

The Progressive Corporation
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PROGRESSIVE REPORTS APRIL RESULTS

MAYFIELD VILLAGE, OHIO -- May 16, 2012 -- The Progressive Corporation today reported the following results for April 2012:

(millions, except per share amounts and ratios; unaudited)	April 2012	April 2011	Change
Net premiums written	\$ 1,672.0	\$ 1,540.4	9 %
Net premiums earned	\$ 1,528.2	\$ 1,433.3	7 %
Net income	\$ 61.2	\$ 118.0	(48)%
Per share	\$.10	\$.18	(45)%
Total pretax net realized gains (losses) on securities (including net impairment losses)	\$ (7.9)	\$ 24.6	NM
Combined ratio	95.1	91.4	3.7 pts.
Average diluted equivalent shares	609.6	652.1	(7)%
NM = Not Meaningful			

(thousands; unaudited)	April 2012	April 2011	Change
<u>Policies in Force:</u>			
Agency – auto	4,853.1	4,599.3	6 %
Direct – auto	4,018.2	3,751.7	7 %
Total personal auto	8,871.3	8,351.0	6 %
Total special lines	3,899.3	3,701.1	5 %
Total Personal Lines	12,770.6	12,052.1	6 %
Total Commercial Auto	520.0	508.6	2 %

Progressive offers insurance to personal and commercial auto drivers throughout the United States. Our Personal Lines business writes insurance for personal autos and recreational vehicles. Our Commercial Auto business writes primary liability, physical damage, and other auto-related insurance for autos and trucks owned by small businesses.

See the “Comprehensive Income Statements” and “Supplemental Information” for further month and year-to-date information and the “Monthly Commentary” at the end of this release for additional discussion.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
COMPREHENSIVE INCOME STATEMENT

April 2012

(millions)

(unaudited)

	Current Month	Comments on Monthly Results¹
Net premiums written	\$ 1,672.0	
Revenues:		
Net premiums earned	\$ 1,528.2	
Investment income	35.9	
Net realized gains (losses) on securities:		
Other-than-temporary impairment (OTTI) losses:		
Total OTTI losses	0	
Non-credit losses, net of credit losses recognized on previously recorded non-credit OTTI losses	0	
Net impairment losses recognized in earnings	0	
Net realized gains (losses) on securities	(7.9)	
Total net realized gains (losses) on securities	(7.9)	
Service revenues	3.8	
Gains (losses) on extinguishment of debt	(1.0)	Reflects the repurchase of \$17.8 million of our 6.70% Fixed-to-Floating Rate Junior Subordinated Debentures due 2067.
Total revenues	1,559.0	
Expenses:		
Losses and loss adjustment expenses	1,125.2	
Policy acquisition costs	140.7	
Other underwriting expenses	186.7	
Investment expenses	1.5	
Service expenses	3.5	
Interest expense	10.3	
Total expenses	1,467.9	
Income before income taxes	91.1	
Provision for income taxes	29.9	
Net income	61.2	
Other comprehensive income, net of tax:		
Net unrealized gains (losses) on securities:		
Net non-credit related OTTI losses, adjusted for valuation changes	(.6)	
Other net unrealized gains (losses) on securities	17.9	
Total net unrealized gains (losses) on securities	17.3	
Net unrealized gains on forecasted transactions	(.3)	
Foreign currency translation adjustment	(.2)	
Other comprehensive income	16.8	
Total comprehensive income	\$ 78.0	

¹See the Monthly Commentary at the end of this release for additional discussion. For a description of our reporting and accounting policies, see Note 1 to our 2011 audited consolidated financial statements included in our 2011 Shareholders' Report, which can be found at www.progressive.com/annualreport.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
COMPREHENSIVE INCOME STATEMENTS

April 2012 Year-to-Date

(millions)

(unaudited)

	Year-to-Date		% Change
	2012	2011	
Net premiums written	\$ 5,834.5	\$ 5,440.4	7
Revenues:			
Net premiums earned	\$ 5,389.7	\$ 5,098.6	6
Investment income	150.6	164.1	(8)
Net realized gains (losses) on securities:			
Other-than-temporary impairment (OTTI) losses:			
Total OTTI losses	(.5)	(1.4)	(64)
Non-credit losses, net of credit losses recognized on previously recorded non-credit OTTI losses ¹	(.4)	0	NM
Net impairment losses recognized in earnings	(.9)	(1.4)	(36)
Net realized gains (losses) on securities	70.5	125.7	(44)
Total net realized gains (losses) on securities	69.6	124.3	(44)
Service revenues	12.0	7.3	64
Gains (losses) on extinguishment of debt	(1.7)	0	NM
Total revenues	5,620.2	5,394.3	4
Expenses:			
Losses and loss adjustment expenses	3,887.6	3,509.2	11
Policy acquisition costs	500.3	480.6	4
Other underwriting expenses	697.5	629.7	11
Investment expenses	5.7	4.6	24
Service expenses	11.7	5.7	105
Interest expense	42.2	42.0	0
Total expenses	5,145.0	4,671.8	10
Income before income taxes	475.2	722.5	(34)
Provision for income taxes	156.4	241.6	(35)
Net income	318.8	480.9	(34)
Other comprehensive income, net of tax:			
Net unrealized gains (losses) on securities:			
Net non-credit related OTTI losses, adjusted for valuation changes	2.4	(1.3)	NM
Other net unrealized gains (losses) on securities	217.3	112.0	94
Total net unrealized gains (losses) on securities	219.7	110.7	98
Net unrealized gains on forecasted transactions	(.9)	(1.1)	(18)
Foreign currency translation adjustment	.3	.5	(40)
Other comprehensive income	219.1	110.1	99
Total comprehensive income	\$ 537.9	\$ 591.0	(9)

NM = Not Meaningful

¹A negative amount for the period reflects credit losses reclassified from other comprehensive income that exceeded the amount of non-credit OTTI losses recognized in other comprehensive income during the period.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
COMPUTATION OF NET INCOME AND COMPREHENSIVE INCOME PER SHARE
&
INVESTMENT RESULTS
April 2012
(millions – except per share amounts)
(unaudited)

The following table sets forth the computation of net income per share and comprehensive income per share:

	Current Month	Year-to-Date	
		2012	2011
Net income	\$ 61.2	\$ 318.8	\$ 480.9
Per share:			
Basic	\$.10	\$.53	\$.74
Diluted	\$.10	\$.52	\$.73
Comprehensive income	\$ 78.0	\$ 537.9	\$ 591.0
Per share:			
Diluted	\$.13	\$.88	\$.90
Average shares outstanding - Basic	605.7	606.1	650.8
Net effect of dilutive stock-based compensation	3.9	3.8	4.0
Total equivalent shares - Diluted	609.6	609.9	654.8

The following table sets forth the investment results for the period:

	Current Month	Year-to-Date	
		2012	2011
Fully taxable equivalent total return:			
Fixed-income securities	.5 %	2.5 %	2.3 %
Common stocks	(.4)%	12.0 %	9.7 %
Total portfolio	.4 %	3.7 %	3.0 %
Pretax annualized investment income book yield	2.9 %	3.1 %	3.4 %

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION

April 2012
(\$ in millions)
(unaudited)

Current Month						
	Personal Lines Business			Commercial	Other	Companywide
	Agency	Direct	Total	Auto Business	Businesses ¹	Total
Net Premiums Written	\$ 843.3	\$ 631.3	\$ 1,474.6	\$ 197.4	\$ 0	\$ 1,672.0
% Growth in NPW	7 %	8 %	7 %	20 %	NM	9 %
Net Premiums Earned	\$ 775.0	\$ 598.8	\$ 1,373.8	\$ 154.2	\$ 0.2	\$ 1,528.2
% Growth in NPE	5 %	7 %	6 %	12 %	NM	7 %
GAAP Ratios						
Loss/LAE ratio	74.1	74.6	74.3	67.4	NM	73.7
Expense ratio	20.3	22.9	21.5	21.3	NM	21.4
Combined ratio	94.4	97.5	95.8	88.7	NM	95.1
Actuarial Adjustments²						
Reserve Decrease/(Increase)						
Prior accident years						\$ 7.5
Current accident year						5.0
Calendar year actuarial adjustment	\$ 3.2	\$ 4.5	\$ 7.7	\$ 4.8	\$ 0	\$ 12.5
Prior Accident Years Development						
Favorable/(Unfavorable)						
Actuarial adjustment						\$ 7.5
All other development						(26.9)
Total development						\$ (19.4)
Calendar year loss/LAE ratio						73.7
Accident year loss/LAE ratio						72.4
Statutory Ratios						
Loss/LAE ratio						73.7
Expense ratio						20.6
Combined ratio						94.3

¹ The other businesses generated an underwriting loss of \$0.2 million for the month. Combined ratios and % growth are not meaningful (NM) due to the low level of premiums earned by, and the variability of loss costs in, such businesses.

² Represents adjustments solely based on our corporate actuarial reviews.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION

April 2012 Year-to-Date

(\$ in millions)

(unaudited)

Year-to-Date						
	Personal Lines Business			Commercial	Other	Companywide
	Agency	Direct	Total	Auto Business	Businesses ¹	Total
Net Premiums Written	\$ 2,919.8	\$ 2,287.8	\$ 5,207.6	\$ 626.9	\$ 0	\$ 5,834.5
% Growth in NPW	6 %	7 %	6 %	15 %	NM	7 %
Net Premiums Earned	\$ 2,735.6	\$ 2,112.0	\$ 4,847.6	\$ 541.5	\$ 0.6	\$ 5,389.7
% Growth in NPE	4 %	7 %	5 %	10 %	NM	6 %
GAAP Ratios						
Loss/LAE ratio	72.5	72.5	72.5	68.6	NM	72.2
Expense ratio	20.8	23.9	22.2	22.7	NM	22.2
Combined ratio	93.3	96.4	94.7	91.3	NM	94.4
Actuarial Adjustments²						
Reserve Decrease/(Increase)						
Prior accident years						\$ 34.5
Current accident year						12.1
Calendar year actuarial adjustment	\$ 17.0	\$ 16.4	\$ 33.4	\$ 13.2	\$ 0	\$ 46.6
Prior Accident Years Development						
Favorable/(Unfavorable)						
Actuarial adjustment						\$ 34.5
All other development						(98.2)
Total development						\$ (63.7)
Calendar year loss/LAE ratio						72.2
Accident year loss/LAE ratio						71.0
Statutory Ratios						
Loss/LAE ratio						72.2
Expense ratio						21.1
Combined ratio						93.3
Statutory Surplus						
						\$ 5,767.5
NM = Not Meaningful						

¹ Year to date, the other businesses generated an underwriting loss of \$1.4 million.

² Represents adjustments solely based on our corporate actuarial reviews.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
BALANCE SHEET AND OTHER INFORMATION

(millions – except per share amounts)
(unaudited)

**April
2012**

CONDENSED GAAP BALANCE SHEET:	
Investments – Available-for-sale, at fair value:	
Fixed maturities ¹ (amortized cost: \$11,568.2)	\$ 11,937.7
Equity securities:	
Nonredeemable preferred stocks ¹ (cost: \$432.1)	828.5
Common equities (cost: \$1,468.7)	2,095.4
Short-term investments (amortized cost: \$1,564.2)	1,564.2
Total investments ^{2, 3}	16,425.8
Net premiums receivable	3,248.5
Deferred acquisition costs	453.0
Other assets ^{3, 4}	2,404.8
Total assets	\$ 22,532.1
Unearned premiums	\$ 5,026.0
Loss and loss adjustment expense reserves ⁴	7,434.6
Other liabilities	1,708.1
Debt	2,062.5
Shareholders' equity	6,300.9
Total liabilities and shareholders' equity	\$ 22,532.1

Common shares outstanding	609.7
Shares repurchased – April	1.6
Average cost per share	\$ 21.32
Book value per share	\$ 10.33
Trailing 12-month return on average shareholders' equity	
Net income	13.9 %
Comprehensive income	14.2 %
Net unrealized pretax gains (losses) on investments	\$ 1,388.5
Increase (decrease) from March 2012	\$ 26.6
Increase (decrease) from December 2011	\$ 338.0
Debt-to-total capital ratio	24.7 %
Fixed-income portfolio duration	1.9 years
Weighted average credit quality	AA-
Year-to-date Gainshare factor	1.37

¹ As of April 30, 2012, we held certain hybrid securities and recognized a change in fair value of \$4.1 million as a realized gain during the period we held these securities.

² Includes \$4.6 billion of short-term investments and U.S. Treasury securities.

³ Total investments exclude \$76.4 million of net unsettled security transactions, which are included in “other assets” as of April 30, 2012.

⁴ Loss and loss adjustment expense reserves are stated gross of reinsurance recoverables on unpaid losses of \$799.1 million, which are included in “other assets.”

Monthly Commentary

- During April, the Company incurred catastrophe losses of about \$46 million, or 3.0 combined ratio points, compared to \$55 million, or 3.8 points, last year. Texas accounted for nearly half of this month's catastrophe losses, with Missouri accounting for about 20%; Illinois and Kentucky each contributed about 10% of April's losses.

Events

We are currently scheduled to release May results on Wednesday, June 13, 2012, before the market opens.

Our 2012 Annual Investor Relations Meeting is scheduled to be held on Thursday, June 14, 2012 at 9:00 a.m. eastern time. To register for the webcast and view upcoming events, visit the "Calendar of Events" page on our website at

<http://investors.progressive.com/phoenix.zhtml?c=81824&p=irol-calendar>.

About Progressive

The Progressive Group of Insurance Companies makes it easy to understand, buy, and use auto insurance. Progressive offers choices so consumers can reach us whenever, wherever, and however it's most convenient for them—online at <http://www.progressive.com>, by phone at 1-800-PROGRESSIVE, or in-person with a local agent.

Progressive offers insurance for personal and commercial autos and trucks, motorcycles, boats, recreational vehicles, and homes.

We're the fourth largest auto insurer in the country, the largest seller of motorcycle insurance, and a leader in commercial auto insurance. Progressive also offers car insurance online in Australia at <http://www.progressiveonline.com.au>.

Founded in 1937, Progressive continues its long history of offering shopping tools and services that save customers time and money, like Name Your Price[®], the Snapshot Discount[®], and a concierge level of claims service.

The Common Shares of The Progressive Corporation, the Mayfield Village, Ohio-based holding company, trade publicly at NYSE:PGR.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Statements in this release 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.