

The attached endorsement is being filed for immediate inclusion with all personal automobile auto policies for all Progressive companies offering those policies on a new or renewal basis.

The purpose of this endorsement is to authorize and facilitate discretionary credits and payments to policyholders in response to the COVID-19 pandemic. COVID-19 has imposed major changes on American society. Shelter in place orders have imposed significant changes in the insured experience of our customers, not to mention economic hardships for many.

There has been a decline in driving and claim frequency following the issuance of these emergency orders. In these extraordinary times, we do not believe that the 'earned car year' is an appropriate exposure base to reflect the insured experience of our customers nor to reflect the risks that Progressive assumes in issuance of these policies.

Progressive believes strongly in matching rate to risk. That's why we believe that a retrospective credit to our customers is the right thing to do right now. Additionally, given that we do not know the specific impact that this pandemic has had on each of our customers, we feel that a consistent credit relative to premium is the best approach.

APRON RELIEF PROGRAM ENDORSEMENT

Progressive personal automobile customers who had an active personal automobile policy at the end of April will receive a credit for 20% of their April premium. We'll offer the same 20% credit to active personal automobile customers at the end of May, and we may offer additional credits in the upcoming months. There will be a minimum credit of \$10 per policy per month.

The full impact of the COVID-19 remains uncertain and this credit represents our best estimate of all associated effects, primarily from reduced claim frequency but also encompassing things such as expanded coverage, cancellation/non-renewal moratoriums, waiving of certain fees and a pause in collections of monies due. In addition to monitoring these changes, we are monitoring the impact on all aspects of our operations. This credit/payment is a way to get money back to consumers quickly before the full impact of the pandemic is sorted out.

We are trying to respond quickly and decisively to get money to customers when they need it most – now. Although much uncertainty remains over the full impact of the pandemic on all our costs, we are filing the endorsement to remain in effect for 180 days to provide flexibility for future payments, if appropriate. The credits are being treated as an underwriting expense, so the company's rating plan is not impacted and does not require modification as a result of this filing. Furthermore, this credit does not involve a projection of future premium.

Because this filing is being made in response to the Covid-19 pandemic and is intended to provide policyholders with relief, we ask for your prompt attention and approval. Thank you for your assistance with this filing.

Additional FAQs

Why did Progressive decide to implement this credit?

These are unprecedented times and we're continually looking for ways to help our employees, customers, agents and communities in meaningful ways. We're sensitive to how COVID-19 has altered the lives of many throughout the country and doing the right thing is vitally important to us. We are issuing credits to customers as a result of fewer claims that come with less frequent driving. We'll continue to monitor how this unprecedented situation plays out and do what we can to help based on the current data available to us.

How much money will customers receive?

As insurance varies by state and each customer receives a personalized premium, the amount will vary considerably based upon individual policy premiums. On average, auto customers will be seeing a credit of approximately \$64 if they were insured over the entire two-month period. There will be a minimum credit of \$10 per month for all personal auto customers. These amounts are subject to regulatory approval in all applicable states.

Who is eligible for the credit?

Right now, we will be calculating the credits at the end of April and May. Any customer who has an active personal auto policy at the end of April will be eligible for a credit of their April premiums and any customer who has an active personal auto policy at the end of May will be eligible for a credit of their May premiums. New customers to Progressive will receive the credit for the period of time they are insured with us in April and May.

How long will the credits be available?

At this point, we've committed to 20% of an eligible customer's monthly premium for April and May. We will continue to assess what we can observe from customer behavior and will evaluate additional actions in future months as warranted.

How will customers receive the credits?

Customers will not need to take any action to receive the benefits. We'll automatically calculate a customer's credit at the end of each month, and then it will be reflected in their account within a few weeks (most much sooner). If a customer pays via direct bill or automatic payments, the credit will be reflected in their payment schedule. If a customer is a paid in full customer, a refund will be applied to their payment type on file.

How will customers be notified?

A communication plan to notify all impacted customers is being developed. We have already included information on our website and issued a press release. Additional communications will likely include e-mail and/or mail customer notifications.