Investor Relations

PROGRESSIVE

2021 Q2

Commercial Lines Update

Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995:

Investors are cautioned that certain statements in this presentation not based upon historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements often use words such as “estimate,” “expect,” “intend,” “plan,” “believe,” and other words and terms of similar meaning, or are tied to future periods, in connection with a discussion of future operating or financial performance. Forward-looking statements are based on current expectations and projections about future events, and are subject to certain risks, assumptions 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:

- our ability to underwrite and price risks accurately and to charge adequate rates to policyholders;
- our ability to establish accurate loss reserves;
- the impact of severe weather, other catastrophe events and climate change;
- the effectiveness of our reinsurance programs;
- the highly competitive nature of property-casualty insurance markets;
- whether we innovate effectively and respond to our competitors’ initiatives;
- whether we effectively manage complexity as we develop and deliver products and customer experiences;
- how intellectual property rights could affect our competitiveness and our business operations;
- whether we adjust claims accurately;
- our ability to maintain a recognized and trusted brand;
- our ability to attract, develop and retain talent and maintain appropriate staffing levels;
- compliance with complex laws and regulations;
- litigation challenging our business practices, and those of our competitors and other companies;
- the impacts of a security breach or other attack involving our computer systems or the systems of one or more of our vendors;
- the secure and uninterrupted operation of the facilities, systems, and business functions that are critical to our business;
- the success of our efforts to develop new products or enter into new areas of business and navigate related risks;
- our continued ability to send and accept electronic payments;
- the possible impairment of our goodwill or intangible assets;
- the performance of our fixed-income and equity investment portfolios;
- the potential elimination of, or change in, the London Interbank Offered Rate;
- our continued ability to access our cash accounts and/or convert securities into cash on favorable terms;
- the impact if one or more parties with which we enter into significant contracts or transact business fail to perform;
- legal restrictions on our insurance subsidiaries’ ability to pay dividends to The Progressive Corporation;
- limitations on our ability to pay dividends on our common shares under the terms of our outstanding preferred shares;
- our ability to obtain capital when necessary to support our business and potential growth;
- evaluations by credit rating and other rating agencies;
- the variable nature of our common share dividend policy;
- whether our investments in certain tax-advantaged projects generate the anticipated returns;
- the impact from not managing to short-term earnings expectations in light of our goal to maximize the long-term value of the enterprise;
- impacts from the outbreak of the novel coronavirus, or COVID-19, and the restrictions put in place to help slow and/or stop the spread of the virus; 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, including, without limitation, the Risk Factors section of our Annual Report on Form 10-K for the year ending Dec. 31, 2020.

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 we establish reserves 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.

Information Relevant to this Presentation

Regulation FD Disclosure Outlets

Progressive disseminates information to the public about Progressive, its products, services and other matters through various outlets in order to achieve broad, non-exclusionary distribution of information to the public. These outlets include its website (progressive.com) and its investor relations website (investors.progressive.com). We encourage investors and others to review the information Progressive makes public through these outlets, as such information distributed through these outlets may be considered to be material information.

Additional Information

Information in this presentation, and related comments by management during the earnings call, should be reviewed together. Additional information can also be found in Progressive's annual report on Form 10-K for the year ending December 31, 2020 filed with the Securities and Exchange Commission. All information, statements, and projections in this presentation and the related earnings call speak only as of the date of this presentation and related earnings call. Progressive assumes no obligation to update any forward-looking or other information included in this presentation or related earnings calls, whether as a result of new information,future developments or events or otherwise.

Tricia Griffith

President & CEO

INVESTOR RELATIONS Q2

Progressive's four cornerstones

Core Values

Who we are

Purpose

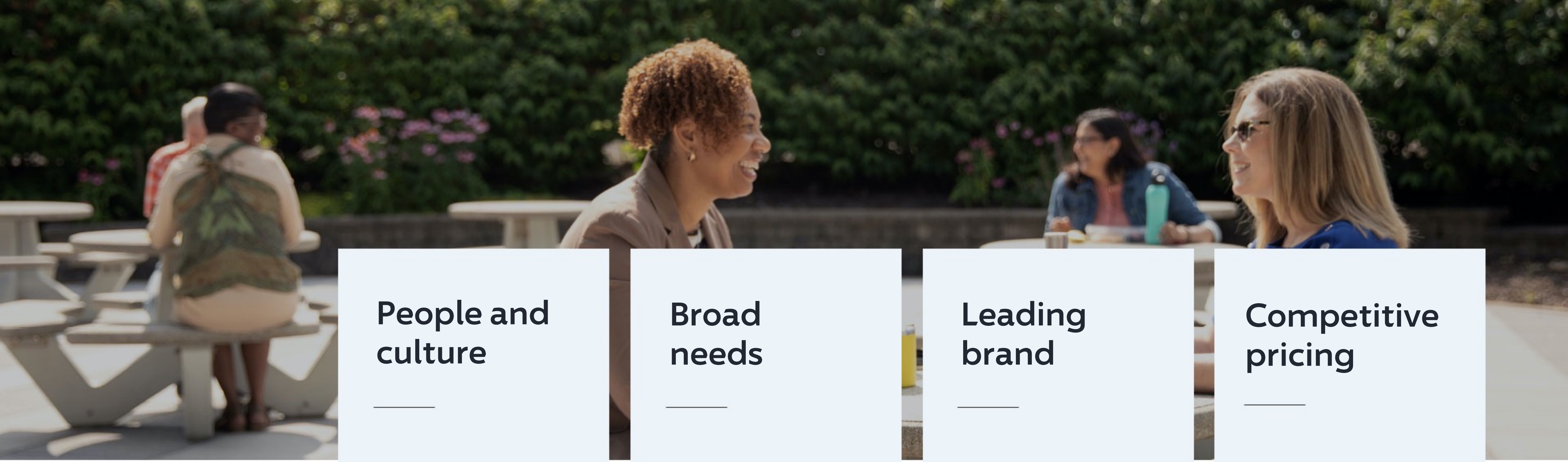
Why we're here

Vision

Where we're headed

Strategy

How we'll get there



Progressive's four strategic pillars

People and culture

Progressive people and culture are collectively our most powerful source of competitive advantage.

Broad needs

Meeting the broader needs of our customers throughout their lifetimes.

Leading brand

Maintaining a leading brand recognized for innovative offerings and supported by experiences that instill confidence.

Competitive pricing

Offering competitive prices driven by industry-leading segmentation, claims accuracy, and operational efficiency.

Agenda

01 / Commercial auto market and trends

A look back at 2020, current trends, and performance relative to the market.

02 / Extending commercial auto leadership

Telematics, preferred truck, small fleet, and a look at how Protective supports our long-term growth plans.

03 / Small business update

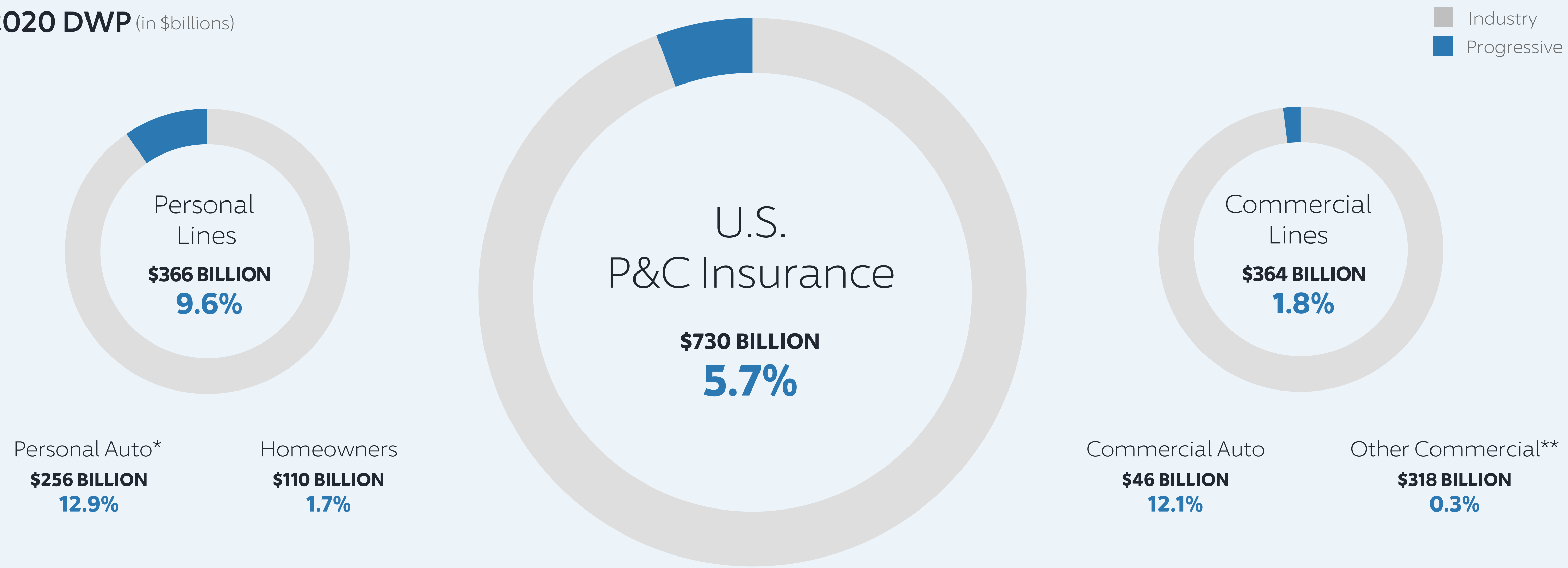
An update on our expanding product offering and direct small business capabilities.

01 /

Commercial auto market and trends

Progressive's growth strategy expands on broad needs

2020 DWP (in $billions)

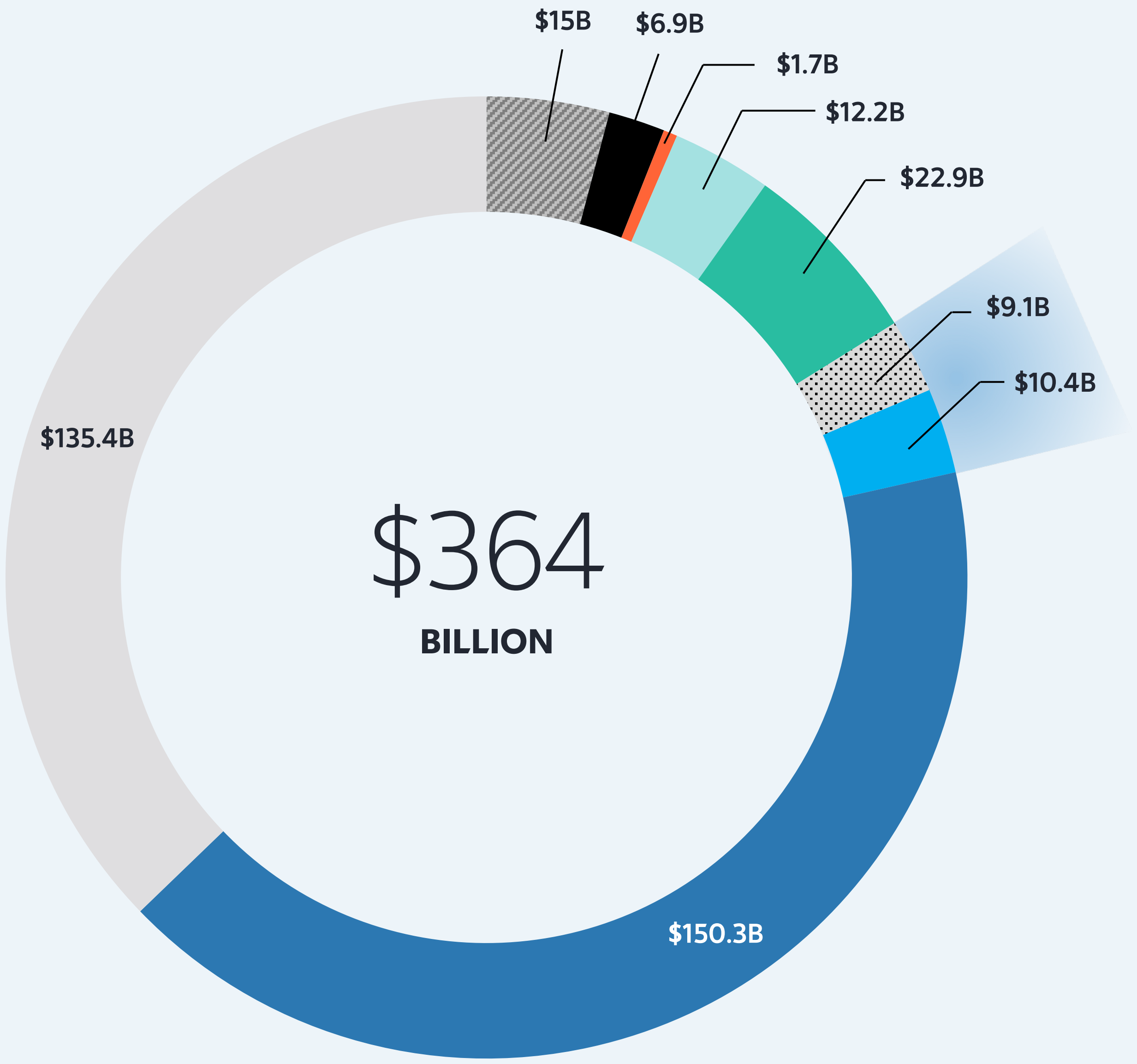


Source: S&P Global Market Intelligence
*Represents estimated Personal Auto market size after adjusting to consistently view policyholder credits as an expense across carriers.
**Represents all other statutory lines of P&C insurance excepting personal auto liability & physical damage, homeowners multi-peril, and commercial auto liability & physical damage.

Current addressable market is **$78.2B**

2020 addressable market

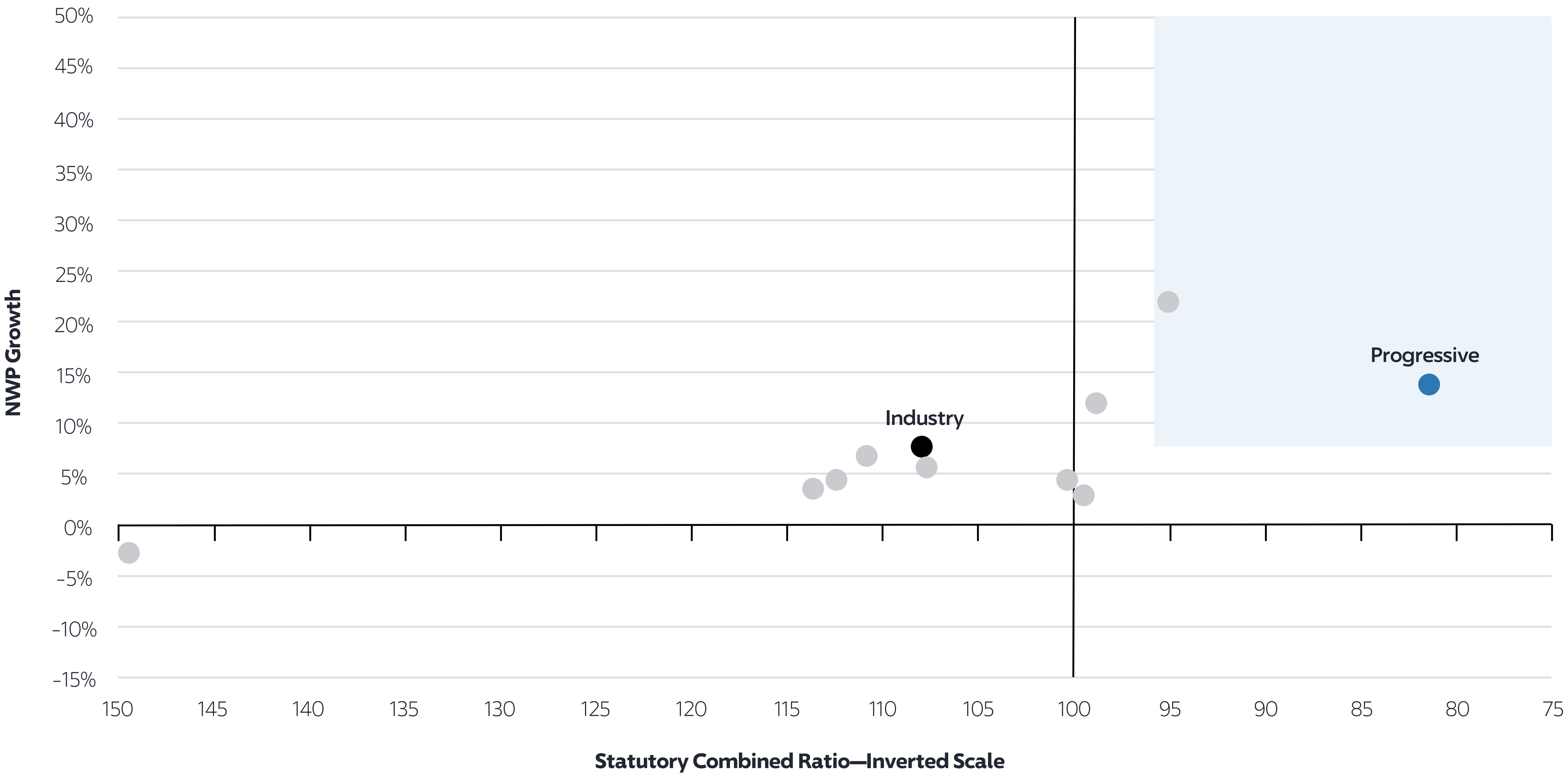
- Commercial Auto (CA) - monoline
- CA – small fleet
- Transportation network companies (TNC)
- CA – bundled with General Liability (GL)/ Business Owners Policy (BOP)
- Small business – GL/BOP
- CA – medium and large fleet with Protective
- Workers' Comp with Protective
- CA, Commercial Multi Peril (CMP), and other liability not considering
- Other commercial lines



2020 Estimated; Source: S&P Global Market Intelligence

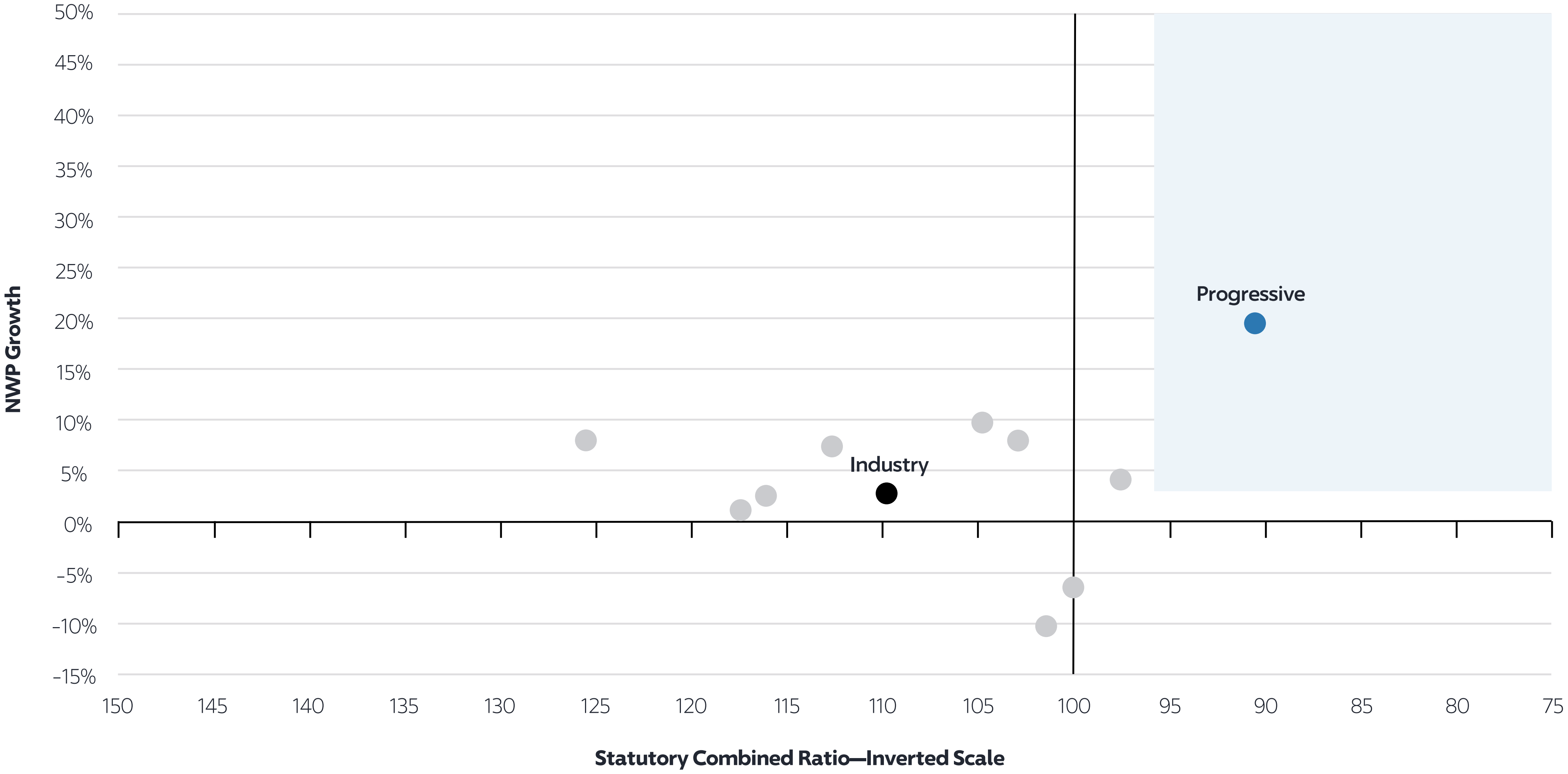
U.S. Commercial auto market

2015



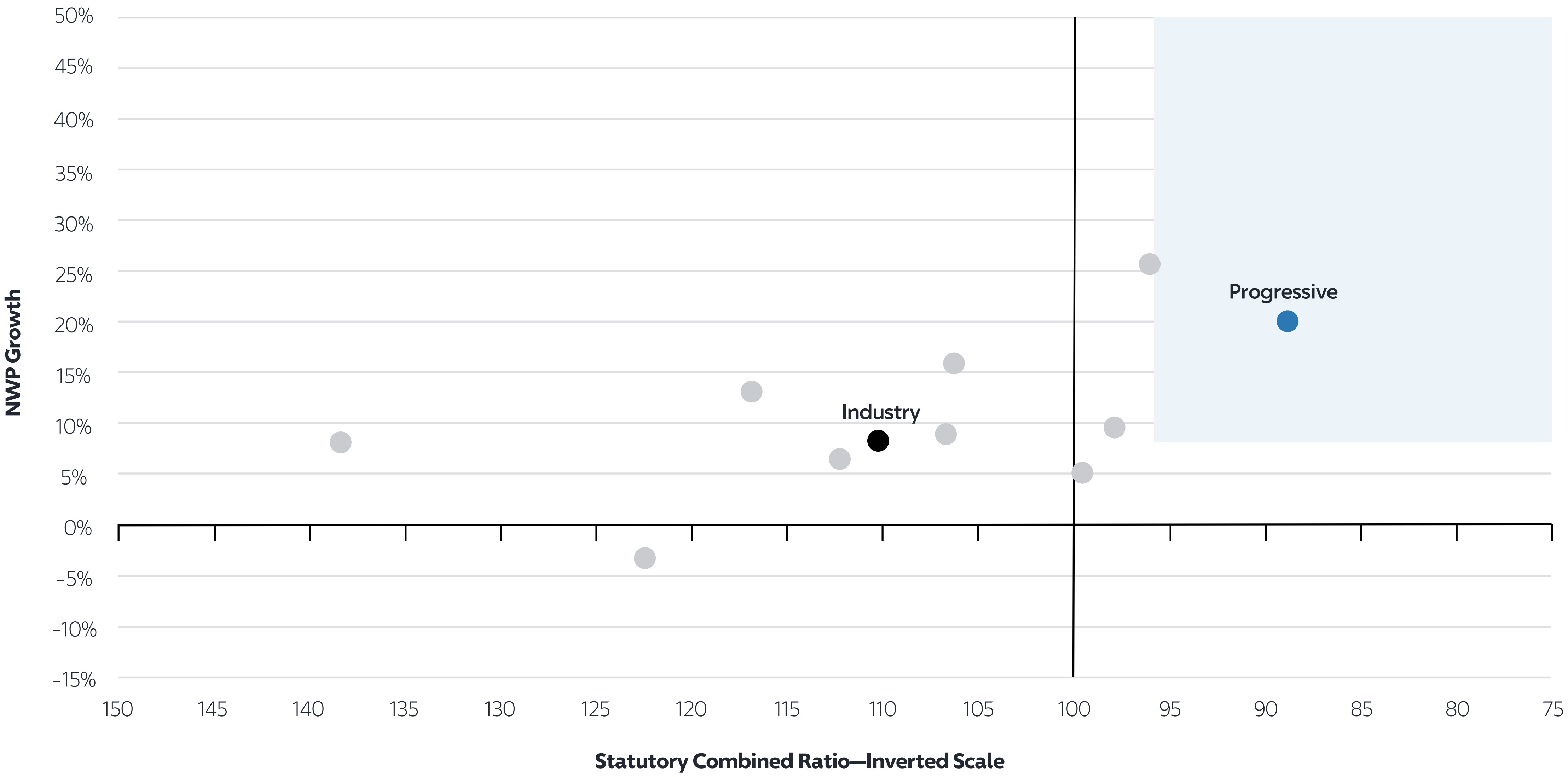
U.S. Commercial auto market

2016



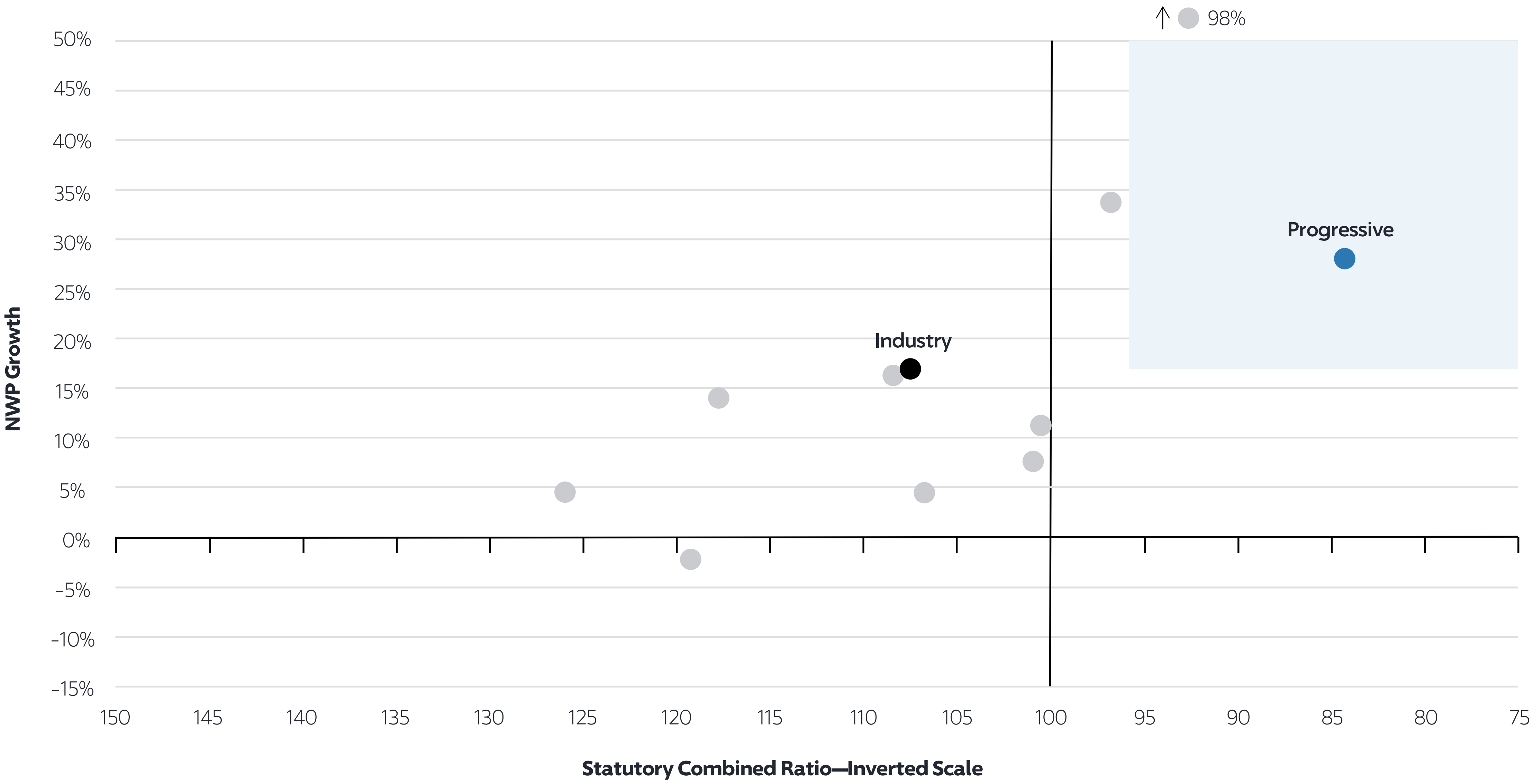
U.S. Commercial auto market

2017



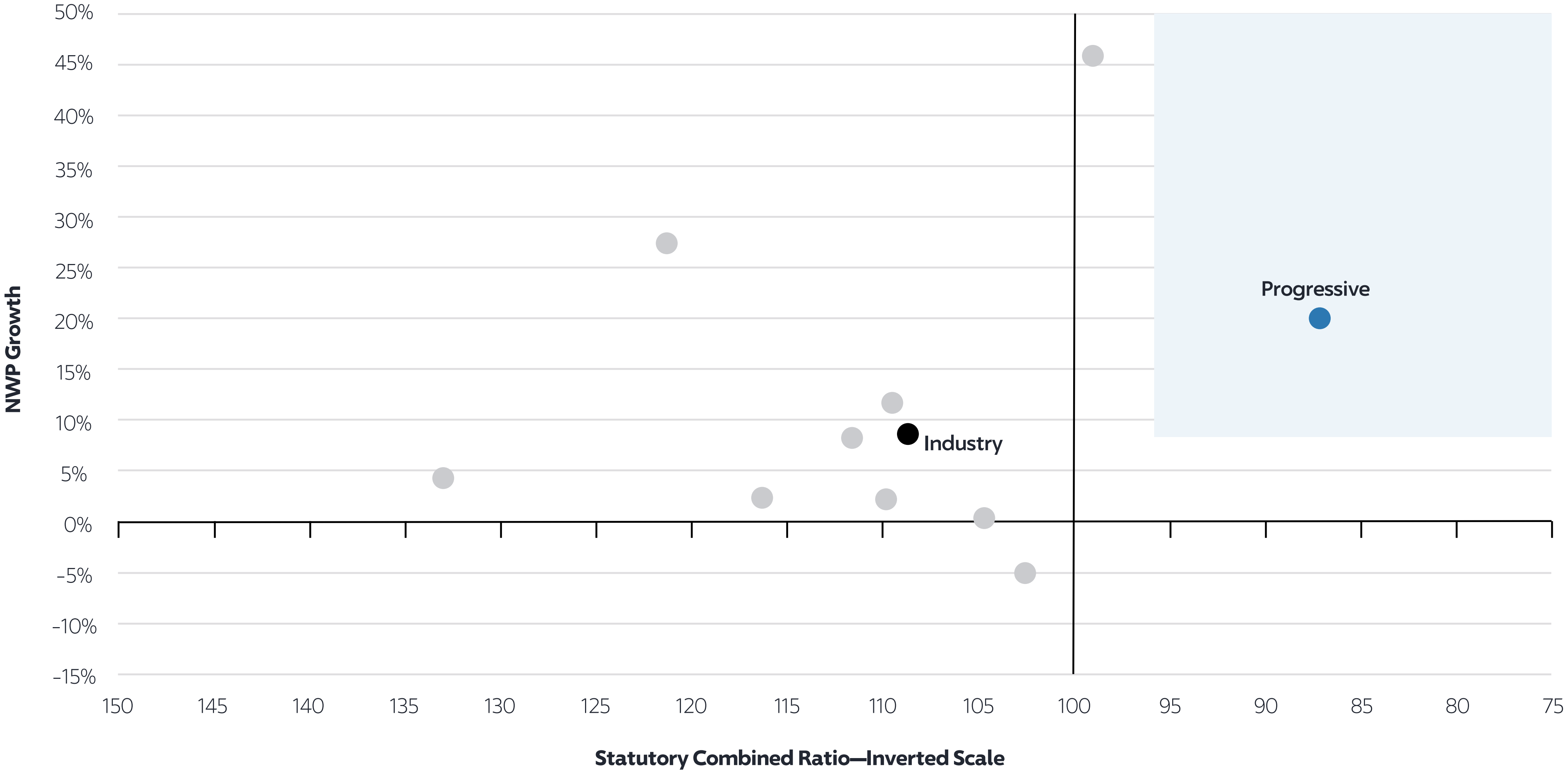
U.S. Commercial auto market

2018



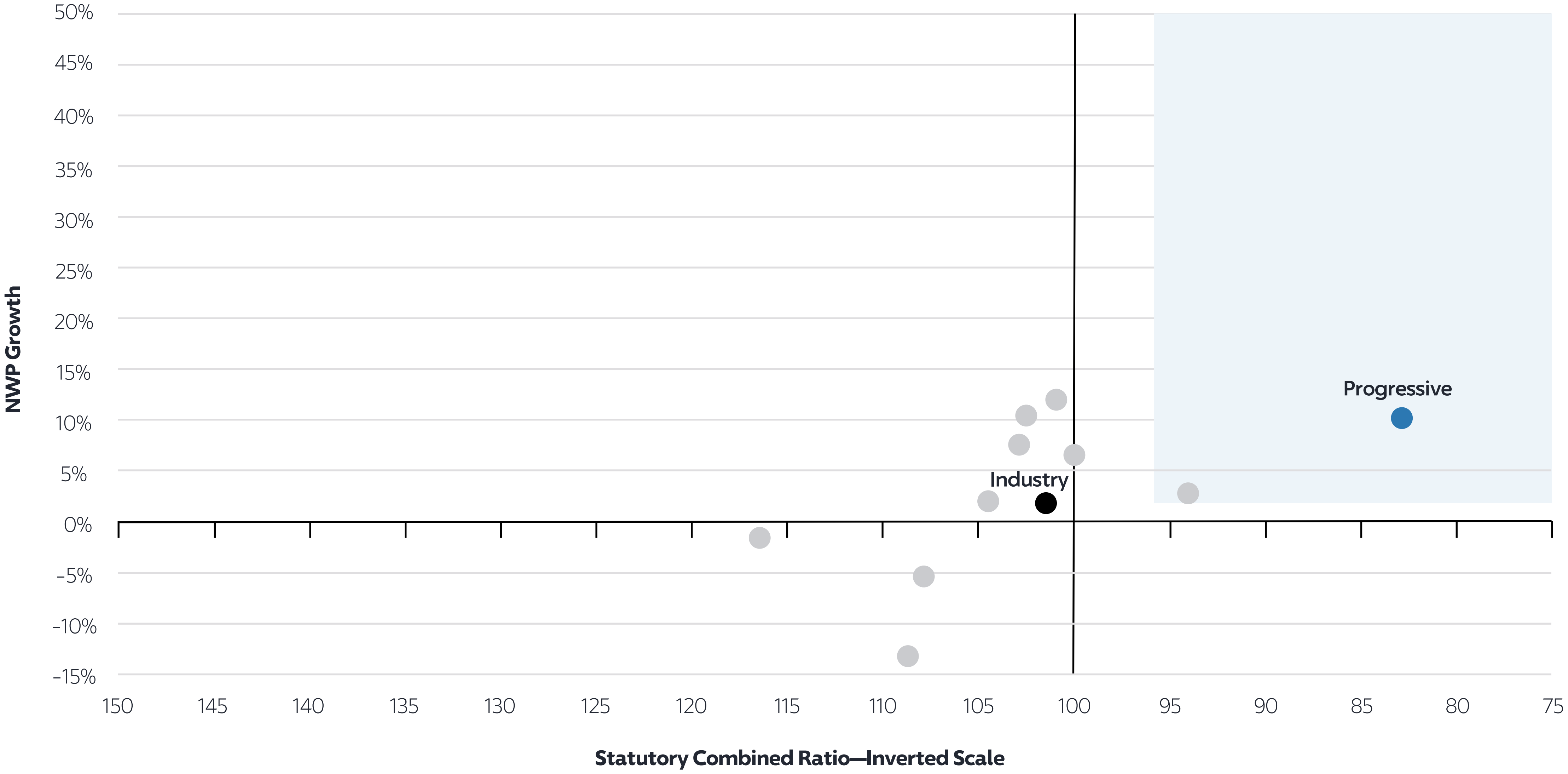
U.S. Commercial auto market

2019



U.S. Commercial auto market

2020



Karen Bailo

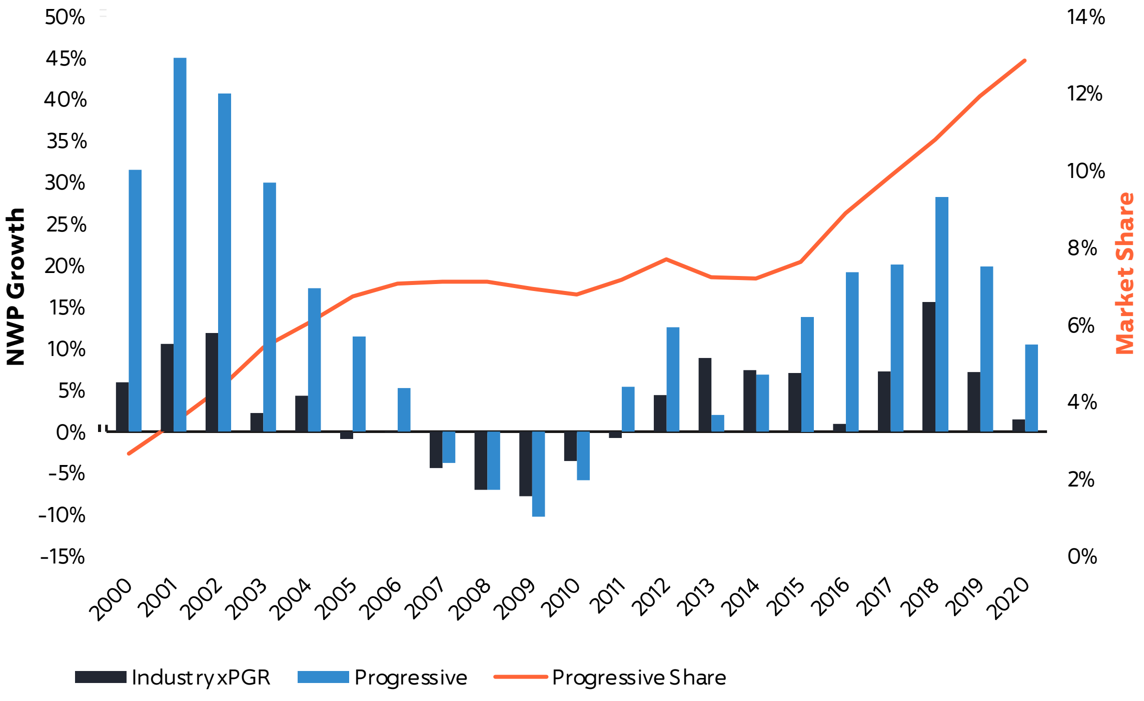
Commercial Lines President

Jochen Schunter

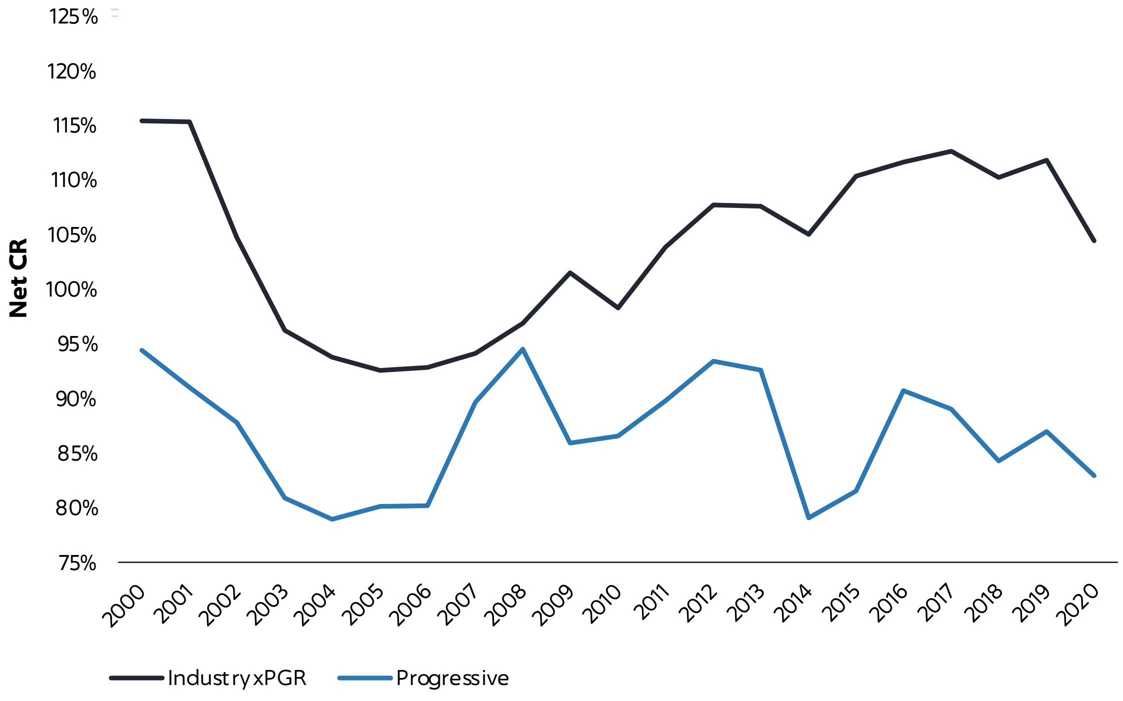
Senior Controller

Growth and profitability

Commercial auto growth and market share

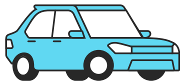
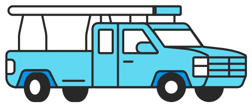
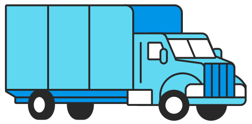
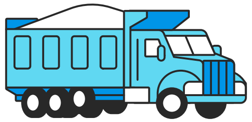
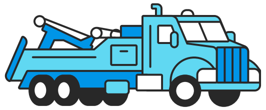


Commercial auto statutory combined ratio



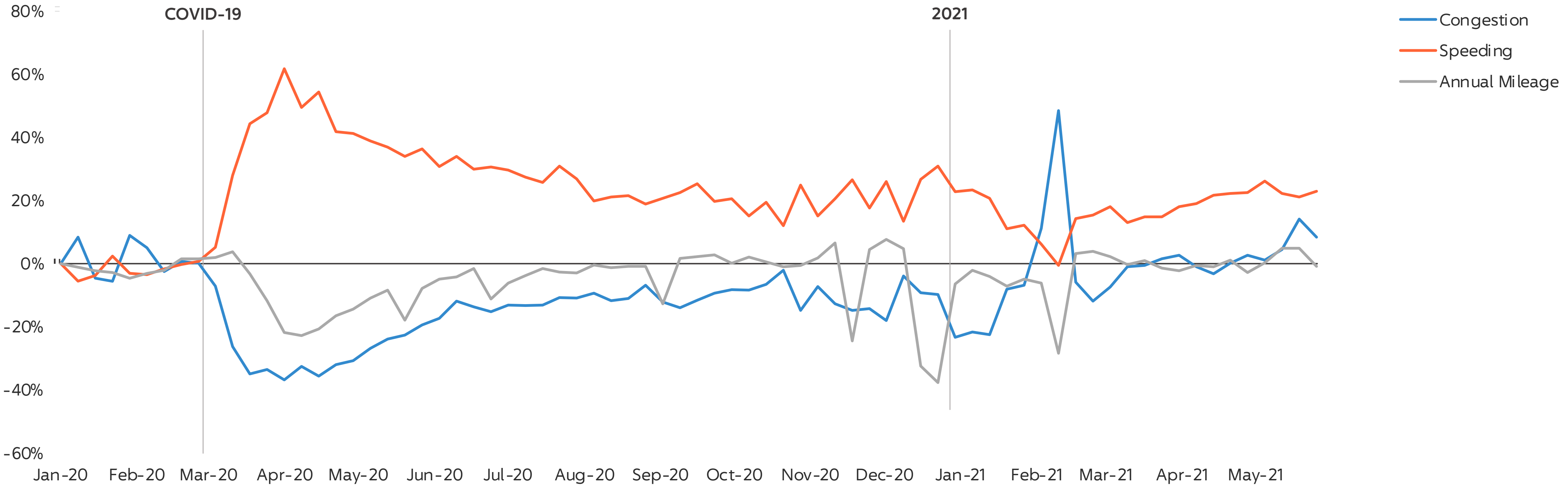
Source: S&P Global Market Intelligence Statutory Insurance Data for Commercial Auto Liability and Commercial Auto Physical Damage lines of insurance

Commercial auto business market targets (BMTs)

	BUSINESS AUTO & CONTRACTOR PROGRAMS		HEAVY TRUCK PROGRAMS		
Vehicles					
	BUSINESS AUTO PROGRAM Broad variety of vehicle types used in many industries	**CONTRACTOR PROGRAM** Vehicles used in contractor businesses	**FOR-HIRE TRANSPORTATION PROGRAM** Freight trucks that haul goods for others	**FOR-HIRE SPECIALTY TRUCK PROGRAM** Work trucks focused on specific niches or hauling for others	**TOW PROGRAM** Tow trucks with hooks (wreckers) and rollbacks (car carriers)
Businesses	Consultants Janitorial services Retail shops Religious/nonprofit organizations Farming & livestock Couriers Wholesale distributors Food truck vendors/delivery For-hire livery ... & more	Contractors Carpenters Plumbers Electricians Landscapers Snowplowers Heavy construction Concrete & asphalt Construction General trades ... & more	Owner-operators Expeditors General freight haulers Agriculture hauling Household movers Tractor-trailers ... & more	Dirt, sand & gravel haulers Log haulers Garbage, waste & debris haulers Tractor-trailers Coal haulers ... & more	Tow services Gas stations Auto repair shops Anytime roadside assistance ... & more

Usage-based insurance driving data

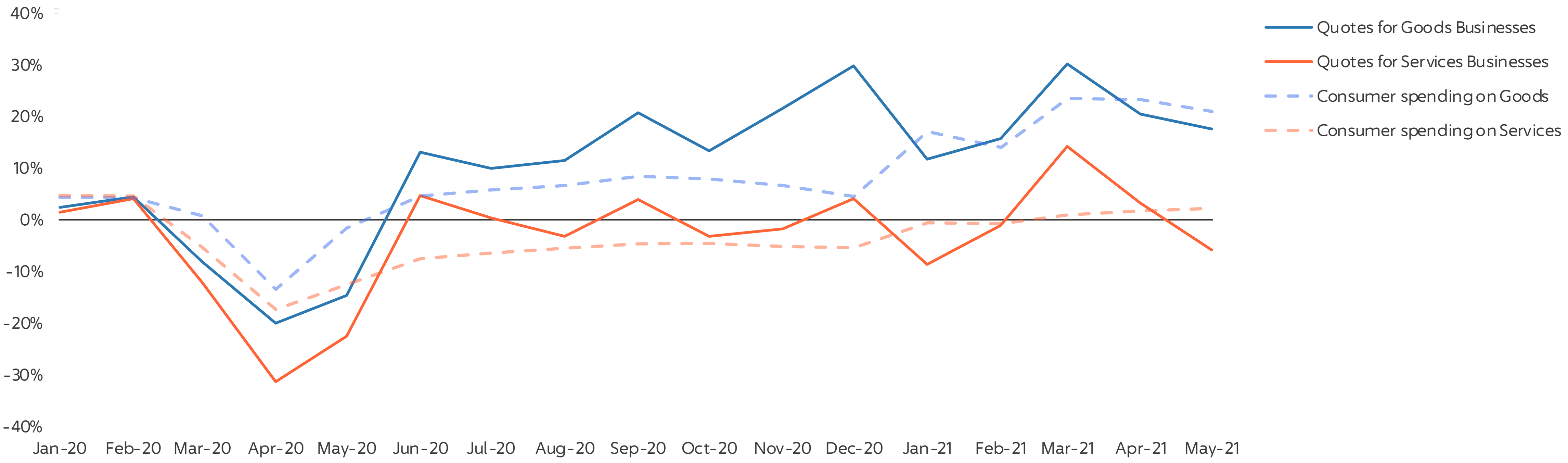
Commercial Lines weekly telematics data



Source: Internal data

COVID-19 shopping trends

Progressive quote volume vs. consumer spending (YoY change index to 2019)

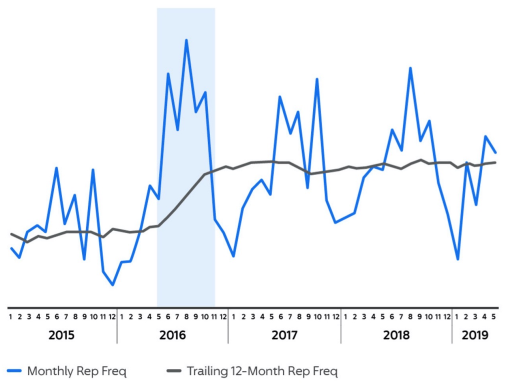


Source: Consumer Spending: Bureau of Economic Analysis (BEA.gov), "Table 2.4.5U. Personal Consumption Expenditures by Type of Product" (updated 6/25/2021)

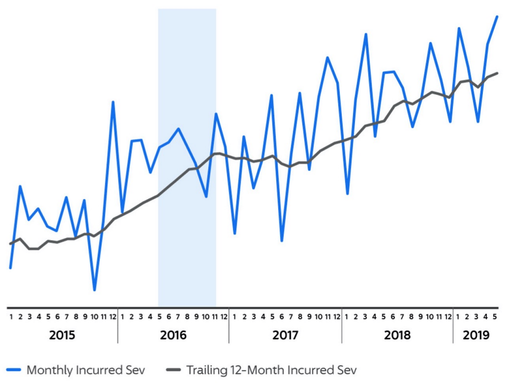
Intense focus and quick response to trends have produced superior results

IR 2019 Q2

COMMERCIAL AUTO BODILY INJURY REPORTED FREQUENCY



COMMERCIAL AUTO BODILY INJURY INCURRED SEVERITY



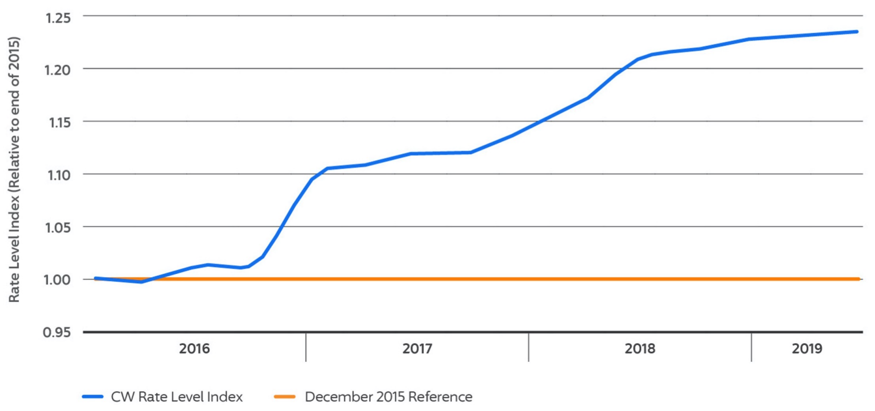
Source: Internal data

10

Intense focus and quick response to trends have produced superior results

IR 2019 Q2

COMMERCIAL AUTO RATE LEVEL INDEX



Source: Internal data

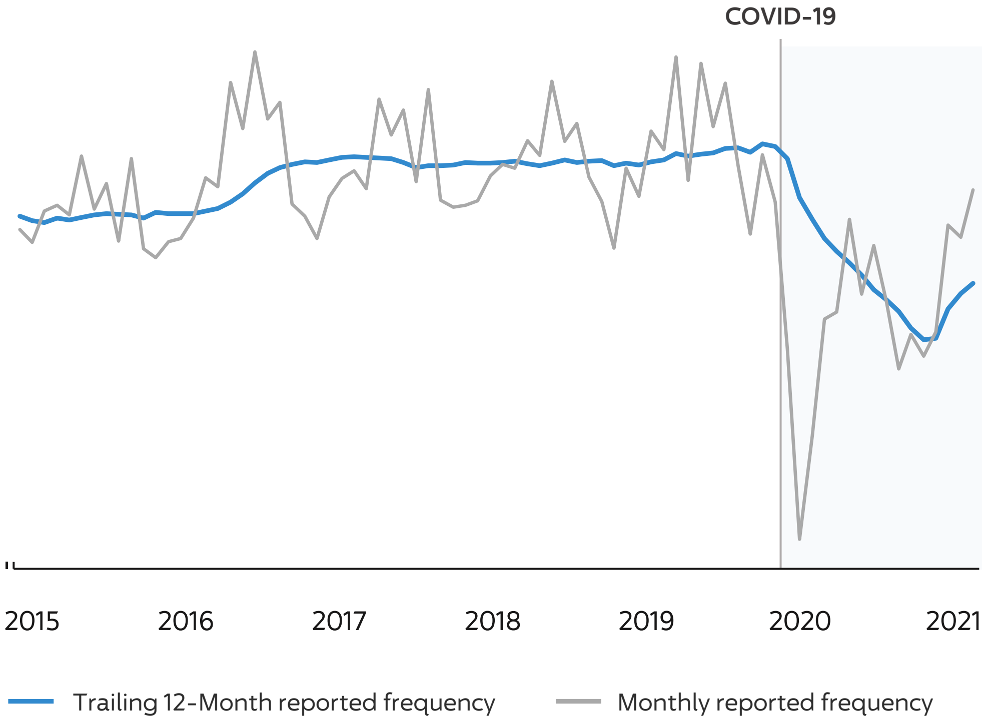
11

Look back

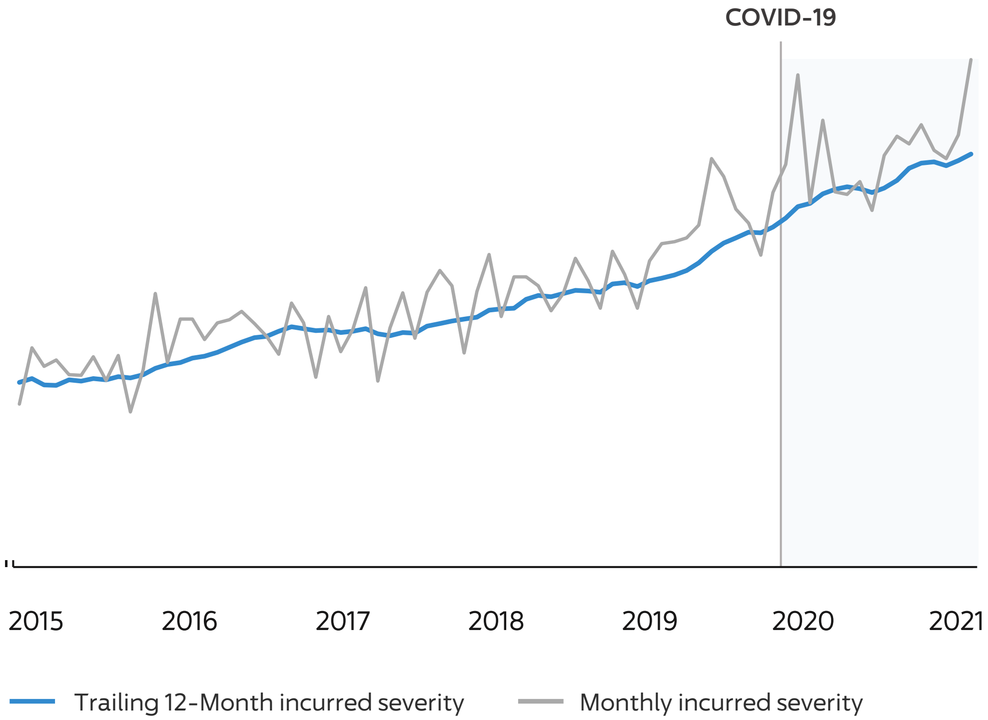
2019 INVESTOR RELATIONS Q2

Intense focus and quick response to trends have produced superior results

Bodily Injury reported frequency



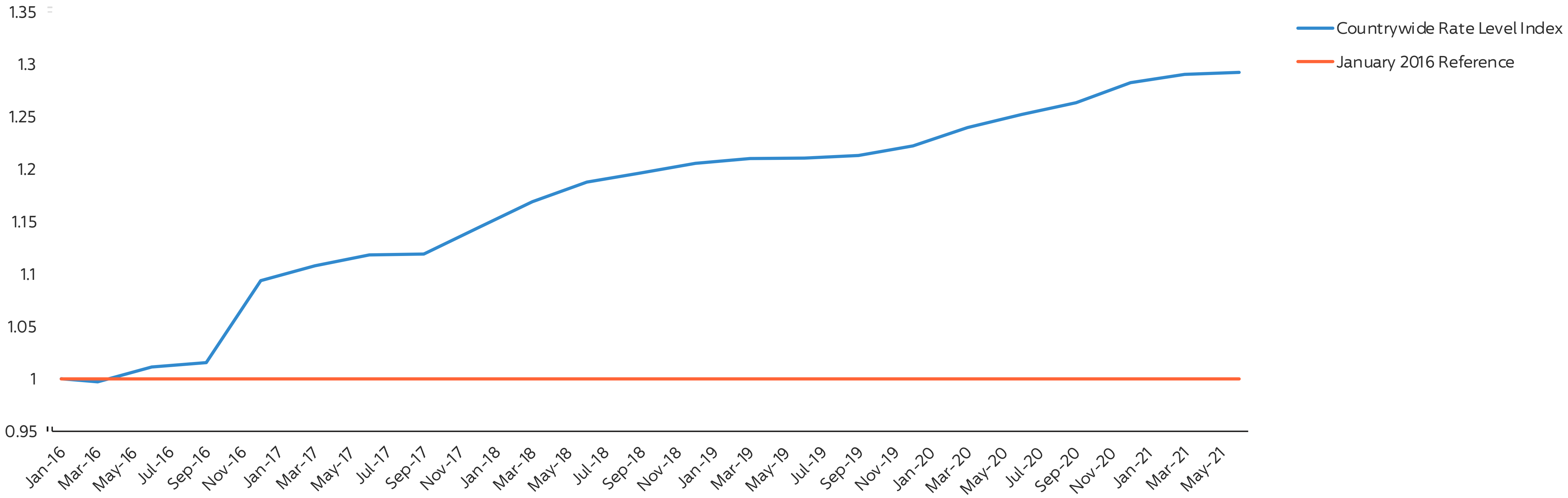
Bodily Injury incurred severity



Source: Internal data

Intense focus and quick response to trends have produced superior results

Commercial Auto cumulative rate level (indexed to January 2016)



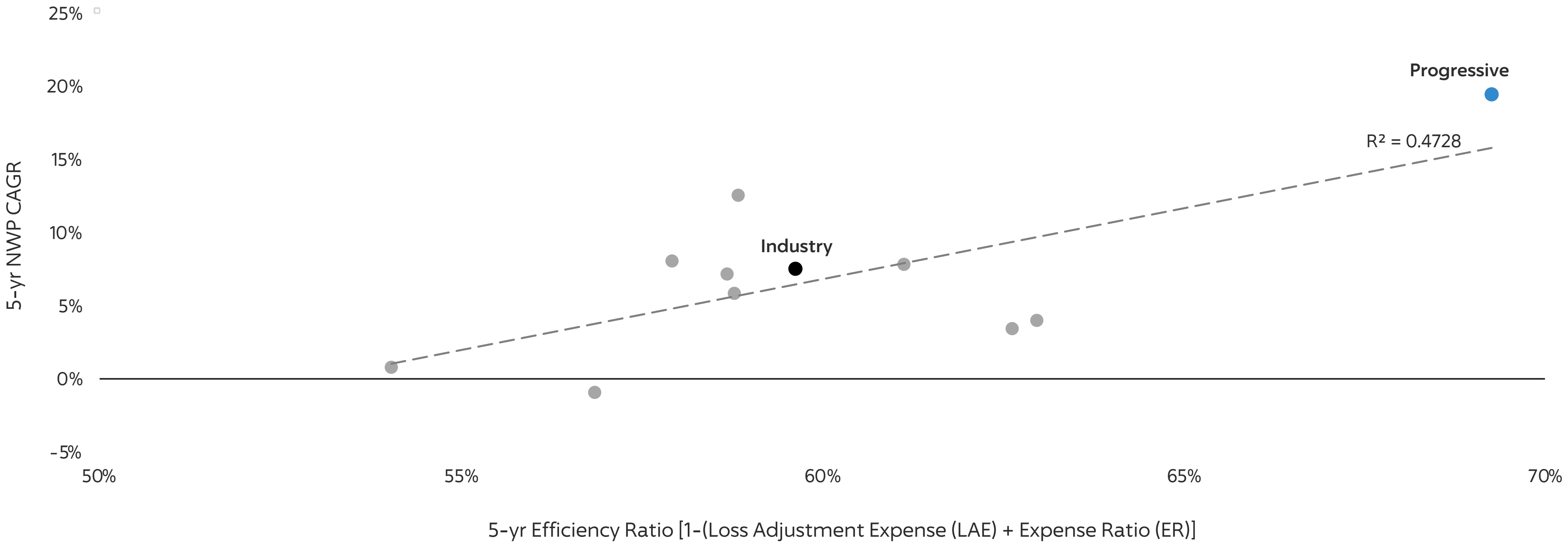
Source: Internal data

Efficiency

- Cost leadership
- Operational efficiency
- Claims efficiency and accuracy

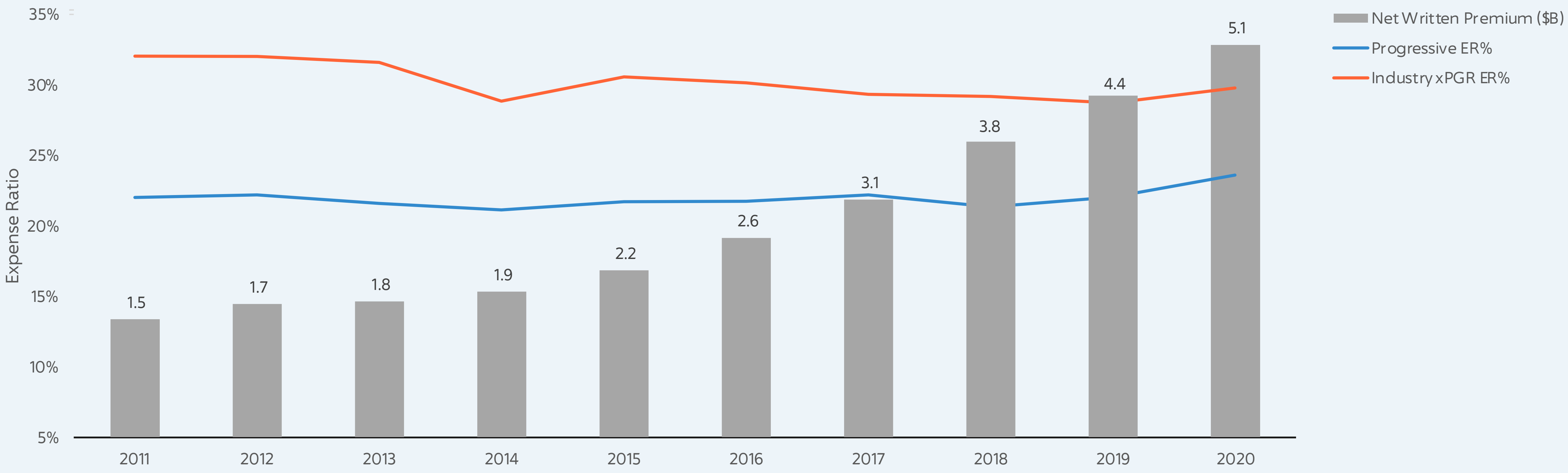
Carriers with low and declining expenses grow share

Growth vs. efficiency top 10 commercial auto carriers



*Progressive GAAP ER, excludes TNC
Source: S&P Global Market Intelligence Statutory Insurance Data for Commercial Auto

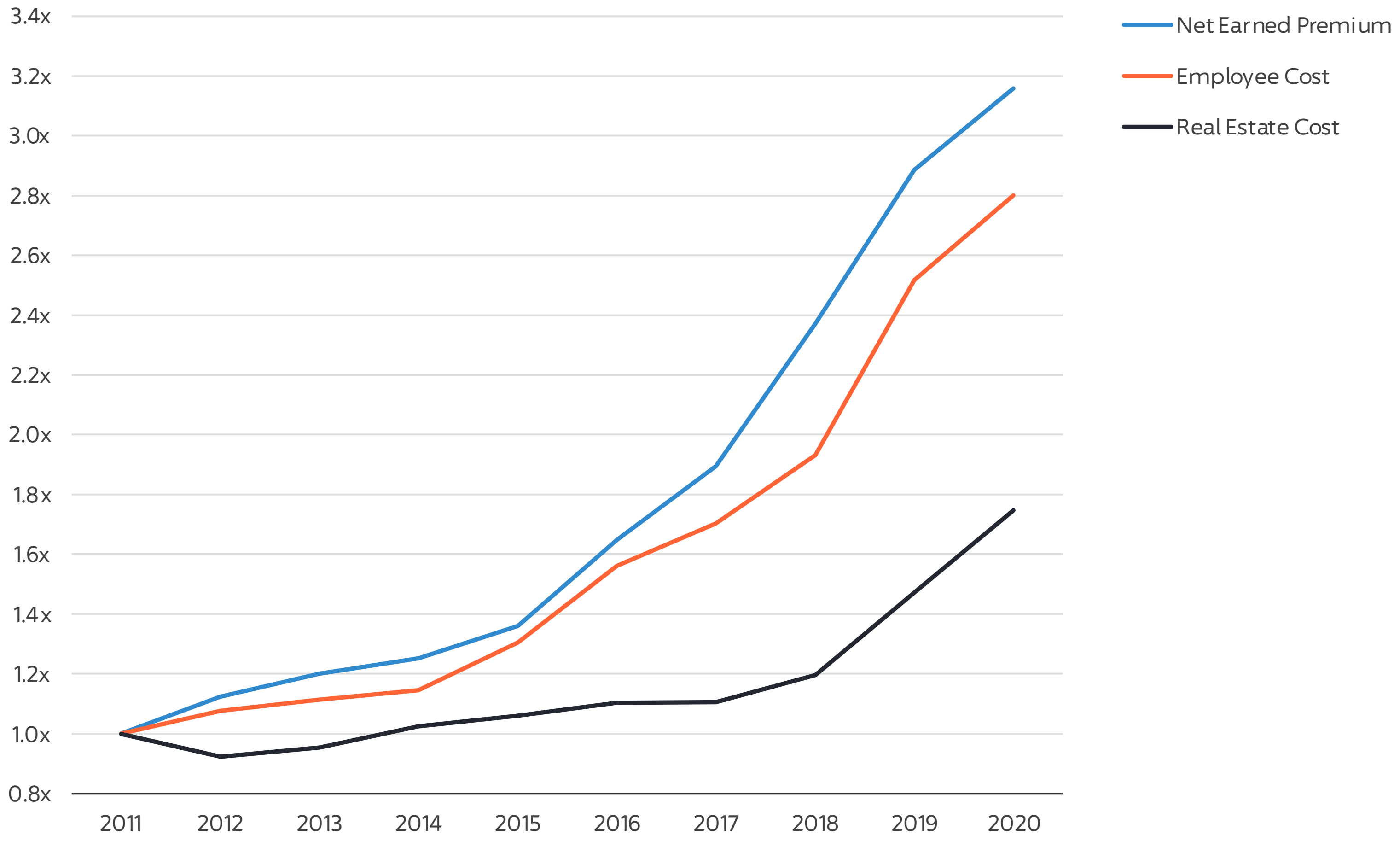
Efficiency at scale



*Progressive GAAP ER, excludes TNC
Source: S&P Global Market Intelligence Statutory Insurance Data for Commercial Auto

Strong growth has allowed us to achieve better economies of scale for our fixed overhead

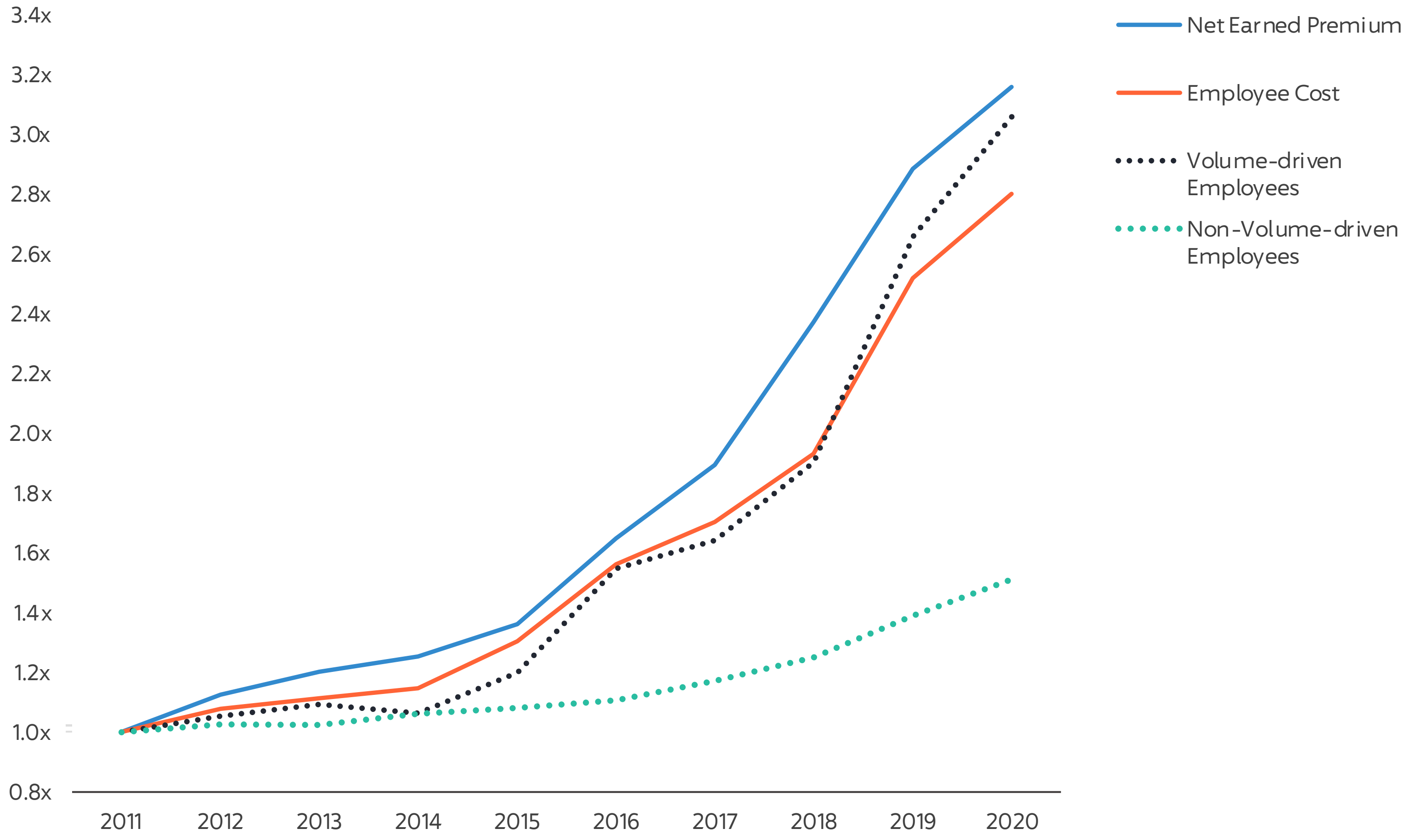
Employee count, employee cost, and real estate cost vs. Net Earned Premium



*Progressive data excludes TNC
Source: Internal data

Strong growth has allowed us to achieve better economies of scale for our fixed overhead

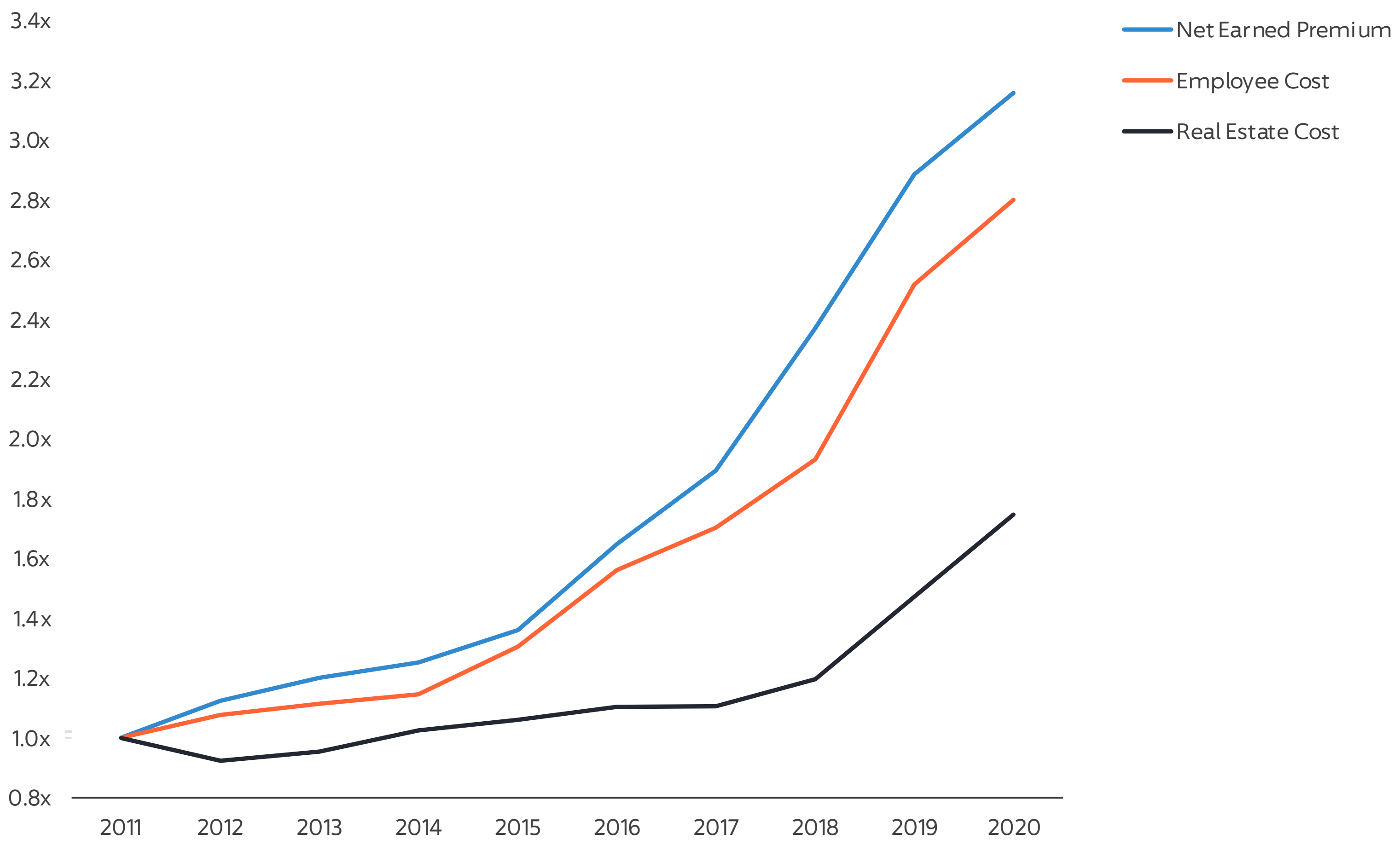
Employee count, employee cost, and real estate cost vs. Net Earned Premium



*Progressive data excludes TNC
Source: Internal data

Strong growth has allowed us to achieve better economies of scale for our fixed overhead

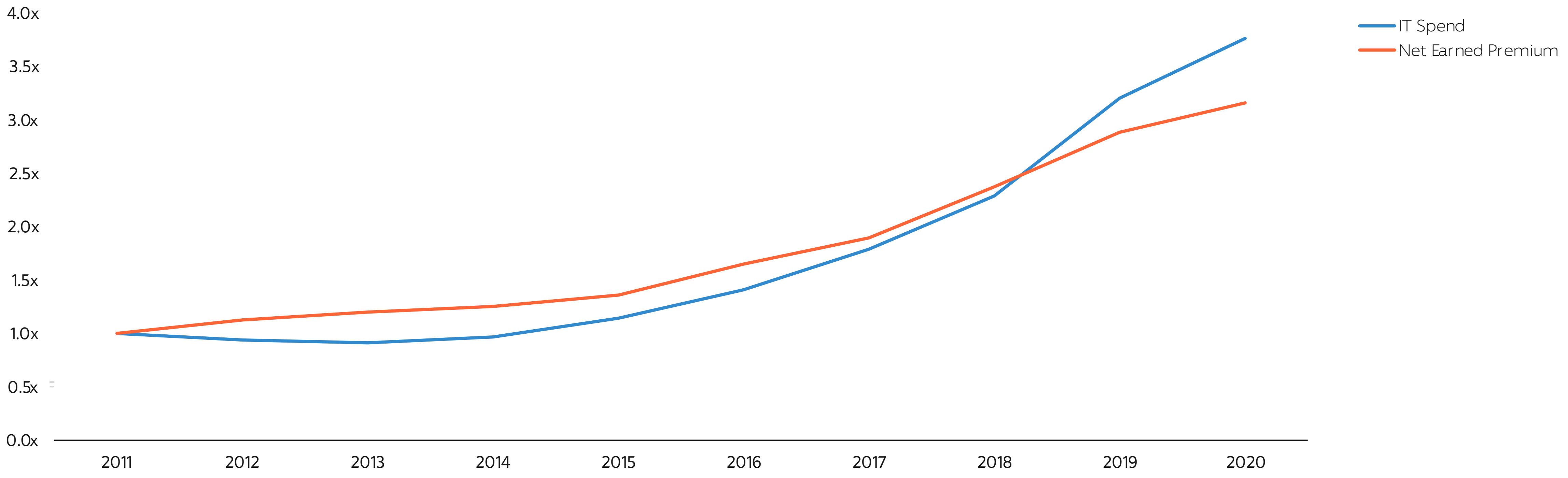
Employee count, employee cost, and real estate cost vs. Net Earned Premium



*Progressive data excludes TNC
Source: Internal data

We've been able to maintain our cost advantage lead while investing heavily

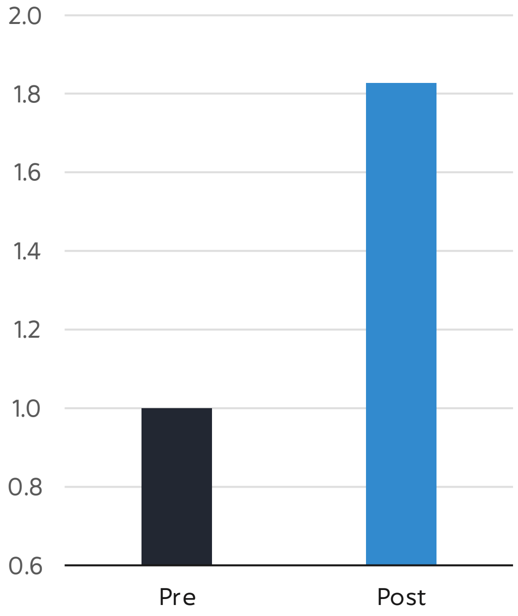
Commercial Lines Information Technology spend vs. Net Earned Premium



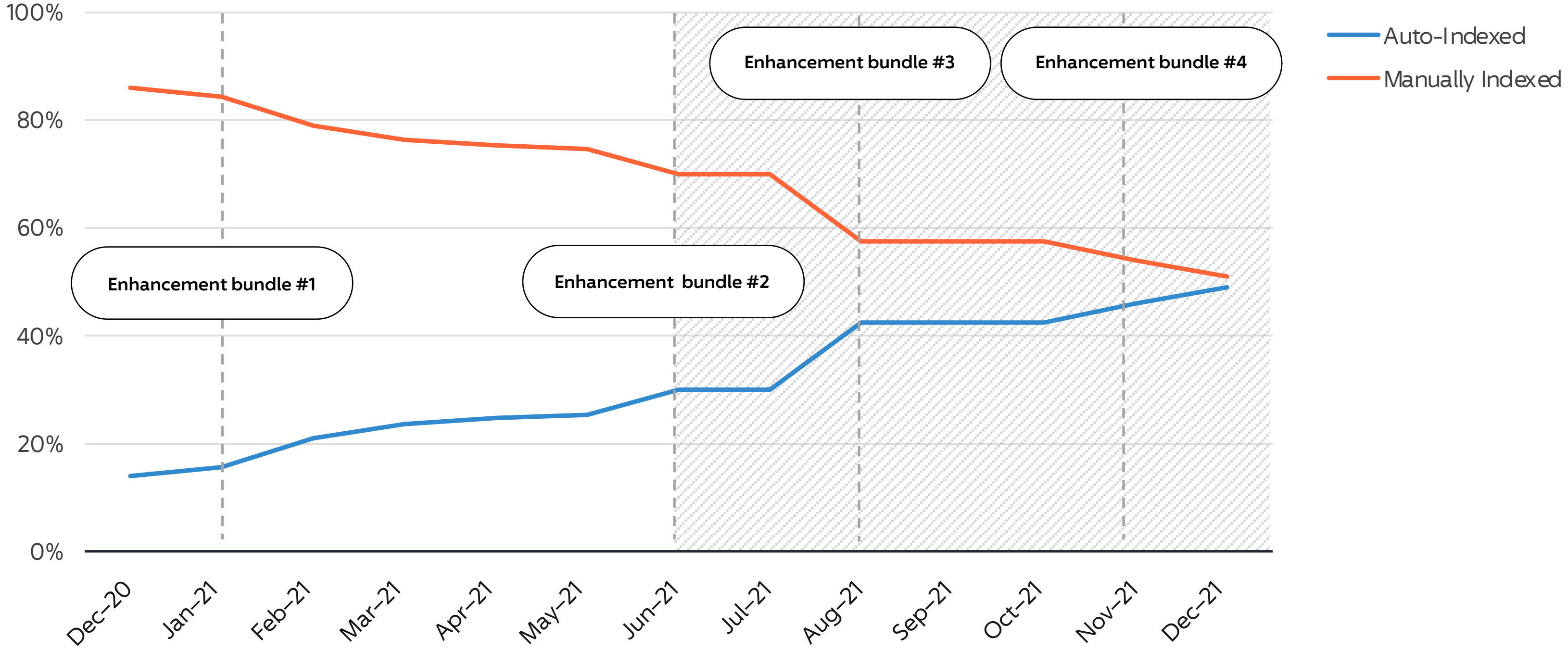
*Progressive data excludes TNC
Source: Internal data

Example of efficiency wins

Direct Commercial Auto new policy administration system online sales yield lift



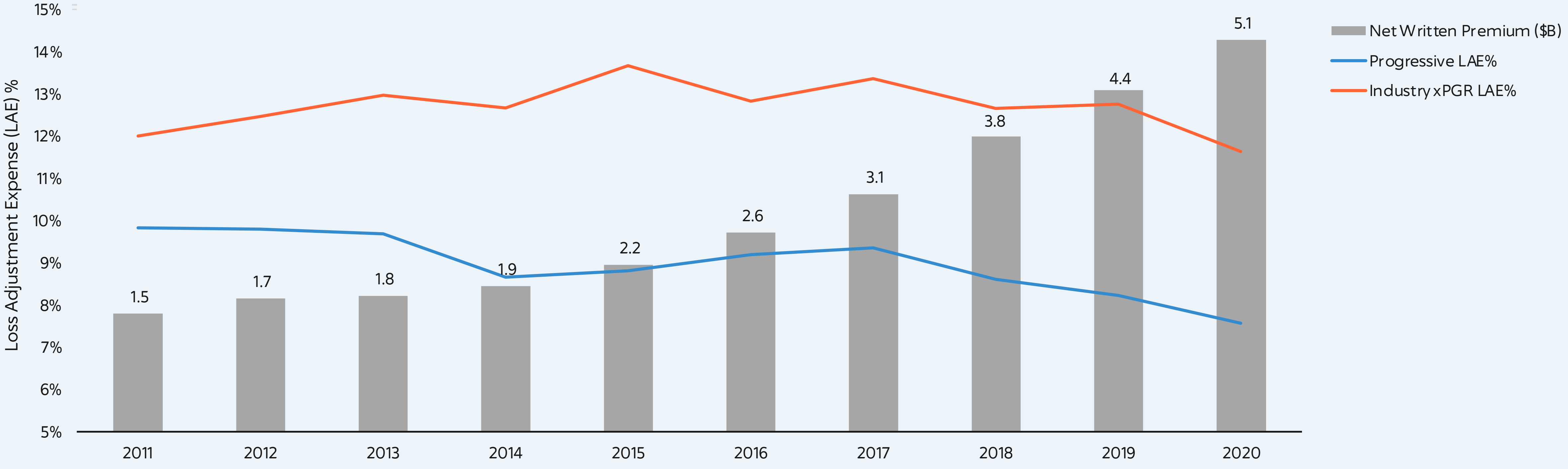
Percent of auto-indexed documents



Source: Internal data

Efficiency at scale

Loss adjustment expense track record



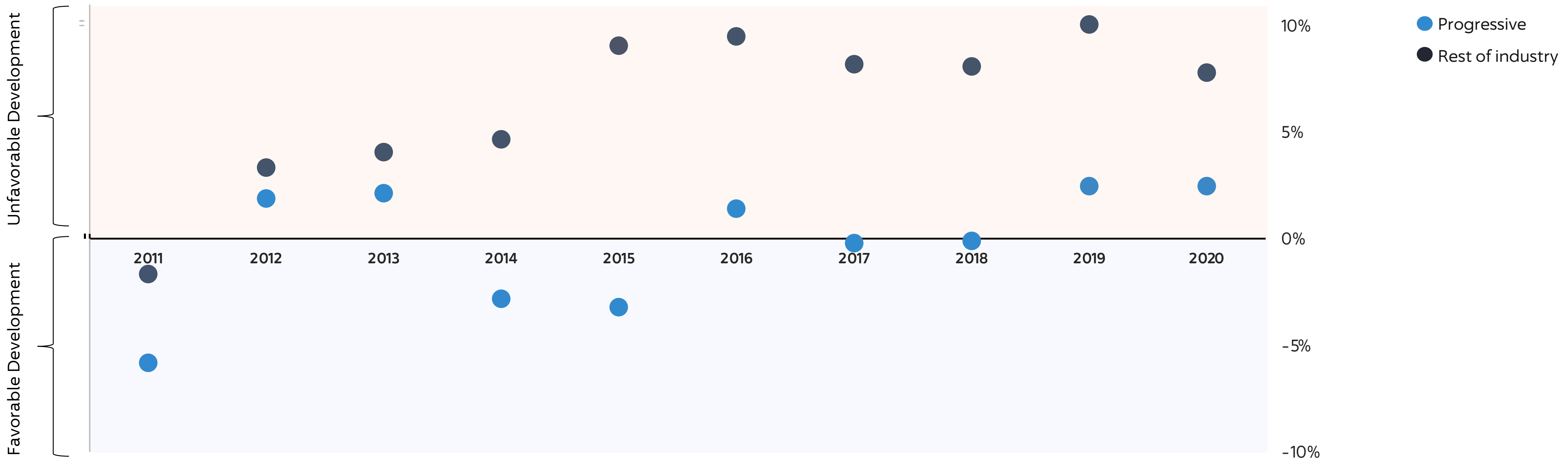
*Progressive GAAP LAE excludes TNC
Source: S&P Global Market Intelligence Statutory Insurance Data for Commercial Auto

Use of data and technology in Claims

File intervention scans for claims that are on a path to at-risk status providing daily notifications to frontline leaders for review

Accurate claims handling

Reserve development as a % of earned premium commercial auto liability



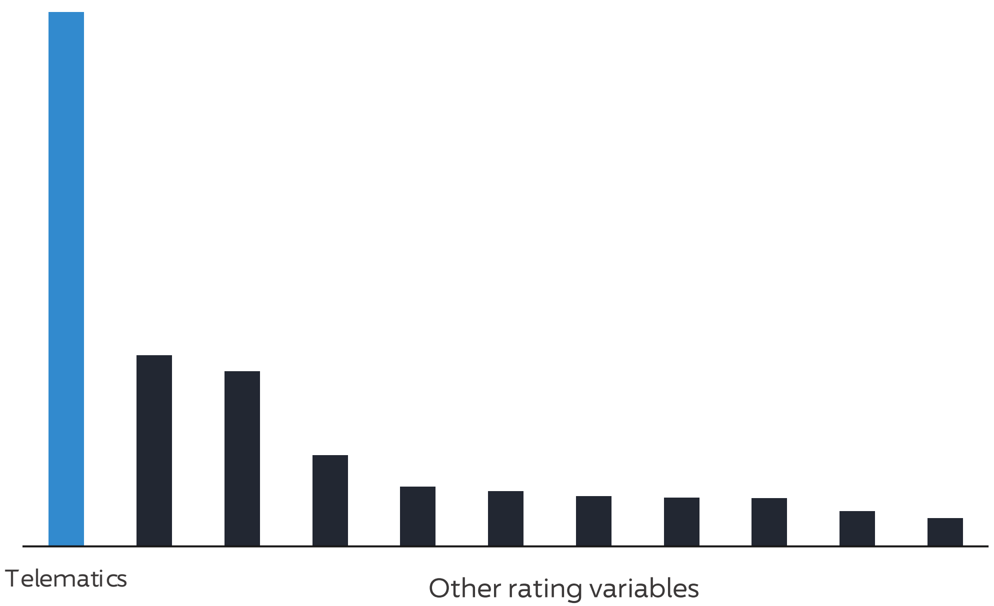
Source: S&P Global Market Intelligence Statutory Insurance Data for Commercial Auto Liability

02 /

Extending commercial auto leadership

Telematics is our strongest rating variable

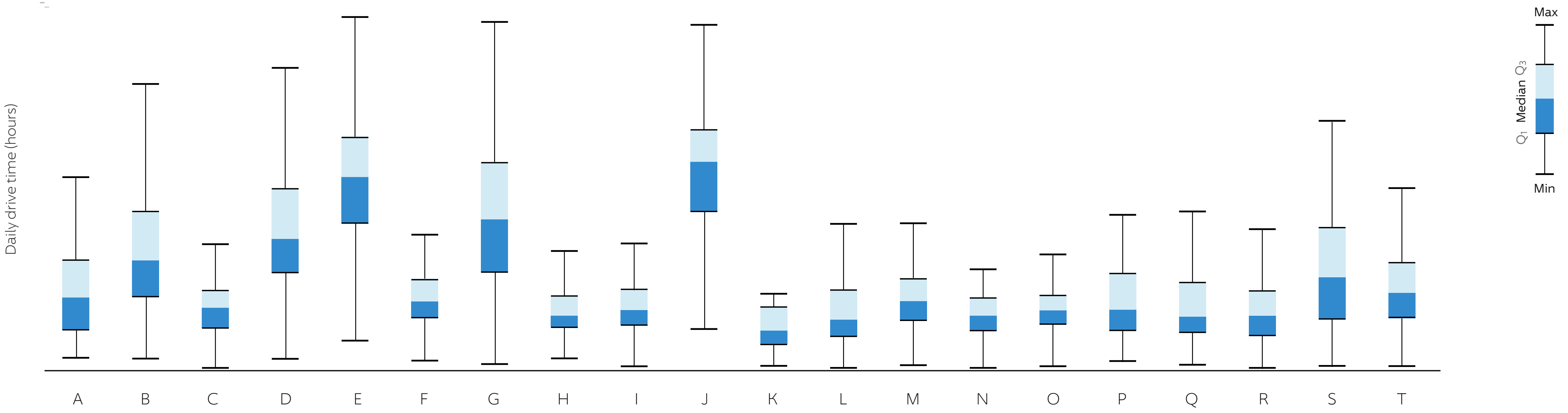
Predictive power



Source: Internal data

Insights from telematics data drive product and pricing enhancements

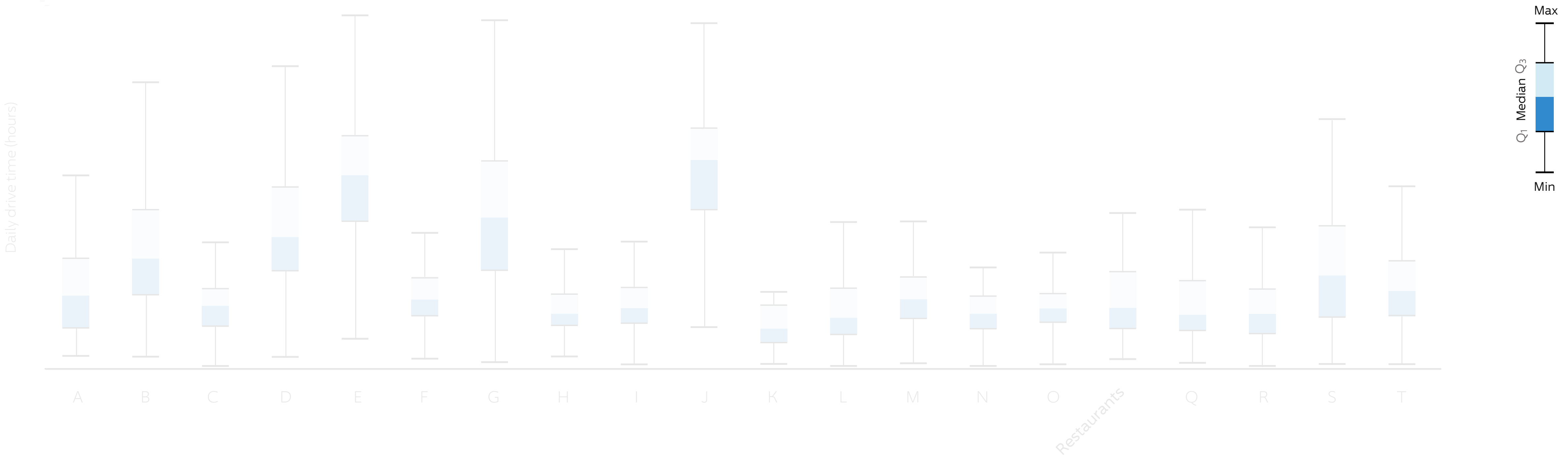
Vehicle utilization by business class



Source: Internal Data

Insights from telematics data drive product and pricing enhancements

Vehicle utilization by business class

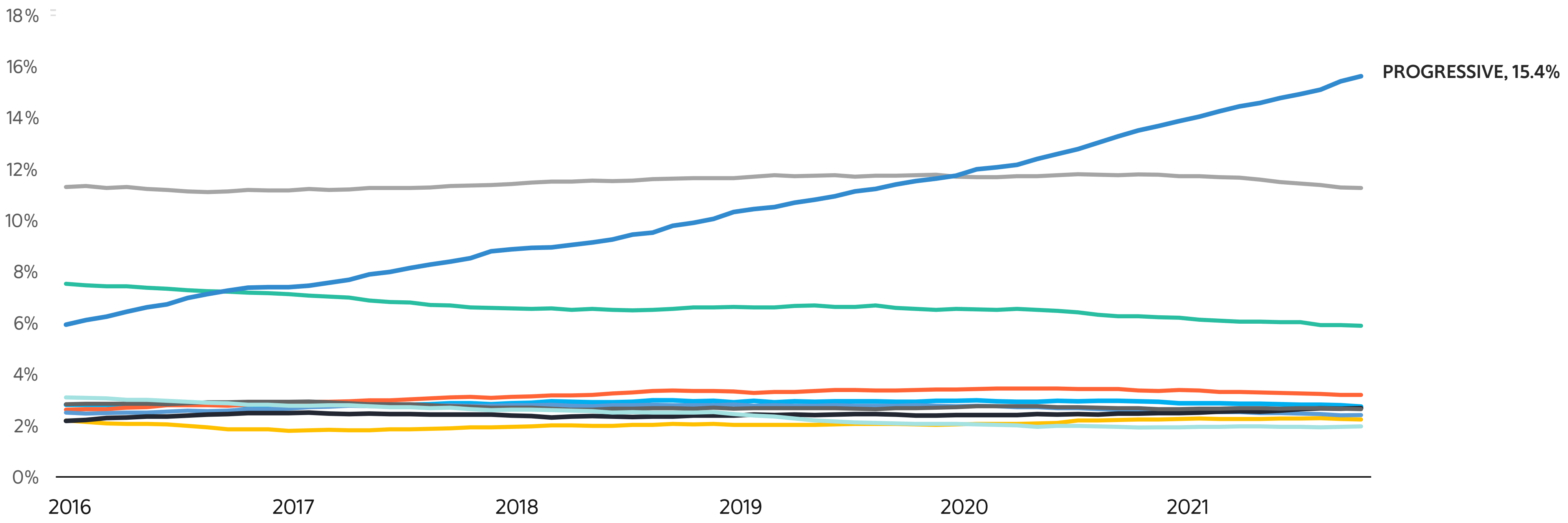


Source: Internal Data

2008	2015	2019	2021
No. 1	No. 1	No. 1	No. 1
Truck Insurer	in Commercial Auto	in Nonfleet Preferred* Truck	in Commercial Auto, exceeding
			$6B
		*Non-fleet Preferred refers to customers with 1-9 power units, USDOT registration of 3+ years, safe driving record, and other underwriting criteria	More than 2x the next closest competitor

No. 1 in nonfleet preferred* truck

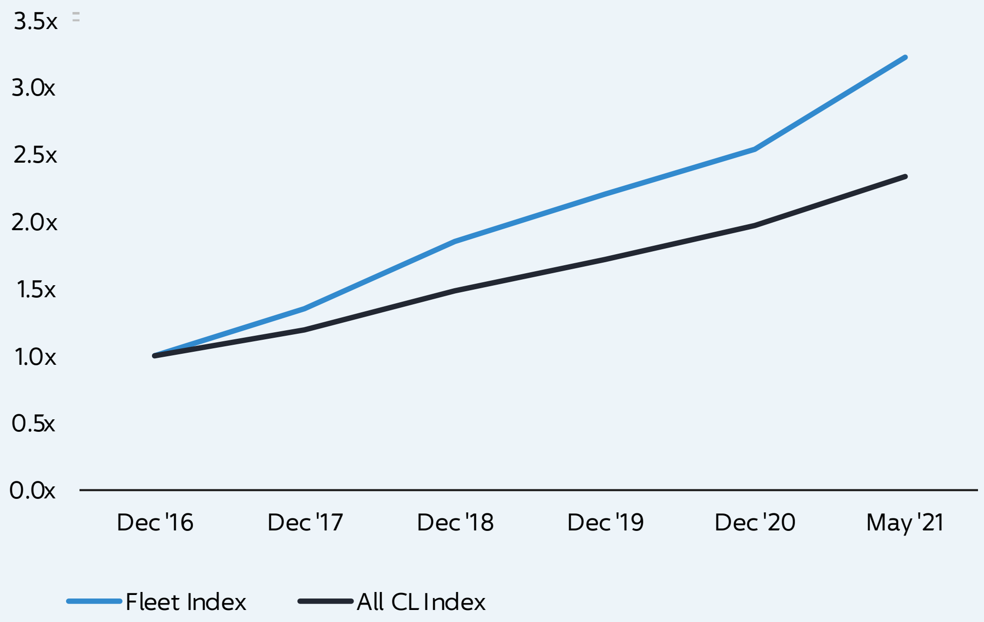
Preferred truck power unit market share



*Non-fleet Preferred refers to customers with 1-9 power units, USDOT registration of 3+ years, safe driving record, and other underwriting criteria

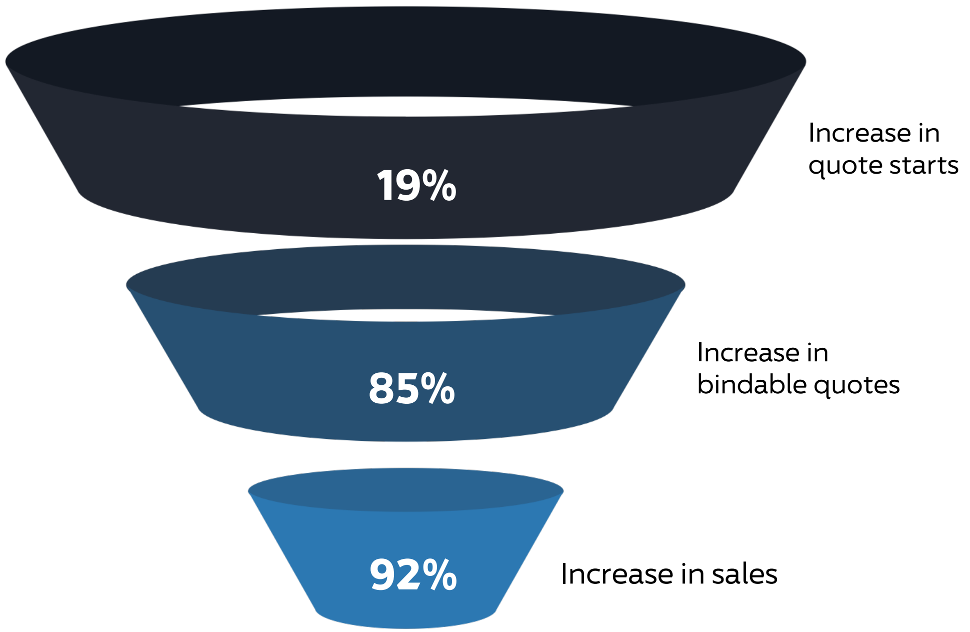
Investments have allowed us to unlock small fleet market

Small Fleet* vs. all Commercial Lines Direct Written Premium (T12)



*Small fleet = 10+ power units, less than 40 vehicles
Source: Internal Data

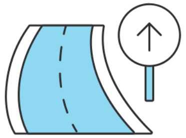
Commercial Lines fleet business quote metrics (T12)



Expanded addressable market

01 /

Story of Protective



02 /

Product suite

03 /

Customers they serve

Protective helps meet the broad needs of larger fleets

Expanded addressable market

01 /

Story of Protective

02 /

Product suite

03 /

Customers they serve

Protective helps meet the broad needs of larger fleets

FLEET TRUCKING INSURANCE

INDEPENDENT CONTRACTOR INSURANCE

WORKERS' COMPENSATION INSURANCE

PRODUCTS AND UNDERWRITING ENTITIES

Lines

- Auto Physical Damage
- Auto Liability
- Non-trucking Liability
- Cargo
- General Liability
- Occupational Accident
- Workers' Compensation

Entities

- Protective Insurance
- Protective Specialty (E&S)
- Sagamore
- B&L Brokerage
- B&L Insurance

Expanded addressable market

01 /

Story of Protective

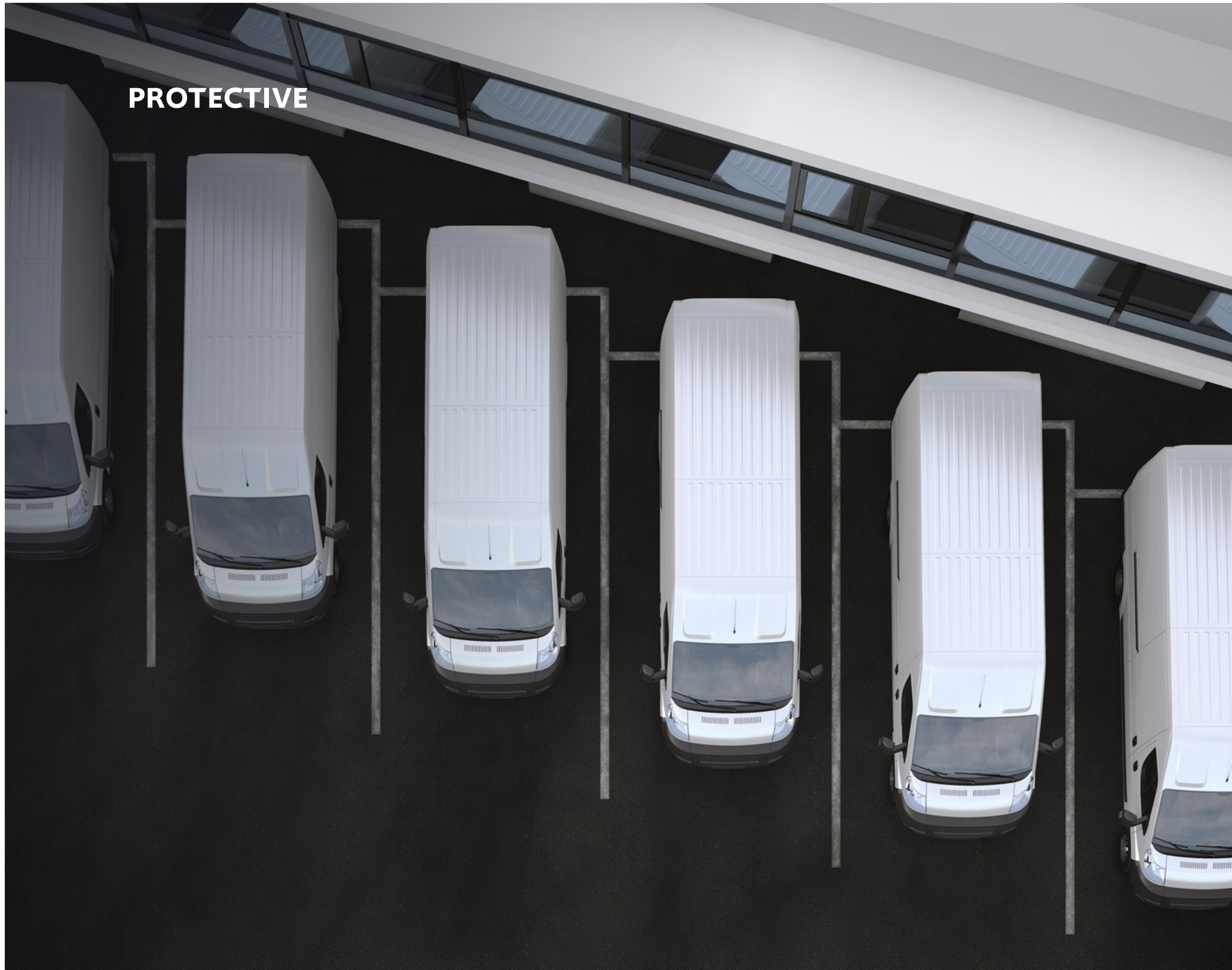
02 /

Product suite

03 /

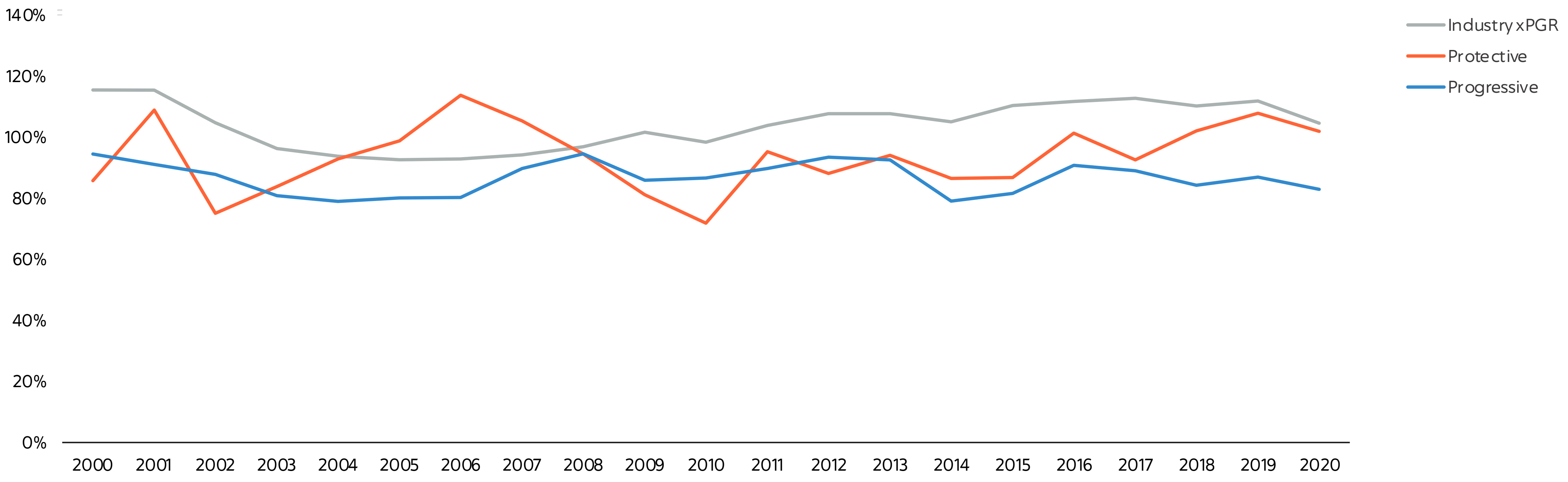
Customers they serve

Protective helps meet the broad needs of larger fleets



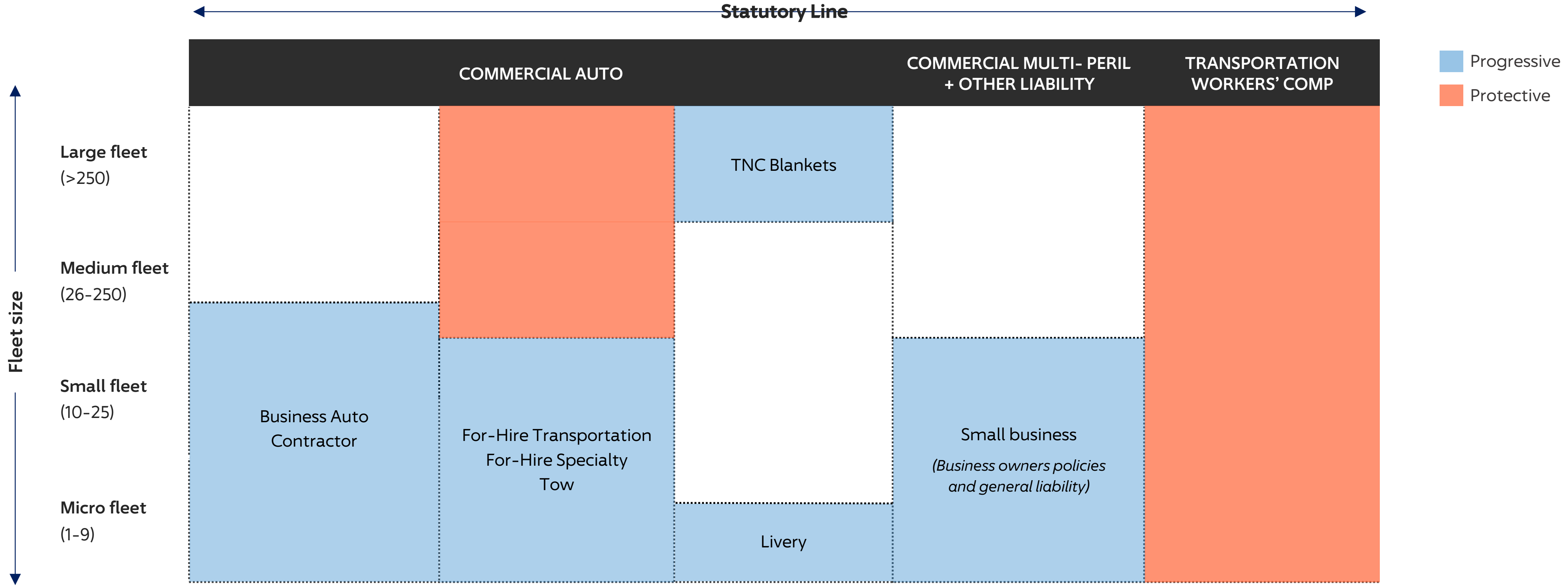
Protective has a long-term track record of underwriting excellence in Commercial Auto

Combined ratio (net): Commercial Auto



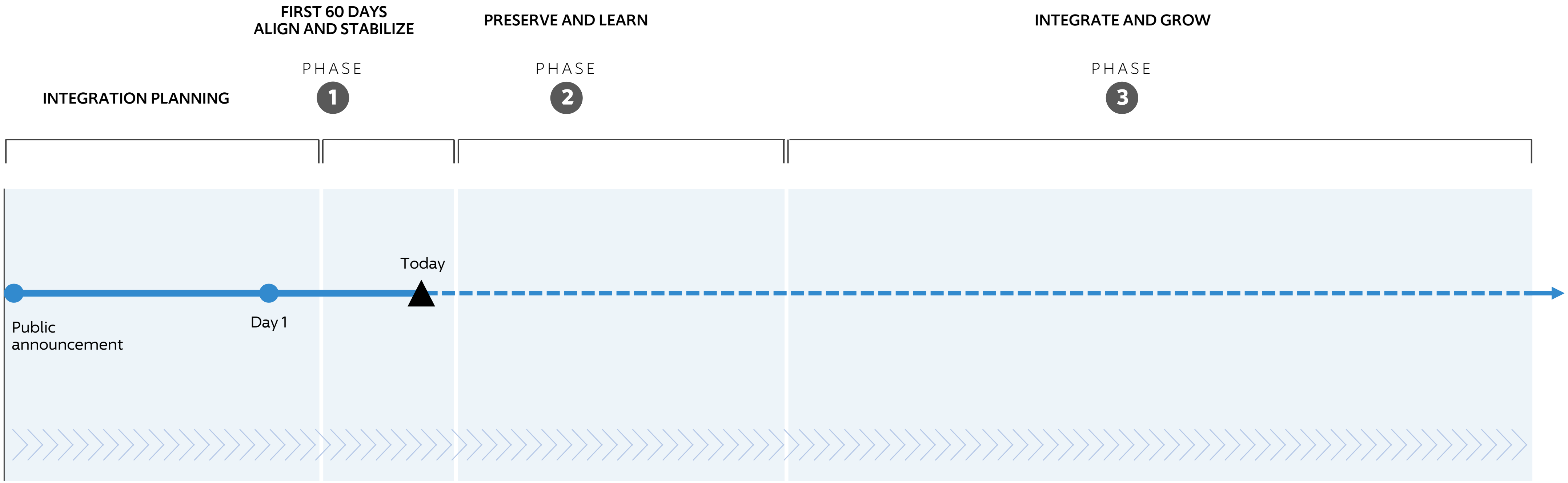
Source: S&P Global Market Intelligence Statutory Insurance Data for Commercial Auto

Protective is highly complementary and expands addressable market



Source: Internal data

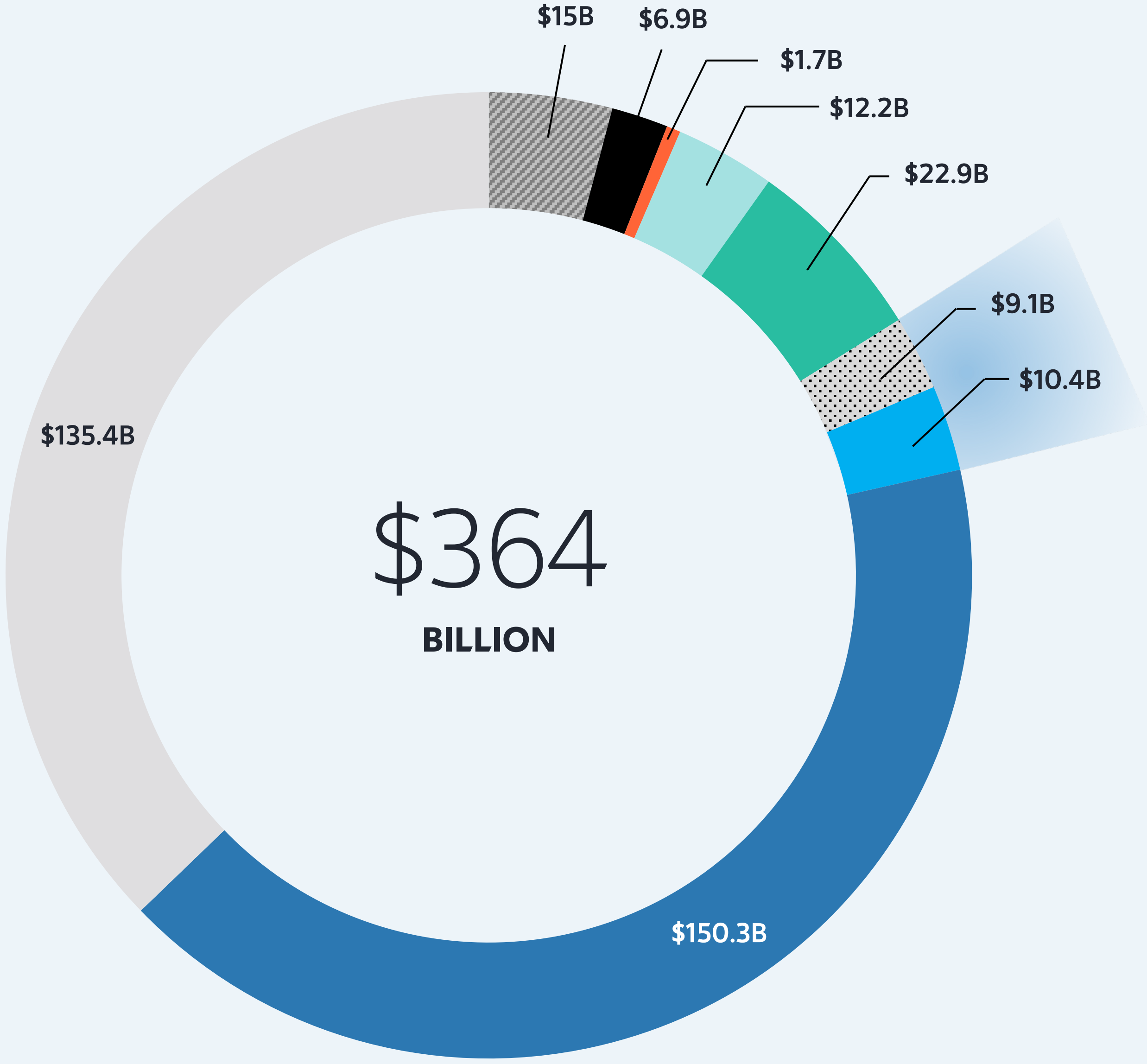
Integration approach



Pro Forma: a stronger Progressive Commercial Lines

2020 addressable market

- Commercial Auto (CA) - monoline
- CA – small fleet
- Transportation network companies (TNC)
- CA – bundled with General Liability (GL)/ Business Owners Policy (BOP)
- Small business – GL/BOP
- CA – medium and large fleet with Protective
- Workers' Comp with Protective
- CA, Commercial Multi Peril (CMP), and other liability not considering
- Other commercial lines



2020 Estimated; Source: SNL and Internal Analysis

03 /

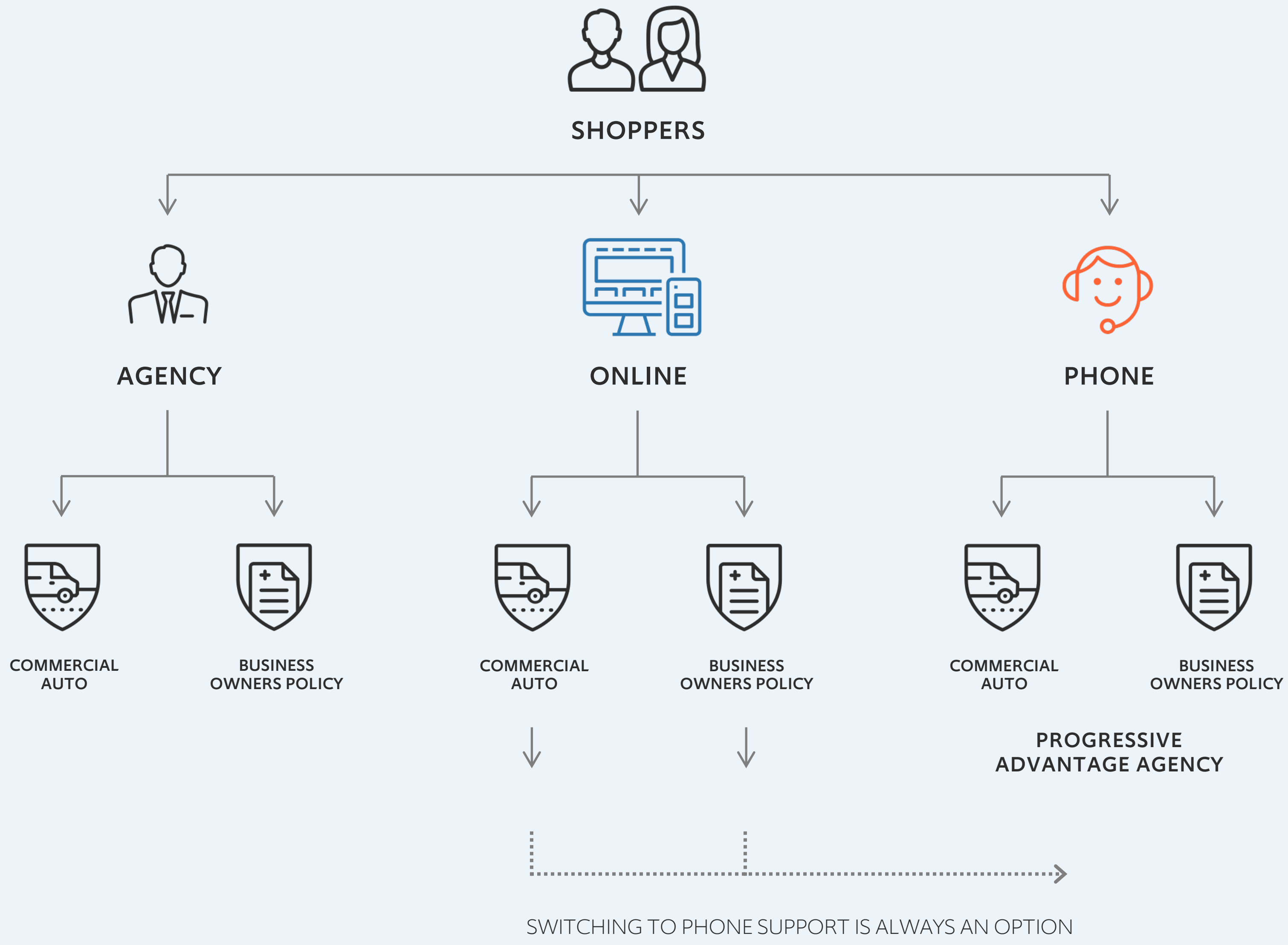
Small business update

Meet the broader needs of small business owners

- Manufactured products
- Meeting consumer direct demand

SMALL BUSINESS

Customers have a choice in how they buy



Progressive's Business Owners Policy BMTs

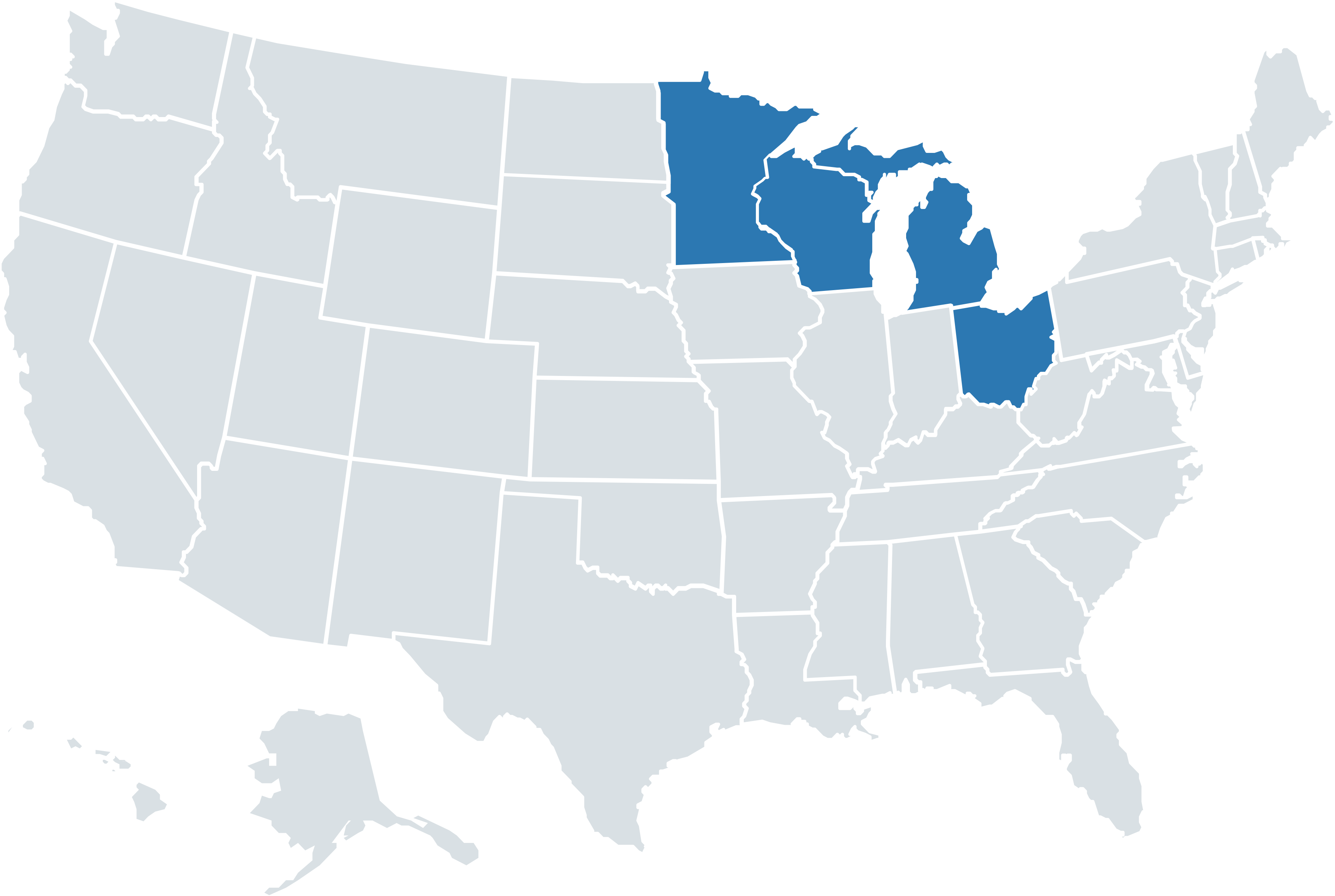
TARGET SEGMENTS	COUNT OF BUSINESS (<20 Employees)	SAMPLE CLASSES
CONTRACTORS	3.5 M	Plumber, Electrician, House Cleaner
OFFICES	5.0 M	Accounting, Real Estate
RESTAURANTS	0.5 M	Fast Food, Casual Dining
RETAIL & SERVICES	4.5 M	Apparel Store, Beauty Salon
WHOLESALE DISTRIBUTORS	0.5 M	Floral Distributor, HVAC Equipment
LESSORS RISK	0.1 M	Single or mixed occupancy commercial rental property

About half of the 31 million small businesses in the U.S.

Our strategies: Low cost, ease-of-use, and pricing segmentation

BOP new business deployment:

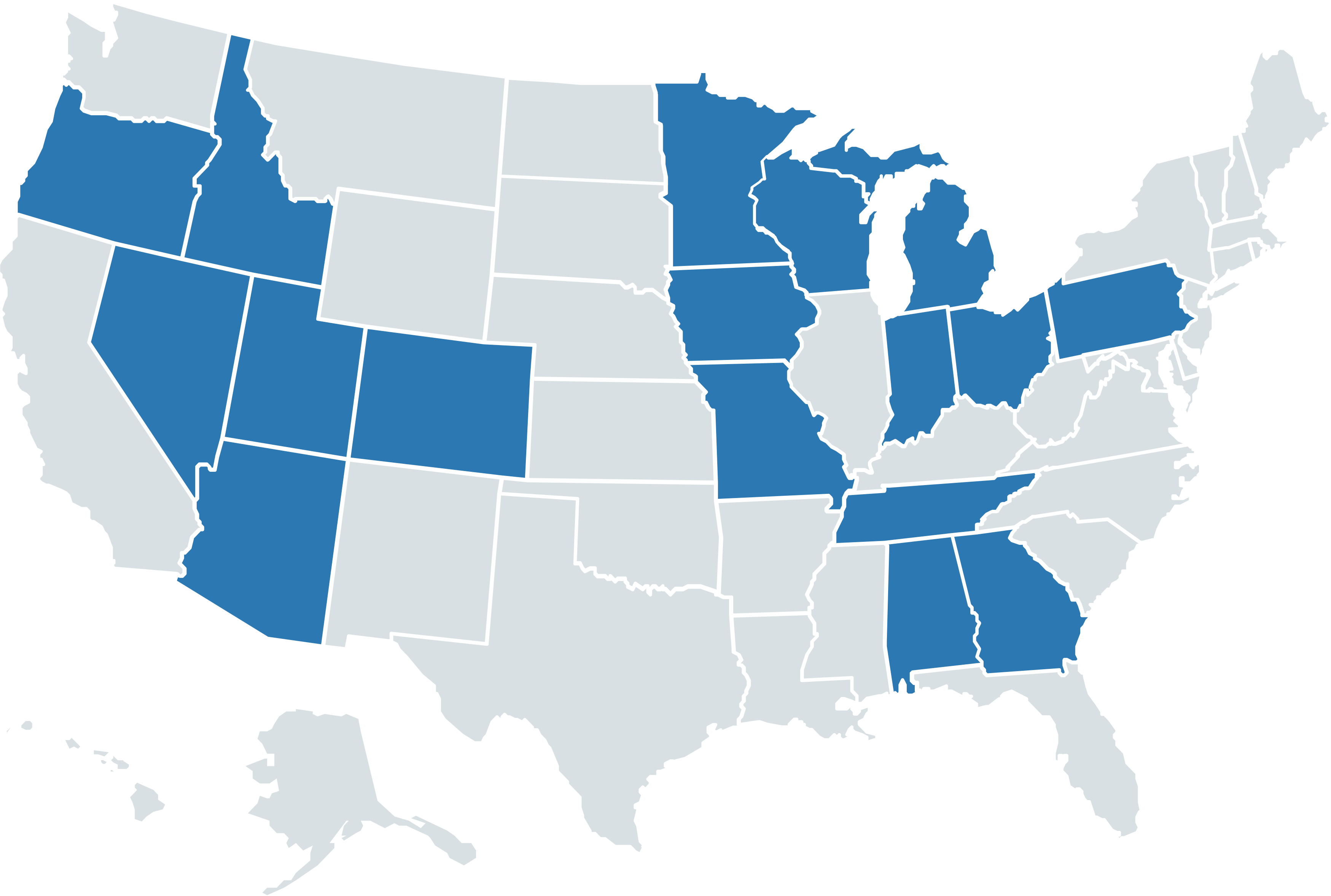
2019



SMALL BUSINESS

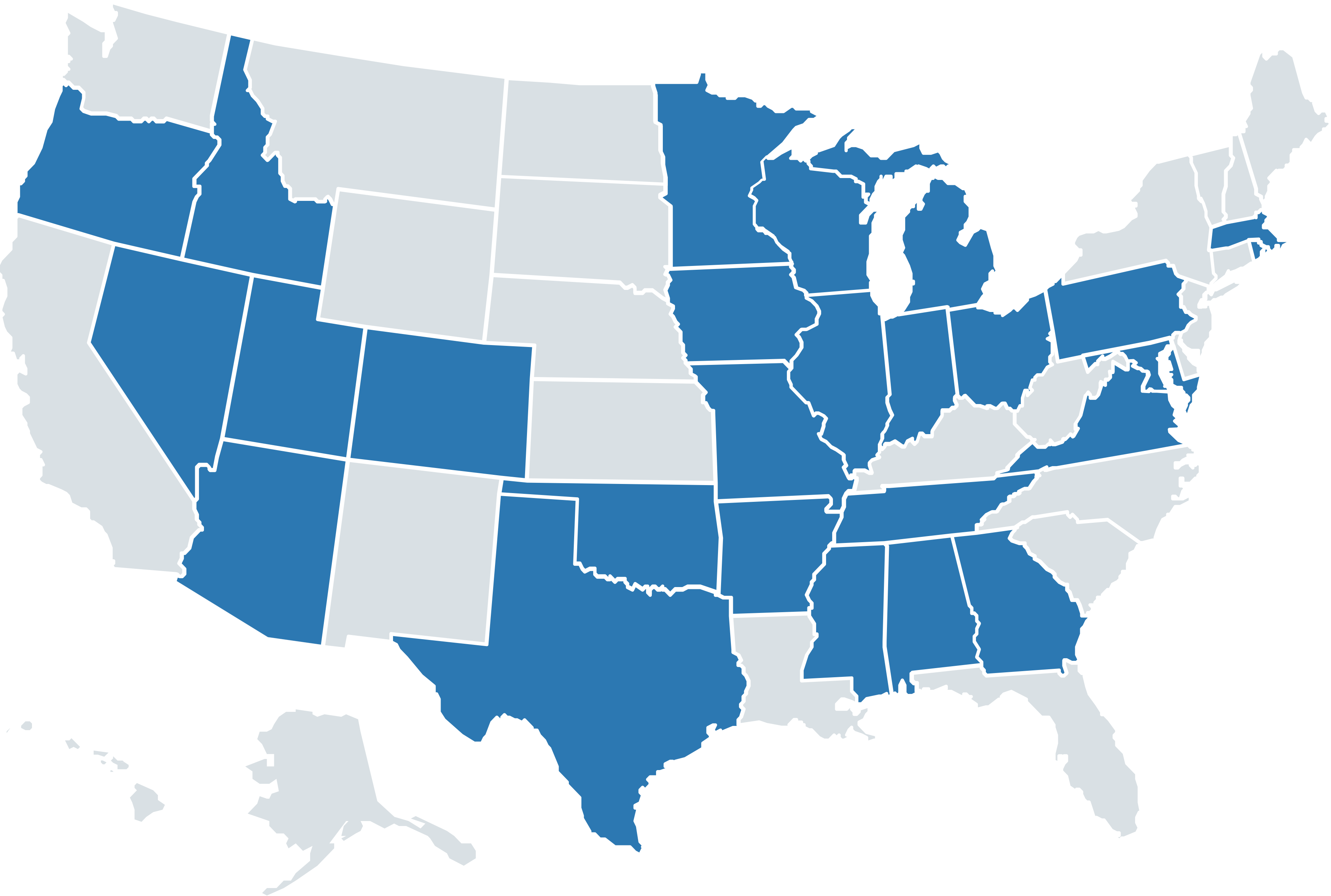
BOP new business deployment:

2020



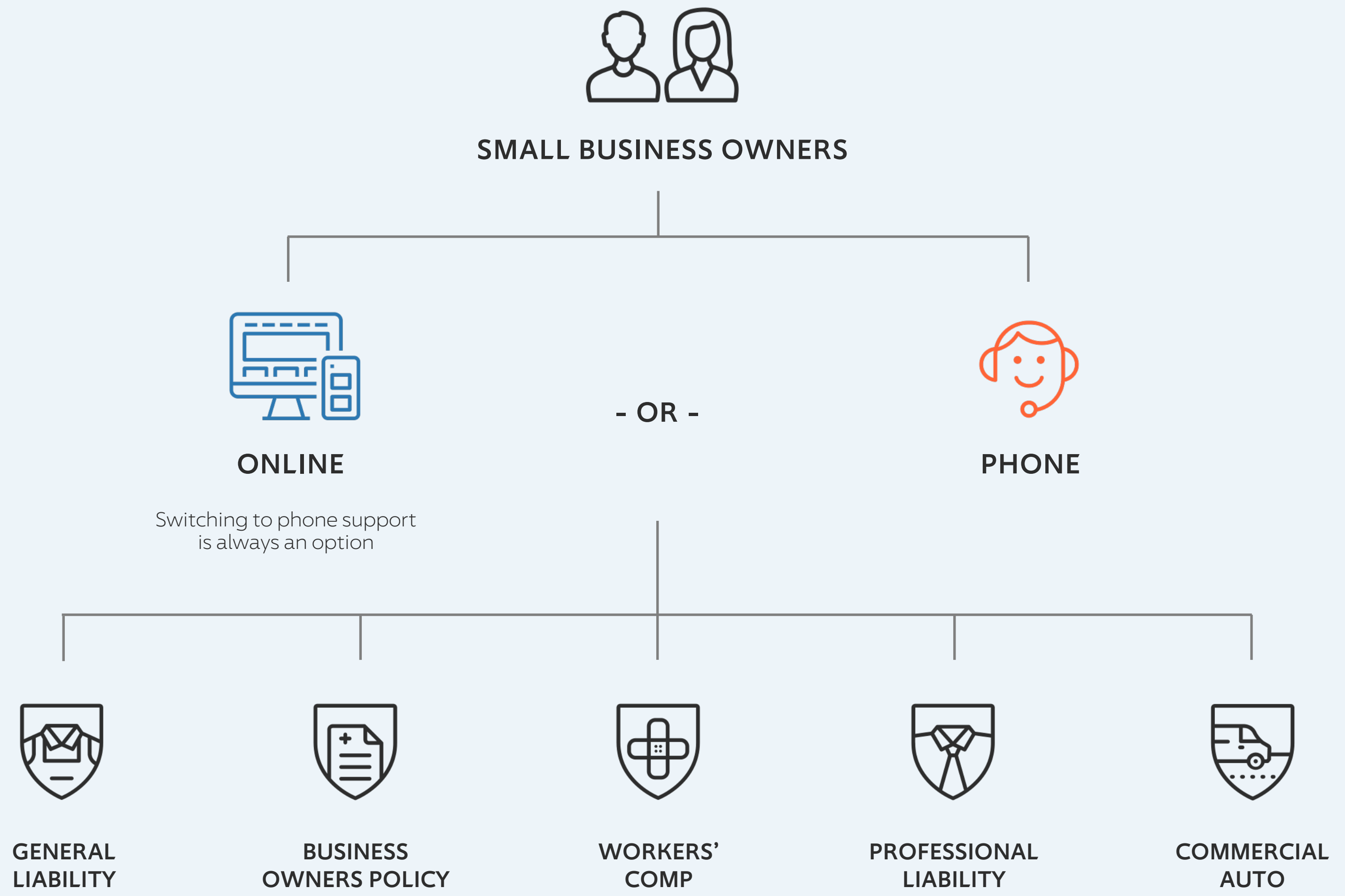
BOP new business deployment:

2021 YTD



SMALL BUSINESS

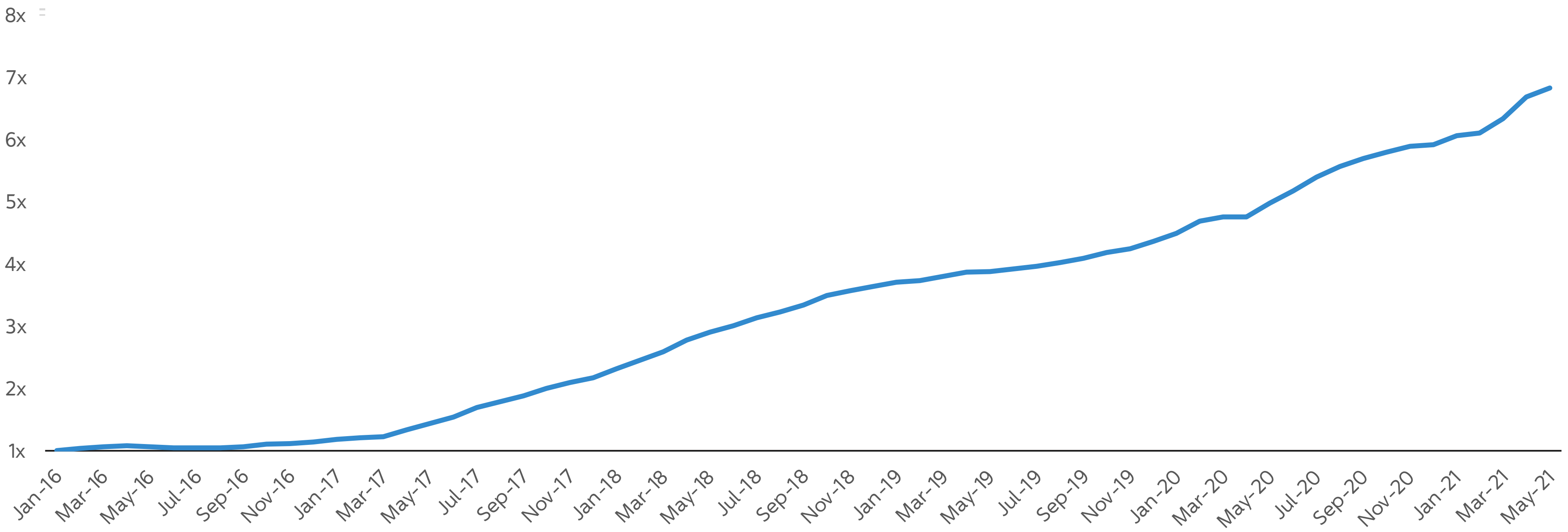
Direct small business owners have options for how to buy



Small business direct investments are driving sales

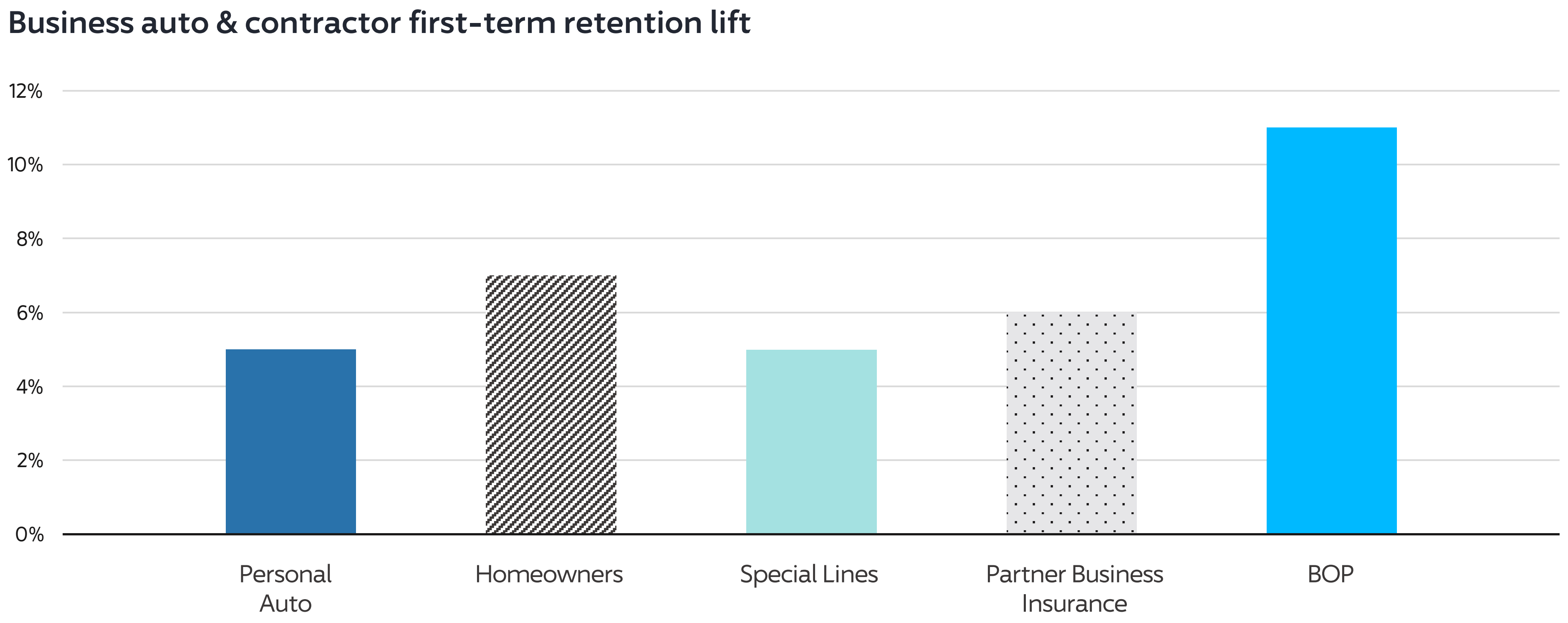
Carrier-distributed products

Trailing 12-month small business insurance sales



Source: Internal data

Bundling policies is key to extending relationships



Source: Internal Data; Commercial Auto & BOP not mix adjusted; all other products adjusted for channel and market

SMALL BUSINESS

Supporting the goal of extending relationships with customers

Thank you

INVESTOR RELATIONS Q2