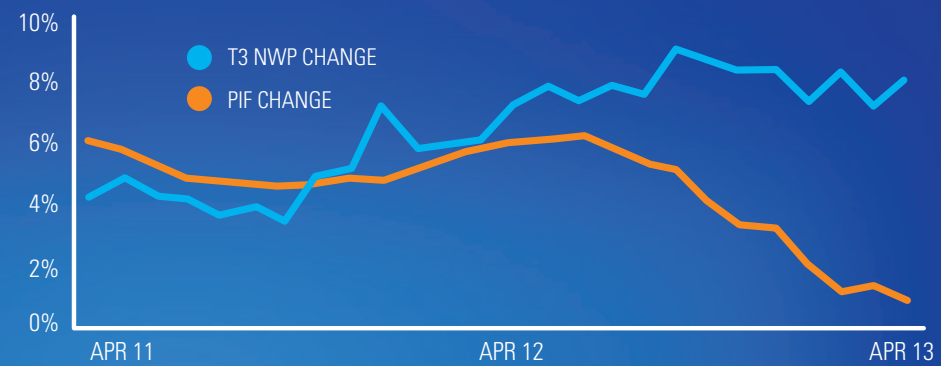
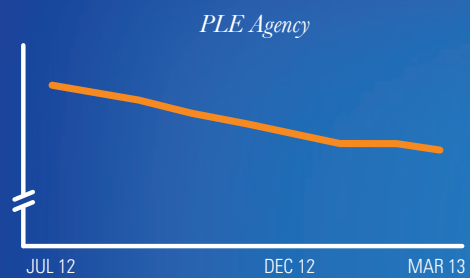
*distribution
& product*

Distribution & Product

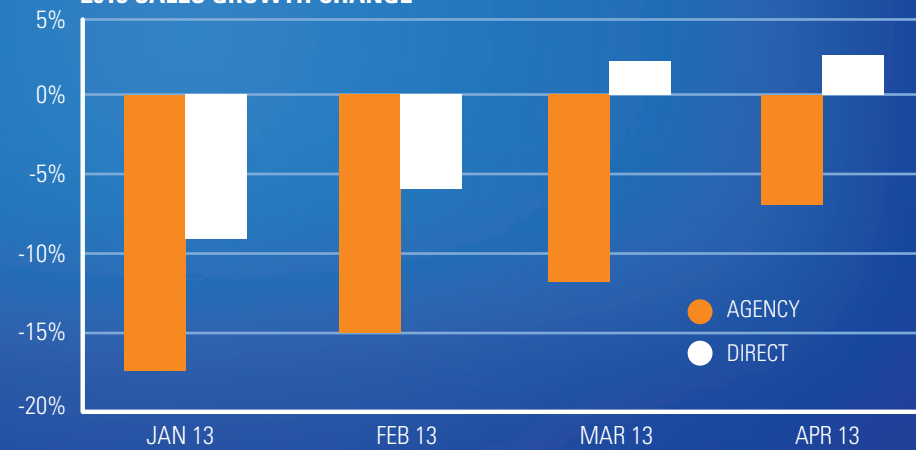
John Sauerland & Dan Witalec

P

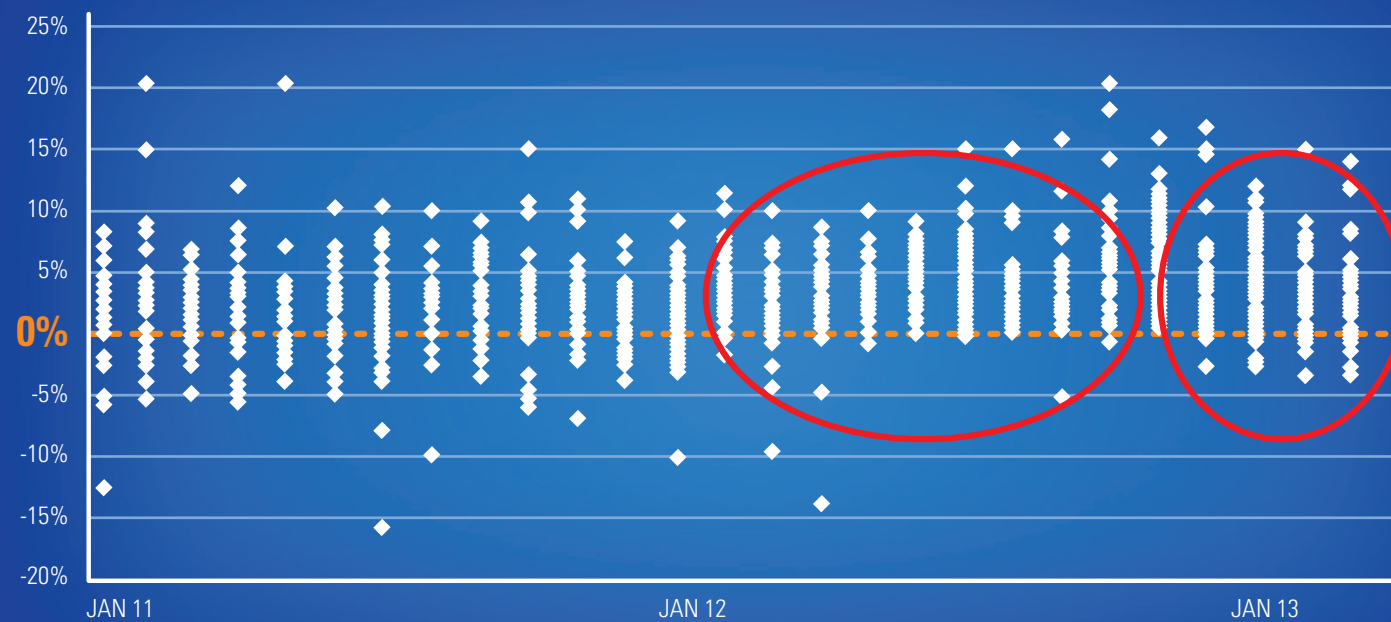
UNIT GROWTH IS PRIMARY OBJECTIVE



2013 SALES GROWTH CHANGE



PRIMARY COMPETITOR RATE ADJUSTMENTS

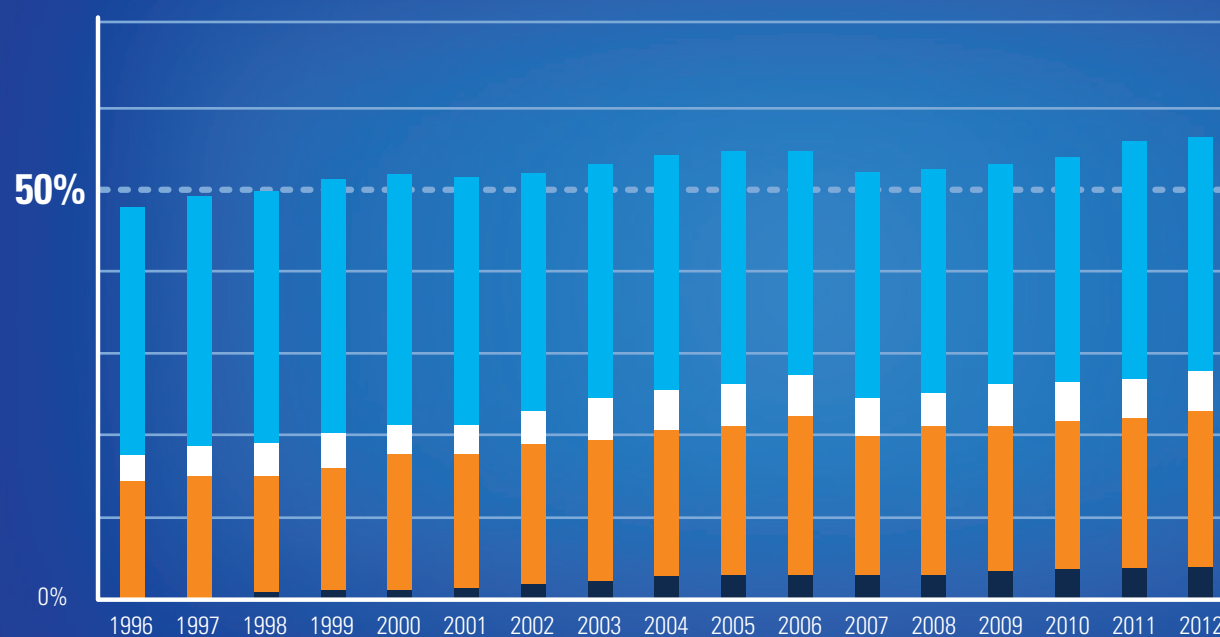


SOURCE: A.M. BEST, Perr & Knight or calculated internally from CRE rate revision filings



MARKET OVERVIEW CHANNEL MIGRATION

PERSONAL AUTO, NET WRITTEN PREMIUM BY CHANNEL



*Annual Growth Rate**
By Channel 1996-2012

CAP AGENT	2%
IND AGENT	3%
DIRECT	6%

TOTAL 3%

- IND AGENT
- DIRECT
- PROGRESSIVE IA
- PROGRESSIVE DIRECT

*CAGR, or Compounded Annual Growth Rate
Source: SNL, AM Best, Progressive analysis

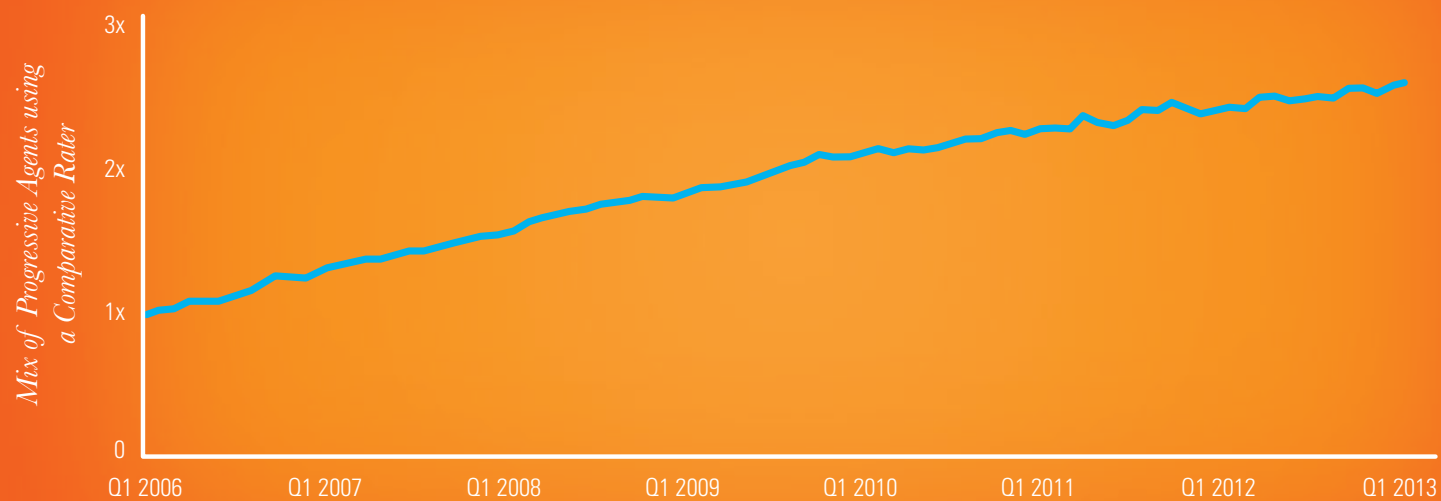


distribution

/ Comparative Raters (Agency)
/ Mobile (Direct)
/ Multi-product (Both Channels)

AGENCY: TREND TO COMPARATIVE RATERS HAS NOT ABATED

COMPARATIVE RATER AGENT PENETRATION

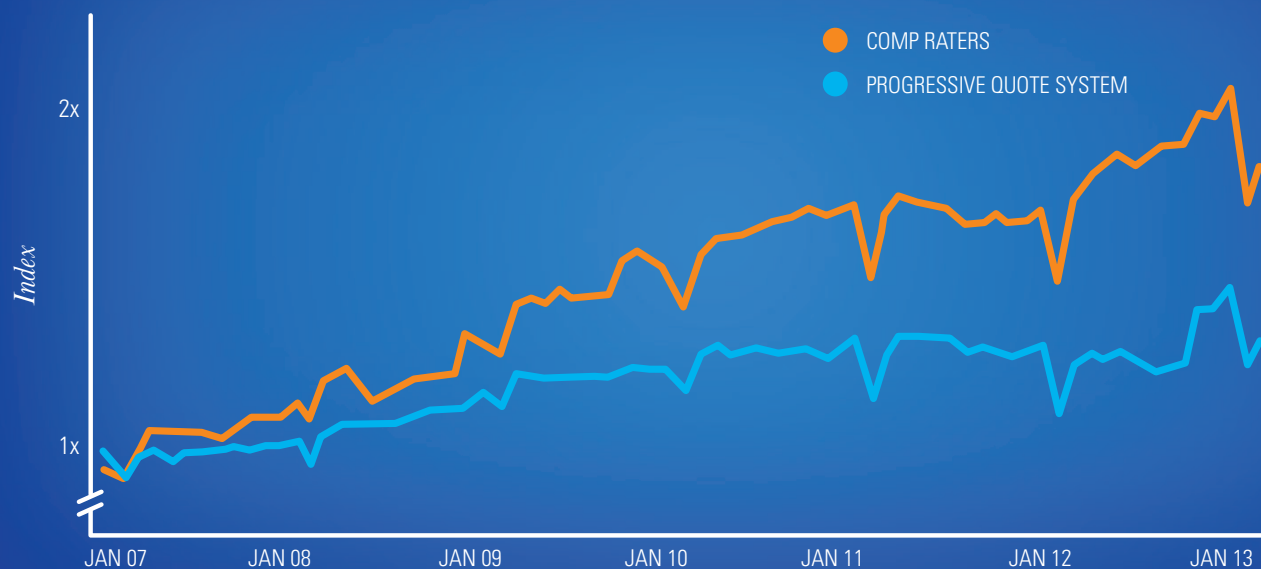


Excludes National Account agencies



WITH COMPARATIVE RATERS, WE GET EVEN MORE SHOTS AT PREFERRED CUSTOMERS

PROGRESSIVE MIX OF "PREFERRED" QUOTES OVER TIME



Preferred Definition: Consistently insured homeowners (Robinson's and Wright's)














KEYS TO WINNING IN A “COMPARATIVE RATER WORLD”

- / *Low Expense Ratio (competitive pricing)*
- / *Segmentation (right prices)*
- / *“Retailing” efforts*
- / *Retention/Cross-sell*



**EXPENSE RATIO:
WE HAVE AN EXPENSE
RATIO ADVANTAGE IN THE
IA CHANNEL, AND IT'S A
CONTINUING FOCUS**

GROUP	IND AGENT MKT SHR 2012*	ER 2012**
PROGRESSIVE*	14.4%	20.6%
TRAVELERS	5.9%	25.8%
 Nationwide ***	5.8%	27.3%
 Liberty Mutual ***	5.5%	28.6%
 MERCURY INSURANCE GROUP	3.7%	26.6%
 Erie Insurance	3.6%	25.6%
 Auto-Owners Insurance	3.0%	21.8%
 ZURICH ***	2.9%	23.2%
 THE HARTFORD	2.7%	25.1%
California State Auto	2.7%	29.6%
 MAPFRE	2.5%	22.8%
 INFINITY	2.1%	21.2%

*Independent Agency Market Share Data Source: SNL data and Progressive analysis

**Independent Agency Expense Ratio Data Source: SNL data, company disclosures and Progressive analysis

***ER Analysis for Liberty Mutual, Nationwide, and Zurich is focused on Independent Agent companies within each of these insurance groups.



RETAILING: PRESENTING
OUR BEST RATES ON
COMPARATIVE RATERS



RETAILING/RETENTION: MAKING CROSS-SELL EASIER FOR OUR AGENTS

The image shows a computer monitor displaying the Progressive Homeowners Quoting web application. The interface includes several input fields for personal information, a section for prior insurance, and a disclosure statement. A red circle highlights the 'Begin Homeowners Quote' button, which features a house icon. Below the button is a 'CONTINUE' button. The footer contains links for Privacy Statement, Terms of Use, Contact Us, and Site Map, along with a copyright notice for Progressive Casualty Insurance Company.

Form fields and sections visible on the screen:

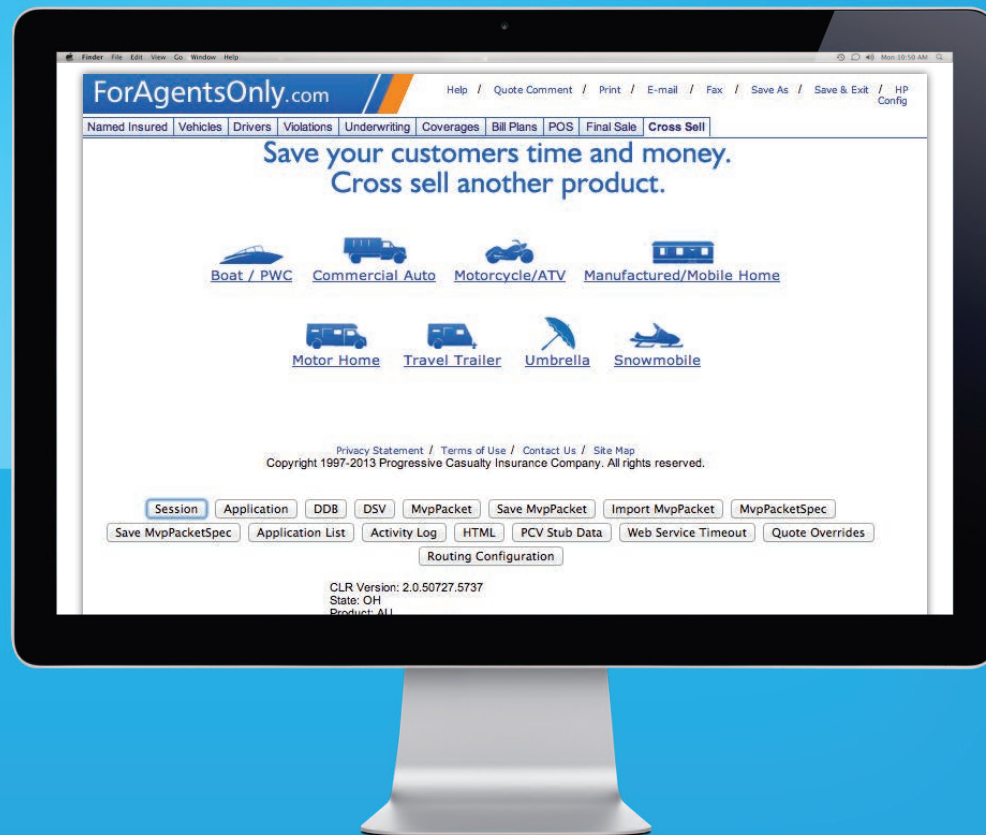
- Name: [Input field]
- Birth: [Input field]
- Information (optional for quoting):
 - E-Mail: [Input field]
 - Type: [Input field]
 - Phone Number: [Input field]
 - [Add] [Delete] buttons
- Is current mailing address for a single family dwelling? [Input field]
- How long has the insured lived at their current address? [Input field] [Details]
- Prior Insurance:
 - Insured/Spouse has continuous vehicle liability insurance for past 6 months with no more than a 31 day lapse: [Input field]
- Print Disclosure [Print icon]
- Disclosure text: "For most insurance companies, Progressive uses information from you and other sources, such as your driving, claims and credit histories, to calculate an..."
- Was the above disclosure read or provided to the consumer? [Input field]
- Homeowners Quoting [Section header]
- Begin Homeowners Quote [Button with house icon]
- CONTINUE [Button]
- Footer: Privacy Statement / Terms of Use / Contact Us / Site Map
Copyright 1997-2013 Progressive Casualty Insurance Company. All rights reserved.



RETAILING/RETENTION: MAKING CROSS-SELL EASIER FOR OUR AGENTS

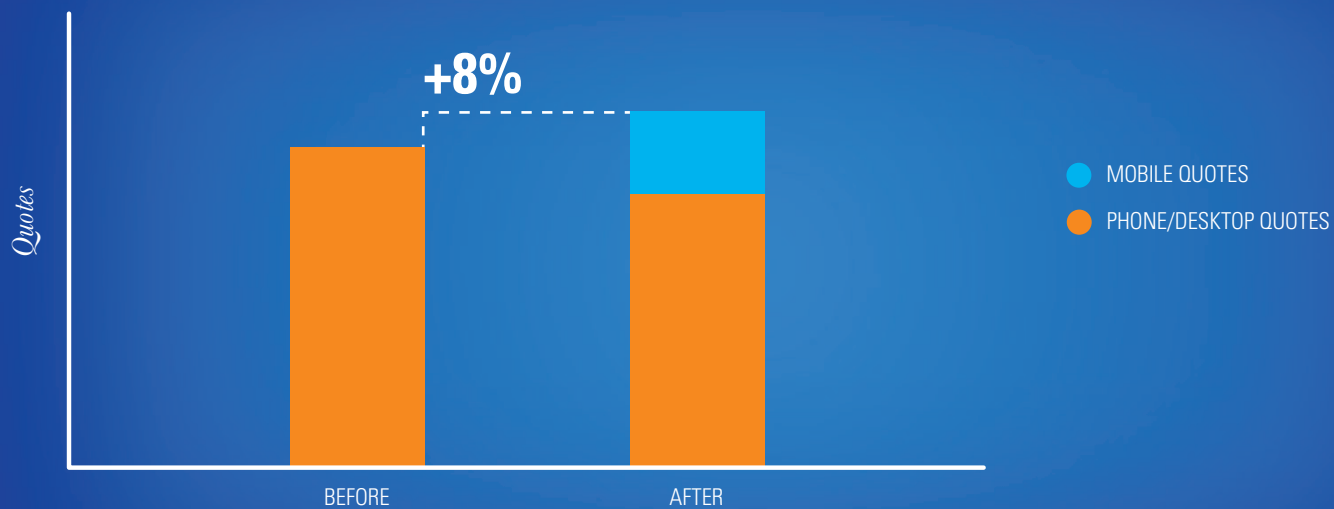
/ PRE-FILL INFORMATION

/ HIGHLIGHT MULTI-POLICY DISCOUNT



MOBILE IS HELPING DRIVE GROWTH IN DIRECT QUOTES

TOTAL QUOTE CHANGE: BEFORE AND AFTER ELEVATING MOBILE QUOTING IN SELECT STATES

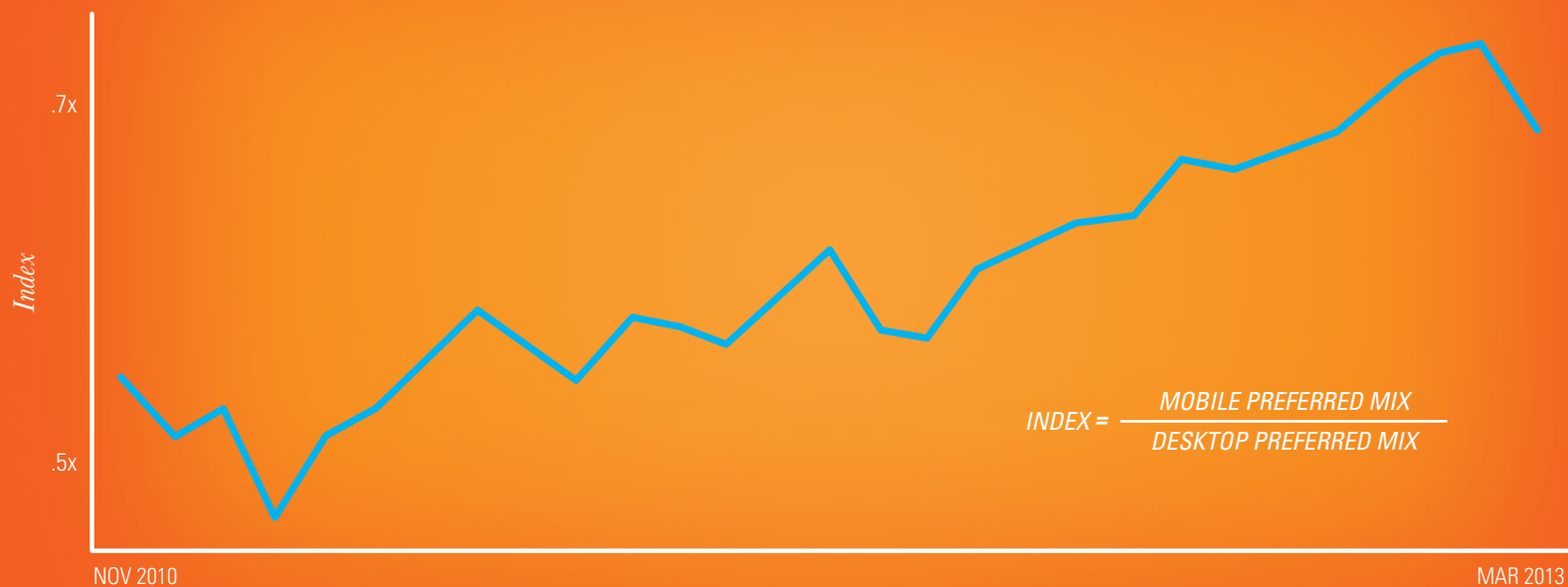


Data is from 8 states where we went from no mobile quoting to mobile quoting and buying (3 drivers x 3 vehicles). Before and after periods were 28 days each.



MOBILE MIX IS BECOMING MORE PREFERRED OVER TIME

RELATIVE MIX OF "PREFERRED" QUOTES—
MOBILE TO DESKTOP INTERNET

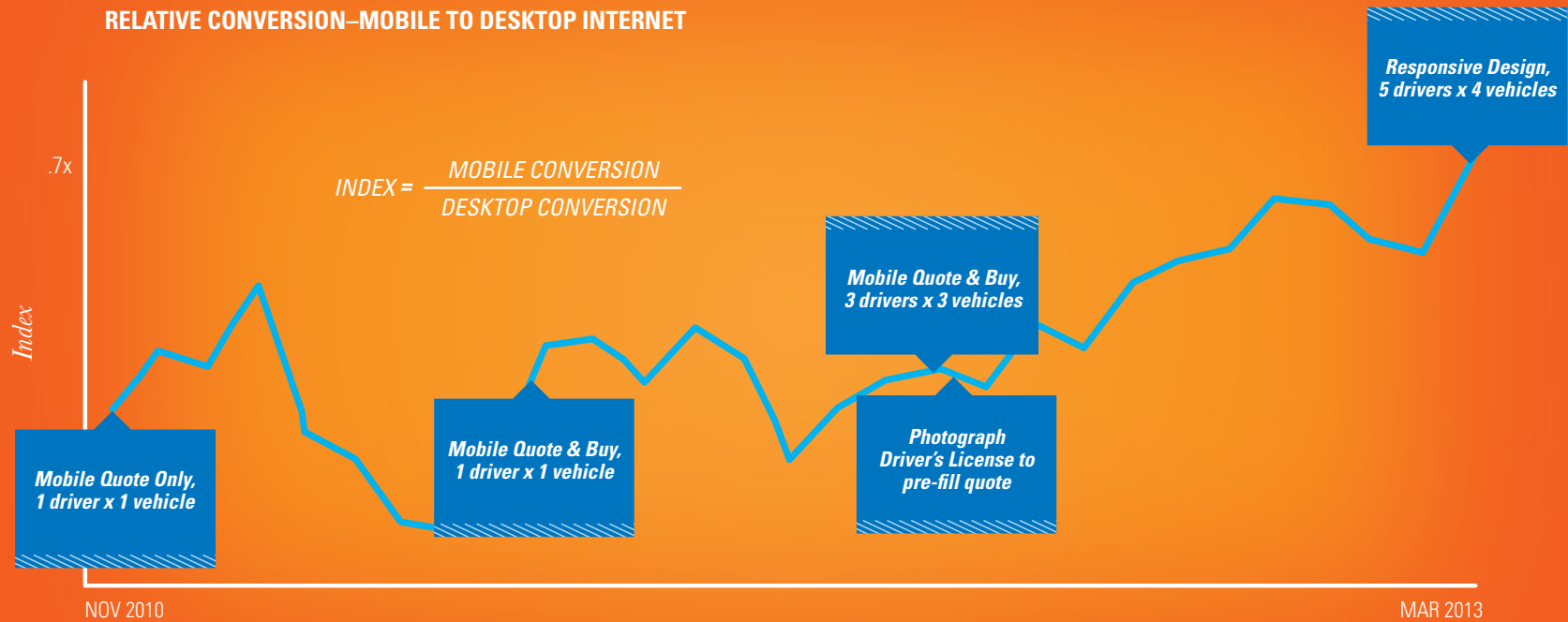


Preferred Definition: Consistently insured homeowners (Robinson's and Wright's)

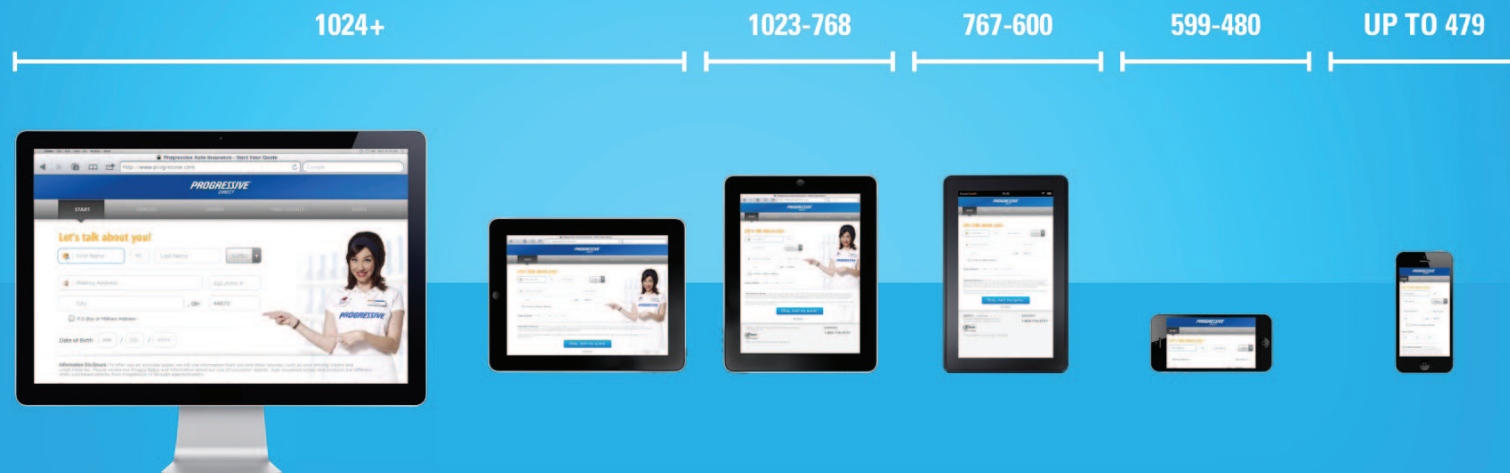


OUR MOBILE CONVERSION IS APPROACHING “DESKTOP” INTERNET CONVERSION

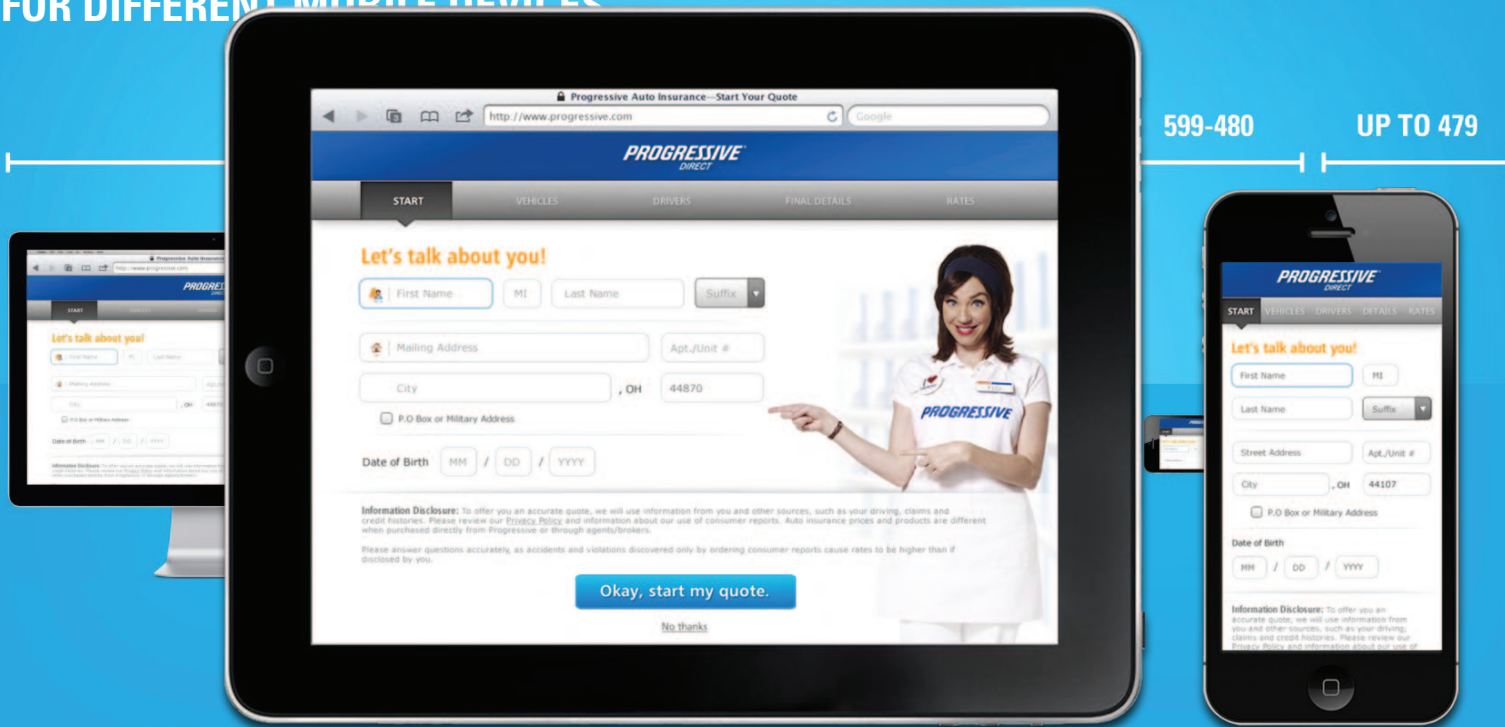
RELATIVE CONVERSION—MOBILE TO DESKTOP INTERNET



RESPONSIVE DESIGN: OPTIMIZING THE MOBILE EXPERIENCE FOR DIFFERENT MOBILE DEVICES

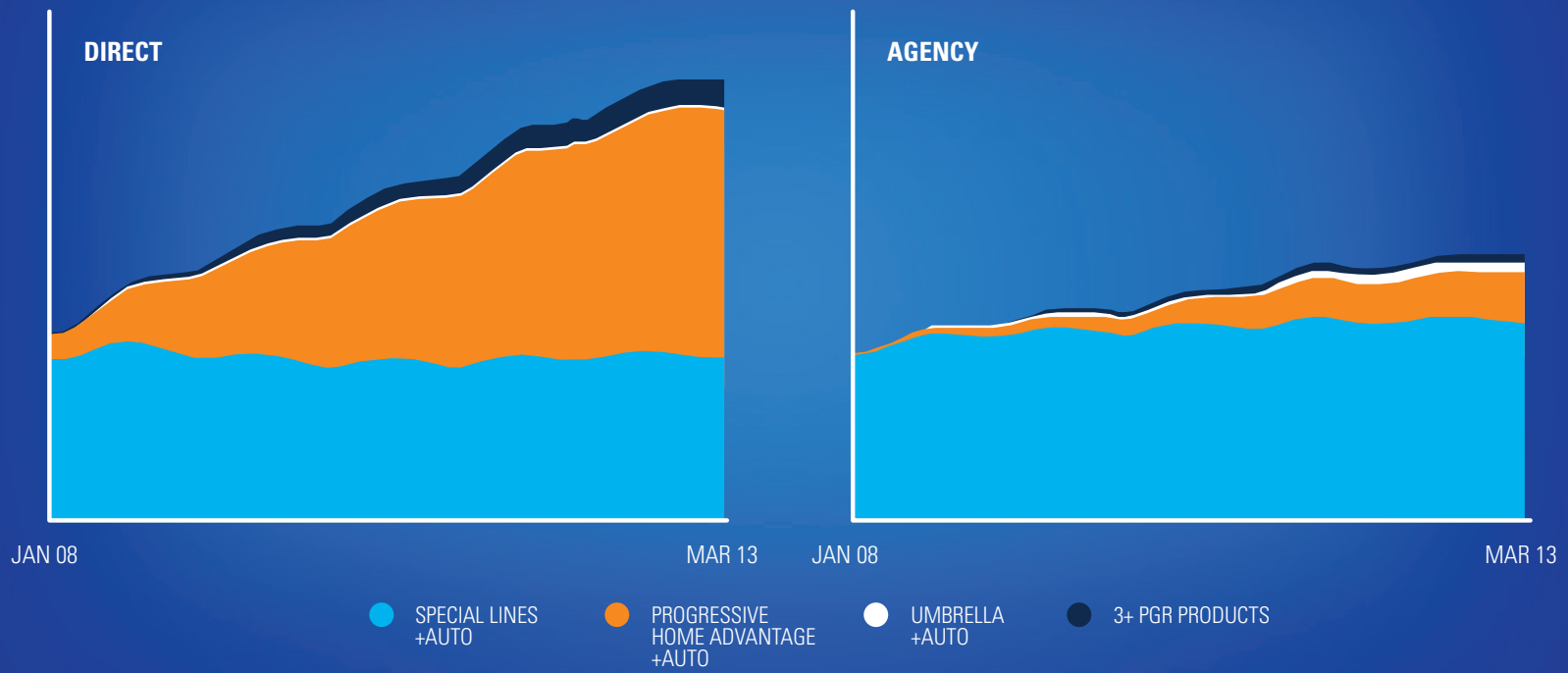


RESPONSIVE DESIGN: OPTIMIZING THE MOBILE EXPERIENCE FOR DIFFERENT MOBILE DEVICES



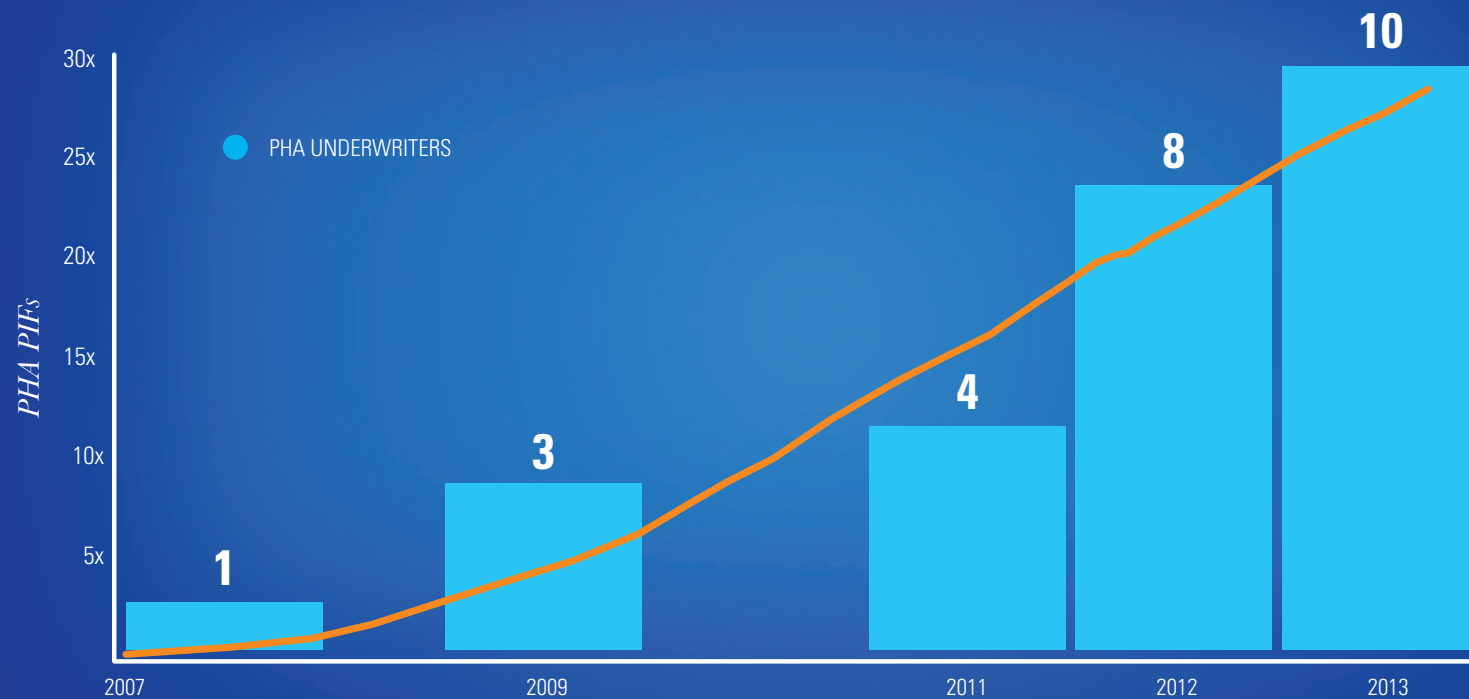
GROWING OUR MULTI-PRODUCT BUSINESS

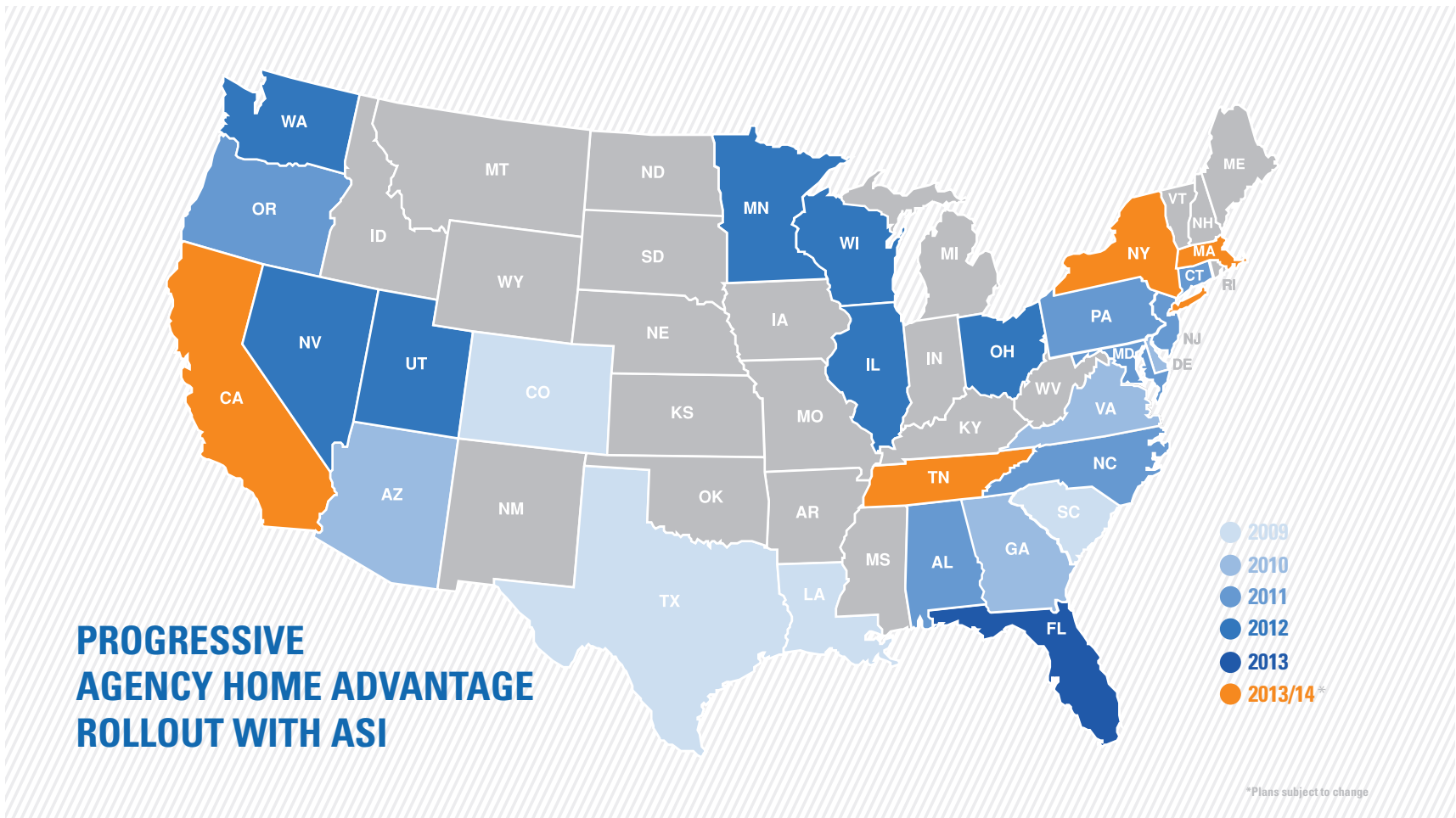
% OF AUTO CUSTOMERS WITH MORE THAN 1 PRODUCT



EXPANDING OUR PHA UNDERWRITERS

PROGRESSIVE HOME ADVANTAGE POLICIES-IN-FORCE







UNDERWRITING



- 1. Charge the right price for a risk, whenever possible*
- 2. Recognize that there is some business that we cannot adequately price*
- 3. Underwrite these policies:*
 - / POLICIES WITH SUSPECTED FRAUDULENT BEHAVIOR**
 - / POLICIES THAT ARE UNDERPRICED DUE TO REGULATORY CONSTRAINTS**
 - / POLICIES WITH HIGH CLAIMING BEHAVIOR**
- 4. Balance impact on costs (work/policy-in-force, false positives) and customer experience*



FL UNDERWRITING EXAMPLES

- / PRE-BINDING RISK VALIDATION
- / PRIOR MEDICAL CLAIMS EXPERIENCE CEILING
- / PRIOR DRIVING RECORD VERIFICATION HURDLE



*0.3-0.4 Points of Margin Benefit Each,
Yielding Clear Growth Gains*



NEXT PRODUCT MODEL: RENEWAL PRICING



*Improve segmentation allowing more competitive
rates for the majority of customers*

/ Very frequent policy changes

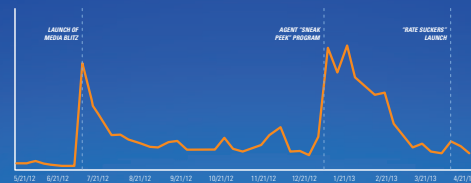
/ Poor payment behavior

/ Permissive user claims



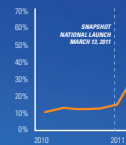
SNAPSHOT: APPENDIX SLIDES

SNAPSHOT "TRY BEFORE YOU BUY" UPDATE TEST DRIVE ENROLLEES PER WEEK

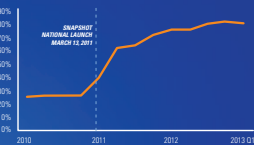


CONSUMERS RECOGNIZE PROGRESSIVE AS THE LEADER

SNAPSHOT AWARENESS

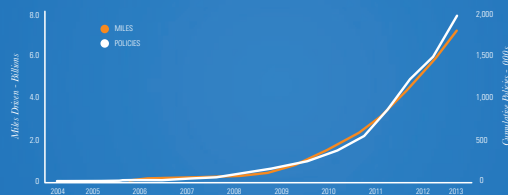


SNAPSHOT ATTRIBUTION TO PROGRESSIVE

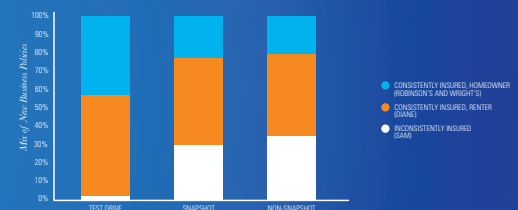


Source: Millward Brown Brand Tracker, Data: 10/2012

SNAPSHOT: CONTINUING EVOLUTION AS WE COLLECT MORE DATA...

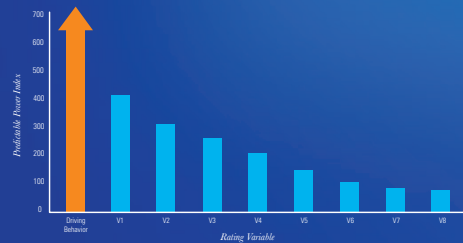


SNAPSHOT "TRY BEFORE YOU BUY" UPDATE

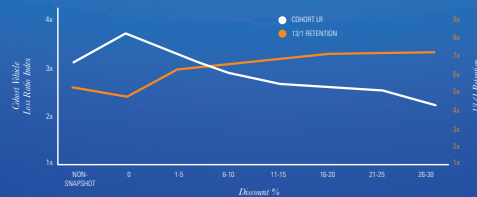


SNAPSHOT: ULTIMATE PRICING SOPHISTICATION

PREDICTIVE POWER RANKING FOR MAJOR RATING VARIABLES



ADJUSTED LOSS RATIO BY UBI GROUP

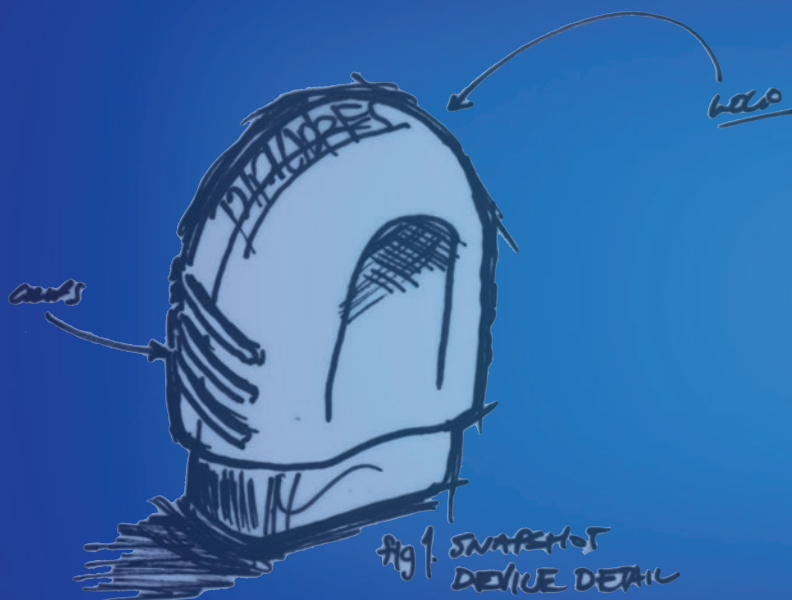


SNAPSHOT TECH EXPENSE RATIO



INTELLECTUAL PROPERTY LEADERSHIP

PROGRESSIVE'S U.S. UBI PATENT PORTFOLIO



Patent No. 5,797,134, issued August 18, 1998

Patent No. 6,064,970, issued May 16, 2000

Patent No. 6,868,386, issued March 15, 2005

Patent No. 8,090,598, issued January 3, 2012

Patent No. 8,140,358, issued March 20, 2012

Patent No. 8,311,858, issued November 13, 2012

Patent Application No. 13/338,959, filed December 28, 2011

Patent Application No. 13/617,929, filed September 14, 2012

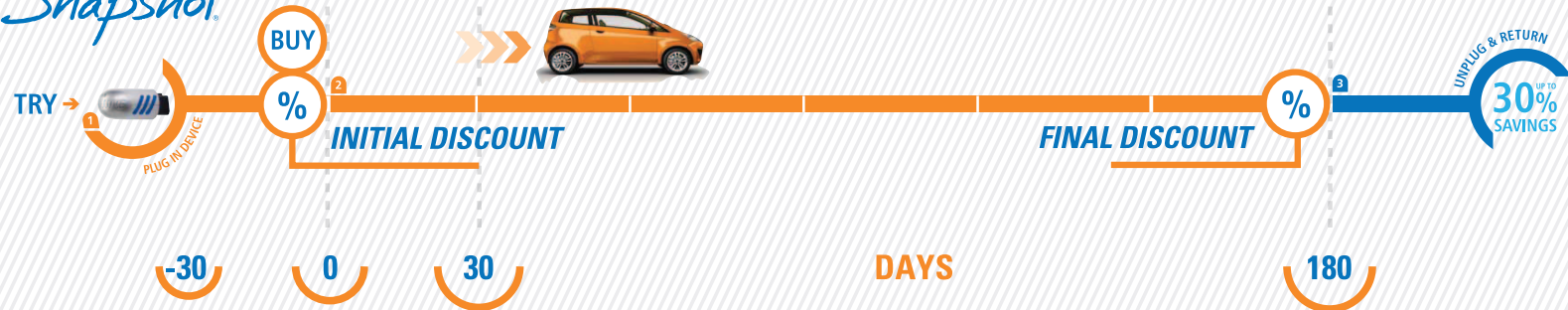
Patent Application No. 13/618,021, filed September 14, 2012



Snapshot



TESTDRIVE Snapshot



SNAPSHOT: STRATEGIC QUESTIONS

- / How will the market address the worst drivers?*
- / To what extent can we modify driving behavior by providing feedback to drivers?*
- / What are the economics of long-term monitoring? Does an individual's driving behavior change over time, or do they have driving DNA?*
- / What data will auto manufacturers make available on driving behavior?*
- / Will third party data aggregators emerge?*
- / Are there additional "value-added" services that a UBI device can provide?*
- / Will hand-held devices replace on-board monitoring devices?*



customer

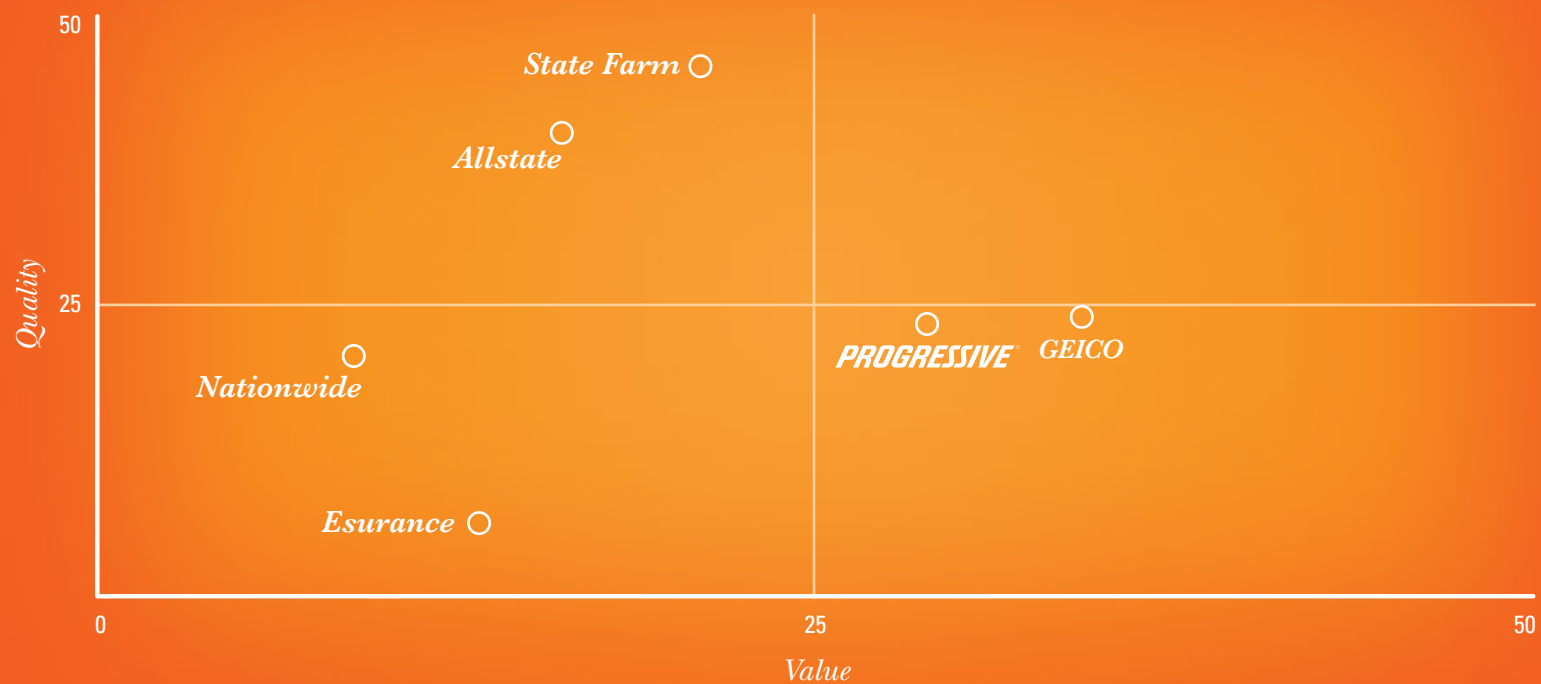
Customer Centric

Tricia Griffith / Jonathan Beamer



VALUE vs. QUALITY

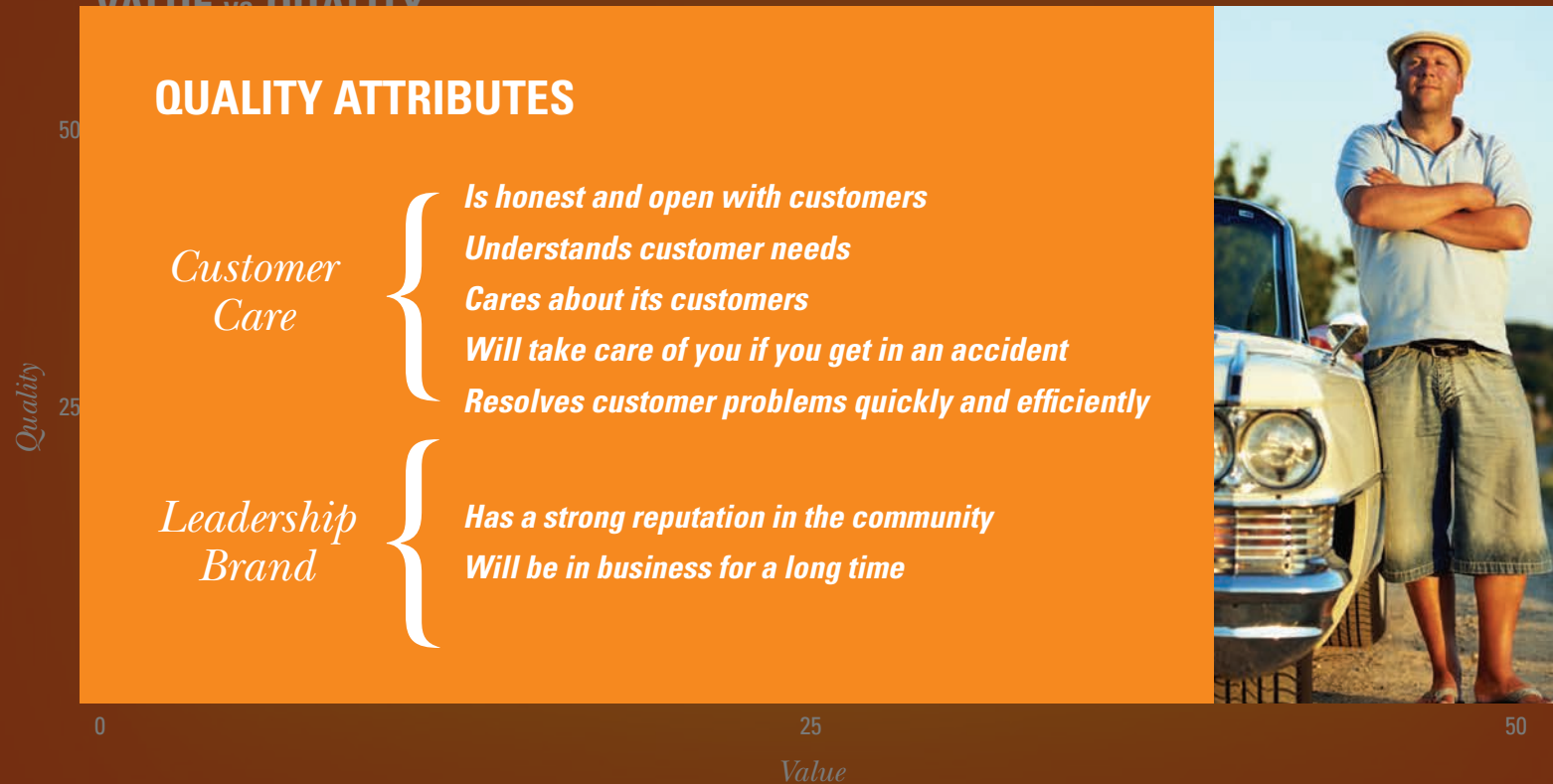
LONGITUDINAL PERCEPTION MAP (2005)



Source: Millward Brown National Tracking Study, Q2 05 – Q4 12



VALUE vs. QUALITY

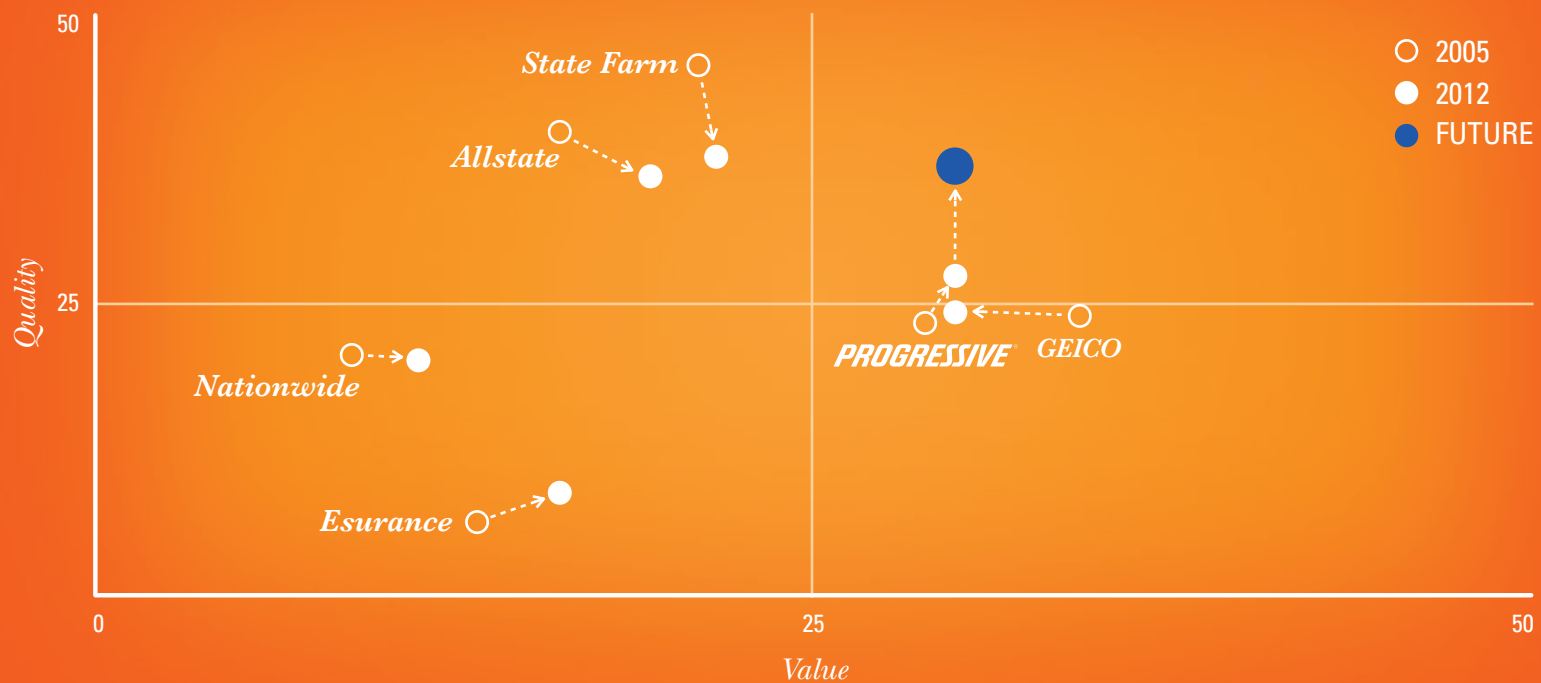


Source: Millward Brown National Tracking Study, Q2 05 – Q4 12



VALUE vs. QUALITY

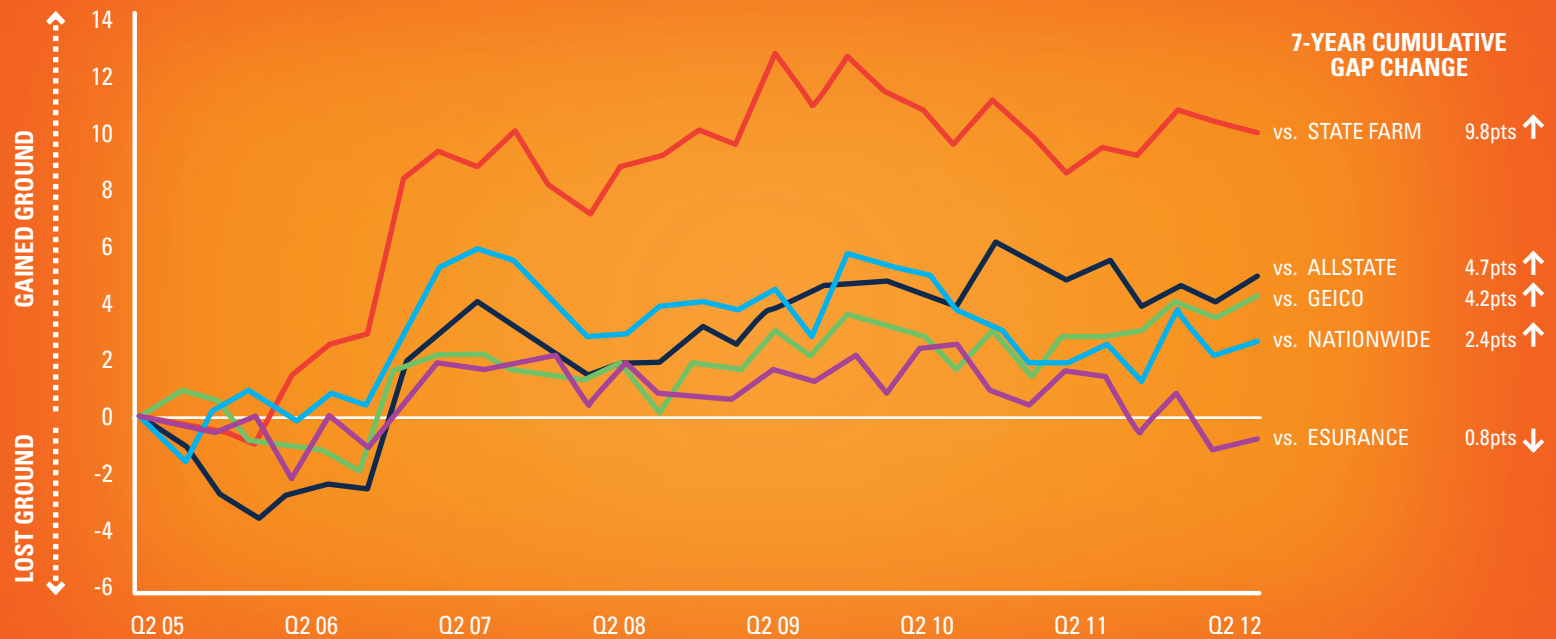
LONGITUDINAL PERCEPTION MAP



Source: Millward Brown National Tracking Study, Q2 05 – Q4 12



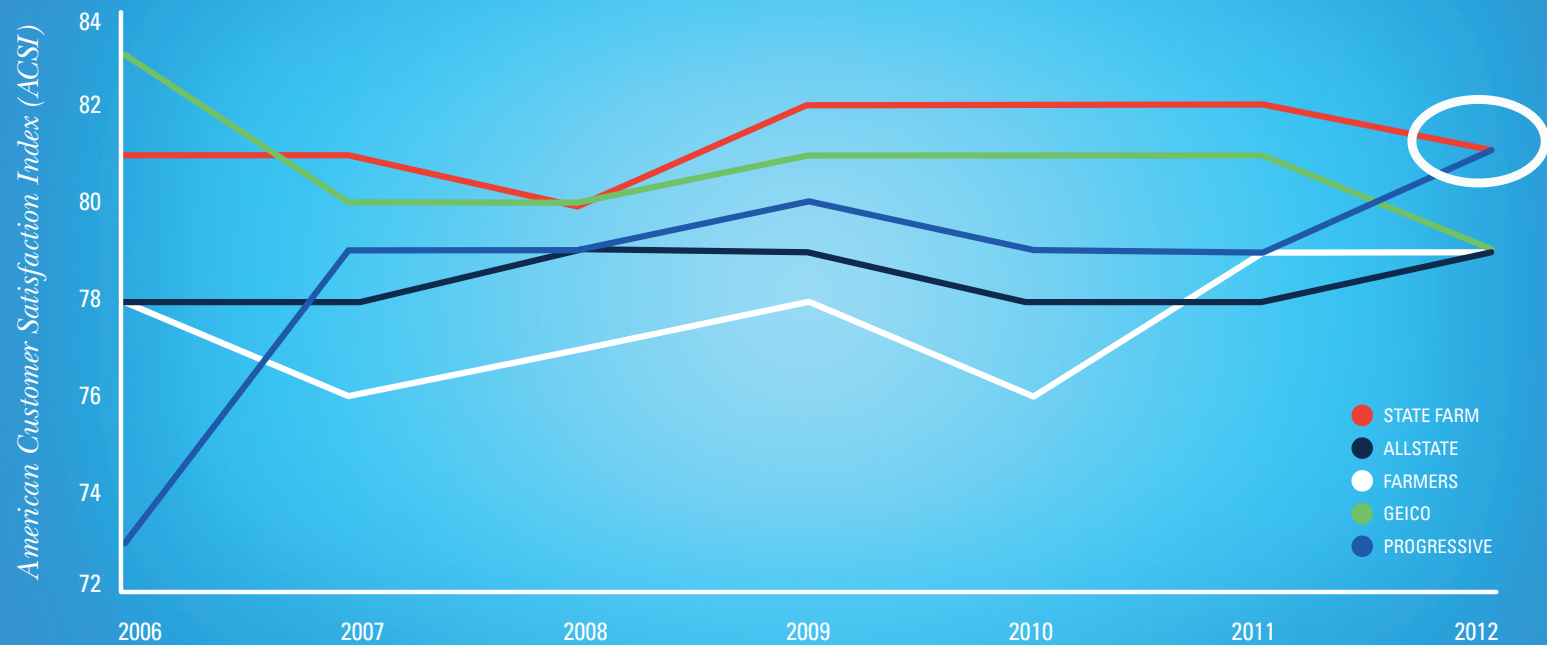
CHANGE IN PROGRESSIVE QUALITY PERCEPTION GAP OVER TIME



Source: Millward Brown National Tracking Study, Q2 05 – Q4 12



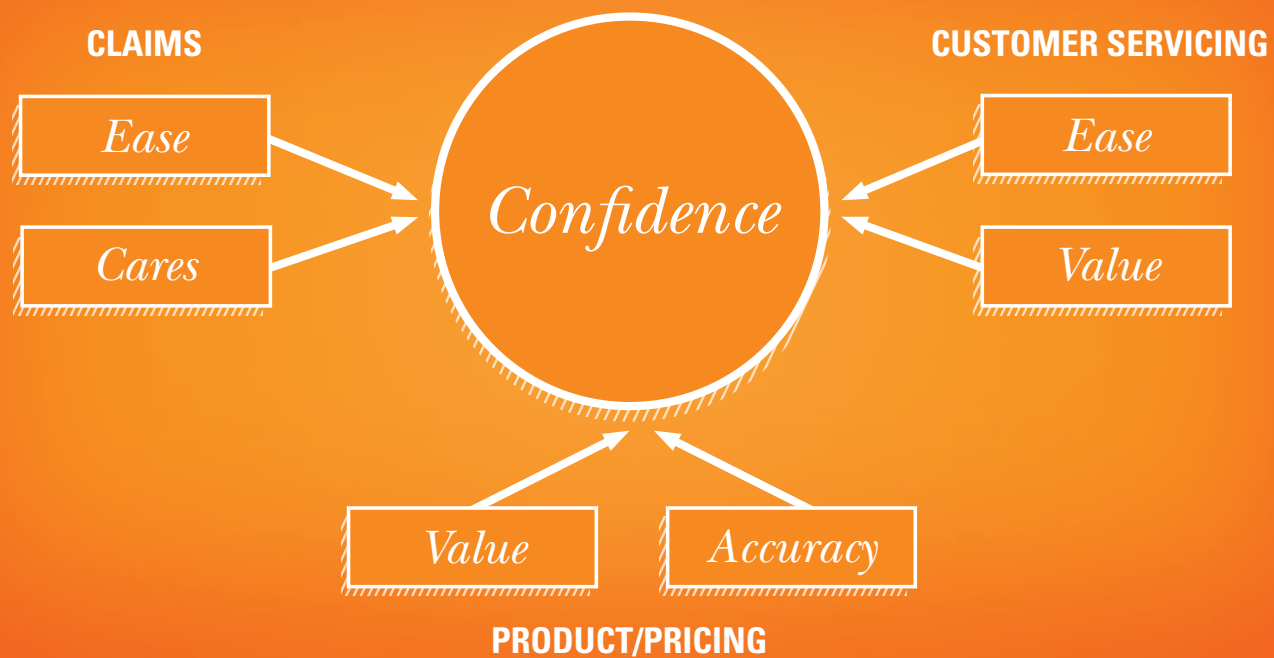
ACSI CORROBORATES OUR INTERNAL DATA



Source: December 2012 American Customer Satisfaction Index



BEING PROGRESSIVE





Loyalty Program



Life Events



Coverage Checker



*Deductible Savings
Bank*



Mobile





offers



MOVED FROM
A POLICY TO
HOUSEHOLD VIEW



...ALLOWING US TO
MAKE RELEVANT
AND RESPECTFUL
OFFERS



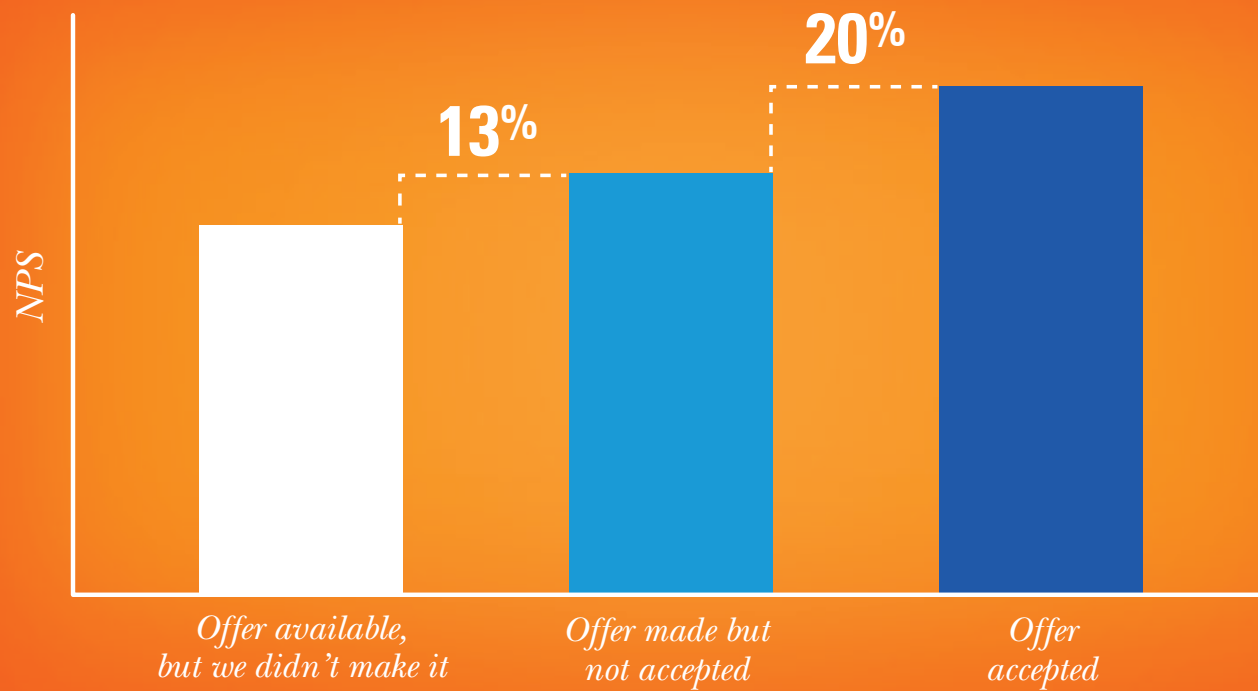
OFFERS TOOL USAGE



PHA TAKE RATE TRENDS



NET PROMOTER® SCORE RESULTS BY OFFERS



Net Promoter® is a registered trademark of Satmetrix Systems, Inc.





A YEAR AGO ...

*...best on all four measures
that we care about.*
— GLENN RENWICK

*My frustration is not enough
of our customers get to use it.*
— GLENN RENWICK

*...at this time next year, we'll
have significantly more
customers choosing our Service
Centers as their preferred option.*
— MIKE SIEGER

*...turn something that's working
well into something that's
working extremely well.*
— GLENN RENWICK

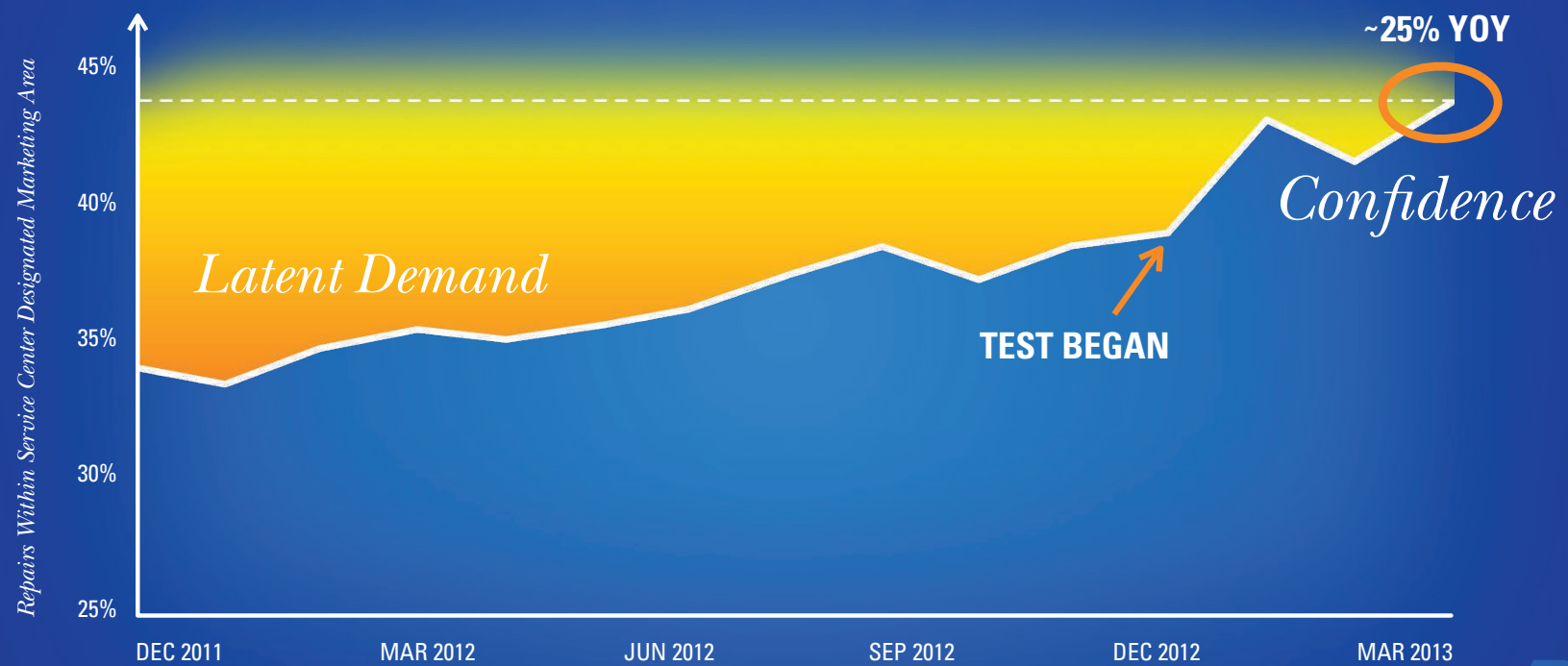


MISSION

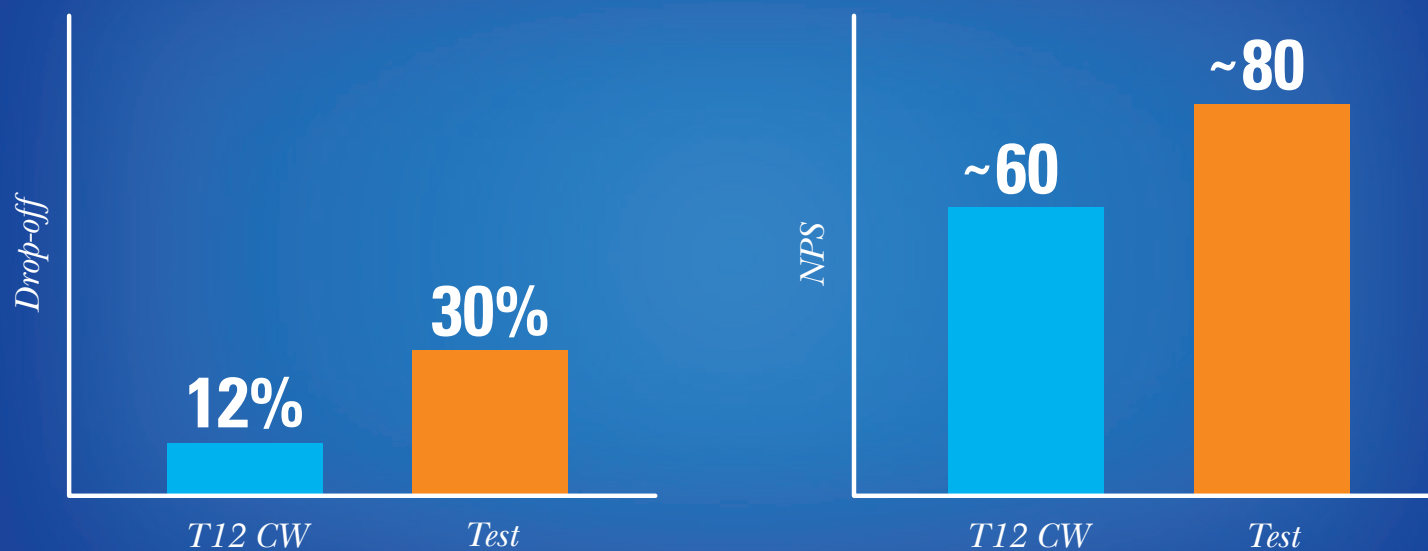
Have significantly more customers choose our Service Centers and provide them with experiences that are unmatched in the industry.

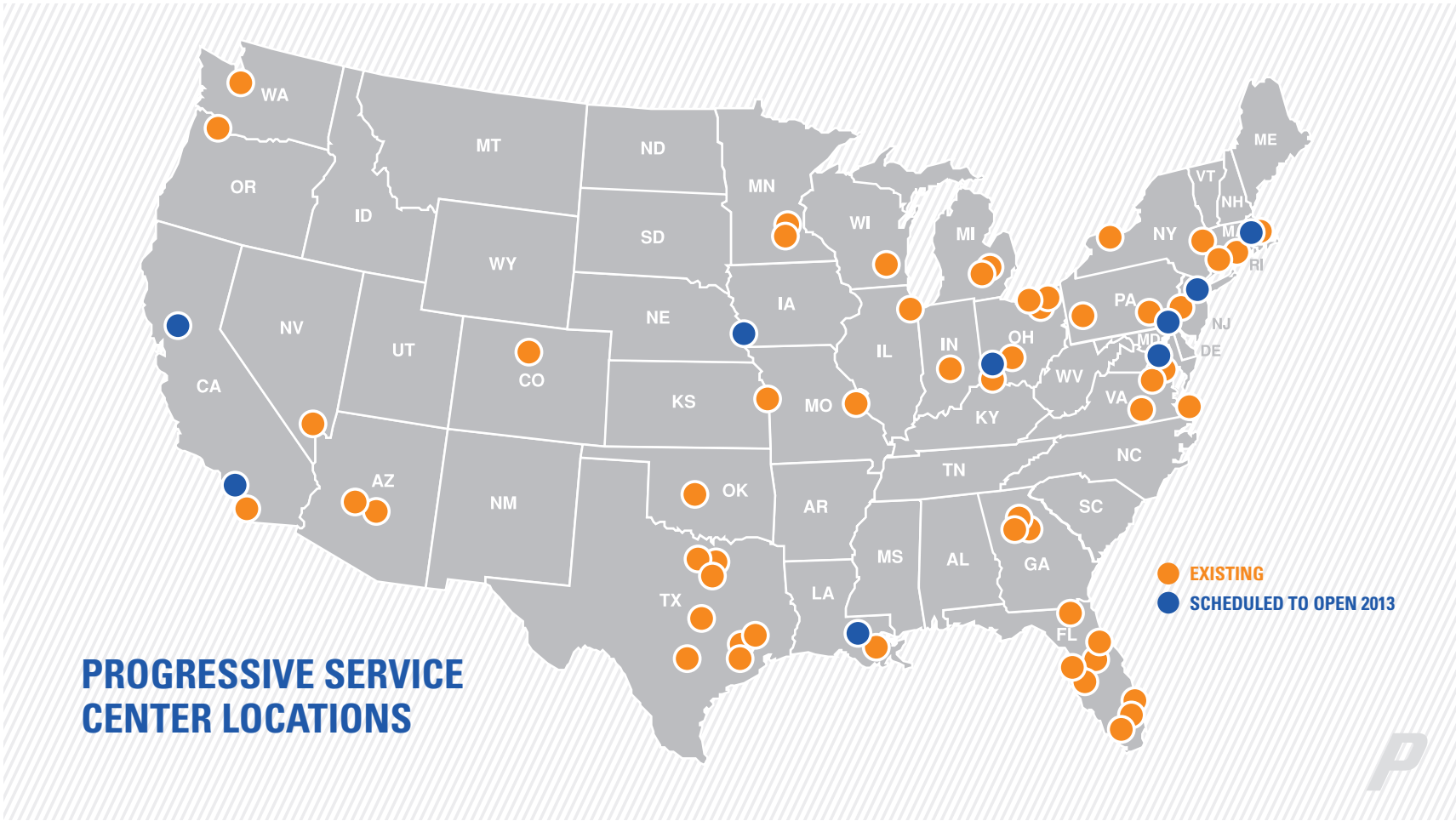


THE RESULTS ARE IN ...



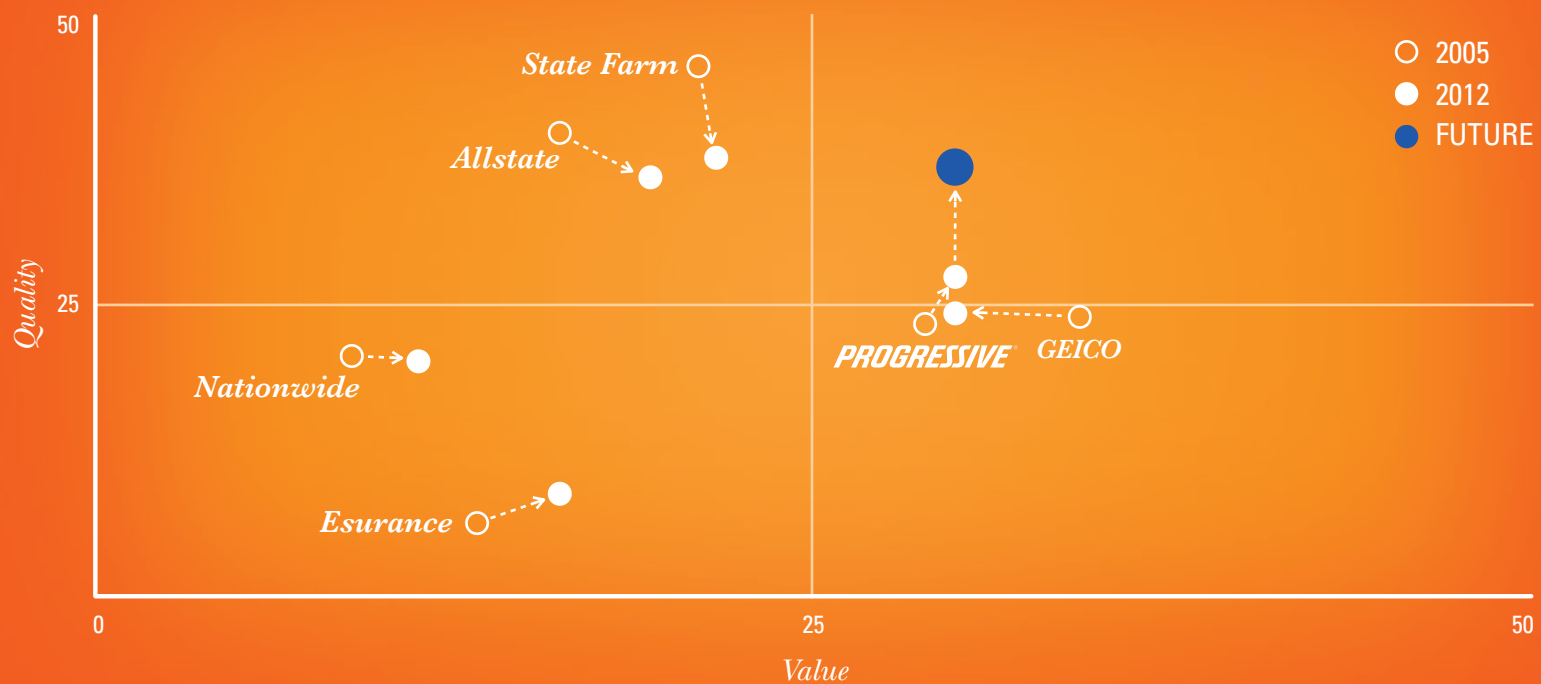
SAME-DAY DROP-OFF IS A HUGE WIN





VALUE vs. QUALITY

LONGITUDINAL PERCEPTION MAP



Source: Millward Brown National Tracking Study, Q2 05 – Q4 12





marketing

***Growing the Brand:
Maximizing
the Investment***

Jeff Charney / Andrew Quigg





MARKETING CHANGE IS CONSTANT

1,300 new mobile users

47,000 apps downloaded

100,000 new tweets

1.3 million video views

6 million Facebook views

Source: Intel

KEY INVESTOR QUESTIONS

- 1. With so much change in the marketplace, how do you ensure that you're getting the most bang for your marketing buck?*
- 2. What's the future of Superstore and how long can Flo last?*
- 3. Where do you see the next marketing opportunities?*

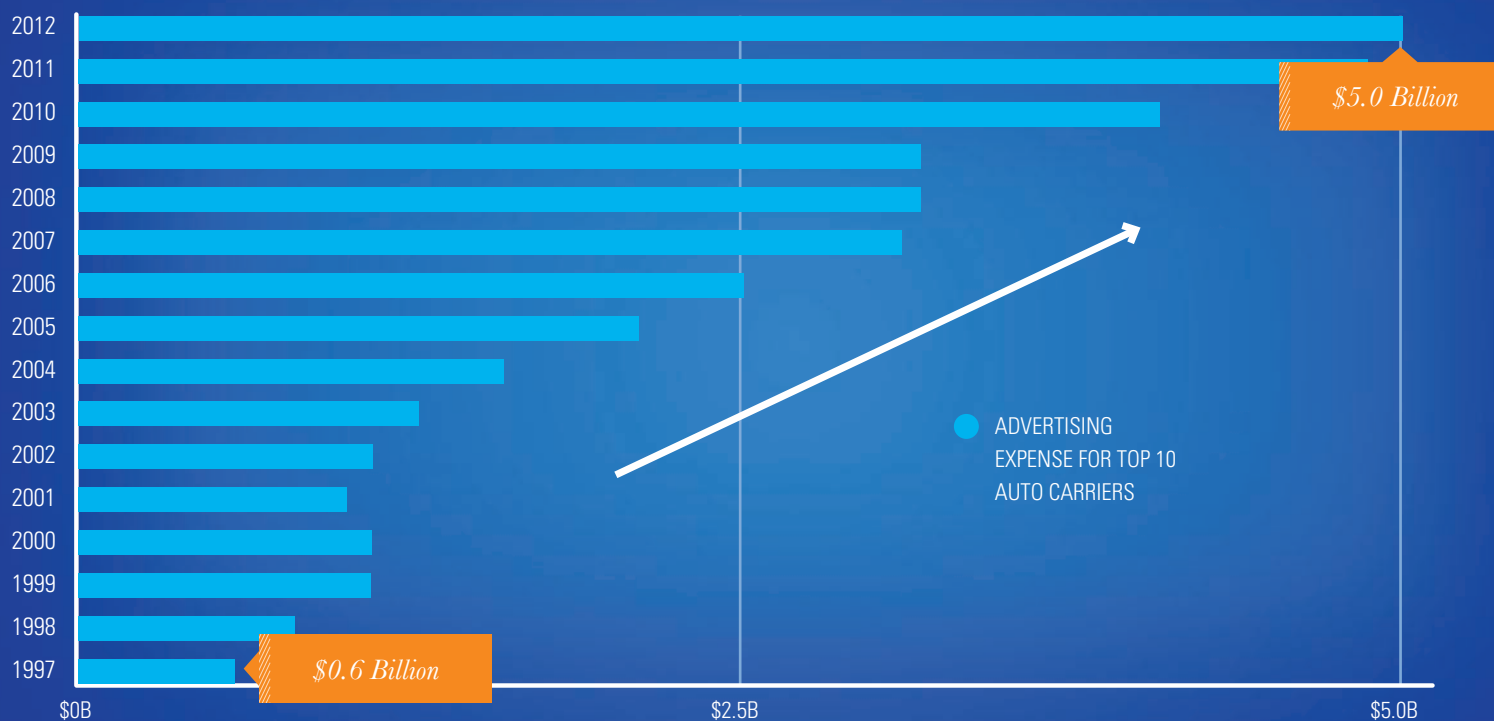




With so much change in the marketplace, how do you ensure that you're getting the most bang for your marketing buck?



AUTO INSURANCE ADVERTISING CONTINUES TO GROW



REFINING DIGITAL DEMAND ATTRIBUTION

“Last Touch” Attribution

$$\text{A} + \text{B} + \text{C} = \text{SALE}$$

$\text{IMPACT}_{\text{A}} = 0\%$

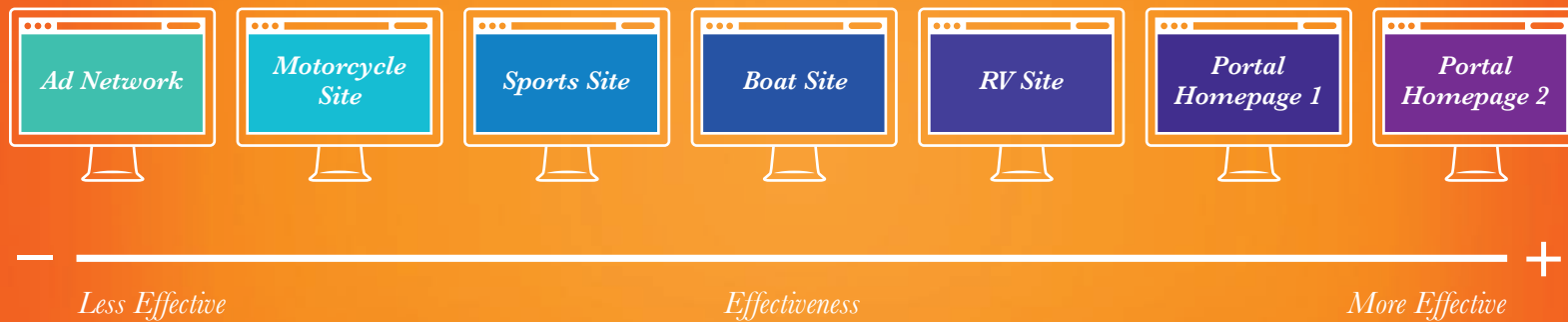
“Multi-Touch” Attribution

$$\text{A} + \text{B} + \text{C} = \text{SALE}$$
$$\text{IMPACT}_{\text{A}} = \frac{\text{Probability (Sale | A+B+C)}}{\text{Probability (Sale | B+C)}}$$

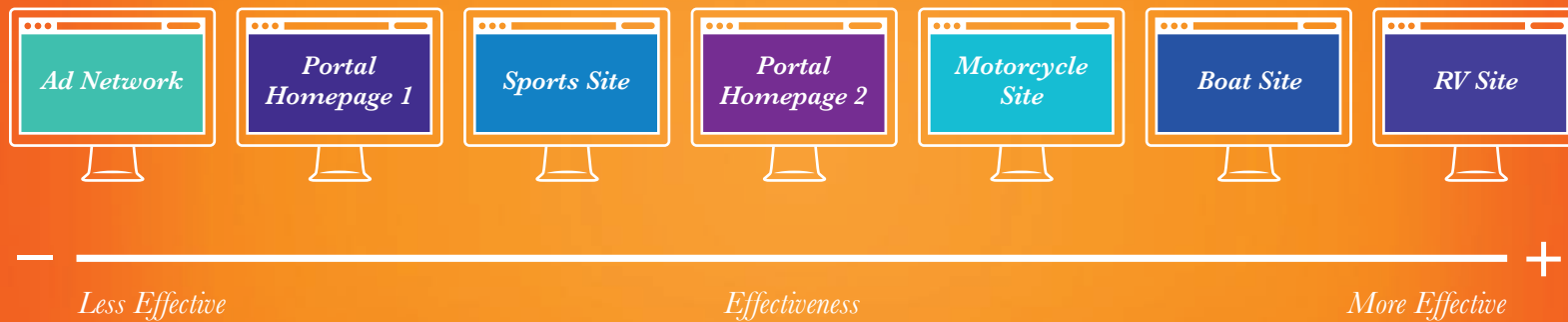
45 billion impressions per year → Big data solution



PERFORMANCE MEASURED BY LAST TOUCH ATTRIBUTION

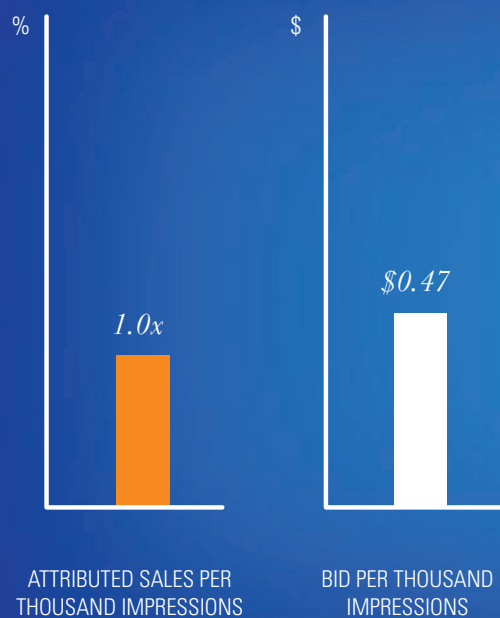


PERFORMANCE MEASURED BY MULTI-TOUCH ATTRIBUTION

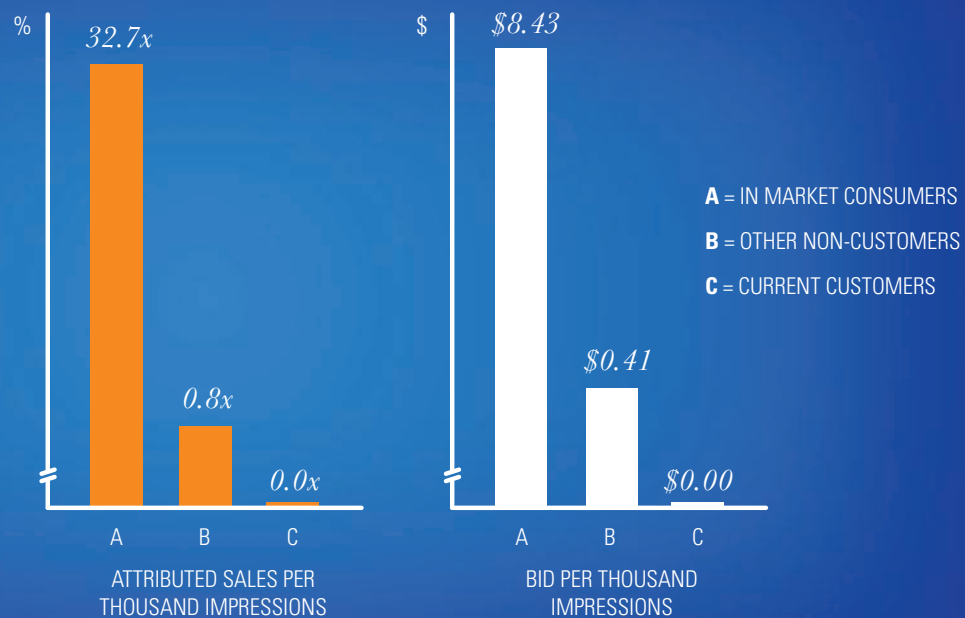


SEGMENTATION OF REMNANT DIGITAL DISPLAY ADS

UNSEGMENTED RESULTS



PROGRESSIVE INSIGHT – SEGMENTED RESULTS

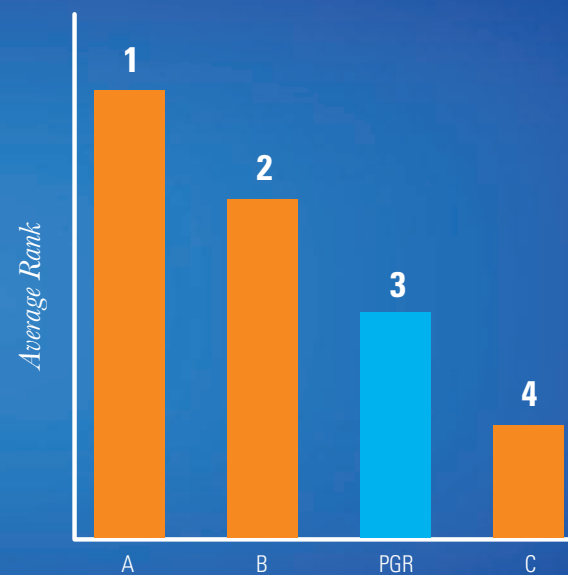
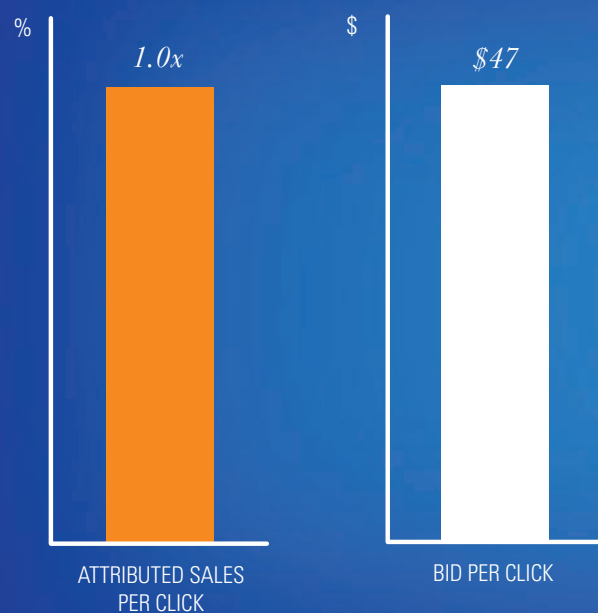


Remnant digital display ads are sold on a real-time basis through a digital ad exchange



SEGMENTATION OF PAID SEARCH ADVERTISING

UNSEGMENTED RESULTS

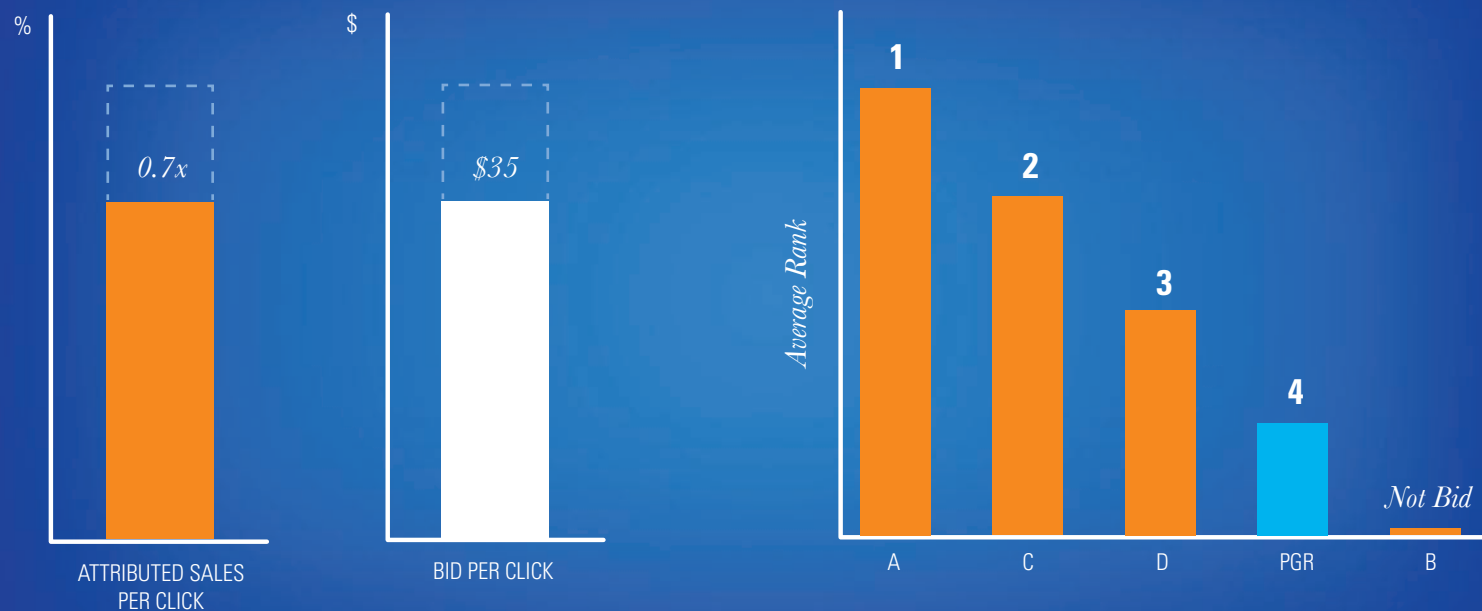


Paid search advertisements are paid listings which are provided with organic results in online search



SEGMENTATION OF PAID SEARCH ADVERTISING

PROGRESSIVE INSIGHT – SEGMENTED RESULTS



Paid search advertisements are paid listings which are provided with organic results in online search





***What's the future for
Superstore and how long
can Flo last?***





OUTCREATE, **NOT** OUTSPEND



HERO



FOIL



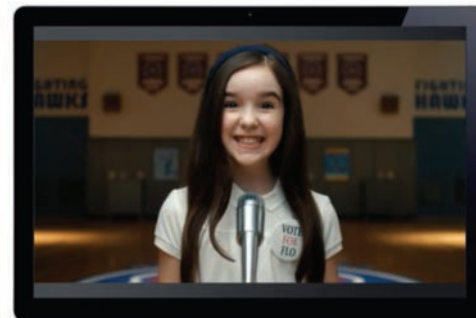
ENSEMBLE



SET CHANGE



SPIN-OFF



FLASHBACK

A graphic on a light blue background featuring a stylized network of nodes and connections, with a Wi-Fi symbol at the top.

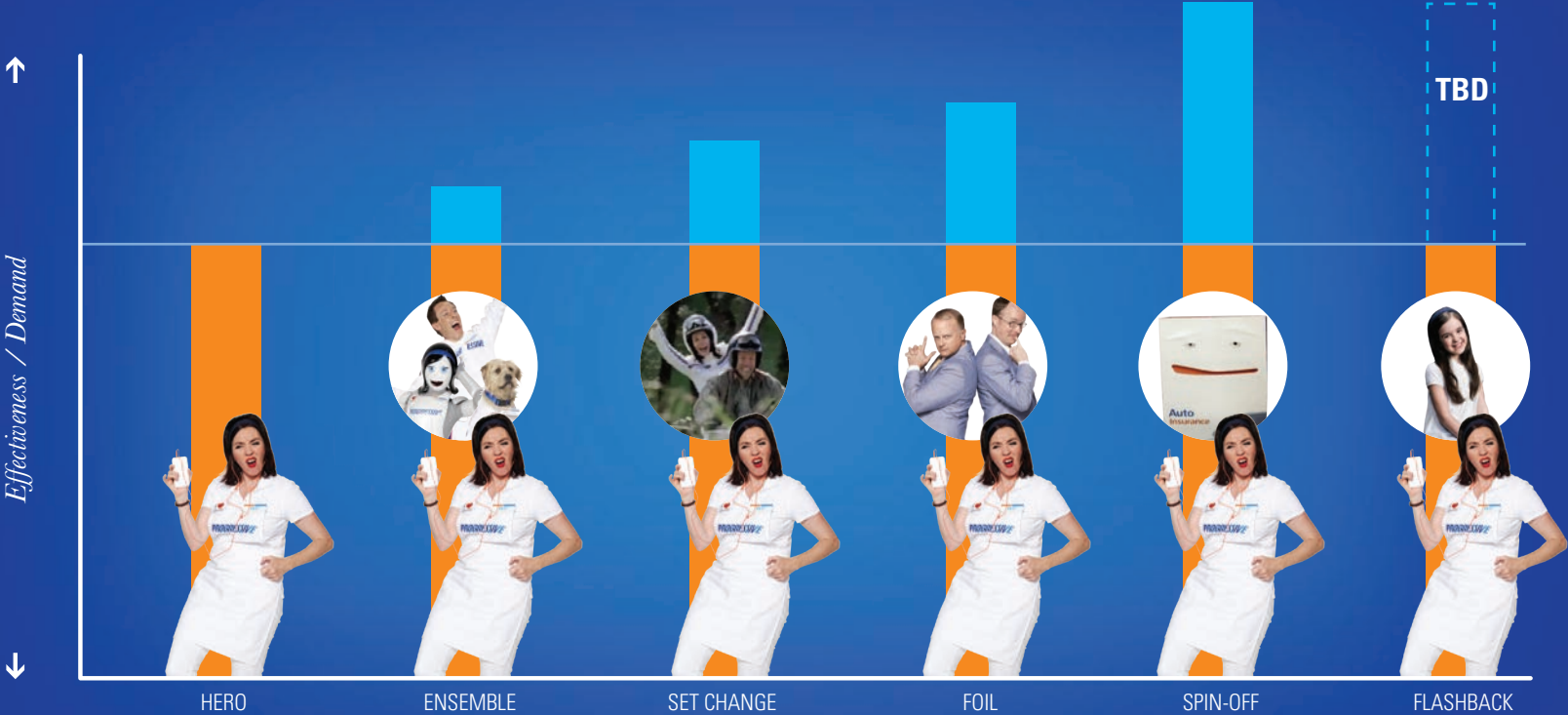
NETWORK RATINGS

A graphic on a dark blue background featuring a bar chart with four bars of increasing height, each filled with diagonal hatching.

CONSUMER DEMAND

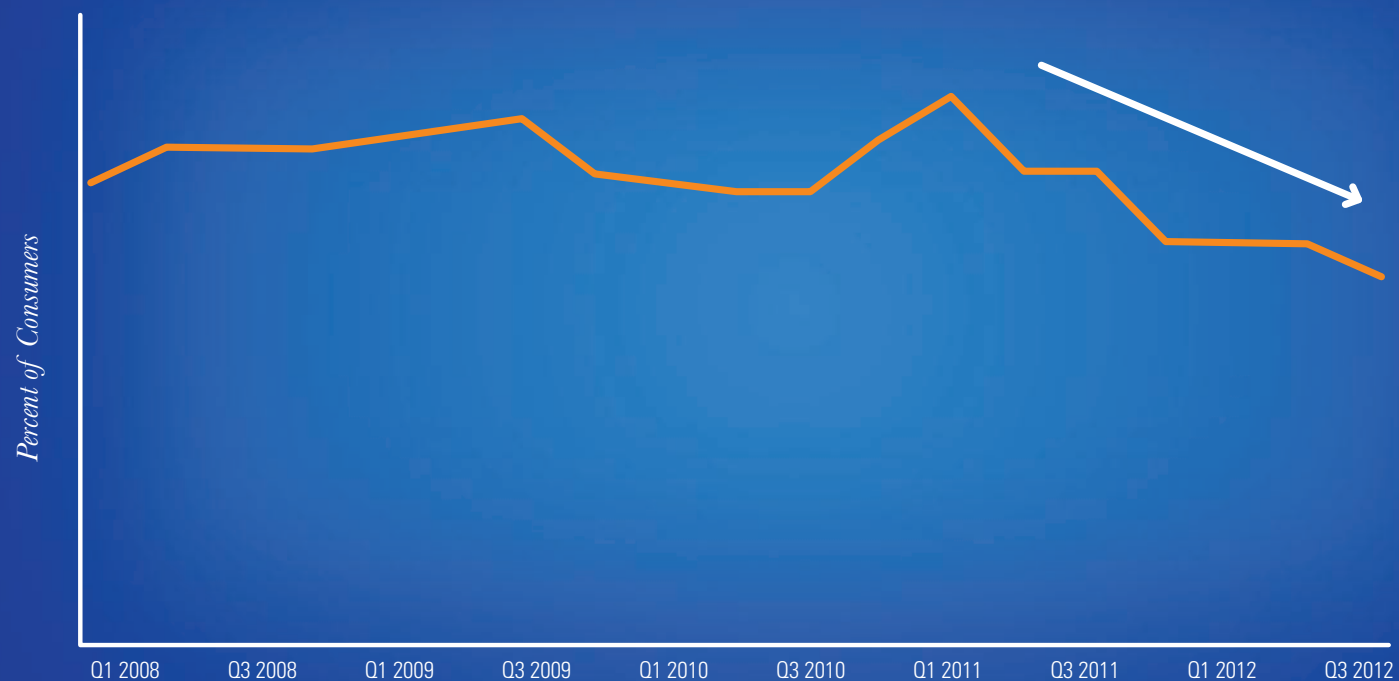


FRESH CONTENT DRIVES QUOTES



SUPERSTORE “TIRED OF SEEING”

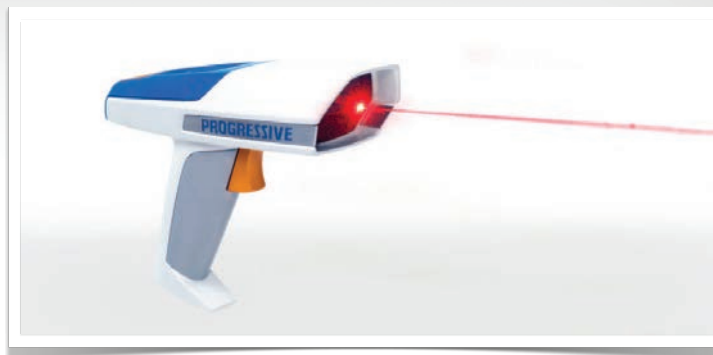
Over the past two years, we’ve significantly reduced the number of people that are tired of seeing the Superstore campaign



Source: Millward Brown

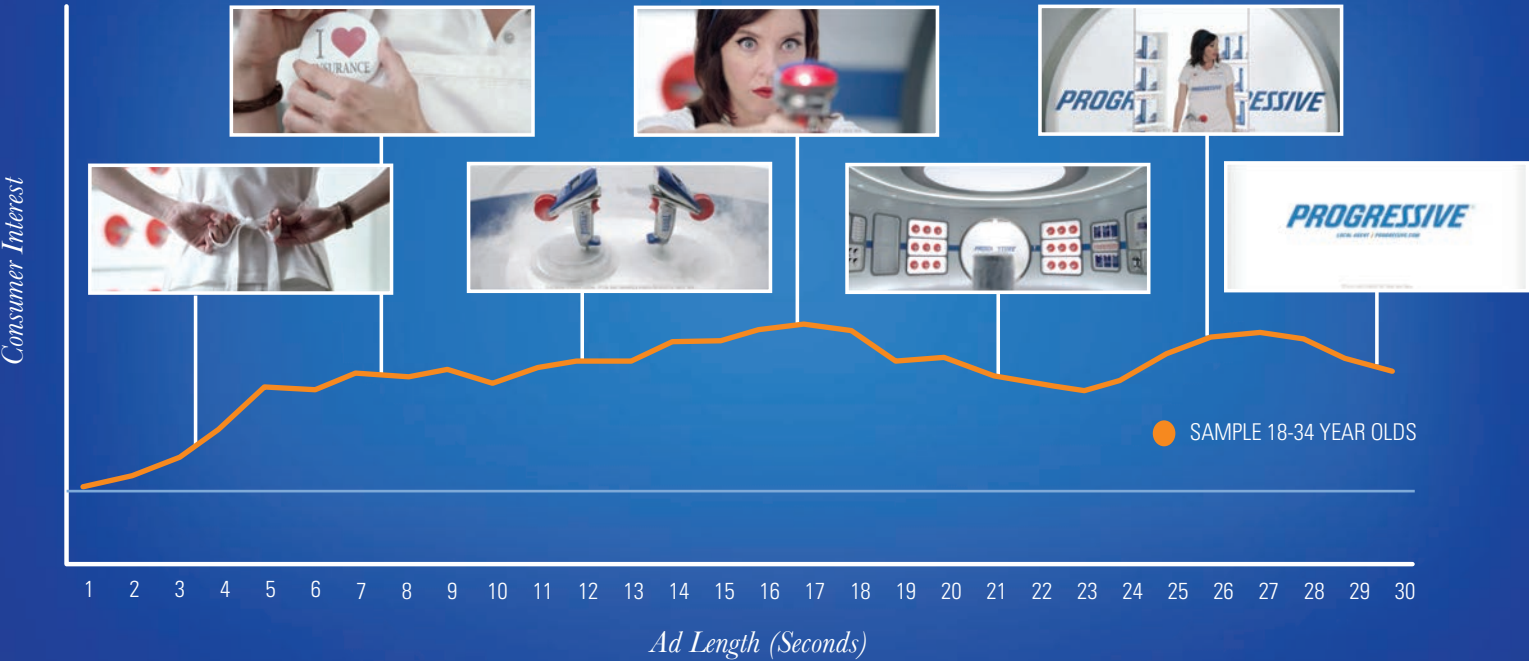


BRAND ARCHITECTURE: SUPERSTORE SHORTHAND ELEMENTS



BRAND ARCHITECTURE: TELEVISION

CHARACTER AND SUPERSTORE ELEMENTS CREATE THE MOST CONSUMER INTEREST / ENGAGEMENT



CREATIVE TEST “LAB”



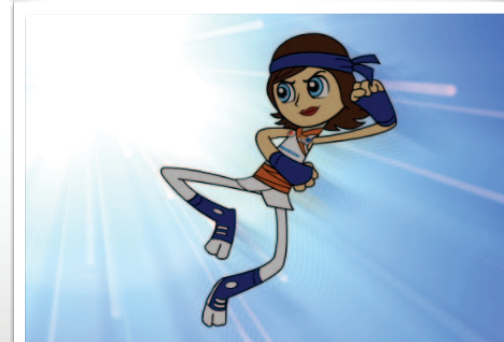
BRAND ARCHITECTURE: DIGITAL



3x more effective



BRAND ARCHITECTURE: GAMING



BRAND ARCHITECTURE: SOCIAL

~2 MILLION MORE
than our top three competitors combined

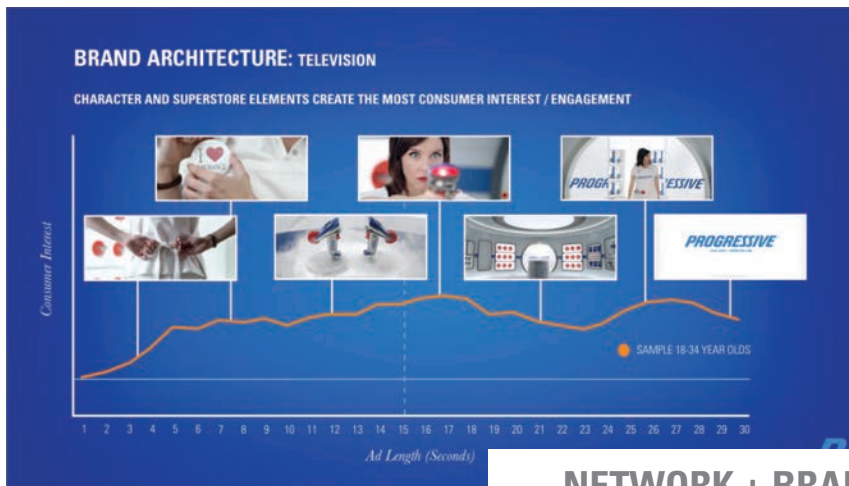


TODAY
5.2 MILLION

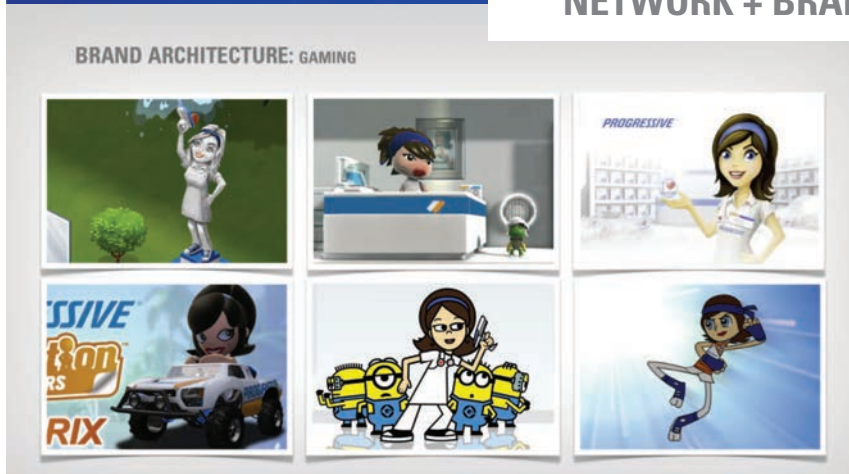
SEPTEMBER 2010

500,000



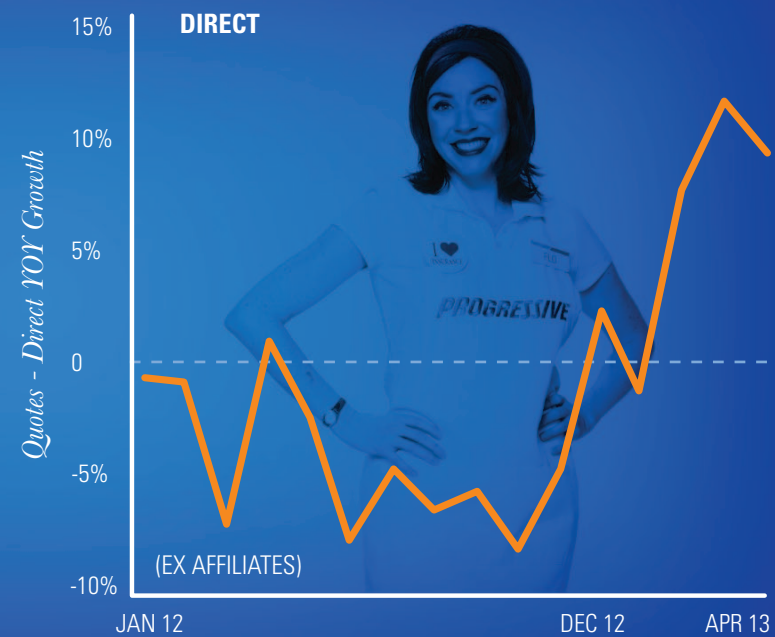
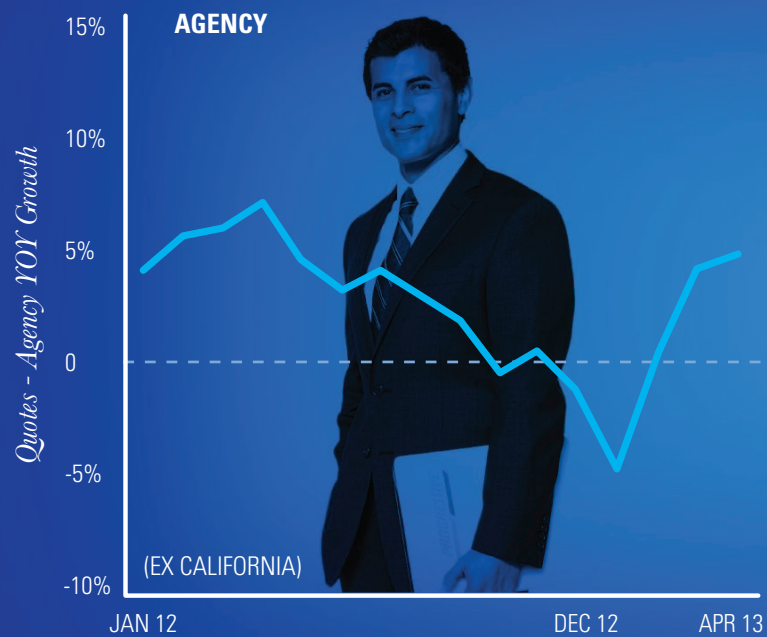


NETWORK + BRAND ARCHITECTURE



DEMAND FOR OUR PRODUCT IS UP

PERSONAL AUTO RESULTS



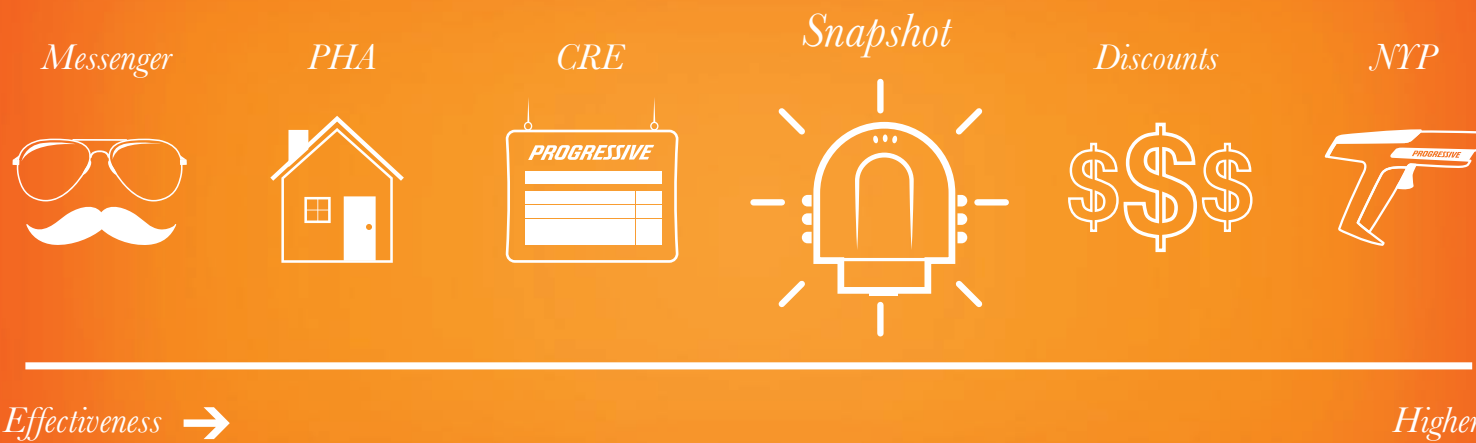
Ex California due to conversion of comparative rater to real-time
Ex Affiliates due to variable quote quality



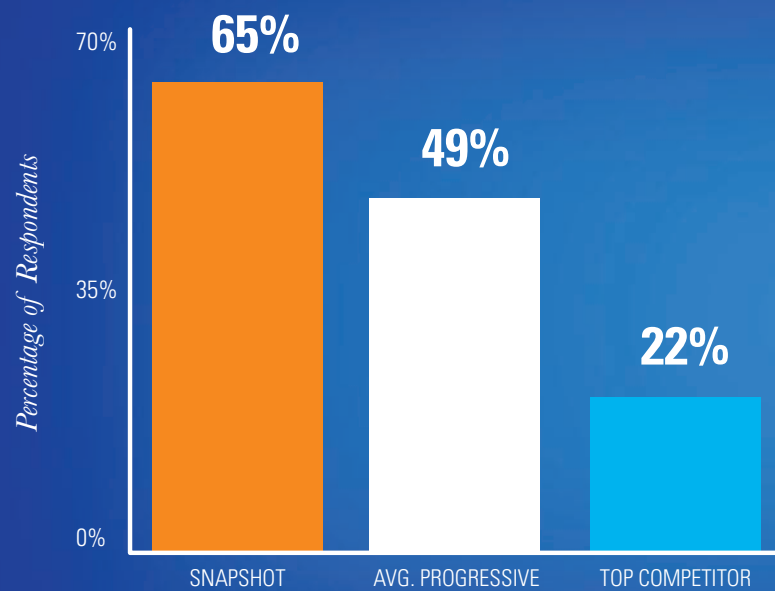
***Where do you see the next
marketing opportunities?***



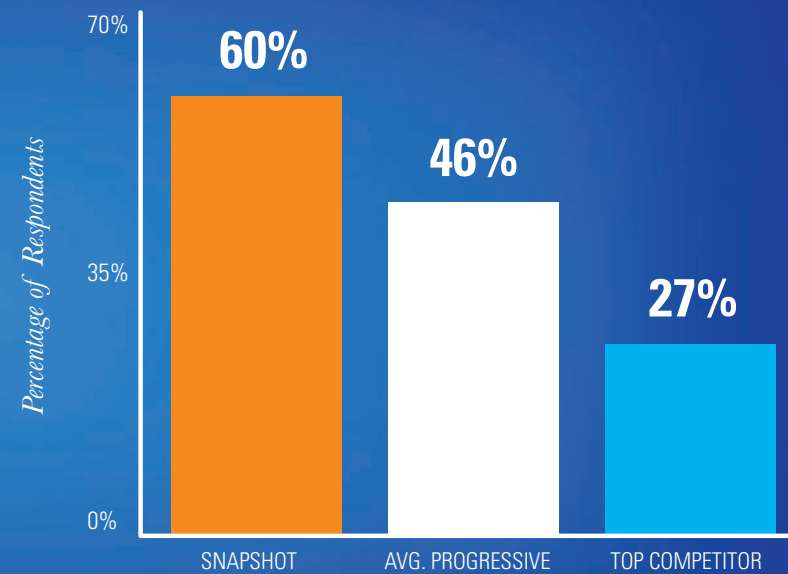
MESSAGE EFFECTIVENESS IN GENERATING NEAR-TERM DEMAND



CONSUMERS BELIEVE SNAPSHOT IS NEW AND DIFFERENT



*Contained **new** info about the brand*



*Contained **different** info than other ads about Auto Insurance*

Source: Millward Brown

INSIGHT FROM CONSUMER SURVEY ON SNAPSHOT

“My auto insurance costs are based on factors like my age, gender and driving history, and are not higher because of the bad driving of other people.”

A. **63%**
of all respondents agreed

B. **89%**
of respondents indicated
that they would be upset

Source: Internal Study



RATE SUCKERS CONCEPT LAUNCHED TO PERSONIFY RATE SUBSIDIZATION



/ New message / new concept

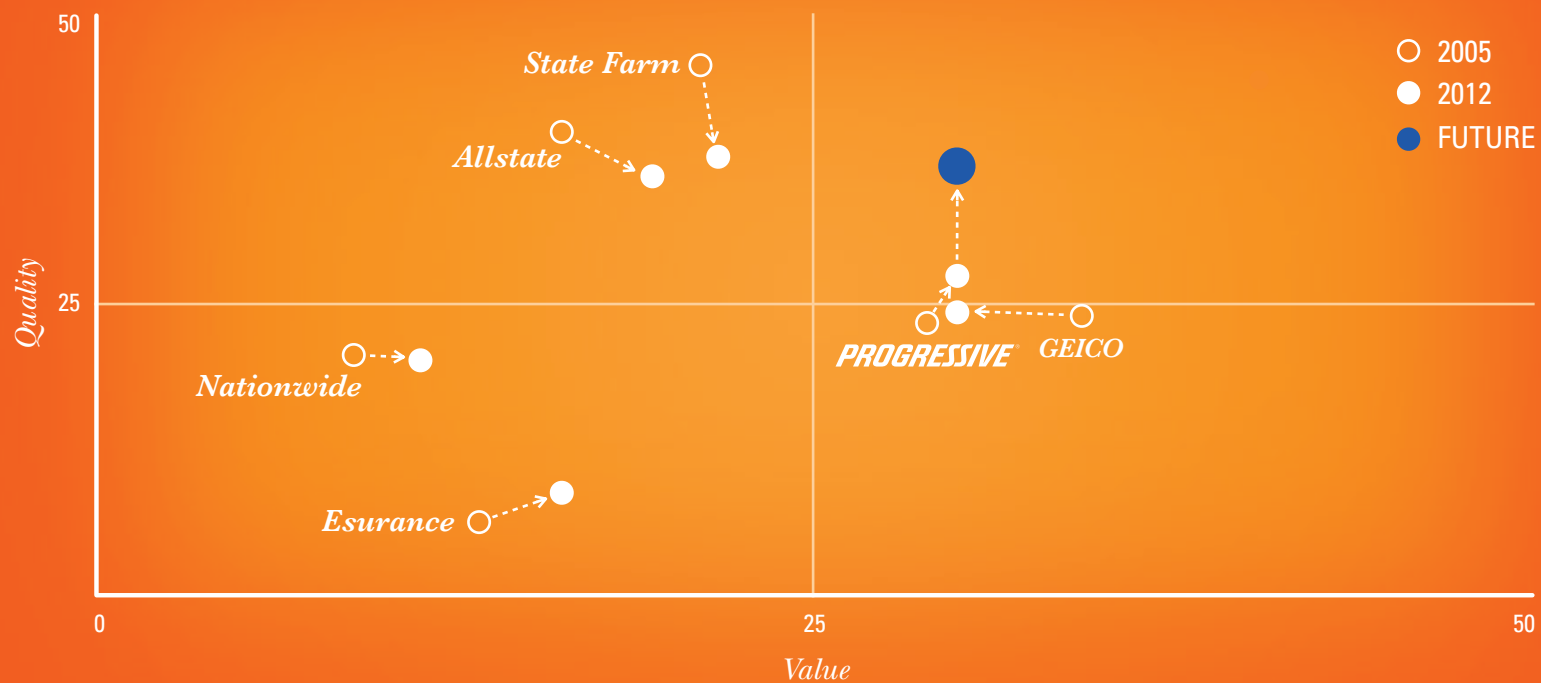
/ Highly visible

/ Full evaluation still in-flight



VALUE vs. QUALITY

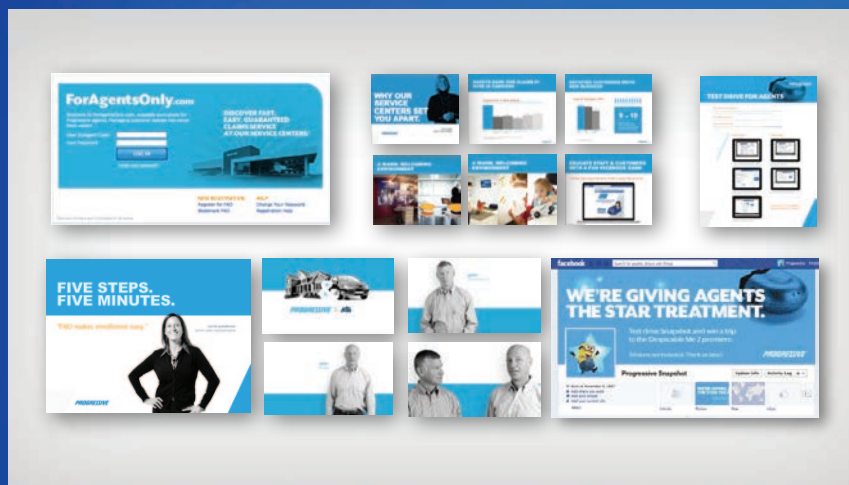
LONGITUDINAL PERCEPTION MAP



Source: Millward Brown National Tracking Study, Q2 05 – Q4 12



NEW B2B MARKETING



/ True power of messaging

/ 35,000+ strong

/ Constant, connected... drive confidence

/ B2B marketing momentum

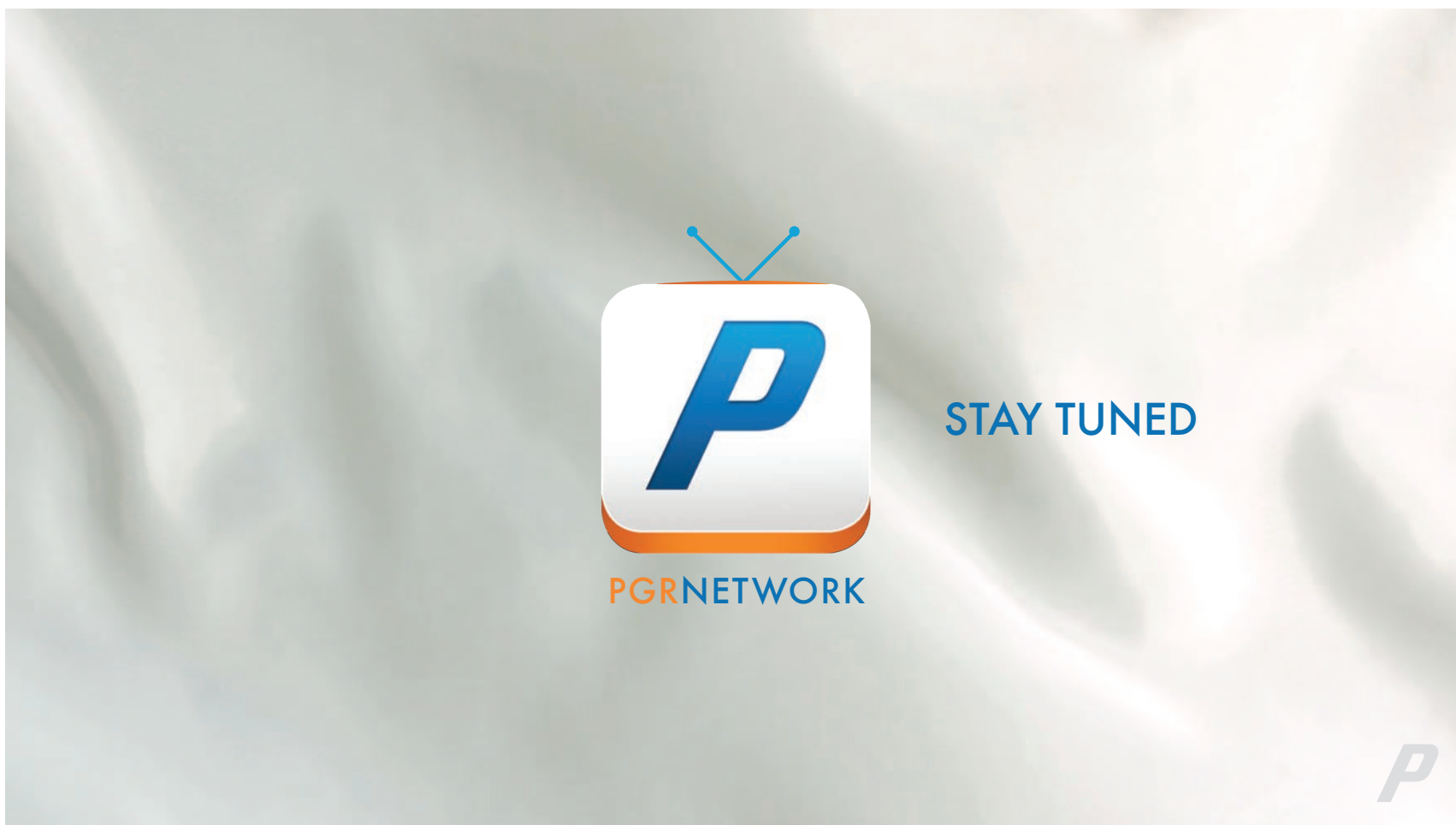


OWNING THE NAME “PROGRESSIVE”



- / Continuing to leverage the PGR Network*
- / Engaging consumers on an emotional level*
- / Inspiring confidence in choice of PGR*





forecasting

Market Forecasting

John Curtiss

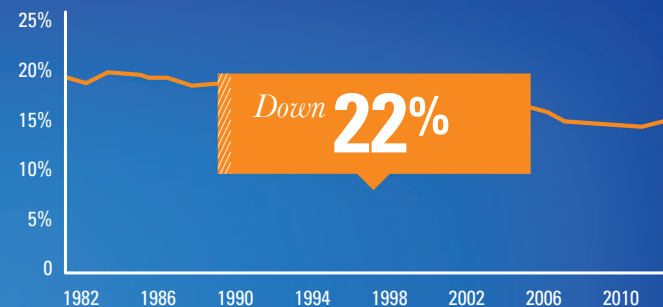


LONG-TERM VIEW OF INFLATION-ADJUSTED MARKET GROWTH AND GROWTH FACTORS

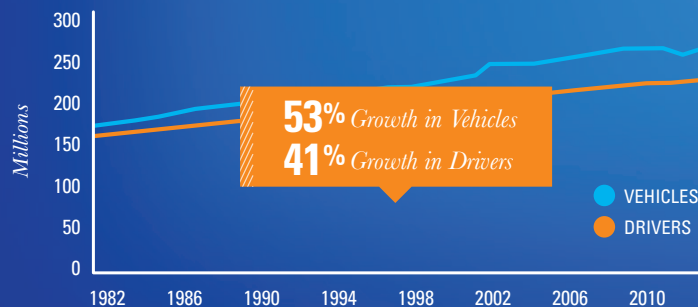
PPA MARKET (IN \$2011)



ACCIDENT FREQUENCY (ALL COVERAGES)



NUMBER OF DRIVERS AND VEHICLES IN U.S.



ACCIDENT SEVERITY (IN \$2011)



Sources: Best's Aggregates and Averages, Bureau of Labor Statistics, Property Casualty Insurers Association of America, USDOT Federal Highway Administration



MACROECONOMIC TRENDS

UTILIZATION



Behavioral Shifts



Aging Population



Vehicle Sharing

FREQUENCY



Vehicle Technology



Macroeconomic Trends



Distracted Driving

SEVERITY



Medical Inflation



Repair Inflation



Vehicle Construction



STRUCTURED APPROACH TO SIZING MARKET AND UNDERSTANDING TRENDS

*Short-Term Pricing
Product Features*

*New Insurance
Product Features*

Capacity Planning/Resources

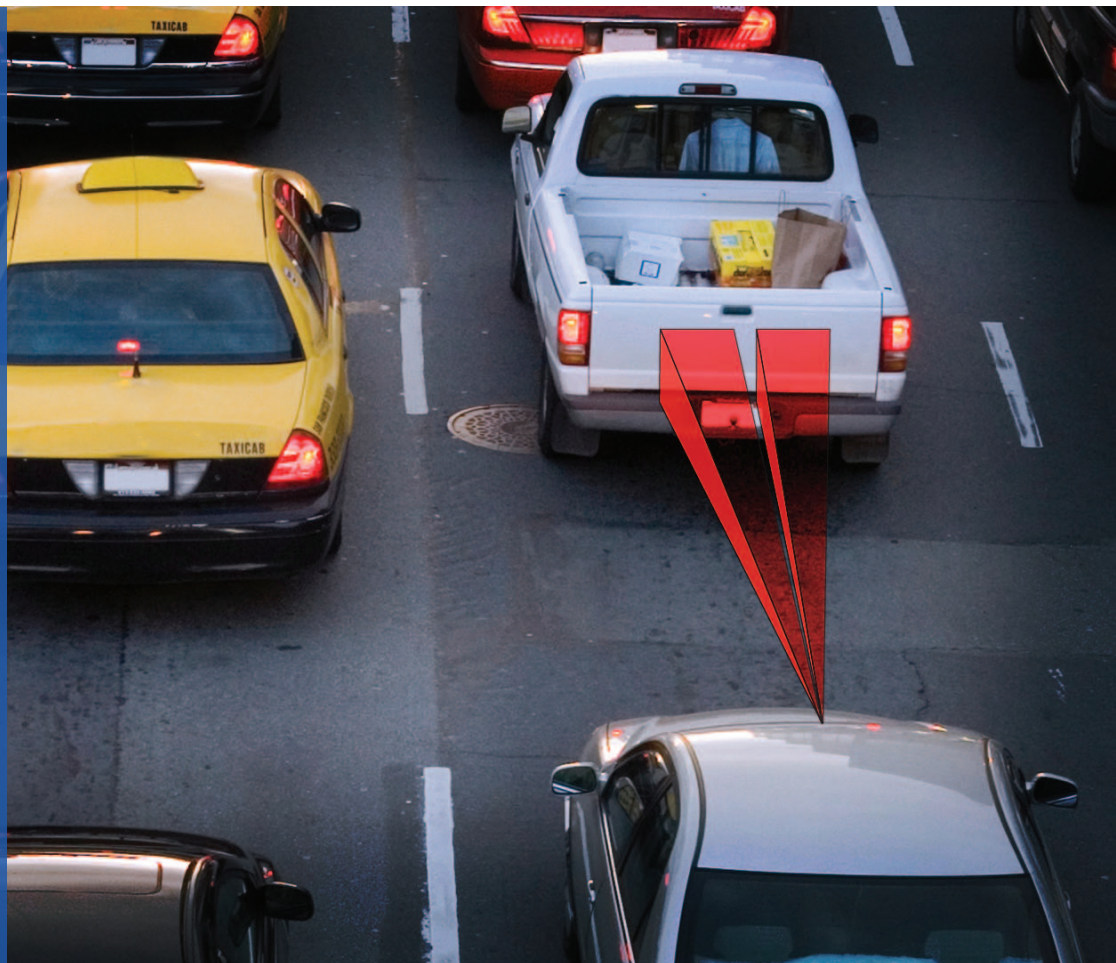
*New Business
Considerations*



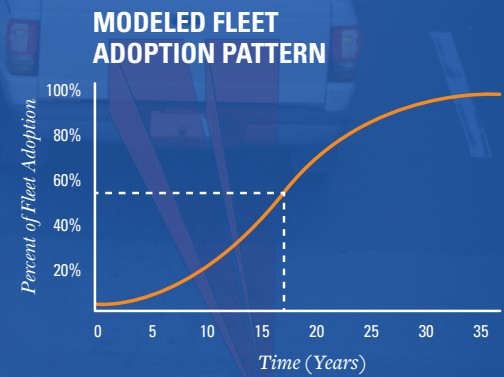
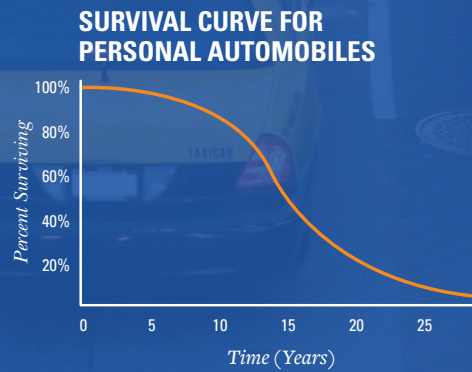
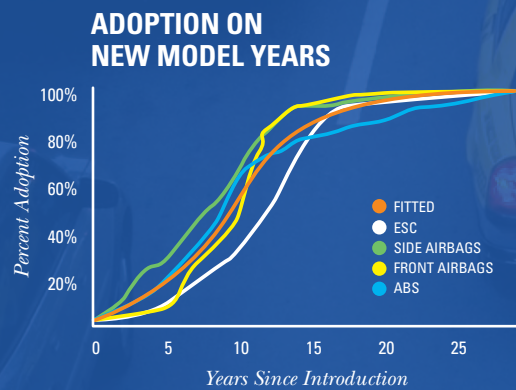
FORWARD COLLISION AVOIDANCE (INTRODUCED 2007)

	VEHICLE CRASH MIX*	ESTIMATED ACCIDENT REDUCTION
REAR-END	30%	33%
CROSSING PATHS	25%	
OFF-ROADWAY	20%	
LANE CHANGE	9%	
ANIMAL	5%	
OPPOSITE DIRECTION	3%	
BACKING	3%	
PEDESTRIAN	2%	33%
BICYCLIST	1%	33%
OTHER	3%	
	100%	11%

*Source: Progressive data and analysis



FLEET ADOPTION OF NEW TECHNOLOGY



Source: Insurance Institute for Highway Safety

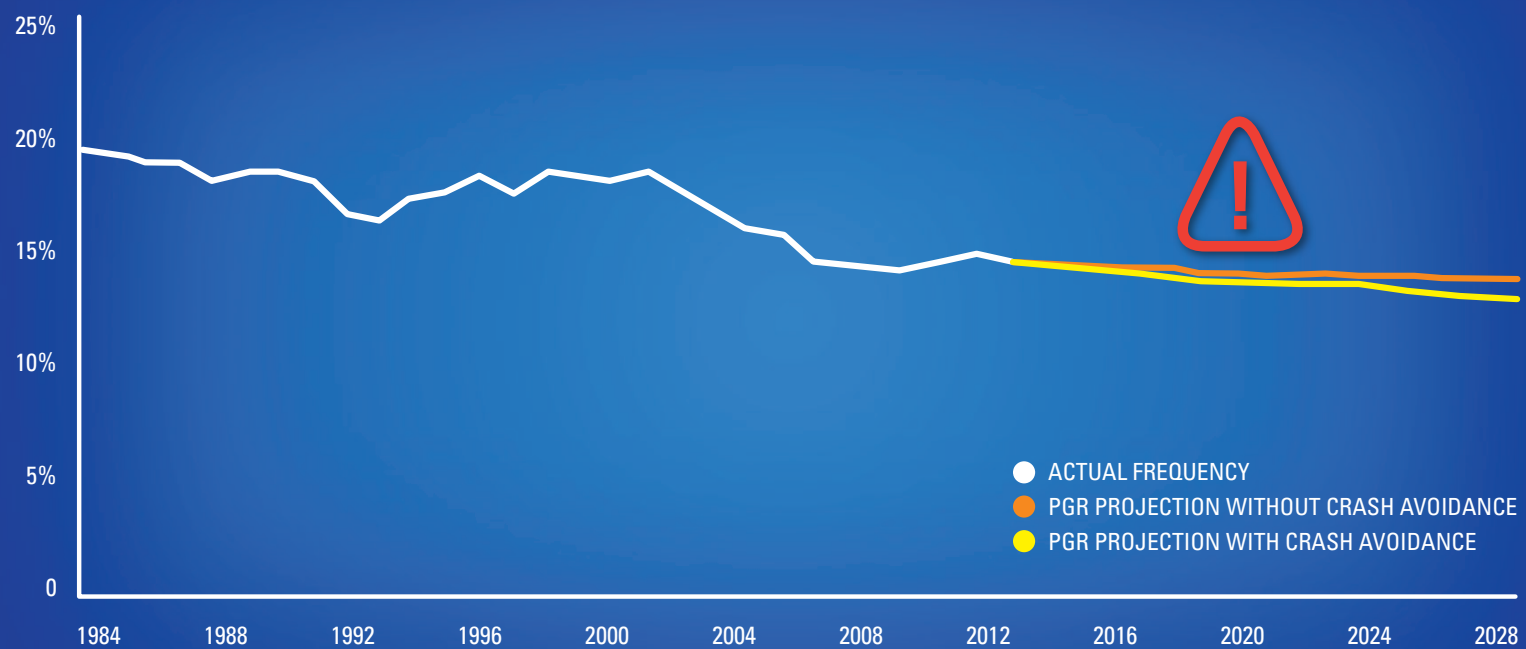
CRASH AVOIDANCE SAFETY SYSTEM EVOLUTION

● SAFETY BENEFITS EXPECTED

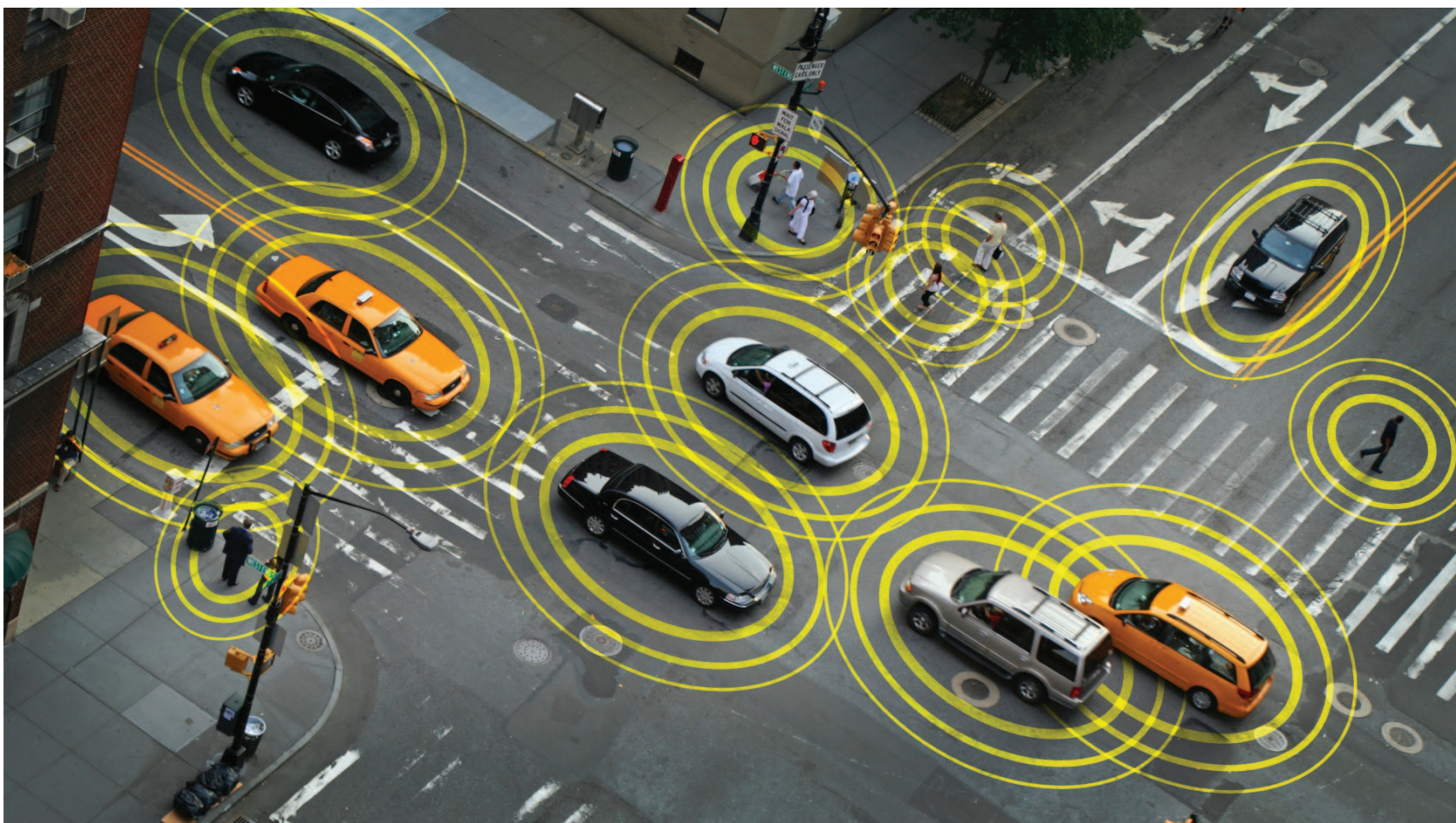


VEHICLE CRASH TYPE	Anti-Lock Brakes	Traction Control	3rd Brake Light	ESC	Forward Collision Warning	Adaptive Cruise Control	Lane Departure Warning	Park Assist and Backover Prevention	Adaptive Headlights	Lane Departure Prevention	Blind Spot Detection	Forward Collision Avoidance	Fatigue Warning	Evasive Maneuvers	Exit to Exit	V2V	V2x
REAR-END	●		●		●	●						●	●	●	●	●	●
CROSSING PATHS													●	●		●	●
OFF-ROADWAY	●	●		●			●			●	●		●	●	●	●	●
LANE CHANGE							●		●		●		●	●	●	●	●
ANIMAL	●													●	●		
OPPOSITE DIRECTION							●		●	●			●	●	●	●	●
BACKING								●								●	●
PEDESTRIAN								●				●			●		●
BICYCLIST											●	●			●		●
OTHER																●	●

PROGRESSIVE 15-YEAR FREQUENCY FORECAST







<div> <div>1</div> <div>LEVEL 1</div> <div> <p>Driver retains complete authority, cedes limited control under normal driving circumstances</p> <p><i>Examples</i> ELECTRONIC STABILITY CONTROL, ADAPTIVE CRUISE CONTROL</p> <p><i>Timing</i> AVAILABLE FOR 10 YEARS</p> </div> </div>	<div> <div>2</div> <div>LEVEL 2</div> <div> <p>Shared authority, driver cedes primary control but still has to monitor for safe operation</p> <p><i>Examples</i> LANE KEEPING, STOP & GO ADAPTIVE CRUISE CONTROL</p> <p><i>Timing</i> 5 – 10 YEARS</p> </div> </div>	<div> <div>3</div> <div>LEVEL 3</div> <div> <p>Driver cedes full control in limited conditions other than parking</p> <p><i>Examples</i> SPEED AND LANE KEEPING ON LIMITED ACCESS ROADS</p> <p><i>Timing</i> 15 – 25 YEARS</p> </div> </div>	<div> <div>4</div> <div>LEVEL 4</div> <div> <p>Driver provides only destination input, cedes all control to the vehicle</p> <p><i>Examples</i> "TAKE ME TO WORK" "GO PARK"</p> <p><i>Timing</i> ??</p> </div> </div>
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INVESTOR RELATIONS MEETING

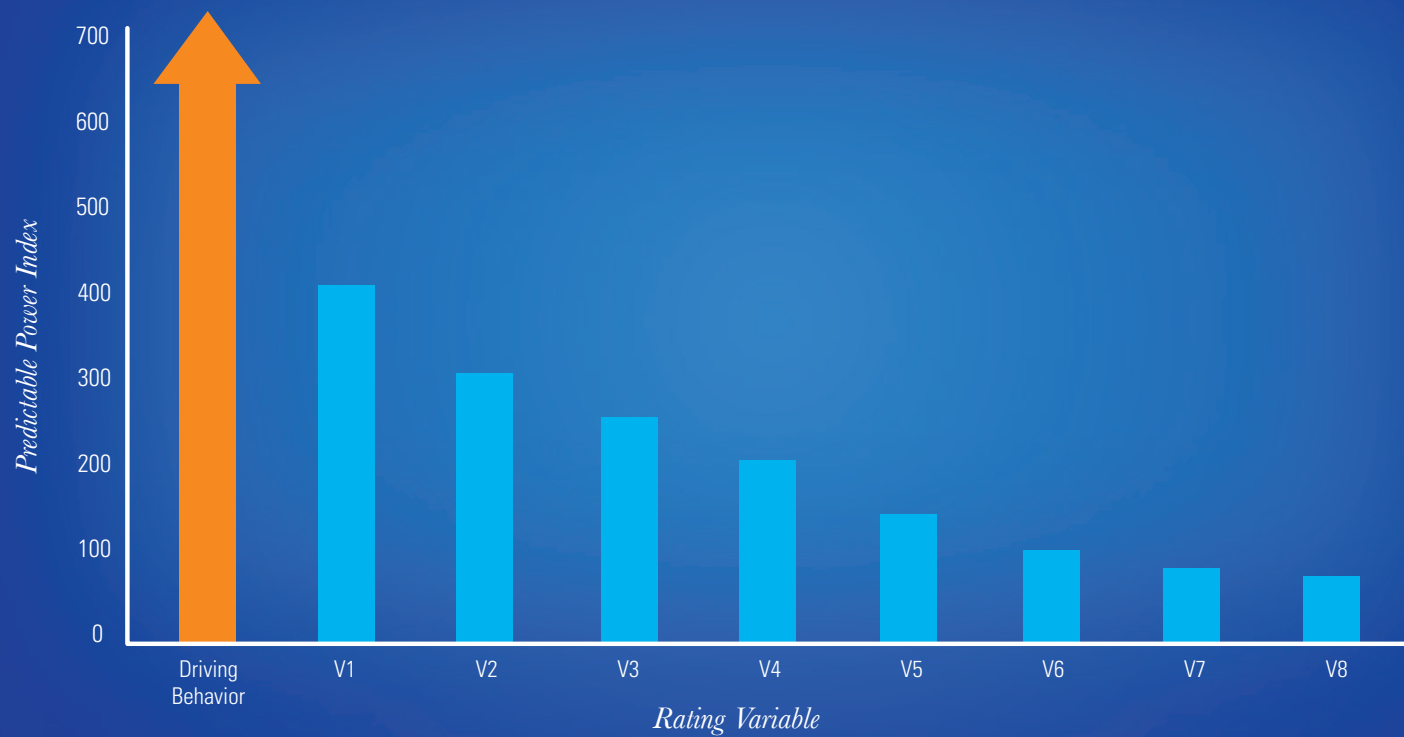
Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:

Statements in this presentation that are not historical fact are forward-looking statements that are subject to certain risks and uncertainties that could cause actual events and results to differ materially from those discussed herein. These risks and uncertainties include, without limitation, uncertainties related to estimates, assumptions, and projections generally; inflation and changes in economic conditions (including changes in interest rates and financial markets); the possible failure of one or more governmental entities to make scheduled debt payments or satisfy other obligations; the potential or actual downgrading of governmental, corporate, or other securities by a rating agency; the financial condition of, and other issues relating to the strength of and liquidity available to, issuers of securities held in our investment portfolios and other companies with which we have ongoing business relationships, including counterparties to certain financial transactions; the accuracy and adequacy of our pricing and loss reserving methodologies; the competitiveness of our pricing and the effectiveness of our initiatives to retain more customers; initiatives by competitors and the effectiveness of our response; our ability to obtain regulatory approval for requested rate changes and the timing thereof; the effectiveness of our brand strategy and advertising campaigns relative to those of competitors; legislative and regulatory developments, including, but not limited to, health care reform and tax law changes; disputes relating to intellectual property rights; the outcome of litigation pending or that may be filed against us; weather conditions (including the severity and frequency of storms, hurricanes, snowfalls, hail, and winter conditions); changes in driving patterns and loss trends; acts of war and terrorist activities; our ability to maintain the uninterrupted operation of our facilities, systems (including information technology systems), and business functions; court decisions and trends in litigation and health care and auto repair costs; and other matters described from time to time in our releases and publications, and in our periodic reports and other documents filed with the United States Securities and Exchange Commission. In addition, investors should be aware that generally accepted accounting principles prescribe when a company may reserve for particular risks, including litigation exposures. Accordingly, results for a given reporting period could be significantly affected if and when a reserve is established for one or more contingencies. Also, our regular reserve reviews may result in adjustments of varying magnitude as additional information regarding claims activity becomes known. Reported results, therefore, may be volatile in certain accounting periods.

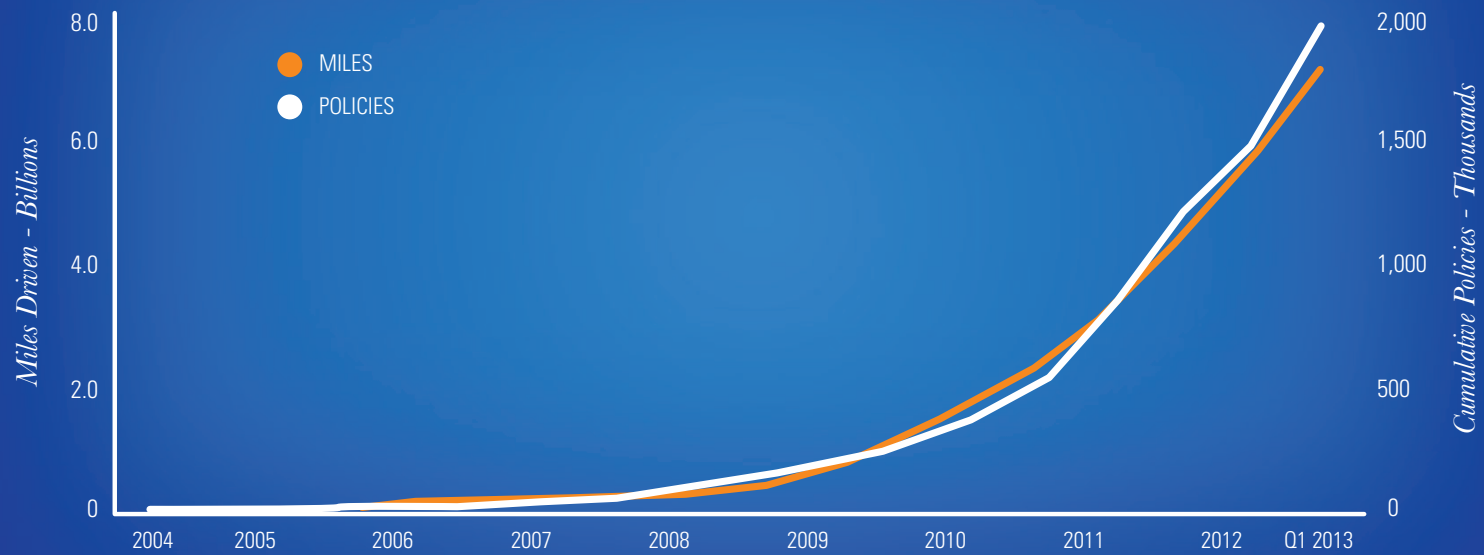


SNAPSHOT: ULTIMATE PRICING SOPHISTICATION

PREDICTIVE POWER RANKING FOR MAJOR RATING VARIABLES

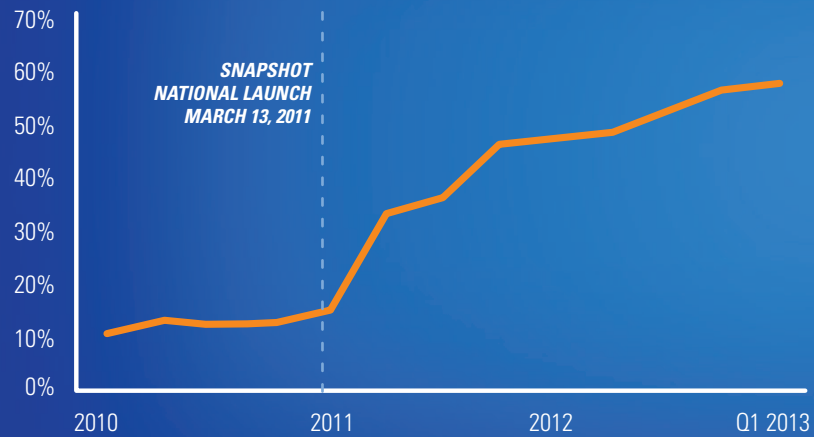


SNAPSHOT: CONTINUING EVOLUTION AS WE COLLECT MORE DATA...

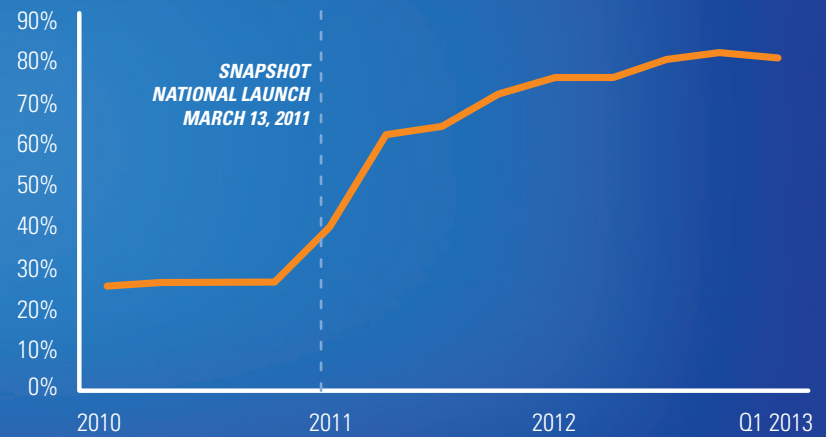


CONSUMERS RECOGNIZE PROGRESSIVE AS THE LEADER

SNAPSHOT AWARENESS

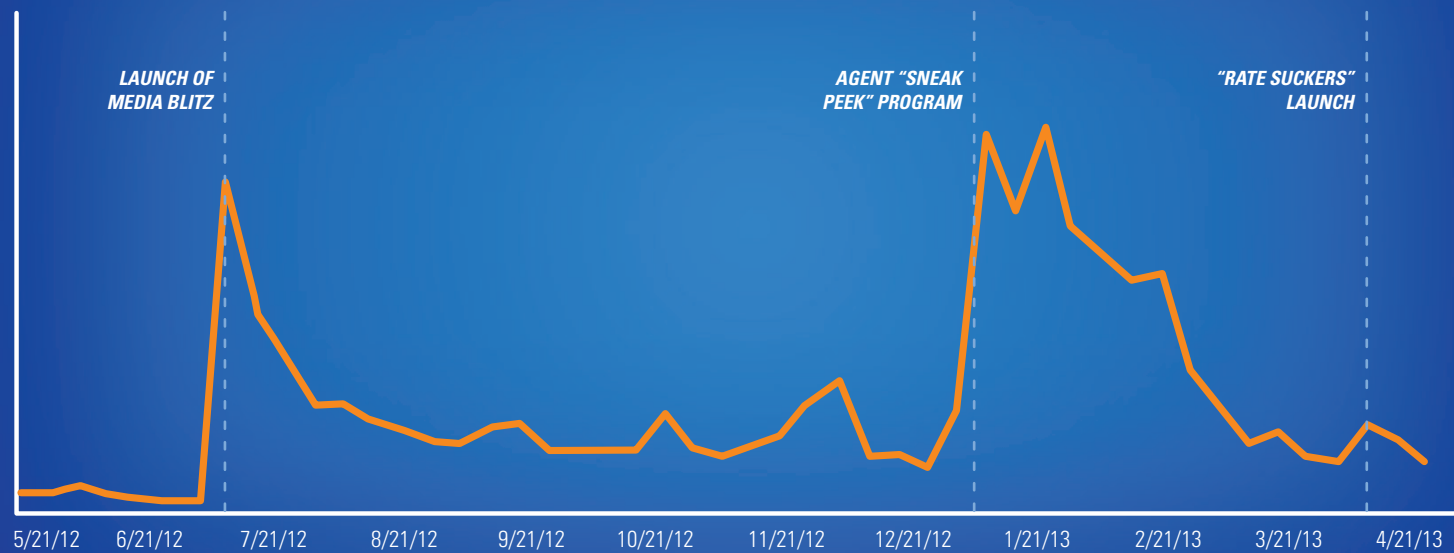


SNAPSHOT ATTRIBUTION TO PROGRESSIVE

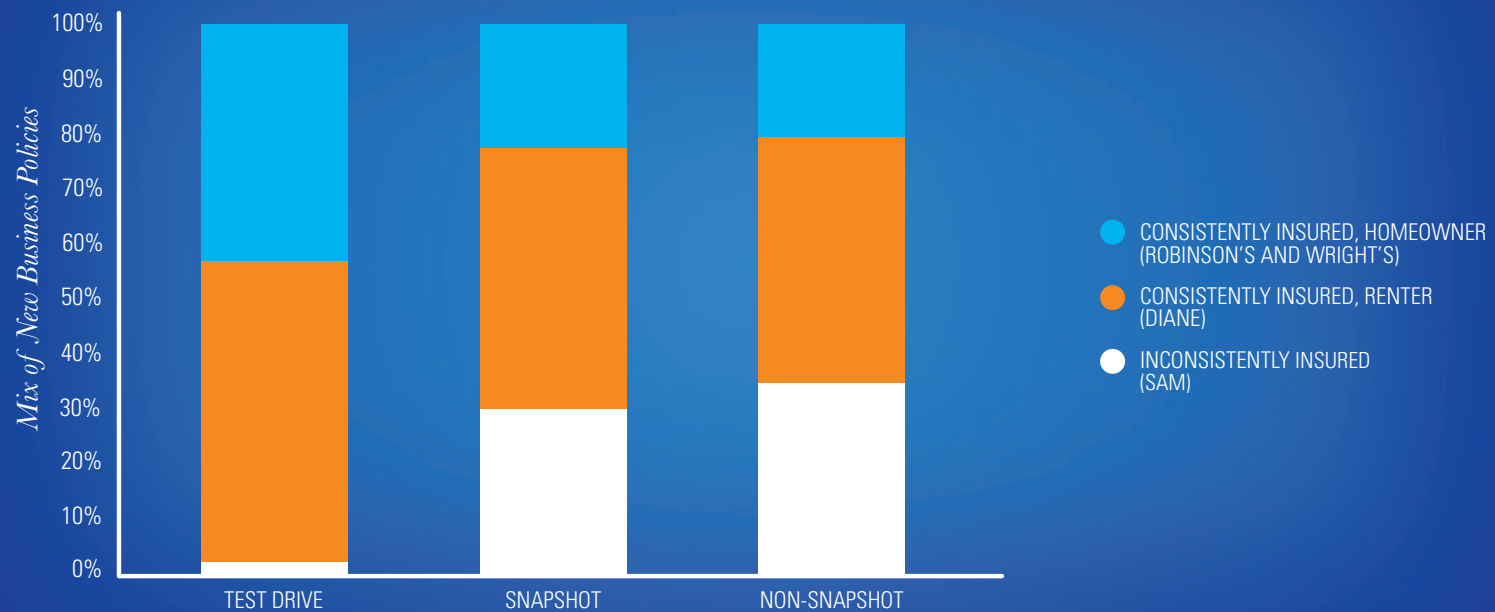


SNAPSHOT “TRY BEFORE YOU BUY” UPDATE

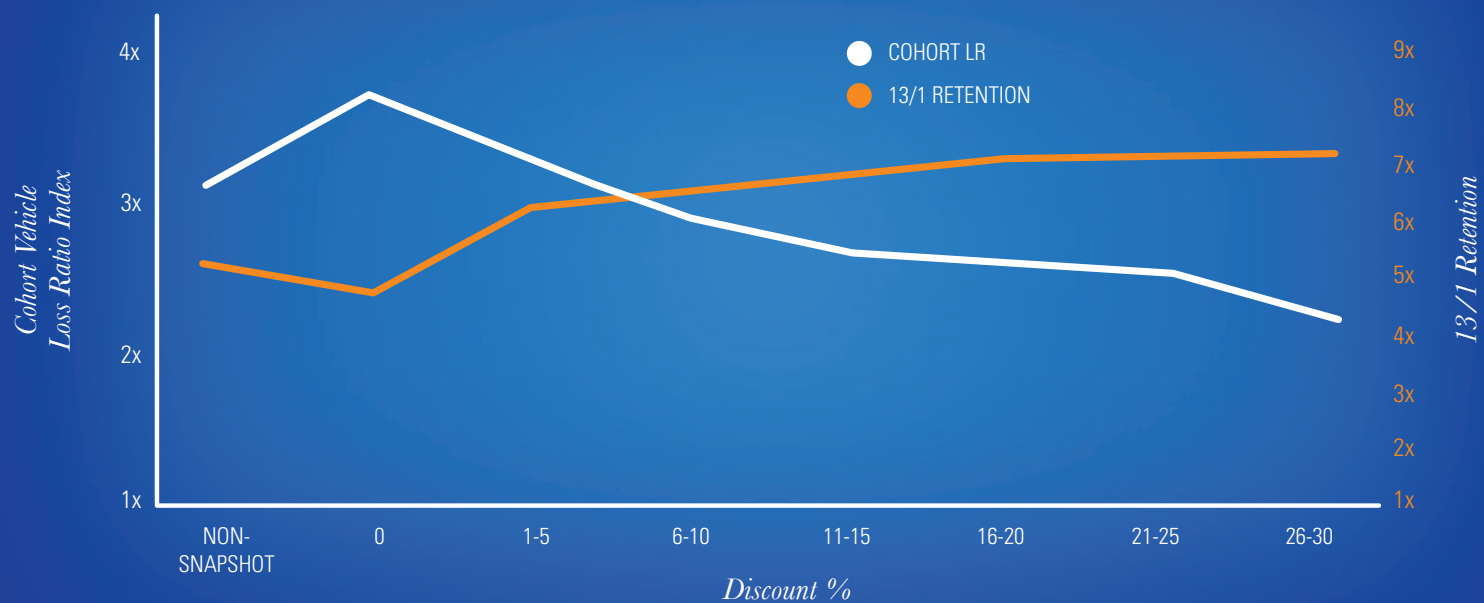
TEST DRIVE ENROLLEES PER WEEK



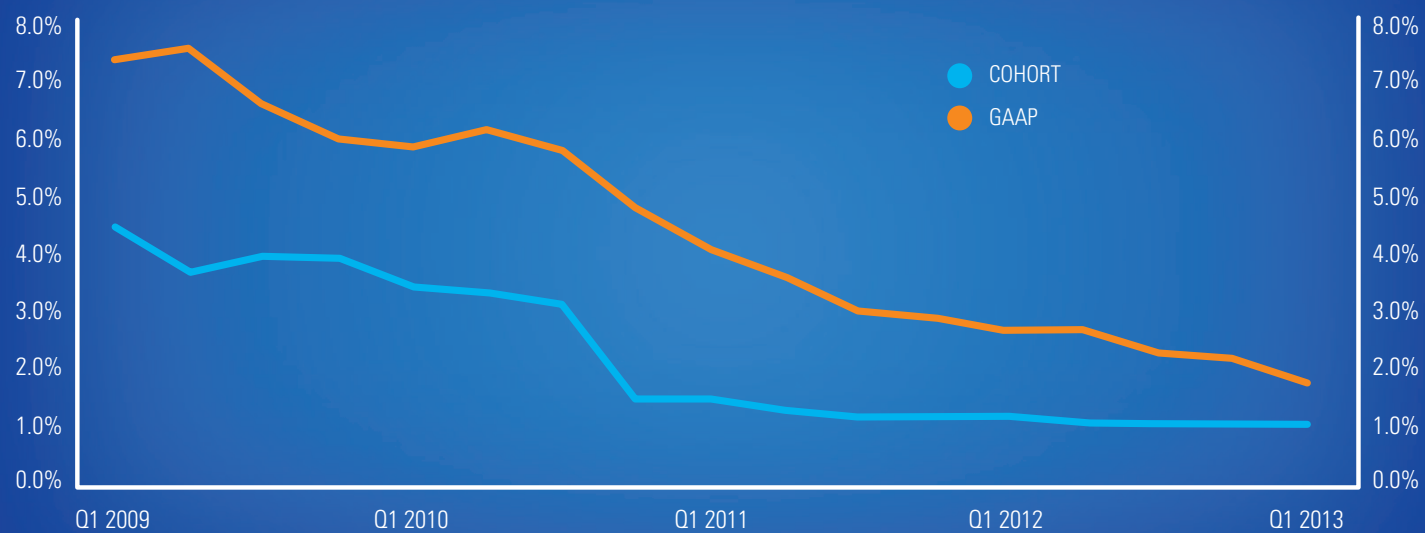
SNAPSHOT “TRY BEFORE YOU BUY” UPDATE



ADJUSTED LOSS RATIO BY UBI GROUP



SNAPSHOT TECH EXPENSE RATIO



THE PROGRESSIVE CORPORATION
2013 INVESTOR RELATIONS MEETING

biographies

Biographies





Glenn Renwick

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Glenn is President and Chief Executive Officer of Progressive. Prior to being named CEO in January 2001, Glenn served as Chief Executive Officer—Insurance Operations. In this role, Glenn led the company's product and claims development and delivery, customer service function, and insurance sales efforts (through independent agencies, the Internet, and Direct over the phone).

Glenn served as Business Technology Leader from 1998 through 2000. Prior to serving as Business Technology Leader, Glenn led the company's Consumer Marketing group in developing and communicating Progressive's consumer proposition—competitively priced auto insurance that comes with 24/7 in-person services from a company that listens and responds to consumer needs.

Glenn joined the company in 1986 as Auto Product Manager for Florida. In 1988, he became President of several Mid-Atlantic states, headquartered in Richmond, Va. Prior to assuming the Consumer Marketing role, he served as President of the California division in Sacramento, Calif.

Glenn has an undergraduate degree in mathematics and economics from the University of Canterbury, Christchurch, New Zealand. He has a master's degree in engineering from the University of Florida, Gainesville.



Brian Domeck

CHIEF FINANCIAL OFFICER

Brian joined Progressive in 1987 as Controller for Central States Division (an Agency business unit). He went on to serve in numerous other roles, including general management, product management, and business controllerships. Prior to becoming CFO in March 2007, Brian served as Demand Manager, overseeing all media buying for Progressive Direct.

Brian holds a bachelor's degree from Duke University and an MBA from the Kellogg School at Northwestern University.



John Curtiss

AUTO PRODUCT DEVELOPMENT LEADER

John leads the team responsible for ensuring industry leading segmentation in our auto insurance product.

John joined Progressive in 2003 as an Auto Product Manager and has managed our Personal Auto business in six states. Subsequently, John worked in a variety of roles, including Agency Distribution Manager, Personal Lines Controller, and Business Leader of Marketing Strategy. Prior to joining Progressive, John worked at Capital One Financial Services, JPMorgan Chase, and Salomon Brothers (now part of CitiGroup).

John has a bachelor's degree in Finance from the College of William & Mary and an MBA from Harvard Business School.





John Sauerland

GROUP PRESIDENT, PERSONAL LINES

John joined Progressive in 1990 as a summer intern before starting full time in 1991 as an Assistant Product Manager in Cleveland, Ohio. Since then he has served as Product Manager for, at various times, Iowa, Kansas, South Dakota, and Pennsylvania. He has also served as General Manager for Mississippi and later as General Manager for Minnesota and Wisconsin. John was the Midwest Claims General Manager responsible for the delivery of 24/7 Progressive Claims Service in Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. In 2006 he was named President of our Direct business, and following the 2007 reorganization was named President of Personal Lines.

John has a bachelor's degree in applied mathematics from UCLA and an MBA from the University of Chicago.



Dan Witalec

PERSONAL LINES CONTROLLER

Dan Witalec is the Controller for Progressive's Personal Lines business, a role he has held since late 2012.

Dan joined Progressive in 2004, and held a series of Product Manager positions, managing P&L responsibility for auto insurance in states including Ohio, Wisconsin, Alabama, North Dakota, and South Dakota. In late 2009 he took on the role of Media Business Leader, overseeing Progressive's media budget and advertising placements.

Prior to Progressive, Dan worked as a consultant for the Monitor Group, in Cambridge, Mass. His work focused on marketing strategy in a wide range of industries.

Dan has a bachelor's degree in economics with a minor in mathematics from the Massachusetts Institute of Technology and an MBA from the Harvard Business school.



Tricia Griffith
GROUP PRESIDENT, CLAIMS

Tricia was named Progressive's Claims Group President in March 2008.

Tricia joined Progressive as a Claims Representative in 1988. She has held a variety of managerial positions in Progressive's Claims organization, including Unit Supervisor, Branch Manager, and Auditor. She served as Regional Claims Manager in the Pittsburgh area from 1996 to 1998 and became Head of Claims and Regional Sales Manager for western Pennsylvania in 1999. She later served as a Claims Consultant, collaborating with claims managers countrywide to improve the claims review process. She also was the Process Manager responsible for Subrogation, the National Glass Unit, and the 24-Hour Claims Loss Reporting Unit. Before her current position, Tricia served as Chief Human Resources Officer for six years.

Tricia has a bachelor's degree from Illinois State University.



Jonathan Beamer
BUSINESS LEADER, MARKETING STRATEGY

Jonathan joined Progressive in 2011 to lead marketing brand strategy and execution of that strategy across digital channels. Prior to his work at Progressive, Jonathan was an SVP of Strategy and Analysis at Digitas, an integrated brand advertising agency with digital at its core, and part of the Publicis network of agencies. Jonathan worked with many clients on the marketing big picture—identifying where firms should spend their marketing dollars and assessing the types of programs that generate positive marketing ROI. During his tenure at Digitas, Jonathan worked to improve marketing investment at Aflac, Goodyear, P&G, General Motors, and AT&T.

Jonathan holds a bachelor's degree and a master's degree in mechanical engineering from Stanford University, with a focus on embedded microcontrollers in mechanical systems. He earned his MBA, with Distinction, from Tuck School of Business at Dartmouth in 2002.



Jeff Charney
CHIEF MARKETING OFFICER

Jeff joined Progressive in 2010 from insurance company Aflac, where he was Senior Vice President and Chief Marketing Officer. He previously held CMO posts at multimedia retailer QVC and Homestore.com (now Move.com) and was President of Fringe Ventures, an experiential digital/marketing and consulting company he founded.

Jeff holds a bachelor's degree in journalism with a focus on advertising and public relations from the University of South Carolina and a master's degree in journalism from The Ohio State University.



Andrew Quigg
BUSINESS LEADER FOR DIRECT MEDIA

Andrew is the Business Leader for Direct Media, leading the team responsible for our media buying.

Andrew joined Progressive in 2007 as an Agency Auto Product Manager and has managed our Personal Auto business in five states for both the Agency and Direct channels. Andrew most recently managed Massachusetts for more than three years, bringing the state to profitability after Progressive's market entry. Prior to joining Progressive, Andrew worked at Merrill Lynch Investment Banking, General Mills, and McKinsey.

Andrew has a bachelor's degree in applied mathematics and economics from Yale University and an MBA from Harvard Business School.