

Applicability

This Policy Statement on Political Contributions (the “Policy”) governs corporate political contributions, other campaign expenditures, payments to trade groups and lobbying expenditures by The Progressive Corporation and its affiliated and subsidiary companies (“Progressive” or the “Company”).

Political Activities of Employees

While Progressive employees may participate as individual citizens in the political process, decisions to do so are entirely personal and voluntary. Employees engaging in political campaign activities are expected to do so as private citizens, and must at all times make clear that their views and actions are their own, and not those of Progressive. Employees must not use their title or position with Progressive to solicit, coerce or pressure others to make contributions to any political candidate, party, advocacy group or political entity, or to support or oppose any political candidate or election. For example, Progressive employees should not use Progressive letterhead, e-mail or any other item that references their title or position for any personal political activities.

Corporate Political Contributions, Trade Groups, and Lobbying

Philosophy

Public policy issues have the potential to impact Progressive’s business, its employees, business partners, shareholders, and the communities in which Progressive operates. Most obviously, Progressive Casualty Insurance Company and its affiliated and subsidiary companies are regulated by every state in which they are licensed or transact business. Within a state, the judicial climate and the policies and laws enacted by the government have a significant effect on Progressive’s ability to write insurance profitably. Progressive’s Board of Directors believes that in certain cases it is appropriate and in the shareholders’ best interests to use Progressive’s resources to (1) contribute or pay membership fees to trade and industry associations and coalitions that are engaged in political activity, especially national and state insurance industry trade associations, (2) make political contributions to political parties, candidates for public office, or political organizations on the federal, state or local level and (3) incur lobbying expenses related to legislation or ballot initiatives or referenda that impact the Company’s business.

The Board of Directors has adopted this Policy to ensure that political contributions, payments to trade groups and lobbying expenses are made in a manner consistent with Progressive’s Core Values and to protect or enhance shareholder value, without regard to the private political preferences of Progressive officers. The use of any Progressive funds, regardless of the source, for political contributions, payments to trade groups and lobbying expenses, must follow this Policy, including any applicable provisions for approvals.

Federal Elections and Independent Expenditures and Electioneering Communications

As a general rule, Progressive funds should not be used for contributions related to a U.S. federal election (whether to a candidate, political party, or political action committee) because it may be against the law. In some cases, however, Progressive funds may be used to support some federal political activity, but such contributions and expenditures must be approved in advance as described in the next paragraph.

In 2012, the United States Supreme Court ruled in *Citizens United v. Federal Election Commission* that U.S. corporations may not be prohibited generally from using their funds to pay for certain independently made partisan political advertisements and other political communications referred to as “independent expenditures” and “electioneering communications.” Notwithstanding the Supreme Court’s decision, Progressive has determined that it generally will not make direct independent expenditures or pay for any electioneering communication in federal campaigns, as those terms are defined by applicable law, and specifically, that no such expenditures or payments will be made without the express approval of the Chief Executive Officer.

Guidelines; Approval Requirement

Any political contribution made by Progressive, regardless of the source of the funds, must support a political candidate, political party, or ballot initiative that is in the long-term business interests of Progressive. Membership fees or contributions to a trade group and lobbying expenses must support objectives that are beneficial to the long-term business interests of Progressive. All political contributions must also comply with this Policy, the Foreign Corrupt Practices Act, and all other applicable laws and regulations in the jurisdictions in which the contributions are made.

All political contributions must also be approved in advance by the Law Department.

Board Oversight

Management will report annually to the Nominating and Governance Committee of the Board of Directors of The Progressive Corporation regarding compliance with this Policy, and will provide a review of the overall strategic priorities for political contributions and trade group affiliations.



The Progressive Corporation Policy Statement on Political Contributions, Trade Groups, and Lobbying

Disclosure

This Policy will be published on The Progressive Corporation's website. The Company shall at all times comply with all applicable laws and regulations relating to the reporting requirements of corporate political contributions. In addition, on an annual basis, the Company will publish on its website a breakdown, by percentage, of the political contributions, trade group payments and lobbying expenses made by the Company during the preceding fiscal year, including a breakdown between expenses that are deductible and non-deductible for federal income tax purposes. Prior to disclosure of the report on the website, the report will be presented to the Nominating and Governance Committee for review.

Amendments to the Policy

Amendments to this Policy must be approved by the Board of Directors.

Approved: December 2012

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