UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2024

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____to_____

Commission File Number: 001-09518

THE PROGRESSIVE CORPORATION

(Exact name of registrant as specified in its charter)

Ohio	**34-0963169**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6300 Wilson Mills Road, Mayfield Village, Ohio	**44143**
(Address of principal executive offices)	**(Zip Code)**

(440) 461-5000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $1.00 Par Value	PGR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Shares, $1.00 par value: 585,698,387 outstanding at March 31, 2024

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

The Progressive Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

(unaudited)

Three Months Ended March 31,	2024	2023
(millions — except per share amounts)		
Revenues		
Net premiums earned	$ 16,148.6	$ 13,533.1
Investment income	617.6	419.6
Net realized gains (losses) on securities:		
Net realized gains (losses) on security sales	(146.5)	(30.3)
Net holding period gains (losses) on securities	302.1	104.4
Net impairment losses recognized in earnings	0	(2.3)
Total net realized gains (losses) on securities	155.6	71.8
Fees and other revenues	236.5	206.2
Service revenues	84.2	72.5
Total revenues	17,242.5	14,303.2
Expenses		
Losses and loss adjustment expenses	10,971.6	10,624.0
Policy acquisition costs	1,232.2	1,115.8
Other underwriting expenses	1,931.4	1,857.9
Investment expenses	5.7	5.5
Service expenses	92.1	82.3
Interest expense	69.6	63.3
Total expenses	14,302.6	13,748.8
Net Income		
Income before income taxes	2,939.9	554.4
Provision for income taxes	608.5	106.5
Net income	2,331.4	447.9
Other Comprehensive Income (Loss)		
Changes in:		
Total net unrealized gains (losses) on fixed-maturity securities	(207.8)	603.2
Net unrealized losses on forecasted transactions	0.1	0.1
Foreign currency translation adjustment	(0.2)	0
Other comprehensive income (loss)	(207.9)	603.3
Comprehensive income (loss)	$ 2,123.5	$ 1,051.2
Computation of Earnings Per Common Share		
Net income	$ 2,331.4	$ 447.9
Less: Preferred share dividends and other[1]	17.0	7.3
Net income available to common shareholders	$ 2,314.4	$ 440.6
Average common shares outstanding - Basic	585.4	584.9
Net effect of dilutive stock-based compensation	1.9	2.1
Total average equivalent common shares - Diluted	587.3	587.0
Basic: Earnings per common share	$ 3.95	$ 0.75
Diluted: Earnings per common share	$ 3.94	$ 0.75

[1] All of our outstanding Serial Preferred Shares, Series B, were redeemed in February 2024. See *Note 9 – Dividends* for further discussion.

See notes to consolidated financial statements.

The Progressive Corporation and Subsidiaries

Consolidated Balance Sheets

(unaudited)

(millions — except per share amounts)	March 31, 2024	March 31, 2023	December 31, 2023
Assets			
Available-for-sale securities, at fair value:			
Fixed maturities (amortized cost: $65,949.3, $53,123.9, and $62,441.9)	$ 63,629.7	$ 50,289.2	$ 60,378.2
Short-term investments (amortized cost: $1,326.7, $2,524.1, and $1,789.9)	1,326.7	2,524.1	1,789.9
Total available-for-sale securities	64,956.4	52,813.3	62,168.1
Equity securities, at fair value:			
Nonredeemable preferred stocks (cost: $931.1, $1,197.7, and $977.1)	886.7	1,078.8	902.1
Common equities (cost: $708.2, $740.5, and $706.0)	3,194.9	2,794.3	2,928.4
Total equity securities	4,081.6	3,873.1	3,830.5
Total investments	69,038.0	56,686.4	65,998.6
Cash and cash equivalents	154.5	273.7	84.9
Restricted cash and cash equivalents	13.4	14.9	14.7
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	167.9	288.6	99.6
Accrued investment income	464.2	299.5	438.0
Premiums receivable, net of allowance for credit losses of $327.7, $340.9, and $369.1	14,192.5	12,411.4	11,958.2
Reinsurance recoverables	5,003.4	5,616.2	5,093.9
Prepaid reinsurance premiums	209.8	269.6	249.8
Deferred acquisition costs	1,818.2	1,626.8	1,687.4
Property and equipment, net of accumulated depreciation of $1,580.2, $1,576.2, and $1,655.1	756.3	949.0	880.8
Net federal deferred income taxes	1,031.8	1,057.0	936.0
Other assets	1,445.8	1,202.6	1,348.5
Total assets	$ 94,127.9	$ 80,407.1	$ 88,690.8
Liabilities and Shareholders' Equity			
Unearned premiums	$ 22,907.3	$ 19,844.3	$ 20,133.7
Loss and loss adjustment expense reserves	34,831.0	31,026.4	34,389.2
Accounts payable, accrued expenses, and other liabilities	7,688.6	6,278.7	7,002.2
Debt[1]	6,889.7	6,389.3	6,888.6
Total liabilities	72,316.6	63,538.7	68,413.7
Serial Preferred Shares (authorized 20.0)			
Serial Preferred Shares, Series B, no par value (cumulative, liquidation preference $1,000 per share) (authorized, issued, and outstanding of 0, 0.5, and 0.5)	0	493.9	493.9
Common shares, $1.00 par value (authorized 900.0; issued 797.6, including treasury shares of 211.9, 212.2, and 212.3)	585.7	585.4	585.3
Paid-in capital	2,028.7	1,907.7	2,013.1
Retained earnings	21,020.5	16,080.1	18,800.5
Accumulated other comprehensive income (loss):			
Net unrealized gains (losses) on fixed-maturity securities	(1,808.6)	(2,183.1)	(1,600.8)
Net unrealized losses on forecasted transactions	(13.9)	(14.4)	(14.0)
Foreign currency translation adjustment	(1.1)	(1.2)	(0.9)
Total accumulated other comprehensive income (loss)	(1,823.6)	(2,198.7)	(1,615.7)
Total shareholders' equity	21,811.3	16,868.4	20,277.1
Total liabilities and shareholders' equity	$ 94,127.9	$ 80,407.1	$ 88,690.8

[1] Consists of long-term debt. See *Note 4 – Debt* for further discussion.

See notes to consolidated financial statements.

The Progressive Corporation and Subsidiaries

Consolidated Statements of Changes in Shareholders' Equity

(unaudited)

Three Months Ended March 31,	2024	2023
(millions — except per share amounts)		
Serial Preferred Shares, No Par Value		
Balance, beginning of period	$ 493.9	$ 493.9
Redemption of Serial Preferred Shares, Series B[1]	(493.9)	0
Balance, end of period	0	493.9
Common Shares, $1.00 Par Value		
Balance, beginning of period	585.3	584.9
Treasury shares purchased	(0.2)	(0.2)
Net restricted equity awards issued/vested	0.6	0.7
Balance, end of period	585.7	585.4
Paid-In Capital		
Balance, beginning of period	2,013.1	1,893.0
Amortization of equity-based compensation	16.8	15.9
Treasury shares purchased	(0.8)	(0.8)
Net restricted equity awards issued/vested	(0.6)	(0.7)
Reinvested dividends on restricted stock units	0.2	0.3
Balance, end of period	2,028.7	1,907.7
Retained Earnings		
Balance, beginning of period	18,800.5	15,721.2
Net income	2,331.4	447.9
Treasury shares purchased	(36.1)	(31.7)
Cash dividends declared on common shares ($0.10 and $0.10 per share)[1]	(58.5)	(58.5)
Cash dividends declared on Serial Preferred Shares, Series B ($15.688377 and $0 per share)[1]	(7.8)	0
Reinvested dividends on restricted stock units	(0.2)	(0.3)
Other, net	(8.8)	1.5
Balance, end of period	21,020.5	16,080.1
Accumulated Other Comprehensive Income (Loss)		
Balance, beginning of period	(1,615.7)	(2,802.0)
Other comprehensive income (loss)	(207.9)	603.3
Balance, end of period	(1,823.6)	(2,198.7)
Total shareholders' equity	$ 21,811.3	$ 16,868.4

[1] See *Note 9 – Dividends* for further discussion.

There are 5.0 million Voting Preference Shares authorized; no such shares have been issued.

See notes to consolidated financial statements.

The Progressive Corporation and Subsidiaries

Consolidated Statements of Cash Flows

(unaudited)

Three Months Ended March 31,	2024	2023
(millions)		
Cash Flows From Operating Activities		
Net income	$ 2,331.4	$ 447.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	69.7	68.0
Net amortization (accretion) of fixed-income securities	(7.5)	(5.0)
Amortization of equity-based compensation	16.8	15.9
Net realized (gains) losses on securities	(155.6)	(71.8)
Net (gains) losses on disposition of property and equipment	(1.7)	16.5
Changes in:		
Premiums receivable	(2,234.3)	(1,994.5)
Reinsurance recoverables	90.5	215.9
Prepaid reinsurance premiums	40.0	25.9
Deferred acquisition costs	(130.8)	(82.4)
Income taxes	609.5	106.6
Unearned premiums	2,773.6	2,550.7
Loss and loss adjustment expense reserves	441.8	667.1
Accounts payable, accrued expenses, and other liabilities	457.8	565.5
Other, net	(65.8)	(76.8)
Net cash provided by operating activities	4,235.4	2,449.5
Cash Flows From Investing Activities		
Purchases:		
Fixed maturities	(13,288.2)	(6,119.5)
Equity securities	(32.4)	(17.8)
Sales:		
Fixed maturities	7,765.3	2,202.6
Equity securities	58.2	277.3
Maturities, paydowns, calls, and other:		
Fixed maturities	1,855.2	976.0
Equity securities	23.3	25.1
Net (purchases) sales of short-term investments	479.2	360.8
Net change in unsettled security transactions	61.8	57.2
Purchases of property and equipment	(50.2)	(43.2)
Sales of property and equipment	3.5	4.3
Net cash used in investing activities	(3,124.3)	(2,277.2)
Cash Flows From Financing Activities		
Redemption of Serial Preferred Shares, Series B	(500.0)	0
Dividends paid to common shareholders	(497.9)	(58.5)
Dividends paid to preferred shareholders	(7.8)	(13.4)
Acquisition of treasury shares for restricted stock tax liabilities	(37.1)	(32.7)
Net cash used in financing activities	(1,042.8)	(104.6)
Increase in cash, cash equivalents, restricted cash, and restricted cash equivalents	68.3	67.7
Cash, cash equivalents, restricted cash, and restricted cash equivalents – January 1	99.6	220.9
Cash, cash equivalents, restricted cash, and restricted cash equivalents – March 31	$ 167.9	$ 288.6

See notes to consolidated financial statements.

1. BASIS OF REPORTING AND ACCOUNTING

The accompanying consolidated financial statements include the accounts of The Progressive Corporation and our wholly owned insurance subsidiaries and non-insurance subsidiaries and affiliates in which we have a controlling financial interest (Progressive).

The consolidated financial statements reflect all normal recurring adjustments that, in the opinion of management, were necessary for a fair statement of the results for the interim periods presented. The results of operations for the period ended March 31, 2024, are not necessarily indicative of the results expected for the full year. These consolidated financial statements and the notes thereto should be read in conjunction with Progressive's audited financial statements and accompanying notes included in Exhibit 13 to our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Annual Report to Shareholders).

Premiums Receivable

We perform analyses to evaluate our premiums receivable for expected credit losses. See our 2023 Annual Report to Shareholders for a discussion on our premiums receivable allowance for credit loss policy. The following table summarizes changes in our allowance for credit loss exposure on our premiums receivable:

	Three Months Ended March 31,	
(millions)	**2024**	**2023**
Allowance for credit losses, beginning of period	$ 369.1	$ 343.3
Increase in allowance[1]	106.8	116.9
Write-offs[2]	(148.2)	(119.3)
Allowance for credit losses, end of period	$ 327.7	$ 340.9

[1] Represents the incremental increase in other underwriting expenses.
[2] Represents the portion of allowance that is reversed when the premiums receivable is written off. Premiums receivable balances are written off once we have exhausted our collection efforts.

Property and Equipment

Included in other assets in our consolidated balance sheets are "held for sale" properties of $169.8 million, $67.8 million, and $77.2 million at March 31, 2024 and 2023, and December 31, 2023, respectively. When properties are determined to be "held for sale," the property is written down to its fair value less estimated costs to sell, as applicable. The increase in the March 31, 2024, balance from December 31, 2023, was primarily driven by a decision in the first quarter to sell certain regional properties to optimize our real estate portfolio by consolidating employees into already existing alternative properties.

Earnings Per Share

We redeemed all of our outstanding Serial Preferred Shares, Series B, in February 2024. See *Note 9 – Dividends* for further discussion. To determine net income available to common shareholders, which is used in the calculation of the per common share amounts, we reduced net income by preferred share dividends, and, for 2024,

- underwriting discounts and commissions on the preferred share issuance,
- initial issuance costs related to the preferred shares, and
- excise taxes related to the preferred share redemption.

New Accounting Standards

On January 1, 2024, we started to amortize the remaining original cost of tax equity investments to the provision for income taxes, since certain conditions were met, on the modified retrospective basis, pursuant to an Accounting Standards Update (ASU) issued by the Financial Accounting Standards Board. Previously, these investments were accounted for under the equity method of accounting. The adoption of the ASU had no cumulative effect on retained earnings and did not have a material impact on our financial condition or results of operations. The amount of income tax credits and investment amortization recognized for the first quarter 2024, and the carrying amount of the tax credit investments at March 31, 2024, were not material to our financial condition or results of operations and, therefore, no additional disclosure is provided.

Reclassification

Goodwill and intangible assets are included in other assets in our consolidated balance sheets and the amortization of intangible assets in other, net, in cash provided by operating activities in our consolidated statements of cash flows. The March 31, 2023, amounts, which were presented separately on the balance sheet and statement of cash flows in the prior year, were reclassified to conform to the current year presentation.

2. INVESTMENTS

The following tables present the composition of our investment portfolio by major security type. Our securities are reported in our consolidated balance sheets at fair value. The changes in fair value for our fixed-maturity securities (other than hybrid securities) are reported as a component of accumulated other comprehensive income (loss), net of deferred income taxes, in our consolidated balance sheets. The net holding period gains (losses) reported below represent the inception-to-date changes in fair value for the hybrid and equity securities. The changes in the net holding period gains (losses) between periods are recorded as a component of net realized gains (losses) on securities in our consolidated statements of comprehensive income.

($ in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Holding Period Gains (Losses)	Fair Value	% of Total Fair Value
March 31, 2024						
Available-for-sale securities:						
Fixed maturities:						
U.S. government obligations	$ 39,823.8	$ 66.2	$ (1,327.3)	$ 0	$ 38,562.7	55.8 %
State and local government obligations	2,200.7	1.5	(142.4)	0	2,059.8	3.0
Foreign government obligations	16.9	0	(1.0)	0	15.9	0.1
Corporate debt securities	12,821.9	45.9	(328.1)	(18.4)	12,521.3	18.1
Residential mortgage-backed securities	390.1	0.2	(9.2)	2.0	383.1	0.6
Commercial mortgage-backed securities	4,368.6	2.5	(519.3)	0	3,851.8	5.6
Other asset-backed securities	6,146.1	9.2	(93.9)	(0.2)	6,061.2	8.8
Redeemable preferred stocks	181.2	0	(2.0)	(5.3)	173.9	0.2
Total fixed maturities	65,949.3	125.5	(2,423.2)	(21.9)	63,629.7	92.2
Short-term investments	1,326.7	0	0	0	1,326.7	1.9
Total available-for-sale securities	67,276.0	125.5	(2,423.2)	(21.9)	64,956.4	94.1
Equity securities:						
Nonredeemable preferred stocks	931.1	0	0	(44.4)	886.7	1.3
Common equities	708.2	0	0	2,486.7	3,194.9	4.6
Total equity securities	1,639.3	0	0	2,442.3	4,081.6	5.9
Total portfolio[1]	$ 68,915.3	$ 125.5	$ (2,423.2)	$ 2,420.4	$ 69,038.0	100.0 %

($ in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Holding Period Gains (Losses)	Fair Value	% of Total Fair Value
March 31, 2023						
Available-for-sale securities:						
Fixed maturities:						
U.S. government obligations	$ 28,490.9	$ 68.8	$ (1,209.6)	$ 0	$ 27,350.1	48.3 %
State and local government obligations	2,222.4	0.9	(161.7)	0	2,061.6	3.6
Foreign government obligations	16.9	0	(1.1)	0	15.8	0.1
Corporate debt securities	11,195.8	45.6	(525.4)	(34.7)	10,681.3	18.8
Residential mortgage-backed securities	655.0	0.2	(16.3)	(8.9)	630.0	1.1
Commercial mortgage-backed securities	5,252.6	1.6	(751.2)	0	4,503.0	7.9
Other asset-backed securities	5,087.8	1.8	(222.5)	(1.3)	4,865.8	8.6
Redeemable preferred stocks	202.5	0	(5.2)	(15.7)	181.6	0.3
Total fixed maturities	53,123.9	118.9	(2,893.0)	(60.6)	50,289.2	88.7
Short-term investments	2,524.1	0	0	0	2,524.1	4.5
Total available-for-sale securities	55,648.0	118.9	(2,893.0)	(60.6)	52,813.3	93.2
Equity securities:						
Nonredeemable preferred stocks	1,197.7	0	0	(118.9)	1,078.8	1.9
Common equities	740.5	0	0	2,053.8	2,794.3	4.9
Total equity securities	1,938.2	0	0	1,934.9	3,873.1	6.8
Total portfolio[1]	$ 57,586.2	$ 118.9	$ (2,893.0)	$ 1,874.3	$ 56,686.4	100.0 %

($ in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Holding Period Gains (Losses)	Fair Value	% of Total Fair Value
December 31, 2023						
Available-for-sale securities:						
Fixed maturities:						
U.S. government obligations	$ 37,823.2	$ 204.1	$ (1,157.9)	$ 0	$ 36,869.4	55.9 %
State and local government obligations	2,338.4	2.8	(138.4)	0	2,202.8	3.3
Foreign government obligations	17.3	0	(1.0)	0	16.3	0.1
Corporate debt securities	11,446.0	87.2	(332.3)	(17.2)	11,183.7	16.9
Residential mortgage-backed securities	426.9	0.2	(10.0)	0.1	417.2	0.6
Commercial mortgage-backed securities	4,535.2	2.2	(597.7)	0	3,939.7	6.0
Other asset-backed securities	5,667.2	15.7	(107.1)	(0.4)	5,575.4	8.4
Redeemable preferred stocks	187.7	0	(2.4)	(11.6)	173.7	0.3
Total fixed maturities	62,441.9	312.2	(2,346.8)	(29.1)	60,378.2	91.5
Short-term investments	1,789.9	0	0	0	1,789.9	2.7
Total available-for-sale securities	64,231.8	312.2	(2,346.8)	(29.1)	62,168.1	94.2
Equity securities:						
Nonredeemable preferred stocks	977.1	0	0	(75.0)	902.1	1.4
Common equities	706.0	0	0	2,222.4	2,928.4	4.4
Total equity securities	1,683.1	0	0	2,147.4	3,830.5	5.8
Total portfolio[1]	$ 65,914.9	$ 312.2	$ (2,346.8)	$ 2,118.3	$ 65,998.6	100.0 %

[1] At March 31, 2024 and 2023, we had $16.2 million and $22.8 million, respectively, of net unsettled security purchase transactions included in other liabilities, compared to $45.6 million included in other assets at December 31, 2023.

The total fair value of the portfolio at March 31, 2024 and 2023, and December 31, 2023, included $3.2 billion, $4.1 billion, and $4.2 billion, respectively, of securities held in a consolidated, non-insurance subsidiary of the holding company, net of unsettled security transactions.

At March 31, 2024, bonds and certificates of deposit in the principal amount of $672.4 million were on deposit to meet state insurance regulatory requirements. We did not hold any securities of any one issuer, excluding U.S. government obligations, with an aggregate cost or fair value exceeding 10% of total shareholders' equity at March 31, 2024 or 2023, or December 31, 2023. At March 31, 2024, we did not hold any debt securities that were non-income producing during the preceding 12 months.

Short-Term Investments Our short-term investments may include commercial paper and other investments that are expected to mature, or are redeemable, within one year.

Hybrid Securities Certain securities in our fixed-maturity portfolio are accounted for as hybrid securities because they contain embedded derivatives that are not deemed to be clearly and closely related to the host investments. These securities are reported at fair value:

	March 31,		
(millions)	**2024**	**2023**	**Dec. 31, 2023**
Fixed Maturities:			
Corporate debt securities	$ 507.1	$ 548.6	$ 531.3
Residential mortgage-backed securities	300.0	482.1	323.9
Other asset-backed securities	9.5	33.8	13.9
Redeemable preferred stocks	141.0	132.8	141.2
Total hybrid securities	$ 957.6	$ 1,197.3	$ 1,010.3

Since the embedded derivatives (e.g., change-in-control put option, debt-to-equity conversion, or any other feature unrelated to the credit quality or risk of default of the issuer that could impact the amount or timing of our expected future cash flows) do not have observable intrinsic values, we use the fair value option to record the changes in fair value of these securities through income as a component of net realized gains (losses).

Fixed Maturities The composition of fixed maturities by maturity at March 31, 2024, was:

(millions)	**Cost**	**Fair Value**
Less than one year	$ 7,227.5	$ 7,084.8
One to five years	45,277.4	43,850.9
Five to ten years	13,394.2	12,645.2
Ten years or greater	50.2	48.8
Total	$ 65,949.3	$ 63,629.7

Asset-backed securities are classified in the maturity distribution table based upon their projected cash flows. All other securities that do not have a single maturity date are reported based upon expected average maturity. Contractual maturities may differ from expected maturities because the issuers of the securities may have the right to call or prepay obligations.

Gross Unrealized Losses The following tables show the composition of gross unrealized losses by major security type and by the length of time that individual securities have been in a continuous unrealized loss position:

				Less than 12 Months			12 Months or Greater		
($ in millions)	**Total No. of Sec.**	**Total Fair Value**	**Gross Unrealized Losses**	**No. of Sec.**	**Fair Value**	**Unrealized Losses**	**No. of Sec.**	**Fair Value**	**Unrealized Losses**
March 31, 2024									
U.S. government obligations	139	$ 32,968.1	$ (1,327.3)	37	$ 21,634.6	$ (295.1)	102	$ 11,333.5	$ (1,032.2)
State and local government obligations	330	1,922.7	(142.4)	41	250.7	(1.8)	289	1,672.0	(140.6)
Foreign government obligations	1	15.9	(1.0)	0	0	0	1	15.9	(1.0)
Corporate debt securities	363	8,094.3	(328.1)	106	2,369.6	(20.6)	257	5,724.7	(307.5)
Residential mortgage-backed securities	35	78.0	(9.2)	1	0	0	34	78.0	(9.2)
Commercial mortgage-backed securities	181	3,741.7	(519.3)	4	190.5	(1.8)	177	3,551.2	(517.5)
Other asset-backed securities	193	3,259.5	(93.9)	59	1,303.5	(2.3)	134	1,956.0	(91.6)
Redeemable preferred stocks	3	32.9	(2.0)	0	0	0	3	32.9	(2.0)
Total fixed maturities	1,245	$ 50,113.1	$ (2,423.2)	248	$ 25,748.9	$ (321.6)	997	$ 24,364.2	$ (2,101.6)

($ in millions)	Total No. of Sec.	Total Fair Value	Gross Unrealized Losses	Less than 12 Months			12 Months or Greater		
				No. of Sec.	Fair Value	Unrealized Losses	No. of Sec.	Fair Value	Unrealized Losses
March 31, 2023									
U.S. government obligations	148	$ 19,446.8	$ (1,209.6)	40	$ 5,938.5	$ (127.5)	108	$ 13,508.3	$ (1,082.1)
State and local government obligations	343	1,943.6	(161.7)	72	350.7	(7.4)	271	1,592.9	(154.3)
Foreign government obligations	1	15.8	(1.1)	0	0	0	1	15.8	(1.1)
Corporate debt securities	390	8,129.9	(525.4)	93	2,239.3	(75.5)	297	5,890.6	(449.9)
Residential mortgage-backed securities	43	141.7	(16.3)	13	10.0	(0.4)	30	131.7	(15.9)
Commercial mortgage-backed securities	220	4,484.5	(751.2)	11	53.4	(1.5)	209	4,431.1	(749.7)
Other asset-backed securities	267	4,391.9	(222.5)	61	884.8	(6.2)	206	3,507.1	(216.3)
Redeemable preferred stocks	4	48.8	(5.2)	1	10.6	(1.4)	3	38.2	(3.8)
Total fixed maturities	1,416	$ 38,603.0	$ (2,893.0)	291	$ 9,487.3	$ (219.9)	1,125	$ 29,115.7	$ (2,673.1)

($ in millions)	Total No. of Sec.	Total Fair Value	Gross Unrealized Losses	Less than 12 Months			12 Months or Greater		
				No. of Sec.	Fair Value	Unrealized Losses	No. of Sec.	Fair Value	Unrealized Losses
December 31, 2023									
U.S. government obligations	147	$ 28,225.0	$ (1,157.9)	25	$ 11,890.0	$ (100.0)	122	$ 16,335.0	$ (1,057.9)
State and local government obligations	324	1,846.2	(138.4)	31	169.9	(0.9)	293	1,676.3	(137.5)
Foreign government obligations	1	16.3	(1.0)	0	0	0	1	16.3	(1.0)
Corporate debt securities	313	6,642.4	(332.3)	26	617.2	(14.7)	287	6,025.2	(317.6)
Residential mortgage-backed securities	39	88.4	(10.0)	2	0.4	0	37	88.0	(10.0)
Commercial mortgage-backed securities	189	3,912.2	(597.7)	1	30.7	(2.5)	188	3,881.5	(595.2)
Other asset-backed securities	207	3,299.1	(107.1)	41	639.4	(1.2)	166	2,659.7	(105.9)
Redeemable preferred stocks	3	32.5	(2.4)	0	0	0	3	32.5	(2.4)
Total fixed maturities	1,223	$ 44,062.1	$ (2,346.8)	126	$ 13,347.6	$ (119.3)	1,097	$ 30,714.5	$ (2,227.5)

A review of the securities in an unrealized loss position indicated that the issuers were current with respect to their interest obligations and that there was no evidence of deterioration of the current cash flow projections that would indicate we would not receive the remaining principal at maturity.

We had seven securities that had their credit ratings downgraded during the first quarter 2024, with a combined fair value of $58.2 million and an unrealized loss of $8.2 million as of March 31, 2024.

Allowance For Credit and Uncollectible Losses We are required to measure the amount of potential credit losses for all fixed-maturity securities in an unrealized loss position. We did not record any allowances for credit losses or any write-offs for amounts deemed to be uncollectible during the first three months of 2024 or 2023, and did not have a material credit loss allowance balance as of March 31, 2024 and 2023, or December 31, 2023. We considered several factors and inputs related to the individual securities as part of our analysis. The methodology and significant inputs used to measure the amount of credit losses in our portfolio included:

- current performance indicators on the business model or underlying assets (e.g., delinquency rates, foreclosure rates, and default rates);
- credit support (via current levels of subordination);
- historical credit ratings; and
- updated cash flow expectations based upon these performance indicators.

In order to determine the amount of credit loss, if any, we initially reviewed securities in a loss position to determine whether it was likely that we would be required, or intended, to sell any of the securities prior to the recovery of their respective cost bases (which could be maturity). If we were likely to, or intended to, sell prior to a potential recovery, we would write off the unrealized loss. For those securities that we determined we were not likely to, or did not intend to, sell prior to a potential recovery, we performed additional analysis to determine if the loss was credit related. For securities subject to credit related loss, we calculated the net present value (NPV) of the cash flows expected (i.e., expected recovery value) using the current book yield for each security. The NPV was then compared to the security's current amortized value to determine if a credit loss existed. In the event that the NPV was below the amortized value, and the amount was determined to be material on any specific security, or in the aggregate, a credit loss would be deemed to exist, and either an allowance for credit losses would be created, or if an allowance currently existed, either a recovery of the previous allowance, or an incremental loss, would be recorded to net realized gains (losses) on securities.

As of March 31, 2024 and 2023, and December 31, 2023, we believe that none of the unrealized losses on our fixed-maturity securities were related to material credit losses on any specific securities, or in the aggregate. We continue to expect all the securities in our fixed-maturity portfolio to pay their principal and interest obligations.

In addition, we reviewed our accrued investment income outstanding on those securities in an unrealized loss position at March 31, 2024 and 2023, and December 31, 2023, to determine if the accrued interest amounts were uncollectible. Based on our analysis, we believe the issuers have sufficient liquidity and capital reserves to meet their current interest, and future principal, obligations and, therefore, did not write off any accrued income as uncollectible at March 31, 2024 and 2023, or December 31, 2023.

Realized Gains (Losses) The components of net realized gains (losses) for the three months ended March 31, were:

	Three Months	
(millions)	**2024**	**2023**
Gross realized gains on security sales		
Available-for-sale securities:		
U.S. government obligations	$ 0	$ 3.8
State and local government obligations	0.3	0
Corporate debt securities	2.9	0.1
Total available-for-sale securities	3.2	3.9
Equity securities:		
Nonredeemable preferred stocks	0	0.1
Common equities	11.2	132.0
Total equity securities	11.2	132.1
Subtotal gross realized gains on security sales	14.4	136.0
Gross realized losses on security sales		
Available-for-sale securities:		
U.S. government obligations	(135.3)	(11.5)
State and local government obligations	(0.1)	0
Corporate debt securities	(14.8)	(20.4)
Commercial mortgage-backed securities	(4.3)	(34.5)
Other asset-backed securities	(0.1)	(0.2)
Redeemable preferred stocks	(0.3)	0
Short-term investments	0	(0.1)
Total available-for-sale securities	(154.9)	(66.7)
Equity securities:		
Nonredeemable preferred stocks	(5.9)	(101.0)
Common equities	(0.1)	(11.8)
Total equity securities	(6.0)	(112.8)
Subtotal gross realized losses on security sales	(160.9)	(179.5)
Net realized gains (losses) on security sales		
Available-for-sale securities:		
U.S. government obligations	(135.3)	(7.7)
State and local government obligations	0.2	0
Corporate debt securities	(11.9)	(20.3)
Commercial mortgage-backed securities	(4.3)	(34.5)
Other asset-backed securities	(0.1)	(0.2)
Redeemable preferred stocks	(0.3)	0
Short-term investments	0	(0.1)
Total available-for-sale securities	(151.7)	(62.8)
Equity securities:		
Nonredeemable preferred stocks	(5.9)	(100.9)
Common equities	11.1	120.2
Total equity securities	5.2	19.3
Subtotal net realized gains (losses) on security sales	(146.5)	(43.5)
Other assets		
Gain	0	13.2
Impairment	0	(2.3)
Subtotal net realized gains (losses) on other assets	0	10.9
Net holding period gains (losses)		
Hybrid securities	7.2	13.9
Equity securities	294.9	90.5
Subtotal net holding period gains (losses)	302.1	104.4
Total net realized gains (losses) on securities	$ 155.6	$ 71.8

Realized gains (losses) on securities sold are computed using the first-in-first-out method. During the first three months of 2024, the majority of our gross realized losses on security sales were U.S. Treasury Notes that were sold for duration management. We also sold corporate debt securities with less attractive risk/reward profiles and select commercial mortgage-backed securities. During the first quarter 2023, the gross gains in common equities reflected sales of securities, as part of our plan to incrementally reduce risk in the portfolio in response to our view of the potential of a more difficult economic environment. The gross loss incurred in our nonredeemable preferred stocks, during the first quarter 2023, was primarily related to the sale of certain holdings in U.S. bank preferred stocks. In addition, during the first quarter last year, we selectively sold securities, which were primarily corporate debt securities and commercial mortgage-backed securities.

The other asset gain for the first three months of 2023, related to proceeds received as the result of litigation in conjunction with three renewable energy investments we made from 2016 through 2018 (the original investments were previously written down in full).

The following table reflects our holding period realized gains (losses) recognized on equity securities held at the respective periods ended March 31:

	Three Months	
(millions)	**2024**	**2023**
Total net gains (losses) recognized during the period on equity securities	$ 300.1	$ 109.8
Less: Net gains (losses) recognized on equity securities sold during the period	5.2	19.3
Net holding period gains (losses) recognized during the period on equity securities held at period end	$ 294.9	$ 90.5

Net Investment Income The components of net investment income for the three months ended March 31, were:

	Three Months	
(millions)	**2024**	**2023**
Available-for-sale securities:		
Fixed maturities:		
U.S. government obligations	$ 306.9	$ 163.2
State and local government obligations	12.4	10.6
Foreign government obligations	0.1	0.1
Corporate debt securities	121.5	83.6
Residential mortgage-backed securities	5.4	9.2
Commercial mortgage-backed securities	46.4	50.0
Other asset-backed securities	78.2	48.5
Redeemable preferred stocks	2.9	2.9
Total fixed maturities	573.8	368.1
Short-term investments	18.9	24.7
Total available-for-sale securities	592.7	392.8
Equity securities:		
Nonredeemable preferred stocks	11.0	15.1
Common equities	13.9	11.7
Total equity securities	24.9	26.8
Investment income	617.6	419.6
Investment expenses	(5.7)	(5.5)
Net investment income	$ 611.9	$ 414.1

On a year-over-year basis, investment income (interest and dividends) increased 47% and recurring investment book yield increased 23% for the three months ended March 31, 2024, compared to the same period last year. The increases primarily reflected investing new cash from operations and proceeds from maturing bonds in higher coupon rate securities.

3. FAIR VALUE

We have categorized our financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

- *Level 1*: Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., U.S. government obligations, which are continually priced on a daily basis, active exchange-traded equity securities, and certain short-term securities).

- *Level 2*: Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly (e.g., certain corporate and municipal bonds and certain preferred stocks). This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- *Level 3*: Inputs that are unobservable. Unobservable inputs reflect our subjective evaluation about the assumptions market participants would use in pricing the financial instrument (e.g., certain structured securities and privately held investments).

Determining the fair value of the investment portfolio is the responsibility of management. As part of that responsibility, we evaluate whether a market is distressed or inactive in determining the fair value for our portfolio. We review certain market level inputs to evaluate whether sufficient activity, volume, and new issuances exist to create an active market. Based on this evaluation, we concluded that there was sufficient activity related to the sectors and securities for which we obtained valuations.

The composition of the investment portfolio by major security type and our outstanding debt was:

(millions)	Fair Value Level 1	Level 2	Level 3	Total	Cost
March 31, 2024					
Fixed maturities:					
U.S. government obligations	$ 38,562.7	$ 0	$ 0	$ 38,562.7	$ 39,823.8
State and local government obligations	0	2,059.8	0	2,059.8	2,200.7
Foreign government obligations	0	15.9	0	15.9	16.9
Corporate debt securities	0	12,518.3	3.0	12,521.3	12,821.9
Subtotal	38,562.7	14,594.0	3.0	53,159.7	54,863.3
Asset-backed securities:					
Residential mortgage-backed	0	383.1	0	383.1	390.1
Commercial mortgage-backed	0	3,851.8	0	3,851.8	4,368.6
Other asset-backed	0	6,061.2	0	6,061.2	6,146.1
Subtotal asset-backed securities	0	10,296.1	0	10,296.1	10,904.8
Redeemable preferred stocks:					
Financials	0	23.2	0	23.2	24.5
Utilities	0	9.6	0	9.6	10.4
Industrials	0	141.1	0	141.1	146.3
Subtotal redeemable preferred stocks	0	173.9	0	173.9	181.2
Total fixed maturities	38,562.7	25,064.0	3.0	63,629.7	65,949.3
Short-term investments	1,326.7	0	0	1,326.7	1,326.7
Total available-for-sale securities	39,889.4	25,064.0	3.0	64,956.4	67,276.0
Equity securities:					
Nonredeemable preferred stocks:					
Financials	0	785.3	49.2	834.5	876.1
Utilities	0	37.4	0	37.4	40.0
Industrials	0	0	14.8	14.8	15.0
Subtotal nonredeemable preferred stocks	0	822.7	64.0	886.7	931.1
Common equities:					
Common stocks	3,148.1	0	22.5	3,170.6	683.9
Other risk investments	0	0	24.3	24.3	24.3
Subtotal common equities	3,148.1	0	46.8	3,194.9	708.2
Total equity securities	3,148.1	822.7	110.8	4,081.6	1,639.3
Total portfolio	$ 43,037.5	$ 25,886.7	$ 113.8	$ 69,038.0	$ 68,915.3
Debt	$ 0	$ 6,297.8	$ 0	$ 6,297.8	$ 6,889.7

(millions)	Fair Value				Cost
	Level 1	Level 2	Level 3	Total	
March 31, 2023					
Fixed maturities:					
U.S. government obligations	$ 27,350.1	$ 0	$ 0	$ 27,350.1	$ 28,490.9
State and local government obligations	0	2,061.6	0	2,061.6	2,222.4
Foreign government obligations	0	15.8	0	15.8	16.9
Corporate debt securities	0	10,681.3	0	10,681.3	11,195.8
Subtotal	27,350.1	12,758.7	0	40,108.8	41,926.0
Asset-backed securities:					
Residential mortgage-backed	0	630.0	0	630.0	655.0
Commercial mortgage-backed	0	4,503.0	0	4,503.0	5,252.6
Other asset-backed	0	4,865.8	0	4,865.8	5,087.8
Subtotal asset-backed securities	0	9,998.8	0	9,998.8	10,995.4
Redeemable preferred stocks:					
Financials	0	40.0	0	40.0	43.5
Utilities	0	8.8	0	8.8	10.5
Industrials	9.6	123.2	0	132.8	148.5
Subtotal redeemable preferred stocks	9.6	172.0	0	181.6	202.5
Total fixed maturities	27,359.7	22,929.5	0	50,289.2	53,123.9
Short-term investments	2,524.1	0	0	2,524.1	2,524.1
Total available-for-sale securities	29,883.8	22,929.5	0	52,813.3	55,648.0
Equity securities:					
Nonredeemable preferred stocks:					
Financials	40.0	884.5	67.4	991.9	1,102.7
Utilities	0	70.5	0	70.5	80.0
Industrials	0	0	16.4	16.4	15.0
Subtotal nonredeemable preferred stocks	40.0	955.0	83.8	1,078.8	1,197.7
Common equities:					
Common stocks	2,755.7	0	18.3	2,774.0	720.2
Other risk investments	0	0	20.3	20.3	20.3
Subtotal common equities	2,755.7	0	38.6	2,794.3	740.5
Total equity securities	2,795.7	955.0	122.4	3,873.1	1,938.2
Total portfolio	$ 32,679.5	$ 23,884.5	$ 122.4	$ 56,686.4	$ 57,586.2
Debt	$ 0	$ 5,881.0	$ 0	$ 5,881.0	$ 6,389.3

(millions)	Fair Value				Cost
	Level 1	Level 2	Level 3	Total	
December 31, 2023					
Fixed maturities:					
U.S. government obligations	$ 36,869.4	$ 0	$ 0	$ 36,869.4	$ 37,823.2
State and local government obligations	0	2,202.8	0	2,202.8	2,338.4
Foreign government obligations	0	16.3	0	16.3	17.3
Corporate debt securities	0	11,180.7	3.0	11,183.7	11,446.0
Subtotal	36,869.4	13,399.8	3.0	50,272.2	51,624.9
Asset-backed securities:					
Residential mortgage-backed	0	417.2	0	417.2	426.9
Commercial mortgage-backed	0	3,939.7	0	3,939.7	4,535.2
Other asset-backed	0	5,575.4	0	5,575.4	5,667.2
Subtotal asset-backed securities	0	9,932.3	0	9,932.3	10,629.3
Redeemable preferred stocks:					
Financials	0	23.1	0	23.1	24.5
Utilities	0	9.4	0	9.4	10.4
Industrials	0	141.2	0	141.2	152.8
Subtotal redeemable preferred stocks	0	173.7	0	173.7	187.7
Total fixed maturities	36,869.4	23,505.8	3.0	60,378.2	62,441.9
Short-term investments	1,757.0	32.9	0	1,789.9	1,789.9
Total available-for-sale securities	38,626.4	23,538.7	3.0	62,168.1	64,231.8
Equity securities:					
Nonredeemable preferred stocks:					
Financials	0	802.7	49.2	851.9	922.1
Utilities	0	35.4	0	35.4	40.0
Industrials	0	0	14.8	14.8	15.0
Subtotal nonredeemable preferred stocks	0	838.1	64.0	902.1	977.1
Common equities:					
Common stocks	2,885.3	0	22.5	2,907.8	685.4
Other risk investments	0	0	20.6	20.6	20.6
Subtotal common equities	2,885.3	0	43.1	2,928.4	706.0
Total equity securities	2,885.3	838.1	107.1	3,830.5	1,683.1
Total portfolio	$ 41,511.7	$ 24,376.8	$ 110.1	$ 65,998.6	$ 65,914.9
Debt	$ 0	$ 6,431.3	$ 0	$ 6,431.3	$ 6,888.6

Our portfolio valuations, excluding short-term investments, classified as either Level 1 or Level 2 in the above tables are priced exclusively by external sources, including pricing vendors, dealers/market makers, and exchange-quoted prices.

Our short-term investments classified as Level 1 are highly liquid, actively marketed, and have a very short duration, primarily 90 days or less to redemption. These securities are held at their original cost, adjusted for any accretion of discount, since that value very closely approximates what an active market participant would be willing to pay for such securities. The remainder of our short-term investments are classified as Level 2 and are not priced externally since these securities continually trade at par value. These securities are classified as Level 2 since they are primarily longer-dated securities issued by municipalities that contain either liquidity facilities or mandatory put features within one year.

At March 31, 2024, vendor-quoted prices represented 92% of our Level 1 classifications (excluding short-term investments), compared to 91% at March 31, 2023 and 93% at December 31, 2023. The securities quoted by vendors in Level 1 primarily represent our holdings in U.S. Treasury Notes, which are frequently traded, and the quotes are considered similar to exchange-traded quotes. The balance of our Level 1 pricing comes from quotes obtained directly from trades made on active exchanges. All Level 1 preferred stocks with active exchange quotes were sold during 2023.

At both March 31, 2024 and December 31, 2023, vendor-quoted prices comprised 100% of our Level 2 classifications (excluding short-term investments), compared to 98% at March 31, 2023; the remaining 2% at March 31, 2023 were dealer-quoted prices. In our process for selecting a source (e.g., dealer or pricing service) to provide pricing for securities in our portfolio, we reviewed documentation from the sources that detailed the pricing

techniques and methodologies used by these sources and determined if their policies adequately considered market activity, either based on specific transactions for the particular security type or based on modeling of securities with similar credit quality, duration, yield, and structure that were recently transacted. Once a source is chosen, we continue to monitor any changes or modifications to their processes by reviewing their documentation on internal controls for pricing and market reviews. We review quality control measures of our sources as they become available to determine if any significant changes have occurred from period to period that might indicate issues or concerns regarding their evaluation or market coverage.

As part of our pricing procedures, we obtain quotes from more than one source to help us fully evaluate the market price of securities. However, our internal pricing policy is to use a consistent source for individual securities in order to maintain the integrity of our valuation process. Quotes obtained from the sources are not considered binding offers to transact. Under our policy, when a review of the valuation received from our selected source appears to be outside of what is considered market level activity (which is defined as trading at spreads or yields significantly different than those of comparable securities or outside the general sector level movement without a reasonable explanation), we may use an alternate source's price. To the extent we determine that it may be prudent to substitute one source's price for another, we will contact the initial source to obtain an understanding of the factors that may be contributing to the significant price variance.

To allow us to determine if our initial source is providing a price that is outside of a reasonable range, we review our portfolio pricing on a weekly basis. When necessary, we challenge prices from our sources when a price provided does not match our expectations based on our evaluation of market trends and activity. Initially, we perform a review of our portfolio by sector to identify securities whose prices appear outside of a reasonable range. We then perform a more detailed review of fair values for securities disclosed as Level 2. We review dealer bids and quotes for these and/or similar securities to determine the market level context for our valuations. We then evaluate inputs relevant for each class of securities disclosed in the preceding hierarchy tables.

For structured debt securities, including commercial, residential, and other asset-backed securities, we evaluate available market-related data for these and similar securities related to collateral, delinquencies, and defaults for historical trends and reasonably estimable projections, as well as historical prepayment rates and current prepayment assumptions and cash flow estimates. We further stratify each class of our structured debt securities into more finite sectors (e.g., planned amortization class, first pay, second pay, senior, subordinated, etc.) and use duration, credit quality, and coupon to determine if the fair value is appropriate.

For corporate debt and preferred stock (redeemable and nonredeemable) portfolios, as well as the notes issued by The Progressive Corporation (see *Note 4 – Debt*), we review securities by duration, credit quality, and coupon, as well as changes in interest rate and credit spread movements within that stratification. The review also includes recent trades, including: volume traded at various levels that establish a market; issuer specific fundamentals; and industry-specific economic news as it comes to light.

For municipal securities (e.g., general obligations, revenue, and housing), we stratify the portfolio to evaluate securities by type, duration, credit quality, and coupon to review price changes relative to credit spread and interest rate changes. Additionally, we look to economic data as it relates to geographic location as an indication of price-to-call or maturity predictors. For municipal housing securities, we look to changes in cash flow projections, both historical and reasonably estimable projections, to understand yield changes and their effect on valuation.

For short-term securities, we look at acquisition price relative to the coupon or yield. Since our short-term securities are typically 90 days or less to maturity, with the majority listed in Level 2 being 30 days or less to redemption, we believe that acquisition price is the best estimate of fair value.

We also review data assumptions as supplied by our sources to determine if that data is relevant to current market conditions. In addition, we independently review each sector for transaction volumes, new issuances, and changes in spreads, as well as the overall movement of interest rates along the yield curve to determine if sufficient activity and liquidity exists to provide a credible source for our market valuations.

During each valuation period, we create internal estimations of portfolio valuation (performance returns), based on current market-related activity (i.e., interest rate and credit spread movements and other credit-related factors) within each major sector of our portfolio. We compare our internally generated portfolio results with those generated based on quotes we receive externally and research material valuation differences. We compare our results to index returns for each major sector adjusting for duration and credit quality differences to better understand our portfolio's results. Additionally, we review on a monthly basis our external sales transactions and compare the actual final market sales prices to previous market valuation prices. This review provides us further validation that our pricing sources are providing market level prices, since we are able to explain significant price changes (i.e., greater than 2%) as known events occur in the marketplace and affect a particular security's price at sale.

This analysis provides us with additional comfort regarding the source's process, the quality of its review, and its willingness to improve its analysis based on feedback from clients. We believe this effort helps ensure that we are

reporting the most representative fair values for our securities.

After all the valuations are received and our review of Level 2 securities is complete, if the inputs used by vendors are determined to not contain sufficient observable market information, we will reclassify the affected securities to Level 3.

Except as described below, our Level 3 securities are priced externally; however, due to several factors (e.g., nature of the securities, level of activity, and lack of similar securities trading to obtain observable market level inputs), these valuations are more subjective in nature.

To the extent we receive prices from external sources (e.g., broker, valuation firm) for the Level 3 securities, we review those prices for reasonableness using internally developed assumptions and then compare our derived prices to the prices received from the external sources. Based on our review, all prices received from external sources remained unadjusted.

If we do not receive prices from an external source, we perform an internal fair value comparison, which includes a review and analysis of market-comparable securities, to determine if fair value changes are needed. Based on this analysis, certain private equity investments included in the Level 3 category remain valued at cost or were priced using a recent transaction as the basis for fair value. At least annually, these private equity investments are priced by an external source.

Our Level 3 other risk investments include securities accounted for under the equity method of accounting and, therefore, are not subject to fair value reporting. Since these securities represent less than 0.1% of our total portfolio, we will continue to include them in our Level 3 disclosures and report the activity from these investments as “other” changes in the summary of changes in fair value table and categorize these securities as “pricing exemption securities” in the quantitative information table.

At both March 31, 2024 and December 31, 2023, we held one privately held fixed-maturity security that is classified as a Level 3 investment. At March 31, 2023, we did not have any securities in our fixed-maturity portfolio listed as Level 3.

During the first three months of 2024 and for the full year of 2023, there were no material assets or liabilities measured at fair value on a nonrecurring basis.

Due to the relative size of the Level 3 securities’ fair values, compared to the total portfolio’s fair value, any changes in pricing methodology would not have a significant change in valuation that would materially impact net or comprehensive income.

The following tables provide a summary of changes in fair value associated with Level 3 assets for the three months ended March 31, 2024 and 2023:

	Level 3 Fair Value							
(millions)	Fair Value at December 31, 2023	Calls/ Maturities/ Paydowns/Other	Purchases	Sales	Net Realized (Gain)/Loss on Sales	Change in Valuation	Net Transfers In (Out)	Fair Value at March 31, 2024
Fixed maturities:								
Corporate debt securities	$ 3.0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3.0
Equity securities:								
Nonredeemable preferred stocks:								
Financials	49.2	0	0	0	0	0	0	49.2
Industrials	14.8	0	0	0	0	0	0	14.8
Common equities:								
Common stocks	22.5	0	0	0	0	0	0	22.5
Other risk investments	20.6	3.7	0	0	0	0	0	24.3
Total Level 3 securities	$ 110.1	$ 3.7	$ 0	$ 0	$ 0	$ 0	$ 0	$ 113.8

	Level 3 Fair Value							
(millions)	Fair Value at December 31, 2022	Calls/ Maturities/ Paydowns/Other	Purchases	Sales	Net Realized (Gain)/Loss on Sales	Change in Valuation	Net Transfers In (Out)	Fair Value at March 31, 2023
Equity securities:								
Nonredeemable preferred stocks:								
Financials	$ 67.4	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 67.4
Industrials	16.4	0	0	0	0	0	0	16.4
Common equities:								
Common stocks	18.3	0	0	0	0	0	0	18.3
Other risk investments	19.8	0.5	0	0	0	0	0	20.3
Total Level 3 securities	$ 121.9	$ 0.5	$ 0	$ 0	$ 0	$ 0	$ 0	$ 122.4

The following tables provide a summary of the quantitative information about Level 3 fair value measurements for our applicable securities at March 31, 2024 and 2023, and December 31, 2023:

		Quantitative Information about Level 3 Fair Value Measurements				
($ in millions)		**Fair Value at March 31, 2024**	**Valuation Technique**	**Unobservable Input**	**Range of Input Values Increase (Decrease)**	**Weighted Average Increase (Decrease)**
Fixed maturities:						
Corporate debt securities	$	3.0	Market comparables	Weighted average market capitalization price change %	(2.3)% to 1.2%	(0.1)%
Equity securities:						
Nonredeemable preferred stocks		64.0	Market comparables	Weighted average market capitalization price change %	3.4% to 28.4%	22.6 %
Common stocks		22.5	Market comparables	Weighted average market capitalization price change %	(37.9)% to 39.6%	3.4 %
Subtotal Level 3 securities		89.5				
Pricing exemption securities		24.3				
Total Level 3 securities	$	113.8				

		Quantitative Information about Level 3 Fair Value Measurements				
($ in millions)		**Fair Value at March 31, 2023**	**Valuation Technique**	**Unobservable Input**	**Range of Input Values Increase (Decrease)**	**Weighted Average Increase (Decrease)**
Equity securities:						
Nonredeemable preferred stocks	$	83.8	Market comparables	Weighted average market capitalization price change %	2.7% to 23.3%	9.2 %
Common stocks		18.3	Market comparables	Weighted average market capitalization price change %	(51.3)% to 48.3%	15.6 %
Subtotal Level 3 securities		102.1				
Pricing exemption securities		20.3				
Total Level 3 securities	$	122.4				

		Quantitative Information about Level 3 Fair Value Measurements				
($ in millions)		**Fair Value at December 31, 2023**	**Valuation Technique**	**Unobservable Input**	**Range of Input Values Increase (Decrease)**	**Weighted Average Increase (Decrease)**
Fixed maturities:						
Corporate debt securities	$	3.0	Market comparables	Weighted average market capitalization price change %	0.3% to 7.7%	2.6 %
Equity securities:						
Nonredeemable preferred stocks		64.0	Market comparables	Weighted average market capitalization price change %	17.2% to 39.7%	21.7%
Common stocks		22.5	Market comparables	Weighted average market capitalization price change %	(45.8)% to 95.6%	39.7%
Subtotal Level 3 securities		89.5				
Pricing exemption securities		20.6				
Total Level 3 securities	$	110.1				

4. DEBT

Debt at each of the balance sheet periods consisted of:

(millions)	March 31, 2024 Carrying Value	March 31, 2024 Fair Value	March 31, 2023 Carrying Value	March 31, 2023 Fair Value	December 31, 2023 Carrying Value	December 31, 2023 Fair Value
2.45% Senior Notes due 2027 (issued: $500.0, August 2016)	$ 498.7	$ 468.6	$ 498.3	$ 464.2	$ 498.6	$ 468.9
2.50% Senior Notes due 2027 (issued: $500.0, March 2022)	498.2	468.5	497.7	463.8	498.1	469.1
6 5/8% Senior Notes due 2029 (issued: $300.0, March 1999)	297.9	323.5	297.6	329.6	297.8	328.7
4.00% Senior Notes due 2029 (issued: $550.0, October 2018)	547.1	532.5	546.5	538.5	546.9	542.6
3.20% Senior Notes due 2030 (issued: $500.0, March 2020)	497.4	456.1	497.0	460.0	497.3	462.2
3.00% Senior Notes due 2032 (issued: $500.0, March 2022)	496.4	435.7	496.0	446.9	496.3	446.0
6.25% Senior Notes due 2032 (issued: $400.0, November 2002)	396.8	434.2	396.5	448.1	396.7	445.6
4.95% Senior Notes due 2033 (issued: $500.0, May 2023)	496.5	499.2	0	0	496.4	513.0
4.35% Senior Notes due 2044 (issued: $350.0, April 2014)	347.0	312.8	346.9	312.3	347.0	314.2
3.70% Senior Notes due 2045 (issued: $400.0, January 2015)	395.9	327.9	395.8	324.0	395.9	325.1
4.125% Senior Notes due 2047 (issued: $850.0, April 2017)	842.3	719.2	842.1	743.8	842.3	756.2
4.20% Senior Notes due 2048 (issued: $600.0, March 2018)	590.7	519.8	590.4	530.0	590.6	534.1
3.95% Senior Notes due 2050 (issued: $500.0, March 2020)	491.2	409.8	491.0	420.3	491.1	422.3
3.70% Senior Notes due 2052 (issued: $500.0, March 2022)	493.6	390.0	493.5	399.5	493.6	403.3
Total	$ 6,889.7	$ 6,297.8	$ 6,389.3	$ 5,881.0	$ 6,888.6	$ 6,431.3

There was no short-term debt outstanding as of the end of all the periods presented.

The Progressive Corporation has a line of credit with PNC Bank, National Association, in the maximum principal amount of $300 million. See the 2023 Annual Report to Shareholders for a discussion of the terms of this line of credit. We had no borrowings under the line of credit that was available during the periods presented.

5. INCOME TAXES

The effective tax rate for the three months ended March 31, 2024, was 20.7%, compared to 19.2% for the same period last year, with the change primarily due to our permanent tax differences having a lower impact on our effective rate due to increased profitability in the current year.

Deferred tax assets and liabilities are recorded based on the difference between the financial statement and tax bases of assets and liabilities at the enacted tax rates. We review our deferred tax assets regularly for recoverability. At March 31, 2024 and 2023, and December 31, 2023, we determined that we did not need a valuation allowance on our gross deferred tax assets. Although realization of the deferred tax assets is not assured, management believes that it is more likely than not the deferred tax assets will be realized based on our expectation that we will be able to fully utilize the deductions that are ultimately recognized for tax purposes. At March 31, 2024 and 2023, and December 31, 2023, the net deferred tax asset includes a gross deferred tax asset of $482.5 million, $582.6 million, and $427.3 million, respectively, related to unrealized losses on fixed-maturity securities. We believe this deferred tax asset will be realized based on the existence of current temporary differences related to unrealized gains in our equity portfolio, prior year capital gains, and other tax planning strategies.

We had net current income taxes payable of $961.8 million, $203.3 million, and $311.8 million at March 31, 2024 and 2023, and December 31, 2023, respectively, included in accounts payable, accrued expenses, and other liabilities on our consolidated balance sheets. The increase in income taxes payable was primarily driven by the increase in profitability during the first quarter 2024.

At March 31, 2024 and 2023, and December 31, 2023, we had no reserves for uncertain tax positions.

6. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

Activity in the loss and loss adjustment expense reserves is summarized as follows:

	March 31,	
(millions)	**2024**	**2023**
Balance at January 1	$ 34,389.2	$ 30,359.3
Less reinsurance recoverables on unpaid losses	4,789.0	5,559.2
Net balance at January 1	29,600.2	24,800.1
Incurred related to:		
Current year	10,983.0	10,002.8
Prior years	(11.4)	621.2
Total incurred	10,971.6	10,624.0
Paid related to:		
Current year	4,421.7	3,962.6
Prior years	5,971.0	5,736.2
Total paid	10,392.7	9,698.8
Net balance at March 31	30,179.1	25,725.3
Plus reinsurance recoverables on unpaid losses	4,651.9	5,301.1
Balance at March 31	$ 34,831.0	$ 31,026.4

We experienced favorable reserve development of $11.4 million during the first three months of 2024, compared to unfavorable development of $621.2 million for the same period last year, which is reflected as “incurred related to prior years” in the table above.

First Quarter 2024

- The favorable prior year reserve development included approximately $50 million of favorable development attributable to accident year 2023 and $15 million to accident year 2022; partially offset by unfavorable development attributable to accident years 2021 and prior.
- Our personal auto products incurred about $100 million of favorable loss and loss adjustment expense (LAE) reserve development, in part due to lower than anticipated frequency in Florida following tort reform that passed in the first quarter 2023, with about 60% attributable to the Agency auto business and the balance in the Direct auto business.
- Our Commercial Lines business experienced about $70 million of unfavorable development, primarily driven by higher than anticipated severity in our commercial auto business for California and New York.

First Quarter 2023

- The unfavorable prior year reserve development included approximately $498 million attributable to accident year 2022, $30 million to accident year 2021, and the remainder to accident years 2020 and prior.
- Our personal auto products incurred about $428 million of unfavorable loss and LAE reserve development, with the Agency and Direct auto businesses each contributing about half. The unfavorable development was primarily attributable to higher than anticipated severity in auto property and physical damage coverages, higher than anticipated late reported injury claims, and, to a lessor extent, increased loss costs in Florida injury and medical coverages in small part due to the impact of the legislation enacted in March 2023 in Florida.
- Our Commercial Lines business experienced about $144 million of unfavorable development, primarily due to higher than anticipated severity of injury case reserves and higher than anticipated severity and frequency of late reported injury claims.
- Our Property business experienced $42 million of unfavorable development, primarily from higher than anticipated claims expenses and higher than anticipated severity in our homeowner liability peril and umbrella products.

7. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents include bank demand deposits and daily overnight reverse repurchase commitments of funds held in bank demand deposit accounts by certain subsidiaries. The amount of overnight reverse repurchase commitments, which are not considered part of the investment portfolio, held by these subsidiaries at March 31, 2024 and 2023, and December 31, 2023, were $107.7 million, $177.5 million, and $68.2 million, respectively. Restricted cash and restricted cash equivalents include collateral held against unpaid deductibles and cash that is restricted to pay flood claims under the National Flood Insurance Program's "Write Your Own" program, for which certain subsidiaries are participants.

Non-cash activity included the following in the respective periods:

	Three Months Ended March 31,	
(millions)	**2024**	**2023**
Common share dividends[1]	$ 58.6	$ 58.5
Operating lease liabilities[2]	28.0	9.3

[1] Declared but unpaid. See *Note 9 – Dividends* for further discussion.
[2] From obtaining right-of-use assets.

In the respective periods, we paid the following:

	Three Months Ended March 31,	
(millions)	**2024**	**2023**
Income taxes	$ 0	$ 0.1
Interest	87.9	87.9
Operating lease liabilities	21.6	21.5

8. SEGMENT INFORMATION

Our Personal Lines segment writes insurance for personal autos and recreational vehicles (our special lines products). Our Commercial Lines segment writes auto-related liability and physical damage insurance, business-related general liability and property insurance predominately for small businesses, and workers' compensation insurance primarily for the transportation industry. Our Property segment writes residential property insurance for homeowners, other property owners, and renters, and umbrella insurance. Our service businesses provide insurance-related services, including serving as an agent for homeowners, general liability, and workers' compensation insurance, among other products, through programs in our direct Personal Lines and Commercial Lines businesses. All segment revenues are generated from external customers; all intercompany transactions are eliminated in consolidation.

Following are the operating results for the respective periods:

	Three Months Ended March 31,			
	2024		2023	
(millions)	Revenues	Pretax Profit (Loss)	Revenues	Pretax Profit (Loss)
Personal Lines				
Agency	$ 5,857.7	$ 950.7	$ 4,860.2	$ 162.6
Direct	7,020.5	1,043.6	5,717.4	(22.1)
Total Personal Lines[1]	12,878.2	1,994.3	10,577.6	140.5
Commercial Lines	2,557.4	209.0	2,356.1	37.2
Property	712.8	46.9	598.7	(32.7)
Other indemnity[2]	0.2	(0.3)	0.7	(3.4)
Total underwriting operations	16,148.6	2,249.9	13,533.1	141.6
Fees and other revenues[3]	236.5	NA	206.2	NA
Service businesses	84.2	(7.9)	72.5	(9.8)
Investments[4]	773.2	767.5	491.4	485.9
Interest expense	NA	(69.6)	NA	(63.3)
Consolidated total	$ 17,242.5	$ 2,939.9	$ 14,303.2	$ 554.4

NA = Not applicable

[1] Personal auto insurance accounted for 95% and 94% of the total Personal Lines segment net premiums earned during the three months ended March 31, 2024 and 2023, respectively; insurance for our special lines products (e.g., motorcycles, RVs, watercraft, and snowmobiles) accounted for the balance of the Personal Lines net premiums earned.

[2] Includes other underwriting business and run-off operations.

[3] Pretax profit (loss) for fees and other revenues is allocated to operating segments based on revenue.

[4] Revenues represent recurring investment income and total net realized gains (losses) on securities; pretax profit (loss) is net of investment expenses.

Our management uses underwriting margin and combined ratio as primary measures of underwriting profitability. The underwriting margin is the pretax underwriting profit (loss) expressed as a percentage of net premiums earned (i.e., revenues from underwriting operations). Pretax underwriting profit (loss) is calculated as net premiums earned plus fees and other revenues, less: (i) losses and loss adjustment expenses; (ii) policy acquisition costs; and (iii) other underwriting expenses. Combined ratio is the complement of the underwriting margin. Following are the underwriting margins and combined ratios for our underwriting operations for the respective periods:

	Three Months Ended March 31,			
	2024		2023	
	Under-writing Margin	Combined Ratio	Under-writing Margin	Combined Ratio
Personal Lines				
Agency	16.2 %	83.8	3.3 %	96.7
Direct	14.9	85.1	(0.4)	100.4
Total Personal Lines	15.5	84.5	1.3	98.7
Commercial Lines	8.2	91.8	1.6	98.4
Property	6.6	93.4	(5.5)	105.5
Total underwriting operations	13.9	86.1	1.0	99.0

9. DIVIDENDS

Following is a summary of our common and preferred share dividends that were declared and/or paid during the three months ended March 31, 2024 and 2023:

(millions, except per share amounts)		Amount	
Declared	Payable	Per Share	Accrued/Paid[1]
Common – Annual-Variable Dividends:			
December 2023	January 2024	$ 0.75	$ 439.3
Common – Quarterly Dividends:			
March 2024	April 2024	0.10	58.6
December 2023	January 2024	0.10	58.6
March 2023	April 2023	0.10	58.5
December 2022	January 2023	0.10	58.5
Preferred Dividends:			
January 2024[2]	February 2024	15.688377	7.8
December 2022	March 2023	26.875	13.4

[1] The accrual is based on an estimate of shares outstanding as of the record date and recorded as a component of accounts payable, accrued expenses, and other liabilities on our consolidated balance sheets until paid.

[2] During the first quarter 2024, we redeemed all of the outstanding Serial Preferred Shares, Series B, at the stated amount of $1,000 per share, for an aggregate payout of $507.8 million, including accrued and unpaid dividends of $7.8 million to, but excluding, February 22, 2024, which was the redemption date.

See *Note 14 – Dividends* in our 2023 Annual Report to Shareholders for a discussion of the dividend policies related to our common shares and our preferred shares, prior to redemption.

10. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss), including reclassification adjustments by income statement line item, were as follows:

(millions)	Pretax total accumulated other comprehensive income (loss)	Total tax (provision) benefit	After tax total accumulated other comprehensive income (loss)	Components of Changes in Accumulated Other Comprehensive Income (after tax): Total net unrealized gains (losses) on securities	Net unrealized losses on forecasted transactions	Foreign currency translation adjustment
Balance at December 31, 2023	$ (2,052.9)	$ 437.2	$ (1,615.7)	$ (1,600.8)	$ (14.0)	$ (0.9)
Other comprehensive income (loss) before reclassifications:						
Investment securities	(413.6)	86.9	(326.7)	(326.7)	0	0
Foreign currency translation adjustment	(0.3)	0.1	(0.2)	0	0	(0.2)
Total other comprehensive income (loss) before reclassifications	(413.9)	87.0	(326.9)	(326.7)	0	(0.2)
Less: Reclassification adjustment for amounts realized in net income by income statement line item:						
Net realized gains (losses) on securities	(150.5)	31.6	(118.9)	(118.9)	0	0
Interest expense	(0.1)	0	(0.1)	0	(0.1)	0
Total reclassification adjustment for amounts realized in net income	(150.6)	31.6	(119.0)	(118.9)	(0.1)	0
Total other comprehensive income (loss)	(263.3)	55.4	(207.9)	(207.8)	0.1	(0.2)
Balance at March 31, 2024	$ (2,316.2)	$ 492.6	$ (1,823.6)	$ (1,808.6)	$ (13.9)	$ (1.1)

(millions)	Pretax total accumulated other comprehensive income (loss)	Total tax (provision) benefit	After tax total accumulated other comprehensive income (loss)	Components of Changes in Accumulated Other Comprehensive Income (after tax): Total net unrealized gains (losses) on securities	Net unrealized losses on forecasted transactions	Foreign currency translation adjustment
Balance at December 31, 2022	$ (3,556.9)	$ 754.9	$ (2,802.0)	$ (2,786.3)	$ (14.5)	$ (1.2)
Other comprehensive income (loss) before reclassifications:						
Investment securities	705.6	(148.2)	557.4	557.4	0	0
Total other comprehensive income (loss) before reclassifications	705.6	(148.2)	557.4	557.4	0	0
Less: Reclassification adjustment for amounts realized in net income by income statement line item:						
Net realized gains (losses) on securities	(57.9)	12.1	(45.8)	(45.8)	0	0
Interest expense	(0.1)	0	(0.1)	0	(0.1)	0
Total reclassification adjustment for amounts realized in net income	(58.0)	12.1	(45.9)	(45.8)	(0.1)	0
Total other comprehensive income (loss)	763.6	(160.3)	603.3	603.2	0.1	0
Balance at March 31, 2023	$ (2,793.3)	$ 594.6	$ (2,198.7)	$ (2,183.1)	$ (14.4)	$ (1.2)

In an effort to manage interest rate risk, we entered into forecasted transactions on certain of Progressive's debt issuances. We expect to reclassify $0.6 million (pretax) into interest expense during the next 12 months, related to net unrealized losses on these forecasted transactions (see *Note 4 – Debt* in our 2023 Annual Report to Shareholders for further discussion).

11. LITIGATION

The Progressive Corporation and/or its insurance subsidiaries are named as defendants in various lawsuits arising out of claims made under insurance policies written by our insurance subsidiaries in the ordinary course of business. We consider all legal actions relating to such claims in establishing our loss and loss adjustment expense reserves.

In addition, The Progressive Corporation and/or its insurance subsidiaries are named as defendants in a number of class action or individual lawsuits that challenge certain of the operations of the subsidiaries. The nature and volume of litigation pending against The Progressive Corporation and/or its insurance subsidiaries is similar to that which was disclosed in *Note 12 – Litigation* in our 2023 Annual Report to Shareholders.

As of March 31, 2024, lawsuits have been certified or conditionally certified as class/collective actions in cases alleging: we improperly value total loss claims in Colorado, Georgia, Indiana, New York, and Pennsylvania; we improperly fail to pay fees and taxes associated with total losses in Michigan and New York; we improperly adjust medical bills in Washington; we improperly calculate basic economic loss as it relates to wage loss coverage in New York; we improperly fail to timely process and pay personal injury protection claims in Texas; we improperly reduce or deny first-party medical benefits in Arkansas; and that certain of our compensation practices and overtime payment practices are improper, including our classification of certain employees as exempt from overtime pay requirements. Other insurance companies face many of these same issues.

We plan to contest the pending lawsuits vigorously, but may pursue settlement negotiations in some cases, as we deem appropriate. Although outcomes of pending cases are uncertain until final disposition, we establish accruals for these lawsuits when it is probable that a loss has been or will be incurred and we can reasonably estimate potential loss exposure, which may include a range of loss. As to lawsuits for which the loss is considered neither probable nor estimable, or is considered probable but not estimable, we do not establish an accrual. Nevertheless, we continue to evaluate pending litigation to determine if any losses not deemed probable and estimable become so, at which point we would establish an accrual at either our best estimate of the loss or the lower end of the range of loss.

Lawsuits arising from insurance policies and operations, including but not limited to allegations involving claims adjustment and vehicle valuation, may be filed contemporaneously in multiple states. As of March 31, 2024, we are named as defendants in class action lawsuits pending in multiple states alleging that we improperly value total loss vehicle physical damage claims through the application of a negotiation adjustment in calculating such valuations, which includes five states in which classes have been certified, as noted above, and lawsuits styled as putative class actions pending in additional states. These lawsuits, which were filed at different times by different plaintiffs, feature certain similar claims and also include different allegations and are subject to various state laws. While we believe we have meritorious defenses and we are vigorously contesting these lawsuits, an unfavorable result in, or a settlement of, a significant number of these lawsuits could, in aggregation, have a material adverse effect on our financial condition, cash flows, and/or results of operations. Based on information known at March 31, 2024, we determined that losses from these lawsuits are reasonably possible but neither probable nor reasonably estimable.

With respect to our pending lawsuits that are not related to claims under insurance policies, the accruals that we have established, if any, were not material at March 31, 2024 and 2023, or December 31, 2023, and there were no material settlements during 2023 or the first three months of 2024. For most of these lawsuits, we do not consider any losses to be both probable and estimable, and we are unable to estimate a meaningful range of loss, if any, at this time, due to the factors discussed in *Note 12 – Litigation* in our 2023 Annual Report to Shareholders. In the event that any one or more of these lawsuits results in a substantial judgment against us, or settlement by us, or if our accruals (if any) prove to be inadequate, the resulting liability could have a material adverse effect on our consolidated financial condition, cash flows, and/or results of operations. For a further discussion on our pending litigation and related reserving policies, see *Note 12 – Litigation* in our 2023 Annual Report to Shareholders.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

I. OVERVIEW

During the first quarter 2024, The Progressive Corporation's insurance subsidiaries recognized strong growth in both premiums and policies in force, compared to the same period last year, and generated an underwriting profit significantly better than our 4% companywide calendar-year underwriting profit goal.

Net premiums written and earned increased 18% and 19%, respectively, compared to the same period last year, with all operating segments contributing to the growth. For the quarter, we generated $19.0 billion of net premiums written, which was an increase of $2.9 billion, compared to the first quarter 2023.

On a companywide basis, we ended the quarter with 30.8 million policies in force, which was 7% greater than the same period last year. Policies in force increased 1.1 million since year-end 2023 and 2.0 million from the end of March 2023. Although personal auto new business applications were down from the prior year, reflecting the rate and non-rate actions we took throughout 2023 to manage profitability, policy in force growth benefited from improved retention in both our Personal Lines and Property businesses.

Profitability for the quarter was strong with our companywide combined ratio for the first quarter 2024 of 86.1, which was 12.9 points better than the first quarter last year and 9.9 points better than our calendar-year underwriting profitability goal. Several factors contributed to the significant year-over-year improvement in our underwriting profit. The average earned premiums per policy were higher than the prior year first quarter in all of our operating segments, primarily due to the rate increases we took during 2023 to meet our companywide profitability target. Also, on a year-over-year basis for the first quarter, our incurred personal auto accident frequency decreased 9% and, while severity was up 3%, we are starting to see indications that severity trends are stabilizing. In addition, in the first quarter 2024, we had favorable prior accident years reserve development of 0.1 points, compared to unfavorable development in the first quarter last year of 4.6 points. Lastly, our companywide expense ratio was 2.3 points lower in the first quarter 2024, compared to the same period last year, in large part due to a 7% decrease in advertising spend. We are increasing our media spend to maximize growth and will continue to do so as long as we remain on track to achieve our target profitability and generate sales at a cost below the maximum amount we are willing to spend to acquire a new customer.

On a year-over-year basis, for the first quarter 2024, net income increased $1.9 billion and comprehensive income increased $1.1 billion, compared to the same period last year. The increase in net income primarily reflected the increase in underwriting profitability. During the quarter, net income also benefited from a 47% increase in recurring investment income, primarily due to investing new cash from operations and proceeds from maturing bonds in higher coupon rate securities.

The quarter-over-prior-year quarter increase in comprehensive income reflected the increase in net income partially offset by the change in net unrealized losses on our fixed-maturity securities during the periods. During the first quarter 2024, net unrealized losses increased, compared to a decrease in net unrealized losses in the first quarter last year, with both periods primarily driven by the then-current interest rate environment, with a moderate decline in interest rates during the first quarter last year.

Total capital (debt plus shareholders' equity) at March 31, 2024, was $28.7 billion, which was up $1.5 billion from year-end 2023. During the first quarter 2024, we earned $2.1 billion of comprehensive income, which was offset by the $0.5 billion redemption of all of our outstanding Serial Preferred Shares, Series B, during the quarter, as discussed in further detail in *Financial Condition* below.

A. Insurance Operations

During the first quarter 2024, all of our operating segments were profitable with Personal Lines, Commercial Lines, and Property reporting combined ratios of 84.5, 91.8, and 93.4, respectively. Personal Lines is comprised of both our personal auto and special lines products, with the latter typically having lower losses during the first quarter due to the seasonal nature of these products (e.g., motorcycles, boats, and RVs). The special lines profitability during the first quarter contributed just over a 1 point favorable impact to our total Personal Lines combined ratio. During the quarter, all of our operating segments benefited from higher average earned premiums per policy, lower incurred loss frequency and severity trends, and lower expense ratios, with Personal Lines also benefiting from favorable prior accident year reserve development.

As a result of the rate actions we took during 2023 to help achieve our target profit margin, we currently believe that, in most states, we are adequately priced in our personal auto and core commercial auto (which exclude our transportation network company (TNC) business, business owners' policy (BOP), and Progressive Fleet & Specialty (previously referred to as Protective Insurance)) products. We will continue to monitor the factors that could impact our loss costs for both our vehicle and Property businesses, which may include new and used car prices, miles driven, driving patterns, loss severity, weather events, building materials, construction costs, inflation, and other components, on a state-by-state basis, and adjust rates as

we deem appropriate. We currently anticipate that aggregate rate changes throughout 2024 will be of lesser magnitude than those taken in each of the prior two years, but we will continue to evaluate our rate need and adjust rates as we deem necessary.

Throughout the first quarter 2024, we continued to lift the non-rate actions implemented last year, on a state-by-state basis, as our focus shifted from achieving our target profit margin to maximizing profitable growth.

For the first quarter 2024, net premiums written grew 18% compared to the first quarter last year, with all segments showing strong growth. Personal Lines net premiums written grew 20%, with the Agency and Direct distribution channels growing 18% and 21%, respectively. Commercial Lines net premiums written grew 11% and Property grew 17%. Changes in net premiums written are a function of new business applications (i.e., policies sold), business mix, premium per policy, and retention.

In the first quarter 2024, we experienced a decrease in Personal Lines new business applications, primarily reflecting the significant volume of new applications written in the prior year first quarter. On a quarter-over-prior-year quarter basis, new personal auto applications decreased 9% for the first quarter 2024, compared to an increase of 83% in the same period in 2023. As certain new business restrictions began to be lifted during the quarter, we saw personal auto new business application growth stabilize towards the end of the quarter.

New applications in our core commercial auto business increased 2% during the first quarter 2024, compared to the same period last year. Excluding the impact of the for-hire transportation business market target (BMT), which had a year-over-year decrease in new applications, our core commercial auto new application growth would have been 9% during the first quarter 2024. The for-hire transportation BMT continues to be adversely impacted by challenging freight market conditions that have caused a decline in the active number of motor carriers in this BMT.

New applications in the Property business were up 31% over the first quarter last year as we continued to focus on growing new business in less volatile weather states and home and auto bundles, as well as lower risk properties, such as new construction or homes with newer roofs, in regions where our appetite to write new business is limited.

During the first quarter 2024, on a year-over-year basis, average written premium per policy grew 14% in personal auto, 10% in core commercial auto, and 2% in Property. The growth in personal auto, commercial auto, and Property primarily reflected rate increases taken throughout 2023, in response to rising loss costs, that continued to be earned through the first quarter 2024. The rate increases taken in commercial auto were, in part, offset by a shift in the mix of business, primarily driven by decreased demand in our for-hire transportation product.

Given that our commercial auto and Property policies are predominately written for 12-month terms, rate actions take longer to earn in for these products.

We believe a key element in improving the accuracy of our rating is Snapshot®, our usage-based insurance offering. During the first quarter 2024, the adoption rates for consumers enrolling in the program decreased about 20% in Agency auto and was flat in Direct auto, compared to the first quarter 2023. The decrease in the Agency auto adoption rate primarily reflects a shift in the mix of agencies through which we wrote new business during the first quarter 2024, as a result of the rate and non-rate actions implemented after the first quarter of 2023. As we continue to lift certain non-rate restrictions during 2024, we would expect the mix of agencies where we write new business will begin to shift in the direction of the agency mix that was in place prior to the implementation of those restrictions. Snapshot is available in all states, other than California, and our latest segmentation model was available in states that represented about 70% of our countrywide personal auto premium at March 31, 2024. We continue to invest in our mobile application, with mobile devices being chosen for Snapshot monitoring for the majority of new enrollments.

We realize that to grow policies in force, it is critical that we retain our customers for longer periods. Consequently, increasing retention continues to be one of our most important priorities. Our efforts to increase our share of multi-product households remains a key initiative and we will continue to make investments to improve the customer experience in order to support that goal. Policy life expectancy, which is our actuarial estimate of the average length of time that a policy will remain in force before cancellation or lapse in coverage, is our primary measure of customer retention in our Personal Lines, Commercial Lines, and Property businesses.

We evaluate total personal auto retention using a trailing 12-month and a trailing 3-month policy life expectancy. Although the latter can reflect more volatility and is more sensitive to seasonality, this measure is more responsive to current experience and may be an indicator for the future trend of our 12-month measure. As of the end of the first quarter 2024, our trailing 12-month total personal auto policy life expectancy increased 20%, compared to last year. The Agency and Direct channels trailing 12-month measure was up 28% and 13%, respectively. As of the end of the first quarter 2024, we have seen improvement in our trailing 12-month policy life expectancy on a year-over-year basis for each of the last ten months. Rate increases could have an adverse impact on our retention, as potentially indicated by our total personal auto trailing 3-month policy life expectancy no longer showing improvement, compared to the same period last year.

At the end of the first quarter 2024, our trailing 12-month policy life expectancy increased 6% in special lines, 11% in Property, and decreased 15% in Commercial Lines,

compared to the same period last year. The decrease in Commercial Lines policy life expectancy in all BMTs, reflected rate and non-rate actions taken in 2023 to achieve our target profitability, as well as the continued decrease in demand in the for-hire transportation BMT.

B. Investments

The fair value of our investment portfolio was $69.0 billion at March 31, 2024, compared to $66.0 billion at December 31, 2023. The increase from year-end 2023 primarily reflected cash flows from operations, in part offset by the redemption of all of our outstanding Serial Preferred Shares, Series B, and the payment of our annual variable common share dividends.

Our asset allocation strategy is to maintain 0%-25% of our portfolio in Group I securities, with the balance (75%-100%) of our portfolio in Group II securities (the securities allocated to Group I and II are defined below under *Results of Operations – Investments*). At both March 31, 2024 and December 31, 2023, 7% of our portfolio was allocated to Group I securities and 93% to Group II securities.

Our recurring investment income generated a pretax book yield of 3.7% for the first quarter 2024, compared to 3.0% for the same period in 2023. The increase from prior year primarily reflected investing new cash from operations, and proceeds from maturing bonds, in higher coupon rate securities. Our investment portfolio produced a fully taxable equivalent (FTE) total return of 0.8% and 2.3% for the first quarter 2024 and 2023, respectively. Our fixed-income and common stock portfolios had FTE total returns of 0.3% and 9.9%, respectively, for the first quarter 2024, compared to 2.0% and 7.3%, respectively, last year. The decrease in the fixed-income portfolio FTE total return, compared to last year, primarily reflected movements in Treasury yields year-over-year. The increase in the common stock portfolio total return reflected general market conditions in first quarter 2024.

At March 31, 2024, the fixed-income portfolio had a weighted average credit quality of AA- and a duration of 3.2 years, compared to AA and 3.0 years at March 31, 2023 and AA- and 3.0 years at December 31, 2023. Our decrease in weighted average credit quality compared to March 31, 2023, was mainly due to a second major credit rating agency downgrading U.S. Treasury debt to AA+ from AAA during the third quarter 2023, which led us to lower our U.S. Treasury positions to AA+. During first quarter 2024, we took advantage of higher interest rates to increase the portfolio duration.

At March 31, 2024, we continued to maintain a relatively conservative investment portfolio with a greater allocation to cash and treasuries and relatively shorter interest rate risk. We believe that this portfolio allocation, coupled with a lack of maturities of our outstanding debt until 2027, positions us well to benefit from a higher interest rate environment. We also believe that we are in a very strong position to face the current dynamic operating and investment marketplaces as we move into the second quarter of 2024.

II. FINANCIAL CONDITION

A. Liquidity and Capital Resources

Progressive's insurance operations create liquidity by collecting and investing premiums from new and renewal business in advance of paying claims. As primarily an auto insurer, our claims liabilities generally have a short-term duration.

Operations generated positive cash flows of $4.2 billion and $2.4 billion for the three months ended March 31, 2024 and 2023, respectively. The increase in operating cash flow for the first three months of 2024 compared to 2023 is primarily attributable to collecting more premiums in 2024 relative to paying losses. The increase in premiums collected were mostly driven by rate increases and policies in force growth. While loss payments also increased during the first three months of 2024, primarily due to higher loss severity trends, the increase in loss payments was not as substantial as the increase in premiums. We believe cash flows will remain positive in the reasonably foreseeable future and do not expect we will have a need to raise capital to support our operations in that timeframe, although changes in market or regulatory conditions affecting the insurance industry, or other unforeseen events, may necessitate otherwise.

As of March 31, 2024, we held $39.9 billion in short-term investments and U.S. Treasury securities, which represented about 58% of our total portfolio. Based on our portfolio allocation and investment strategies, we believe that we have sufficient readily available marketable securities to cover our claims payments and short-term obligations in the event our cash flows from operations were to be negative. See *Item 1A, Risk Factors* in our Form 10-K filed with the U.S. Securities and Exchange Commission for the year ended December 31, 2023, for a discussion of certain matters that may affect our portfolio and capital position.

Our total capital (debt plus shareholders' equity) was $28.7 billion, based on book value, at March 31, 2024, compared to $23.3 billion at March 31, 2023, and $27.2 billion at December 31, 2023. The increase from December primarily reflected the comprehensive income recognized during the first three months of 2024, mainly driven by our underwriting profitability, partially offset by the redemption of all of the outstanding Serial Preferred Shares, Series B. During the first quarter 2024, we redeemed all of the outstanding Serial Preferred Shares,

Series B, at the stated amount of $1,000 per share, for an aggregate payout of $507.8 million, including accrued and unpaid dividends to, but excluding February 22, 2024, which was the redemption date. Our debt-to-total capital ratio was 24.0% at March 31, 2024, 27.5% at March 31, 2023, and 25.4% at December 31, 2023.

While our financial policies include a goal of maintaining debt below 30% of total capital at book value, we recognize that various factors, including rising interest rates, widening credit spreads, declines in the equity markets, or erosion in operating results, may result in that ratio exceeding 30% at times. In such a situation, we may choose to remain above 30% for some time, dependent upon market conditions and the capital needs of our operating businesses. We will continue to monitor this ratio, market conditions, and our capital needs going forward.

None of the covenants on our outstanding debt securities include rating or credit triggers that would require an adjustment of interest rates or an acceleration of principal payments in the event that our debt securities are downgraded by a rating agency. In April 2024, we renewed the unsecured discretionary line of credit (the Line of Credit) with PNC Bank, National Association, in the maximum principal amount of $300 million. We did not engage in short-term borrowings, including any borrowings under our Line of Credit, to fund our operations or for liquidity purposes during the reported periods.

During the first three months of 2024, we returned capital to shareholders primarily through common share dividends and common share repurchases. In March 2024, our Board of Directors declared a $0.10 per common share dividend, or $58.6 million in the aggregate, that was paid in April 2024. In January 2024, we also paid common share dividends declared in the fourth quarter 2023, in the aggregate amount of $497.9 million, or $0.85 per share (see *Note 9 – Dividends* for further discussion).

Consistent with our financial policies, we repurchase common shares to neutralize dilution from equity-based compensation granted during the year and opportunistically when we believe our shares are trading below our determination of long-term fair value. During the first three months of 2024, we repurchased 0.2 million common shares, at a total cost of $37.1 million, to satisfy tax withholding obligations in connection with the vesting of equity awards under our equity compensation plans. We will continue to make decisions on returning capital to shareholders based on the strength of our overall capital position, the capital strength of our subsidiaries, and potential capital needs to expand our business operations.

At March 31, 2024, we had $3.2 billion in a consolidated, non-insurance subsidiary of the holding company that can be used to fund corporate obligations and provide additional capital to the insurance subsidiaries to fund potential future growth. As of March 31, 2024, our estimated consolidated statutory surplus was $24.6 billion.

During the first three months of 2024, our contractual obligations and critical accounting policies have not changed materially from those discussed in our 2023 Annual Report to Shareholders. There have not been any material changes in off-balance-sheet leverage, which includes purchase obligations and catastrophe excess of loss reinsurance contracts, from those disclosed in our 2023 Annual Report to Shareholders.

We seek to deploy capital in a prudent manner and use multiple data sources and modeling tools to estimate the frequency, severity, and correlation of identified exposures, including, but not limited to, catastrophic and other insured losses, natural disasters, and other significant business interruptions, to estimate our potential capital needs.

Based upon our capital planning and forecasting efforts, we believe we have sufficient capital resources and cash flows from operations to support our current business, scheduled principal and interest payments on our debt, anticipated quarterly dividends on our common shares, our contractual obligations, and other expected capital requirements for the foreseeable future.

Nevertheless, we may decide to raise additional capital to take advantage of attractive terms in the market and provide additional financial flexibility. We currently have an effective shelf registration with the U.S. Securities and Exchange Commission so that we may periodically offer and sell an indeterminate aggregate amount of senior or subordinated debt securities, preferred stock, depository shares, common stock, purchase contracts, warrants, and units. The shelf registration enables us to raise funds from the offering of any securities covered by the shelf registration as well as any combination thereof, subject to market conditions.

III. RESULTS OF OPERATIONS – UNDERWRITING

A. Segment Overview

We report our underwriting operations in three segments: Personal Lines, Commercial Lines, and Property. As a component of our Personal Lines segment, we report our Agency and Direct business results to provide further understanding of our products by distribution channel.

The following table shows the composition of our companywide net premiums written, by segment, for the respective periods:

	Three Months Ended March 31,	
	2024	2023
Personal Lines		
Agency	34 %	34 %
Direct	42	41
Total Personal Lines[1]	76	75
Commercial Lines	20	21
Property	4	4
Total underwriting operations	100 %	100 %

[1] Personal auto products accounted for 96% and 95% of the total Personal Lines segment net premiums written during the three months ended March 31, 2024 and 2023, respectively; our special lines products accounted for the balance.

Our Personal Lines business writes insurance for personal autos and special lines products (e.g., motorcycles, RVs, watercraft, and snowmobiles). Within Personal Lines, we often refer to our four consumer segments:

- Sam - inconsistently insured;
- Diane - consistently insured and maybe a renter;
- Wrights - homeowners who do not bundle auto and home; and
- Robinsons - homeowners who bundle auto and home.

While our personal auto policies primarily have 6-month terms, we write 12-month auto policies in our Platinum agencies to promote bundled auto and home growth. At March 31, 2024 and 2023, 14% of our Agency auto policies in force were 12-month policies. To the extent our Agency application mix of annual policies grows, the shift in policy term could increase our written premium mix by channel as 12-month policies have about twice the amount of net premiums written compared to 6-month policies. Our special lines products are written for 12-month terms.

Our Commercial Lines business writes auto-related liability and physical damage insurance, business-related general liability and property insurance predominately for small businesses, and workers' compensation insurance primarily for the transportation industry. Our Commercial Lines business operates in the following five traditional business market targets (BMT):

- business auto;
- for-hire transportation;
- contractor;
- for-hire specialty; and
- tow.

Within Commercial Lines, we refer to these BMTs as our core commercial auto business. In addition to the core commercial auto business, Commercial Lines writes TNC, Progressive Fleet & Specialty (formerly referred to as Protective Insurance) and BOP products.

At March 31, 2024, about 90% of Commercial Lines policies in force had 12-month terms. The majority of our Commercial Lines business is written through the independent agency channel although we continue to focus on growing our direct business. To serve our direct channel customers, we continue to expand our product offerings, including adding states where we offer our BOP product, as well as adding these product offerings to our digital platform that serves direct small business consumers (BusinessQuote Explorer®). Our core commercial auto business written through the direct channel represented about 11% of our total core commercial auto premiums written for the three months ended March 31, 2024 and 2023.

Our Property business writes residential property insurance for homeowners, other property owners, renters, and umbrella insurance. About three-fourths of our Property business is generated through the independent agency channel with the balance in the direct channel. All of our Property policies have 12-months terms.

B. Profitability

Profitability for our underwriting operations is defined by pretax underwriting profit or loss, which is calculated as net premiums earned plus fees and other revenues less losses and loss adjustment expenses, policy acquisition costs, and other underwriting expenses. We also use underwriting margin, which is underwriting profit or loss expressed as a percentage of net premiums earned, to analyze our results. For the respective periods, our underwriting profitability results were as follows:

	Three Months Ended March 31,			
	2024		2023	
	Underwriting Profit (Loss)		Underwriting Profit (Loss)	
($ in millions)	$	Margin	$	Margin
Personal Lines				
Agency	$ 950.7	16.2 %	$ 162.6	3.3 %
Direct	1,043.6	14.9	(22.1)	(0.4)
Total Personal Lines	1,994.3	15.5	140.5	1.3
Commercial Lines	209.0	8.2	37.2	1.6
Property	46.9	6.6	(32.7)	(5.5)
Other indemnity[1]	(0.3)	NM	(3.4)	NM
Total underwriting operations	$ 2,249.9	13.9 %	$ 141.6	1.0 %

[1] Underwriting margins for our other indemnity businesses are not meaningful (NM) due to the low level of premiums earned by, and the variability of loss costs in, such businesses.

Several factors contributed to the significant increase in underwriting profit for the first quarter 2024, compared to the first quarter 2023. As a result of the rate increases we took throughout 2023, our personal and core commercial auto average written premium per policy were up 14% and 10%, respectively, and Property was up 2% year over year. Also, on a year-over-year basis for the first quarter, our incurred personal auto accident frequency decreased 9% and, while severity was up 3%, we are starting to see indications that severity trends are stabilizing. During the first quarter 2024, we recognized favorable prior accident years development, compared to significant unfavorable development in the first quarter last year, which accounted for 4.7 points on a quarter-over-prior-year quarter basis.

Lastly, our companywide expense ratio was 2.3 points lower in the first quarter 2024, compared to the same period last year, in large part due to a 7% decrease in advertising spend. We are increasing our media spend to maximize growth and will continue to do so as long as we remain on track to achieve our target profitability.

See the *Losses and Loss Adjustment Expenses (LAE)* section below for further discussion of our frequency and severity trends, reserve development, and catastrophe losses incurred during the periods.

Further underwriting results for our Personal Lines business, including results by distribution channel, the Commercial Lines business, the Property business, and our underwriting operations in total, were as follows:

	Three Months Ended March 31,		
Underwriting Performance[1]	**2024**	**2023**	**Change**
Personal Lines – Agency			
Loss & loss adjustment expense ratio	65.9	78.0	(12.1)
Underwriting expense ratio	17.9	18.7	(0.8)
Combined ratio	83.8	96.7	(12.9)
Personal Lines – Direct			
Loss & loss adjustment expense ratio	67.9	79.7	(11.8)
Underwriting expense ratio	17.2	20.7	(3.5)
Combined ratio	85.1	100.4	(15.3)
Total Personal Lines			
Loss & loss adjustment expense ratio	67.0	79.0	(12.0)
Underwriting expense ratio	17.5	19.7	(2.2)
Combined ratio	84.5	98.7	(14.2)
Commercial Lines			
Loss & loss adjustment expense ratio	72.4	76.3	(3.9)
Underwriting expense ratio	19.4	22.1	(2.7)
Combined ratio	91.8	98.4	(6.6)
Property			
Loss & loss adjustment expense ratio	64.8	75.4	(10.6)
Underwriting expense ratio	28.6	30.1	(1.5)
Combined ratio	93.4	105.5	(12.1)
Total Underwriting Operations			
Loss & loss adjustment expense ratio	67.8	78.4	(10.6)
Underwriting expense ratio	18.3	20.6	(2.3)
Combined ratio	86.1	99.0	(12.9)
Accident year – Loss & loss adjustment expense ratio[2]	67.9	73.8	(5.9)

[1] Ratios are expressed as a percentage of net premiums earned. Fees and other revenues are netted against either loss adjustment expenses or underwriting expenses in the ratio calculations, based on the underlying activity that generated the revenue.

[2] The accident year ratios include only the losses that occurred during the period noted. As a result, accident period results will change over time, either favorably or unfavorably, as we revise our estimates of loss costs when payments are made or reserves for that accident period are reviewed.

Losses and Loss Adjustment Expenses (LAE)

(millions)	Three Months Ended March 31, 2024	2023
Change in net loss and LAE reserves	$ 578.9	$ 925.2
Paid losses and LAE	10,392.7	9,698.8
Total incurred losses and LAE	$ 10,971.6	$ 10,624.0

Claims costs, our most significant expense, represent payments made and estimated future payments to be made, to or on behalf of our policyholders, including expenses needed to adjust or settle claims. Claims costs are a function of loss severity and frequency and, for our vehicle businesses, are influenced by inflation and driving patterns, among other factors, some of which are discussed below. In our Property business, severity is primarily a function of construction costs and the age of the structure.

Accordingly, anticipated changes in these factors are taken into account when we establish premium rates and loss reserves. Loss reserves are estimates of future costs and our reserves are adjusted as underlying assumptions change and information develops.

Our total loss and LAE ratio decreased 10.6 points for the first quarter 2024, compared to the same period last year, primarily due to a decrease in loss frequency, higher premium per policy, and favorable prior accident years reserve development in the first quarter 2024, compared to unfavorable development in the first quarter last year, partially offset by higher loss severity as discussed below. On an accident year basis, our first quarter 2024 loss and LAE ratio was 5.9 points lower than the first quarter 2023.

The following table shows our consolidated catastrophe losses and related combined ratio point impact, excluding loss adjustment expenses, incurred during the periods:

($ in millions)	Three Months Ended March 31, 2024 $	2024 Point[1]	2023 $	2023 Point[1]
Personal Lines	$ 200.2	1.6	$ 92.1	0.9
Commercial Lines	8.9	0.3	3.5	0.1
Property	137.4	19.3	145.3	24.3
Total net catastrophe losses incurred	$ 346.5	2.1	$ 240.9	1.8

[1] Represents catastrophe losses incurred during the period, including the impact of reinsurance, as a percent of net premiums earned for each segment.

In the three months ended March 31, 2024, our catastrophe losses reflected severe weather events throughout the United States, with five states (Texas, Missouri, Florida, Oregon, and California) contributing just over half of the losses. We have responded, and plan to continue to respond, promptly to catastrophic events when they occur in order to provide high-quality claims service to our customers.

Changes in our estimate of our ultimate losses on catastrophes currently reserved, along with potential future catastrophes, could have a material impact on our financial condition, cash flows, or results of operations. We reinsure various risks including, but not limited to, catastrophic losses. We do not have catastrophe-specific reinsurance for our Personal Lines or commercial auto businesses, but we reinsure portions of our Property business. The Property business reinsurance programs include catastrophe occurrence excess of loss contracts and aggregate excess of loss contracts. We also purchase excess of loss reinsurance on our workers' compensation insurance and our higher-limit commercial auto liability product offered by our Progressive Fleet & Specialty business.

We evaluate our reinsurance programs during the renewal process, if not more frequently, to ensure our programs continue to effectively address the company's risk tolerance. For 2024, we entered into a new catastrophe aggregate excess of loss reinsurance contract that has multiple layers of coverage, with the first retention layer threshold ranging from $450 million to $475 million, excluding named tropical storms and hurricanes, and the second retention layer threshold of $525 million, including named tropical storms and hurricanes. The first and second layers provide coverage up to $85 million and $100 million, respectively.

While the total coverage limit and per-event retention will evolve to fit the growth of our business, we expect to remain a consistent purchaser of reinsurance coverage. While the cost of our reinsurance, in the markets in which we participate, increased for the coverages placed in the beginning of 2024, compared to the prior years, and the availability of reinsurance is subject to many forces outside of our control, we did not, and do not expect to in the near term, experience a significant lack of availability of any of the types of reinsurance that we typically purchase. See *Item 1A, Risk Factors* in our 2023 Form 10-K filed with the U.S. Securities and Exchange Commission, for the year ended December 31, 2023, for a discussion of certain risks related to catastrophe events and the potential impact of climate change. See *Item 1, Business – Reinsurance* on Form 10-K for a discussion of our various reinsurance programs.

The following discussion of our severity and frequency trends in our personal auto business excludes comprehensive coverage because of its inherent volatility, as it is typically linked to catastrophic losses generally resulting from adverse weather. For our core commercial

auto products, the reported frequency and severity trends include comprehensive coverage. Comprehensive coverage insures against damage to a customer's vehicle due to various causes other than collision, such as windstorm, hail, theft, falling objects, and glass breakage.

Total personal auto incurred severity (i.e., average cost per claim, including both paid losses and the change in case reserves) on a calendar-year basis, over the prior-year period, was as follows:

	Growth Over Prior Year Quarter
Coverage Type	**2024**
Bodily injury	6 %
Collision	(1)
Personal injury protection	6
Property damage	2
Total	3

To address inherent seasonality trends and lessen the effects of month-to-month variability in the commercial auto products, we use a trailing 12-month period in assessing severity. In the first quarter 2024, our core commercial auto products' incurred severity increased 4%, compared to the same period last year. Since the loss patterns in the non-core commercial auto businesses are not indicative of our other commercial auto products, disclosing severity and frequency trends excluding those businesses is more representative of our overall experience for the majority of our commercial products.

It is a challenge to estimate future severity, but we continue to monitor changes in the underlying costs, such as general inflation, used car prices, vehicle repair costs, medical costs, health care reform, court decisions, and jury verdicts, along with regulatory changes and other factors that may affect severity.

Our personal auto incurred frequency, on a calendar-year basis, over the prior-year period, was as follows:

	Growth Over Prior Year Quarter
Coverage Type	**2024**
Bodily injury	(8)%
Collision	(11)
Personal injury protection	(9)
Property damage	(8)
Total	(9)

The year-over-year decrease in frequency, in part, reflects underwriting actions taken to reduce new business and a shift in the mix of business to a more preferred tier of customers.

On a trailing 12-month basis, our core commercial auto products' incurred frequency was flat during the first quarter 2024, compared to the same period last year.

We closely monitor the changes in frequency, but the degree or direction of near-term frequency change is not something that we are able to predict with any certainty. We will continue to analyze trends to distinguish changes in our experience from other external factors, such as changes in the number of vehicles per household, miles driven, vehicle usage, gasoline prices, advances in vehicle safety, and unemployment rates, versus those resulting from shifts in the mix of our business or changes in driving patterns, to allow us to react quickly to price for these trends and to reserve more accurately for our loss exposures.

The table below presents the actuarial adjustments implemented and the loss reserve development experienced on a companywide basis in the following periods:

	Three Months Ended March 31,	
($ in millions)	**2024**	**2023**
Actuarial Adjustments		
Reserve decrease (increase)		
Prior accident years	$ (63.3)	$ 0.3
Current accident year	32.7	(140.8)
Calendar-year actuarial adjustments	$ (30.6)	$ (140.5)
Prior Accident Years Development		
Favorable (unfavorable)		
Actuarial adjustments	$ (63.3)	$ 0.3
All other development	74.7	(621.5)
Total development	$ 11.4	$ (621.2)
(Increase) decrease to calendar-year combined ratio	0.1 pts.	(4.6) pts.

Total development consists of both actuarial adjustments and "all other development" on prior accident years. We use "accident year" generically to represent the year in which a loss occurred. The actuarial adjustments represent the net changes made by our actuarial staff to both current and prior accident year reserves based on regularly scheduled reviews. Through these reviews, our actuaries identify and measure variances in the projected frequency and severity trends, which allow them to adjust the reserves to reflect current cost trends.

For our Property business, 100% of catastrophe losses are reviewed monthly, and any development on catastrophe reserves are included as part of the actuarial adjustments. For the Personal Lines and Commercial Lines businesses, development for catastrophe losses in the vehicle businesses would be reflected in "all other development," discussed below, to the extent they relate to prior year reserves. We report these actuarial adjustments separately for the current and prior accident years to reflect these adjustments as part of the total prior accident years development.

"All other development" represents claims settling for more or less than reserved, emergence of unrecorded claims at rates different than anticipated in our incurred but not recorded (IBNR) reserves, and changes in reserve estimates on specific claims. Although we believe the development from both the actuarial adjustments and "all other development" generally results from the same factors, we are unable to quantify the portion of the reserve development that might be applicable to any one or more of those underlying factors.

Our objective is to establish case and IBNR reserves that are adequate to cover all loss costs, while incurring minimal variation from the date the reserves are initially established until losses are fully developed. Our ability to meet this objective is impacted by many factors. Changes in case law, particularly related to personal injury protection, can make it difficult to estimate reserves timely and with minimal variation. As reflected in the table above, we experienced slightly favorable prior accident years development during the first quarter 2024, compared to unfavorable prior accident years development for the same period last year. The favorable development during the first quarter 2024 was, in part, due to lower than anticipated frequency in Florida following tort reform that passed in the first quarter 2023. This was partially offset by higher than anticipated severity in core commercial auto for California and New York. The 2023 unfavorable first quarter development in Personal Lines was primarily driven by higher than anticipated severity and increases in incurred losses on previously closed claims and the impact of the legislation enacted in March 2023 in Florida that resulted in a significant number of lawsuits being filed prior to its effective date. In Commercial Lines, the unfavorable development for first quarter 2023 was mainly due to late reported claims from prior accident periods and changes in reserve estimates (e.g., aging of the reserves, changes to estimates by adjusters, and inflation factors) in our core commercial auto products.

See *Note 6 – Loss and Loss Adjustment Expense Reserve*s, for a more detailed discussion of our prior accident years reserve development and Critical Accounting Policies in our 2023 Annual Report to Shareholders for discussion of the application of estimates and assumptions in the establishment of our loss reserves.

Underwriting Expenses

Underwriting expenses include policy acquisition costs and other underwriting expenses. The underwriting expense ratio is our underwriting expenses, net of certain fees and other revenues, expressed as a percentage of net premiums earned. For the first quarter 2024, our underwriting expense ratio was down 2.3 points, compared to the same period last year, due to growth in net premiums earned and decreases in our advertising spend. In total, our companywide advertising spend decreased 7%, or 1.2 points, compared to the first quarter 2023. As previously discussed, we are increasing our media spend to maximize growth and will continue to do so as long as we remain on track to achieve our target profitability and generate sales at a cost below the maximum amount we are willing to spend to acquire a new customer.

To analyze underwriting expenses, we also review our non-acquisition expense ratio (NAER), which excludes costs related to policy acquisition, including advertising and agency commissions, from our underwriting expense ratio. By excluding acquisition costs from our underwriting expense ratio, we are able to understand costs other than those necessary to acquire new policies and grow the business. During the first quarter 2024, our NAER decreased 0.6 points, 1.4 points, and 0.2 points in our Personal Lines, Commercial Lines, and Property businesses, respectively, compared to the same period last year, as a result of general operational expense discipline.

C. Growth

For our underwriting operations, we analyze growth in terms of both premiums and policies. Net premiums written represent the premiums from policies written during the period, less any premiums ceded to reinsurers. Net premiums earned, which are a function of the premiums written in the current and prior periods, are earned as revenue over the life of the policy using a daily earnings convention. Policies in force, our preferred measure of growth since it removes the variability due to rate changes or mix shifts, represents all policies for which coverage was in effect as of the end of the period specified.

	Three Months Ended March 31,		
($ in millions)	**2024**	**2023**	**% Growth**
Net Premiums Written			
Personal Lines			
Agency	$ 6,398.8	$ 5,414.4	18 %
Direct	8,082.1	6,698.8	21
Total Personal Lines	14,480.9	12,113.2	20
Commercial Lines	3,747.7	3,366.9	11
Property	733.4	629.4	17
Other indemnity[1]	0.2	0.2	0
Total underwriting operations	$ 18,962.2	$ 16,109.7	18 %
Net Premiums Earned			
Personal Lines			
Agency	$ 5,857.7	$ 4,860.2	21 %
Direct	7,020.5	5,717.4	23
Total Personal Lines	12,878.2	10,577.6	22
Commercial Lines	2,557.4	2,356.1	9
Property	712.8	598.7	19
Other indemnity[1]	0.2	0.7	(71)
Total underwriting operations	$ 16,148.6	$ 13,533.1	19 %

[1] Includes other underwriting business and run-off operations.

	March 31,		
(thousands)	**2024**	**2023**	**% Growth**
Policies in Force			
Personal Lines			
Agency auto	8,592.9	8,172.9	5 %
Direct auto	11,855.4	10,995.5	8
Total auto	20,448.3	19,168.4	7
Special lines[1]	6,075.7	5,637.3	8
Personal Lines — total	26,524.0	24,805.7	7
Commercial Lines	1,100.8	1,071.2	3
Property	3,208.9	2,912.6	10
Companywide total	30,833.7	28,789.5	7 %

[1] Includes insurance for motorcycles, RVs, watercraft, snowmobiles, and similar items.

To analyze growth, we review new policies, rate levels, and the retention characteristics of our segments. Although new policies are necessary to maintain a growing book of business, we recognize the importance of retaining our current customers as a critical component of our continued growth.

D. Personal Lines

The following table shows our year-over-year changes for our Personal Lines business:

	Growth Over Prior Year Quarter	
	2024	2023
Applications		
New	(7)%	70 %
Renewal	10	1
Written premium per policy - Auto	14	8
Policy life expectancy - Auto		
Trailing 3 months	0	10
Trailing 12 months	20	(16)

In our Personal Lines business, in the first quarter 2024 new business applications decreased, compared to the same period last year, as a result of targeted rate and non-rate actions taken throughout 2023 to achieve our calendar-year underwriting profitability goal. Throughout the first quarter 2024, we continued to lift certain non-rate measures that were put in place to slow new business growth in 2023. In the first quarter 2023, we believe that the significant growth in new applications in part reflected competitor rate increases and our increased media spend during the period.

The decrease in new applications during the first quarter 2024, was driven by our personal auto products, with decreases in our Sam and Diane consumer segments, partially offset with the Wrights up slightly and the Robinsons experiencing a near double digit increase, reflecting a continued shift in the mix of business to a more preferred consumer tier. Our special lines products experienced solid new business application growth during the quarter, compared to the same period last year.

Personal auto policies in force in the first quarter 2024 grew between 4% and 13%, compared to the same period last year, across all consumer segments, primarily reflecting strong policy renewals, except Sams, who saw a low single digit decrease.

During the first quarter 2024, on a countrywide basis, we implemented personal auto rate increases in 13 states, which, in the aggregate, increased rates about 2%, following rate increases of 19% taken during 2023. We continue to see the 2023 rate increases earn into the policies written contributing to our year-over-year increase in premiums. We currently anticipate that any rate changes throughout 2024 will be of lesser magnitude than those taken in each of the prior two years, but we will continue to evaluate our rate need and adjust rates as we deem necessary.

Our written premium per policy increased during the first quarter 2024, primarily due to the rate increases taken in 2023, as previously discussed. We will continue to manage growth and profitability in accordance with our long-standing goal of growing as fast as we can, as long as we can provide high-quality customer service, at or below a companywide 96 combined ratio on a calendar-year basis. While we continued to focus on profitability, during the first quarter 2024, we began taking measures that we believe will position ourselves to accelerate profitable growth during the year, including continuing to lift the non-rate actions we put in place during 2023 to slow new business growth and increasing our media spend.

We report our Agency and Direct business results separately as components of our Personal Lines segment to provide further understanding of our products by distribution channel. The channel discussions below are focused on personal auto insurance since this product accounted for 96% of the Personal Lines segment net premiums written during the first quarter 2024.

The Agency Business

	Growth Over Prior Year Quarter	
	2024	2023
Applications - Auto		
New	(13)%	68 %
Renewal	8	(3)
Written premium per policy - Auto	15	10
Policy life expectancy - Auto		
Trailing 3 months	7	10
Trailing 12 months	28	(19)

The Agency business includes business written by more than 40,000 independent insurance agencies that represent Progressive, as well as brokerages in New York and California. During the first quarter 2024, while 16 states generated new Agency auto application growth, only one of our top 10 largest Agency states generated new application growth. Total Agency auto applications increased 3%, driven by the growth in renewal applications for the first quarter 2024. During the first quarter 2024, year-over-year new application growth was strong for Robinsons and moderate for Wrights, while both Sams and Dianes saw a significant decrease. Policies in force grew in the teens for the Robinsons and Wrights and were relatively flat for Dianes, while Sams experienced a single digit decrease, compared to the same period last year.

During the first quarter 2024, on a year-over-year basis, Agency auto quote volume and the rate of conversion (i.e., converting a quote to a sale) decreased 4% and 10%, respectively, compared to the first quarter last year when quote volume and rate of conversion were up 14% and 49%, reflecting our competitiveness in the marketplace during the period. For the first quarter 2024, each consumer segment, except Wrights, saw a decrease in quotes, while all consumer segments, except Robinsons, saw a decrease in conversion.

Written premium per policy for new and renewal Agency auto business increased 5% and 17%, respectively, compared to the first quarter 2023, primarily attributable to the rate increases previously discussed.

Our trailing 12-month policy life expectancy in the Agency auto business lengthened significantly during the first quarter 2024, following substantial declines during the same period last year, on a year-over-year basis. This increase was driven by our efforts to slow growth during 2023 as well as competitor rate increases. The tailwinds of these efforts also contributed to the increase in the trailing 3-month measure.

The Direct Business

	Growth Over Prior Year Quarter	
	2024	**2023**
Applications - Auto		
New	(6)%	92 %
Renewal	11	4
Written premium per policy - Auto	13	7
Policy life expectancy - Auto		
Trailing 3 months	(6)	10
Trailing 12 months	13	(14)

The Direct business includes business written directly by Progressive online, through our Progressive mobile app, or by phone. During the first quarter 2024, 21 states, including only two of our top 10 largest Direct states, generated new auto application growth. Total Direct auto applications increased 6%, driven by the growth in renewal applications for the first quarter 2024. During the quarter, each of our consumer segments experienced a decrease in new applications year over year, except the Robinson segment, which experienced a percentage increase in the single digits. Policies in force grew between 2% and 12% in each consumer segment, compared to the same period last year.

During the first quarter 2024, Direct auto quote volume was flat, while conversion decreased 6%, compared to the same period last year, primarily reflecting the strong quote and conversion activity in the first quarter 2023, along with the other actions we took to slow growth through the remainder of 2023, as previously discussed. In comparison to the first quarter 2024, in the first quarter 2023, quotes and conversion increased 73% and 13%, respectively, reflecting competitor rate increases and our increased advertising spend during the period, compared to the prior year first quarter.

All consumer segments saw an increase in quotes and a decrease in the rate of conversion during the first quarter 2024, except Wrights, who saw a low double digit decline in quotes and a single digit increase in conversion. As we slowly increased advertising and continued to lift certain non-rate restrictions in 2024, we saw Direct auto new application growth begin to stabilize by the end of the quarter.

Written premium per policy for new and renewal Direct auto business increased 9% and 14%, respectively, in the first quarter 2024, compared to the same period last year, primarily attributable to the rate increases previously discussed.

Our trailing 12-month policy life expectancy in the Direct auto business experienced a lengthening of retention during the first quarter 2024, following substantial declines during the same period last year, on a year-over-year basis. The drivers of the change were similar to those in the Agency business, where we focused on growing more bundled, preferred market tier, consumers. The decrease in the trailing 3-month policy life expectancy during the first quarter 2024 was primarily driven by the previously discussed rate increases taken during 2023.

E. Commercial Lines

The following table and discussion focuses on our core commercial auto products. Year-over-year changes in our core commercial auto products were as follows:

	Growth Over Prior Year Quarter	
	2024	**2023**
Applications		
New	2 %	2 %
Renewal	0	7
Written premium per policy	10	1
Policy life expectancy		
Trailing 12 months	(15)	(14)

The increases in net premiums written in our Commercial Lines business reflected growth in all of our BMTs, except our for-hire transportation BMT, which continued to be adversely impacted by challenging freight market conditions that have continued to cause a decline in the active number of motor carriers in this BMT. The most significant growth was in our contractor and business auto BMTs, primarily driven by the aggregate core commercial auto rate increases of 17% taken during 2023.

During the first quarter 2024, core commercial auto new application growth was positive in each of our BMTs, except for the for-hire transportation and for-hire specialty BMTs. During the first quarter 2024, quote volume increased about 5%, while conversion decreased about 5%, compared to the same period last year.

During the first quarter 2024, we increased rates, in aggregate, about 1% in our core commercial auto products. While we currently do not anticipate significant rate changes throughout 2024, we still have about 10 points of rate to earn in during the rest of 2024 from rate revisions taken during 2023 and the first quarter 2024. We will continue to evaluate our rate need and adjust rates as we deem necessary. Written premium per policy for new and renewal core commercial auto business increased 4% and 14%, respectively, for the first quarter 2024, compared to the same period last year, primarily reflecting the previously discussed rate increases.

Our policy life expectancy decreased in all BMTs. We believe rate and non-rate actions, as well as unfavorable trucking market conditions, drove increased shopping and

caused motor carriers to exit the industry, resulting in negative effects on policy life expectancy.

F. Property

The following table shows our year-over-year changes for our Property business:

	Growth Over Prior Year Quarter	
	2024	**2023**
Applications		
New	31 %	12 %
Renewal	7	6
Written premium per policy	2	10
Policy life expectancy		
Trailing 12 months	11	0

Our Property business writes residential property insurance for homeowners, other property owners, and renters, and umbrella insurance in the agency and direct channels.

Improving profitability and reducing concentration exposure continued to be the top priority for our Property business during the first quarter 2024. We continued to concentrate our growth in markets that are less susceptible to catastrophes and lower our exposure to coastal and hail-prone states for our homeowners products, which we define as our total Property business excluding renters and umbrella products. Homeowners policies in force in the growth-oriented states increased about 20% in the first quarter 2024, compared to the same period last year.

In regions where our appetite to write new business is limited, we are continuing to prioritize Progressive auto bundles, as well as lower risk properties, such as new construction or homes with newer roofs. Homeowners policies in force were down about 5% in the first quarter 2024 in the volatile weather states, compared to the same period last year. In addition, to continue to rebalance our business, late in 2023 we began a non-renewal effort of up to 115,000 Property policies in Florida. Following the required filings and notices, the first of these non-renewals will go into effect in the second quarter of 2024 and will continue over the following 12 months. To try to ease this disruption to our customers and agents, we reached an agreement with an unaffiliated Florida insurer to offer replacement policies to these policyholders, subject to the insurer's underwriting and financial guidelines and agent appointments where applicable.

The increase in our written premium per policy, during the first quarter 2024, compared to the same period last year, was primarily attributable to rate increases taken over the last 12 months and higher premium coverages reflecting increased property values. During the first quarter 2024, we increased rates, in aggregate, about 6% in our Property segment. These impacts on written premium per policy were partially offset by less homeowners growth in volatile states, which have higher average premiums. We intend to continue to make targeted rate increases in states where we believe it is necessary to achieve our profitability targets.

The policy life expectancy in our Property business lengthened during the first quarter 2024, compared to the prior year, primarily driven by less frequent shopping due to a slowdown in the housing market and a shift in the mix of business.

IV. RESULTS OF OPERATIONS – INVESTMENTS

A. Investment Results

Our management philosophy governing the portfolio is to evaluate investment results on a total return basis. The fully taxable equivalent (FTE) total return includes recurring investment income, adjusted to a fully taxable amount for certain securities that receive preferential tax treatment (e.g., municipal securities), and total net realized, and changes in total net unrealized, gains (losses) on securities.

The following table summarizes investment results for the periods ended March 31:

	Three Months	
	2024	2023
Pretax recurring investment book yield (annualized)	3.7 %	3.0 %
FTE total return:		
Fixed-income securities	0.3	2.0
Common stocks	9.9	7.3
Total portfolio	0.8	2.3

The increase in the book yield, compared to last year, primarily reflected investing new cash from operations, and proceeds from maturing bonds, in higher coupon rate securities. The decrease in the fixed-income portfolio FTE total return, compared to last year, primarily reflected movement in Treasury yields year-over-year. The increase in the common stock portfolio total return reflected general market conditions in first quarter 2024.

A further break-down of our FTE total returns for our fixed-income portfolio for the periods ended March 31, follows:

	Three Months	
	2024	2023
Fixed-income securities:		
U.S. Treasury Notes	(0.4)%	2.4 %
Municipal bonds	0.4	2.7
Corporate bonds	0.6	2.6
Residential mortgage-backed securities	2.0	2.0
Commercial mortgage-backed securities	3.2	1.0
Other asset-backed securities	1.4	1.9
Preferred stocks	4.3	(4.1)
Short-term investments	1.4	1.1

B. Portfolio Allocation

The composition of the investment portfolio was:

($ in millions)		Fair Value	% of Total Portfolio	Duration (years)	Average Rating[1]
March 31, 2024					
U.S. government obligations	$	38,562.7	55.8 %	3.9	AA+
State and local government obligations		2,059.8	3.0	3.0	AA+
Foreign government obligations		15.9	0.1	2.3	AAA
Corporate debt securities		12,521.3	18.1	2.7	BBB+
Residential mortgage-backed securities		383.1	0.6	0.5	A+
Commercial mortgage-backed securities		3,851.8	5.6	2.2	A+
Other asset-backed securities		6,061.2	8.8	1.1	AA+
Preferred stocks		1,060.6	1.5	2.3	BBB-
Short-term investments		1,326.7	1.9	<0.1	AA-
Total fixed-income securities		65,843.1	95.4	3.2	AA-
Common equities		3,194.9	4.6	na	na
Total portfolio[2]	$	69,038.0	100.0 %	3.2	AA-
March 31, 2023					
U.S. government obligations	$	27,350.1	48.3 %	3.7	AAA
State and local government obligations		2,061.6	3.6	3.4	AA+
Foreign government obligations		15.8	0.1	3.3	AAA
Corporate debt securities		10,681.3	18.8	3.0	BBB
Residential mortgage-backed securities		630.0	1.1	0.4	A
Commercial mortgage-backed securities		4,503.0	7.9	2.5	A
Other asset-backed securities		4,865.8	8.6	1.1	AA
Preferred stocks		1,260.4	2.2	2.5	BBB-
Short-term investments		2,524.1	4.5	<0.1	AA+
Total fixed-income securities		53,892.1	95.1	3.0	AA
Common equities		2,794.3	4.9	na	na
Total portfolio[2]	$	56,686.4	100.0 %	3.0	AA
December 31, 2023					
U.S. government obligations	$	36,869.4	55.9 %	3.6	AA+
State and local government obligations		2,202.8	3.3	3.0	AA+
Foreign government obligations		16.3	0.1	2.6	AAA
Corporate debt securities		11,183.7	16.9	2.7	BBB+
Residential mortgage-backed securities		417.2	0.6	0.5	A+
Commercial mortgage-backed securities		3,939.7	6.0	2.3	A
Other asset-backed securities		5,575.4	8.4	1.2	AA+
Preferred stocks		1,075.8	1.7	2.4	BBB-
Short-term investments		1,789.9	2.7	<0.1	AA-
Total fixed-income securities		63,070.2	95.6	3.0	AA-
Common equities		2,928.4	4.4	na	na
Total portfolio[2]	$	65,998.6	100.0 %	3.0	AA-

na = not applicable

[1] Represents ratings at period end. Credit quality ratings are assigned by nationally recognized statistical rating organizations. To calculate the weighted average credit quality ratings, we weight individual securities based on fair value and assign a numeric score of 0-5, with non-investment-grade and non-rated securities assigned a score of 0-1. To the extent the weighted average of the ratings falls between AAA and AA+, we assign an internal rating of AAA-.

[2] At March 31, 2024 and 2023, we had $16.2 million and $22.8 million, respectively, of net unsettled security purchase transactions included in other liabilities, compared to $45.6 million included in other assets at December 31, 2023.

The total fair value of the portfolio at March 31, 2024 and 2023, and December 31, 2023, included $3.2 billion, $4.1 billion, and $4.2 billion, respectively, of securities held in a consolidated, non-insurance subsidiary of the holding company, net of unsettled security transactions.

Our asset allocation strategy is to maintain 0%-25% of our portfolio in Group I securities, with the balance (75%-100%) of our portfolio in Group II securities.

We define Group I securities to include:
- common equities,
- nonredeemable preferred stocks,
- redeemable preferred stocks, except for 50% of investment-grade redeemable preferred stocks with cumulative dividends, which are included in Group II, and
- all other non-investment-grade fixed-maturity securities.

Group II securities include:
- short-term securities, and
- all other fixed-maturity securities, including 50% of investment-grade redeemable preferred stocks with cumulative dividends.

We believe this asset allocation strategy allows us to appropriately assess the risks associated with these securities for capital purposes and is in line with the treatment by our regulators.

The following table shows the composition of our Group I and Group II securities:

	March 31, 2024		March 31, 2023		December 31, 2023	
($ in millions)	**Fair Value**	**% of Total Portfolio**	**Fair Value**	**% of Total Portfolio**	**Fair Value**	**% of Total Portfolio**
Group I securities:						
Non-investment-grade fixed maturities	$ 466.8	0.7 %	$ 1,019.5	1.8 %	$ 532.6	0.8 %
Redeemable preferred stocks[1]	87.0	0.1	90.8	0.2	86.9	0.1
Nonredeemable preferred stocks	886.7	1.3	1,078.8	1.9	902.1	1.4
Common equities	3,194.9	4.6	2,794.3	4.9	2,928.4	4.4
Total Group I securities	4,635.4	6.7	4,983.4	8.8	4,450.0	6.7
Group II securities:						
Other fixed maturities	63,075.9	91.4	49,178.9	86.7	59,758.7	90.6
Short-term investments	1,326.7	1.9	2,524.1	4.5	1,789.9	2.7
Total Group II securities	64,402.6	93.3	51,703.0	91.2	61,548.6	93.3
Total portfolio	$ 69,038.0	100.0 %	$ 56,686.4	100.0 %	$ 65,998.6	100.0 %

[1] We held no non-investment-grade redeemable preferred stocks at March 31, 2024 and 2023, or December 31, 2023.

To determine the allocation between Group I and Group II, we use the credit ratings from models provided by the National Association of Insurance Commissioners (NAIC) to classify our residential and commercial mortgage-backed securities, excluding interest-only (IO) securities, and the credit ratings from nationally recognized statistical rating organizations (NRSROs) to classify all other debt securities. NAIC ratings are based on a model that considers the book price of our securities when assessing the probability of future losses in assigning a credit rating. As a result, NAIC ratings can vary from credit ratings issued by NRSROs. Management believes NAIC ratings more accurately reflect our risk profile when determining the asset allocation between Group I and Group II securities.

Unrealized Gains (Losses)

As of March 31, 2024, our fixed-maturity portfolio had total after-tax net unrealized losses, which are recorded as part of accumulated other comprehensive income (loss) on our consolidated balance sheets, of $1.8 billion, compared to $2.2 billion and $1.6 billion at March 31, 2023 and December 31, 2023, respectively. The decrease in net unrealized losses from March 31, 2023, was primarily due to higher valuations across all non-U.S. Treasury portfolios, as tighter credit spreads in 2023 drove strong portfolio performance. The increase in net unrealized losses since December 31, 2023, was primarily due to a lower valuation on our U.S. Treasury portfolio caused by higher interest rates in 2024.

See *Note 2 – Investments* for a further break-out of our gross unrealized gains (losses).

Holding Period Gains (Losses)

The following table provides the balance and activity for both the gross and net holding period gains (losses) for the three months ended March 31, 2024:

(millions)	Gross Holding Period Gains	Gross Holding Period Losses	Net Holding Period Gains (Losses)
Balance at December 31, 2023			
Hybrid fixed-maturity securities	$ 5.3	$ (34.4)	$ (29.1)
Equity securities[1]	2,233.9	(86.5)	2,147.4
Total holding period securities	2,239.2	(120.9)	2,118.3
Current year change in holding period securities			
Hybrid fixed-maturity securities	0	7.2	7.2
Equity securities[1]	268.8	26.1	294.9
Total changes in holding period securities	268.8	33.3	302.1
Balance at March 31, 2024			
Hybrid fixed-maturity securities	5.3	(27.2)	(21.9)
Equity securities[1]	2,502.7	(60.4)	2,442.3
Total holding period securities	$ 2,508.0	$ (87.6)	$ 2,420.4

[1]Equity securities include common equities and nonredeemable preferred stocks.

Changes in holding period gains (losses), similar to unrealized gains (losses) in our fixed-maturity portfolio, are the result of changes in market conditions as well as sales of securities based on various portfolio management decisions.

Fixed-Income Securities

The fixed-income portfolio is managed internally and includes fixed-maturity securities, short-term investments, and nonredeemable preferred stocks. Following are the primary exposures for our fixed-income portfolio.

Interest Rate Risk Our duration of 3.2 years at March 31, 2024 and 3.0 years at both March 31, 2023 and December 31, 2023 fell within our acceptable range of 1.5 to 5 years. The duration distribution of our fixed-income portfolio, excluding short-term investments, represented by the interest rate sensitivity of the comparable benchmark U.S. Treasury Notes, was:

Duration Distribution (excluding short-term securities)	March 31, 2024	March 31, 2023	December 31, 2023
1 year	11.0 %	19.2 %	18.1 %
2 years	11.2	14.0	12.0
3 years	32.4	22.5	25.7
5 years	31.8	26.9	27.4
7 years	12.1	12.8	14.6
10 years	1.5	4.6	2.2
Total fixed-income portfolio	100.0 %	100.0 %	100.0 %

Credit Risk This exposure is managed by maintaining an A+ minimum average portfolio credit quality rating, as defined by NRSROs. At both March 31, 2024 and December 31, 2023, our credit quality rating was AA- and at March 31, 2023, it was AA . The credit quality distribution of the fixed-income portfolio was:

Average Rating[1]	March 31, 2024	March 31, 2023	December 31, 2023
AAA	11.0 %	65.2 %	10.7 %
AA	64.3	6.1	65.1
A	7.0	7.5	7.0
BBB	16.3	18.7	15.7
Non-investment grade/non-rated			
BB	1.1	2.0	1.2
B	0.2	0.3	0.2
CCC and lower	0	0.1	0
Non-rated	0.1	0.1	0.1
Total fixed-income portfolio	100.0 %	100.0 %	100.0 %

[1] The ratings in the table above are assigned by NRSROs.

The year-over-year rating shift between the AAA and AA categories was primarily due to a second major credit rating agency downgrading U.S. Treasury debt during the third quarter 2023 to AA+ from AAA, which led us to lower our U.S. Treasury positions to AA+.

Concentration Risk We did not have any investments in a single issuer, either overall or in the context of individual asset classes and sectors, that exceeded our thresholds during the first quarter 2024.

Prepayment and Extension Risk We did not experience significant adverse prepayment or extension of principal relative to our cash flow expectations in the portfolio during the first quarter 2024.

Liquidity Risk Our overall portfolio remains very liquid and we believe that it is sufficient to meet expected near-term liquidity requirements. The short-to-intermediate duration of our portfolio provides a source of liquidity. During the remainder of 2024, we expect approximately $4.8 billion, or 18%, of principal repayment from our fixed-income portfolio, excluding U.S. Treasury Notes and short-term investments. Cash from interest and dividend payments and our short-term portfolio provide additional sources of recurring liquidity.

The duration of our U.S. government obligations, which are included in the fixed-income portfolio, was comprised of the following at March 31, 2024:

($ in millions)	Fair Value	Duration (years)
U.S. Treasury Notes		
Less than one year	$ 561.1	0.8
One to two years	2,306.4	1.6
Two to three years	7,435.3	2.6
Three to five years	20,923.5	4.0
Five to seven years	6,250.9	5.6
Seven to ten years	1,085.5	7.2
Total U.S. Treasury Notes	$ 38,562.7	3.9

ASSET-BACKED SECURITIES

Included in our fixed-income portfolio are asset-backed securities, which were comprised of the following at the balance sheet dates listed:

($ in millions)	Fair Value	Net Unrealized Gains (Losses)	% of Asset-Backed Securities	Duration (years)	Average Rating (at period end)[1]
March 31, 2024					
Residential mortgage-backed securities	$ 383.1	$ (9.0)	3.7 %	0.5	A+
Commercial mortgage-backed securities	3,851.8	(516.8)	37.4	2.2	A+
Other asset-backed securities	6,061.2	(84.7)	58.9	1.1	AA+
Total asset-backed securities	$ 10,296.1	$ (610.5)	100.0 %	1.5	AA
March 31, 2023					
Residential mortgage-backed securities	$ 630.0	$ (16.1)	6.3 %	0.4	A
Commercial mortgage-backed securities	4,503.0	(749.6)	45.0	2.5	A
Other asset-backed securities	4,865.8	(220.7)	48.7	1.1	AA
Total asset-backed securities	$ 9,998.8	$ (986.4)	100.0 %	1.7	AA-
December 31, 2023					
Residential mortgage-backed securities	$ 417.2	$ (9.8)	4.2 %	0.5	A+
Commercial mortgage-backed securities	3,939.7	(595.5)	39.7	2.3	A
Other asset-backed securities	5,575.4	(91.4)	56.1	1.2	AA+
Total asset-backed securities	$ 9,932.3	$ (696.7)	100.0 %	1.6	AA-

[1] The credit quality ratings in the table above are assigned by NRSROs.

Residential Mortgage-Backed Securities (RMBS) The following table details the credit quality rating and fair value of our RMBS, along with the loan classification and a comparison of the fair value at March 31, 2024, to our original investment value (adjusted for returns of principal, amortization, and write-downs):

Residential Mortgage-Backed Securities (at March 31, 2024)

($ in millions) Average Rating[1]	Non-Agency	Government/GSE[2]	Total	% of Total
AAA	$ 55.8	$ 0.2	$ 56.0	14.6 %
AA	31.0	1.1	32.1	8.4
A	246.2	0	246.2	64.2
BBB	44.0	0	44.0	11.5
Non-investment grade/non-rated:				
BB	0.3	0	0.3	0.1
CCC and lower	1.1	0	1.1	0.3
Non-rated	3.4	0	3.4	0.9
Total fair value	$ 381.8	$ 1.3	$ 383.1	100.0 %
Increase (decrease) in value	(1.8)%	(5.3)%	(1.8)%	

[1] The credit quality ratings are assigned by NRSROs; when we assigned the NAIC ratings for our RMBS, 100% of our non-investment-grade securities were rated investment grade and reported as Group II securities.
[2] The securities in this category are insured by a Government Sponsored Entity (GSE) and/or collateralized by mortgage loans insured by the Federal Housing Administration (FHA) or the U.S. Department of Veteran Affairs (VA).

In the residential mortgage-backed sector, our portfolio consists of deals that are backed by high-credit quality borrowers and/or those that have strong structural protections through underlying loan collateralization. During the first quarter of 2024, the RMBS portfolio decreased as a result of principal paydowns and maturities.

Commercial Mortgage-Backed Securities (CMBS) The following table details the credit quality rating and fair value of our CMBS, along with a comparison of the fair value at March 31, 2024, to our original investment value (adjusted for returns of principal, amortization, and write-downs):

Commercial Mortgage-Backed Securities (at March 31, 2024)

($ in millions) Average Rating[1]	Multi-Borrower	Single-Borrower	Total	% of Total
AAA	$ 169.7	$ 1,090.8	$ 1,260.5	32.7 %
AA	0	825.0	825.0	21.4
A	0	592.2	592.2	15.4
BBB	0	755.1	755.1	19.6
Non-investment grade/non-rated:				
BB	0	408.7	408.7	10.6
B	0	10.3	10.3	0.3
Total fair value	$ 169.7	$ 3,682.1	$ 3,851.8	100.0 %
Increase (decrease) in value	(4.2)%	(12.2)%	(11.8)%	

[1] The credit quality ratings are assigned by NRSROs; when we assigned the NAIC ratings for our CMBS, 62% of our non-investment-grade securities were rated investment grade and reported as Group II securities, with the remainder classified as Group I.

The CMBS portfolio experienced lower volatility in first quarter 2024. During the quarter, the pace of new issuances accelerated, which led to paydowns in the portfolio via early refinancing. As of March 31, 2024, we had no delinquencies in our CMBS portfolio.

The following table shows the composition of our CMBS portfolio by maturity year and sector:

Commercial Mortgage-Backed Securities Sector Details (at March 31, 2024)

($ in millions) Maturity[1]	Office	Lab Office	Multi-family	Multi-family IO	Retail	Industrial	Self- Storage	Casino	Total	Average Original LTV	Average Current DSCR
2024	$ 134.1	$ 0	$ 22.4	$ 31.2	$ 36.5	$ 0	$ 0	$ 0	$ 224.2	59.4 %	1.9
2025	0	42.0	0	37.0	65.0	44.3	0	0	188.3	65.7	2.0
2026	428.1	83.2	284.4	33.4	0	92.7	61.2	112.1	1,095.1	60.9	1.9
2027	382.0	0	39.4	30.3	0	95.1	250.0	0	796.8	60.6	2.0
2028	255.5	0	0	23.0	0	0	0	0	278.5	51.9	3.3
2029	397.4	90.1	0	11.0	0	79.8	74.0	67.5	719.8	59.6	2.9
2030	77.0	59.9	0	3.8	0	0	0	92.4	233.1	55.5	3.1
2031	224.8	91.2	0	0	0	0	0	0	316.0	66.5	2.1
Total fair value	$ 1,898.9	$ 366.4	$ 346.2	$ 169.7	$ 101.5	$ 311.9	$ 385.2	$ 272.0	$ 3,851.8		

LTV= loan to value

DSCR= debt service coverage ratio

[1] The floating-rate securities were extended to their full maturity and fixed-rate securities are shown to their anticipated repayment date (if applicable) or otherwise, their maturity date.

We show the average loan to value (LTV) of each maturity year when the loans were originated. The LTV ratio that management uses, which is commonly expressed as a percentage, compares the size of the entire mortgage loan to the appraised value of the underlying property collateralizing the loan at issuance. A LTV ratio less than 100% indicates excess collateral value over the loan amount. LTV ratios greater than 100% indicate that the loan amount exceeds the collateral value. We believe this ratio provides a conservative view of our actual risk of loss, as this number displays the entire mortgage LTV, while our ownership is only a portion of the structure of the mortgage loan-backed security. For many of the mortgage loans, in our portfolio, our exposure is in a more senior part of the structure, which means that the LTV on our actual exposure is even lower than the ratios presented.

In addition to the LTV ratio, we also examine the credit of our CMBS portfolio by reviewing the debt service coverage ratio (DSCR) of the securities. The DSCR compares the underlying property's annual net operating income to its annual debt service payments. A DSCR less than 1.0 times indicates that property operations do not generate enough income over the debt service payments, while a DSCR greater than 1.0 times indicates that there is an excess of operating income over the debt service payments. A number above 1.0 generally indicates that there would not be an incentive for the borrower to default in light of the borrower's excess income. The DSCR reported in the table is calculated based on the most currently available net operating income and mortgage payments for the borrower, which, for most securities, is data as of September 30, 2023.

Other Asset-Backed Securities (OABS) The following table details the credit quality rating and fair value of our OABS, along with a comparison of the fair value at March 31, 2024, to our original investment value (adjusted for returns of principal, amortization, and write-downs):

Other Asset-Backed Securities (at March 31, 2024)

($ in millions) Average Rating	Automobile	Collateralized Loan Obligations	Student Loan	Whole Business Securitizations	Equipment	Other	Total	% of Total
AAA	$ 2,450.5	$ 903.2	$ 31.4	$ 0	$ 917.2	$ 220.6	$ 4,522.9	74.6 %
AA	21.8	374.4	10.8	0	41.8	0	448.8	7.4
A	5.6	0	0	0	151.2	126.5	283.3	4.7
BBB	4.4	0	0	732.4	0	36.7	773.5	12.8
Non-investment grade/non-rated:								
BB	0	0	0	0	0	32.7	32.7	0.5
Total fair value	$ 2,482.3	$ 1,277.6	$ 42.2	$ 732.4	$ 1,110.2	$ 416.5	$ 6,061.2	100.0 %
Increase (decrease) in value	0.1 %	(0.3)%	(9.1)%	(6.8)%	(0.2)%	(5.5)%	(1.4)%	

During the first quarter 2024, we selectively added to the OABS portfolio as we viewed spreads and potential returns to be attractive in certain areas. Investments were predominately made in the automobile and equipment categories in highly rated, senior, and short-tenor debt tranches in the new issue markets.

STATE AND LOCAL GOVERNMENT OBLIGATIONS

The following table details the credit quality rating of our state and local government obligations (municipal securities) at March 31, 2024, without the benefit of credit or bond insurance:

Municipal Securities (at March 31, 2024)

(millions) Average Rating	General Obligations	Revenue Bonds	Total
AAA	$ 539.2	$ 361.7	$ 900.9
AA	422.5	699.8	1,122.3
A	0	36.4	36.4
BBB	0	0	0
Non-rated	0	0.2	0.2
Total	$ 961.7	$ 1,098.1	$ 2,059.8

Included in revenue bonds were $528.8 million of single-family housing revenue bonds issued by state housing finance agencies, of which $279.9 million were supported by individual mortgages held by the state housing finance agencies and $248.9 million were supported by mortgage-backed securities.

Of the revenue bonds supported by individual mortgages held by the state housing finance agencies, the overall credit quality rating was AA+. Most of these mortgages were supported by the Federal Housing Administration, the U.S. Department of Veterans Affairs, or private mortgage insurance providers. Of the revenue bonds supported by mortgage-backed securities, 84% were collateralized by Ginnie Mae mortgages, which are fully guaranteed by the U.S. government; the remaining 16% were collateralized by Fannie Mae and Freddie Mac mortgages.

Credit spreads of taxable municipal bonds tightened during the first quarter 2024, while credit spreads of tax-exempt bonds were close to unchanged. We did not add significantly to this portfolio during the first quarter 2024, and as a result, municipal securities as a percentage of the total fixed-income portfolio declined.

CORPORATE DEBT SECURITIES

The following table details the credit quality rating of our corporate debt securities at March 31, 2024:

Corporate Securities (at March 31, 2024)

(millions) Average Rating	Consumer	Industrial	Communication	Financial Services	Technology	Basic Materials	Energy	Total
AAA	$ 0	$ 0	$ 0	$ 129.1	$ 0	$ 0	$ 41.4	$ 170.5
AA	96.6	55.9	0	364.4	0	0	38.6	555.5
A	621.4	258.1	189.8	1,771.0	16.4	122.1	438.8	3,417.6
BBB	2,677.2	1,439.7	414.9	1,580.9	741.0	43.3	1,205.5	8,102.5
Non-investment grade/non-rated:								
BB	44.7	45.8	24.8	0	11.0	0	6.0	132.3
B	119.3	0	0	0	0	20.6	0	139.9
Non-rated	0	0	0	0	3.0	0	0	3.0
Total fair value	$ 3,559.2	$ 1,799.5	$ 629.5	$ 3,845.4	$ 771.4	$ 186.0	$ 1,730.3	$ 12,521.3

The size of our corporate debt portfolio increased to $12.5 billion at March 31, 2024 from $11.2 billion at December 31, 2023. We selectively increased exposure to investment-grade securities but continued to predominately focus on shorter maturities, which we viewed as having a more favorable risk/reward profile. At March 31, 2024, corporate debt securities made up approximately 19% of our fixed-income portfolio, compared to approximately 18% at December 31, 2023. The duration of the corporate debt portfolio was 2.7 years at both March 31, 2024 and December 31, 2023.

PREFERRED STOCKS – REDEEMABLE AND NONREDEEMABLE

The table below shows the exposure break-down by sector and rating at March 31, 2024:

Preferred Stocks (at March 31, 2024)

(millions) Average Rating	Financial Services				Industrials	Utilities	Total
	U.S. Banks	Foreign Banks	Insurance	Other Financial			
BBB	$ 547.7	$ 31.8	$ 84.7	$ 29.5	$ 141.1	$ 47.0	$ 881.8
Non-investment grade/non-rated:							
BB	91.8	23.0	0	0	0	0	114.8
Non-rated	0	0	39.9	9.3	14.8	0	64.0
Total fair value	$ 639.5	$ 54.8	$ 124.6	$ 38.8	$ 155.9	$ 47.0	$ 1,060.6

The majority of our preferred stocks have fixed-rate dividends until a call date and then, if not called, generally convert to floating-rate dividends. The interest rate duration of our preferred stocks is calculated to reflect the call, floor, and floating-rate features. Although a preferred stock will remain outstanding if not called, its interest rate duration will reflect the variable nature of the dividend. As of March 31, 2024, our non-investment-grade preferred stocks were all with issuers that maintain investment-grade senior debt ratings.

We also face the risk that dividend payments on our preferred stock holdings could be deferred for one or more periods or skipped entirely. As of March 31, 2024, we expect all of these securities to pay their dividends in full and on time. Approximately 78% of our preferred stocks pay dividends that have tax preferential characteristics, while the balance pay dividends that are fully taxable.

At March 31, 2024, the preferred stock portfolio fair value was $1.1 billion, which was consistent with the value at December 31, 2023. During the first quarter 2024, we sold securities with less attractive risk/reward profiles and low credit spreads that we believed were less probable to be called on their call dates. This decrease was mostly offset by an increase in valuation of the preferred portfolio during the first quarter of 2024, as credit spreads tightened.

Common Equities

Common equities, as reported on the balance sheets, were comprised of the following:

($ in millions)	March 31, 2024		March 31, 2023		December 31, 2023	
Common stocks	$ 3,170.6	99.2 %	$ 2,774.0	99.3 %	$ 2,907.8	99.3 %
Other risk investments[1]	24.3	0.8	20.3	0.7	20.6	0.7
Total common equities	$ 3,194.9	100.0 %	$ 2,794.3	100.0 %	$ 2,928.4	100.0 %

[1] The other risk investments consist of limited partnership interests.

The majority of our common stock portfolio consists of individual holdings selected based on their contribution to the correlation with the Russell 1000 Index. We held 787 out of 1,005, or 78%, of the common stocks comprising the index at March 31, 2024, which made up 95% of the total market capitalization of the index. At March 31, 2024 and 2023, and December 31, 2023, the year-to-date total return, based on GAAP income, was within our targeted tracking error, which is +/- 50 basis points.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: *Investors are cautioned that certain statements in this report 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," "goal," "target," "anticipate," "will," "could," "likely," "may," "should," 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 not guarantees of future performance, 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 and the continued availability of reinsurance and performance by reinsurers;*
- *the secure and uninterrupted operation of the systems, facilities, and business functions and the operation of various third-party systems that are critical to our business;*
- *the impacts of a security breach or other attack involving our technology systems or the systems of one or more of our vendors;*
- *our ability to maintain a recognized and trusted brand and reputation;*
- *whether we innovate effectively and respond to our competitors' initiatives;*
- *whether we effectively manage complexity as we develop and deliver products and customer experiences;*
- *our ability to attract, develop, and retain talent and maintain appropriate staffing levels;*
- *the impact of misconduct or fraudulent acts by employees, agents, and third parties to our business and/or exposure to regulatory assessments;*
- *the highly competitive nature of property-casualty insurance markets;*
- *whether we adjust claims accurately;*
- *compliance with complex and changing laws and regulations;*
- *litigation challenging our business practices, and those of our competitors and other companies;*
- *the success of our business strategy and efforts to acquire or develop new products or enter into new areas of business and our ability to navigate the related risks;*
- *how intellectual property rights affect our competitiveness and our business operations;*
- *the success of our development and use of new technology and our ability to navigate the related risks;*
- *the performance of our fixed-income and equity investment portfolios;*
- *the impact on our investment returns and strategies from regulations and societal pressures relating to environmental, social, governance and other public policy matters;*
- *our continued ability to access our cash accounts and/or convert investments 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;*
- *our ability to obtain capital when necessary to support our business and potential growth;*
- *evaluations and ratings 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;*
- *the impacts of epidemics, pandemics, or other widespread health risks; 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 December 31, 2023.*

Any forward-looking statements are made only as of the date presented. Except as required by applicable law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

In addition, investors should be aware that accounting principles generally accepted in the United States 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The duration of the financial instruments held in our portfolio that are subject to interest rate risk was 3.2 years at March 31, 2024 and 3.0 years at both March 31, 2023 and December 31, 2023. The weighted average beta of the equity portfolio was 1.05 at March 31, 2024, 1.02 at March 31, 2023, and 1.00 at December 31, 2023. We have not experienced a material impact when compared to the tabular presentations of our interest rate and market risk sensitive instruments in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

We, under the direction of our Chief Executive Officer and our Chief Financial Officer, have established disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Our Chief Executive Officer and our Chief Financial Officer reviewed and evaluated our disclosure controls and procedures as of the end of the period covered by this report. Based on that review and evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effectively serving the stated purposes as of the end of the period covered by this report.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

For discussion of legal proceedings, see *Note 11 – Litigation* to the consolidated financial statements, which is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes in the risk factors from those discussed in *Item 1A, Risk Factors* included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Share Repurchases

ISSUER PURCHASES OF EQUITY SECURITIES

2024 Calendar Month	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet be Purchased Under the Plans or Programs
January	208,942	$ 163.91	935,880	24,064,120
February	3,347	177.70	939,227	24,060,773
March	11,354	197.03	950,581	24,049,419
Total	223,643	$ 165.80		

In May 2023, the Board of Directors approved an authorization for the company to repurchase up to 25 million of its common shares. This authorization does not have an expiration date. Share repurchases under this authorization may be accomplished through open market purchases, including trading plans entered into with one or more brokerage firms in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, through privately negotiated transactions, pursuant to our equity incentive awards, or otherwise. During the first quarter 2024, all repurchases were accomplished in conjunction with our equity incentive awards at the then-current market prices; there were no open market purchases during the quarter.

Progressive's financial policies state that we will repurchase shares to neutralize dilution from equity-based compensation in the year of issuance and as an option to effectively use under-leveraged capital.

Item 5. Other Information.

(c) Insider Trading Arrangements

During the first quarter 2024, certain executive officers, as listed below, entered into Rule 10b5-1 trading arrangements that are intended to satisfy the affirmative defense of Rule 10b5-1(c). The plans provide for: i) the sale of a portion of the shares upon vesting pursuant to certain outstanding equity awards previously granted to the applicable executive officer, excluding any shares withheld by the company to satisfy tax withholding obligations (see the 2024 Proxy Statement for a description of the company's equity compensation plans) and, ii) for certain executives, the sale and/or gift of additional shares held by the applicable executive, some of which may have been the result of a prior vesting event. Below are the details of each executive's Rule 10b5-1 trading arrangement:

Executive Officer	Title	Date Entered	Date Expires*	Additional Shares
Jonathan S. Bauer	Chief Investment Officer	3/18/2024	9/3/2024	2,047
Steven A. Broz	Chief Information Officer	1/26/2024	11/1/2024	16,511
Susan Patricia Griffith	President and Chief Executive Officer	2/28/2024	2/28/2025	13,359
Lori Niederst	Customer Relationship Management President	2/28/2024	12/31/2024	0
Andrew J. Quigg	Chief Strategy Officer	1/25/2024	2/3/2025	0
John P. Sauerland	Vice President and Chief Financial Officer	2/28/2024	2/28/2025	20,000

* subject to the plan's earlier expiration or completion in accordance with its terms.

Additional Information

President and CEO Susan Patricia Griffith's quarterly letter to shareholders is included as Exhibit 99 to this Quarterly Report on Form 10-Q and in our online shareholders' report located on our investor relations website at: investors.progressive.com/financials.

Item 6. Exhibits.

See exhibit index contained herein beginning on page 56, which is incorporated by reference from information with respect to this item.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PROGRESSIVE CORPORATION

(Registrant)

Date: May 6, 2024

By: /s/ John P. Sauerland

John P. Sauerland

Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No. Under Reg. S-K, Item 601	Form 10-Q Exhibit Number	Description of Exhibit	If Incorporated by Reference, Documents with Which Exhibit was Previously Filed with SEC
10	10.1	Form of Restricted Stock Unit Award Agreement for Time-Based Awards (for 2024)	Filed herewith
10	10.2	Form of Restricted Stock Unit Award Agreement for Performance-Based Awards (Performance Versus Market) (for 2024)	Filed herewith
10	10.3	Form of Restricted Stock Unit Award Agreement for Performance-Based Awards (Investment Results) (for 2024)	Filed herewith
10	10.4	Form of Restricted Stock Unit Award Agreement for Special Time/Performance-Based Award (for 2024)	Filed herewith
10	10.5	2024 Progressive Capital Management Annual Incentive Plan	Filed herewith
31	31.1	Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer, Susan Patricia Griffith	Filed herewith
31	31.2	Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer, John P. Sauerland	Filed herewith
32	32.1	Section 1350 Certification of the Principal Executive Officer, Susan Patricia Griffith	Furnished herewith
32	32.2	Section 1350 Certification of the Principal Financial Officer, John P. Sauerland	Furnished herewith
99	99	Letter to Shareholders from Susan Patricia Griffith, President and Chief Executive Officer (Regulation FD Disclosure)	Furnished herewith
101	101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	Filed herewith
101	101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101	101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101	101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101	101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101	101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	104	Cover Page Interactive Data File (the cover page tags are embedded within the Inline XBRL document)	Filed herewith

RESTRICTED STOCK UNIT AWARD AGREEMENT
(2024 Time-Based Award)

This Agreement ("Agreement") is made this <Grant Date> ("Grant Date") by and between <Participant Name> ("Participant") and The Progressive Corporation (the "Company").

1. Definitions. Unless otherwise defined or expressly given a different meaning in this Agreement, each capitalized term in this Agreement shall have the meaning given to it in The Progressive Corporation _____ Equity Incentive Plan (the "Plan").

2. Award of Restricted Stock Units. The Company grants to Participant an award (the "Award") consisting of <# of Units> restricted stock units (the "Restricted Stock Units" or "Units"), pursuant to, and subject to, the terms of the Plan.

3. Condition to Participant's Rights under this Agreement. This Agreement shall not become effective, and Participant shall have no rights with respect to the Award or any Restricted Stock Units, unless and until Participant has fully executed this Agreement and delivered it to the Company. In the Company's sole discretion, such execution and delivery may be accomplished through electronic means. If this Agreement has not been executed and delivered by Participant by 11:59 p.m., Mayfield Village, Ohio time on the last day of the month immediately following the month in which the Grant Date occurs, then this Award shall be forfeited in its entirety.

4. Restrictions; Vesting. Subject to the terms and conditions of the Plan and this Agreement, including the provisions of Paragraph 8 below, Participant's rights in and to the Units shall vest, if at all, according to the following schedule (with such modifications as may be necessary or appropriate, in the Company's sole discretion, to eliminate or minimize fractional Units from the following vesting schedule):

(a) One-third of the Units shall vest on January 19, 2027;
(b) One-third of the Units shall vest on January 18, 2028; and
(c) One-third of the Units shall vest on January 16, 2029;

provided, however, that if any such date is not a business day then the vesting date for that Award Installment shall be the next business day following such date. The Restricted Stock Units awarded under this Agreement shall vest in accordance with the schedule set forth above unless, prior to the vesting date set forth above, the Award and the applicable Units are forfeited or have become subject to accelerated vesting under the terms and conditions of the Plan or this Agreement.

5. Dividend Equivalents. Subject to this Paragraph 5, with respect to dividends for which a record date occurs during the Restriction Period applicable to any Units, Participant shall be credited with a Dividend Equivalent with respect to each outstanding Restricted Stock Unit, with respect to each vested but not yet distributed Restricted Stock Unit (as contemplated by Paragraphs 8(b) and 8(c)), and with respect to any Dividend Equivalent Unit (defined below) resulting from prior reinvestments of Dividend Equivalents as provided in this Paragraph. All Dividend Equivalents so credited will be deemed to be reinvested in Restricted Stock Units on the date that the applicable dividend or distribution is made to the Company's shareholders, in the number of Dividend Equivalent Units determined by dividing the aggregate value of the Dividend Equivalents by the Fair Market Value of the Stock on such date (rounded to the nearest thousandth of a whole Unit or as otherwise reasonably determined by the Company); provided, however, that if Dividend Equivalents cannot be reinvested in Units due to the operation of Section 3(a) of the Plan, such Dividend Equivalents will be credited to Participant as a cash value, which cash value shall be held by the Company (without interest)

subject to this Agreement. Any Units resulting from the deemed reinvestment of dividends in accordance with this Paragraph 5 are referred to herein as "Dividend Equivalent Units." Dividend Equivalents shall be subject to the same terms and conditions, and shall vest or be forfeited (as applicable) at the same time, as the Restricted Stock Units to which they relate; provided, however, that (x) if the Restriction Period for any Restricted Stock Unit ends after the record date for, but before the payment date of, a dividend, then any Dividend Equivalents related to such dividend and to Units for which the Restriction Period is ending will be paid in cash or in Stock, in the sole discretion of the Company, as soon as practicable following the payment date for such dividend, and (y) if Paragraph 8(b) or 8(c) below is applicable and a record date for any dividend occurs after the applicable vesting date but before the applicable Delivery Date (as defined in Paragraph 8(d)(i) below), then any Dividend Equivalents related to such dividend will be paid in cash or in Stock, in the sole discretion of the Company, on or as soon as practicable following the Delivery Date.

6. Units Non-Transferable. No Restricted Stock Units (and no Dividend Equivalents) shall be transferable by Participant other than by will or by the laws of descent and distribution. In the event all or any portion of the Award is transferred or assigned pursuant to a court order, such transfer or assignment shall be without liability to the Company, and the Company shall have the right to offset against the Award any expenses (including attorneys' fees) incurred by the Company, or any of its Subsidiaries or Affiliates, in connection with such attempted transfer or assignment.

7. Executive Deferred Compensation Plan. If Participant is eligible, and has made the appropriate election, to defer the Award into The Progressive Corporation Executive Deferred Compensation Plan (the "Deferral Plan"), and the Award is eligible for deferral under the Deferral Plan, then at the time of vesting, the Restricted Stock Units that would otherwise vest under this Agreement (but not any Dividend Equivalents, which shall be delivered to Participant in accordance with Paragraph 9), instead of being delivered to Participant shall be credited to Participant's account under the Deferral Plan, subject to and in accordance with the terms and conditions of the Deferral Plan and any related deferral agreement.

8. Termination of Employment; Disability Separation.

(a) Except as otherwise provided in the Plan or in this Paragraph 8, or as otherwise determined by the Committee, if Participant's employment with the Company or any Subsidiary or Affiliate terminates for any reason, the Award and all Restricted Stock Units (and any related Dividend Equivalents) held by Participant that are unvested or subject to restriction at the time of such termination shall be forfeited automatically immediately after such termination.

(b) Notwithstanding Paragraph 8(a) above, (x) if Participant's employment terminates on or after January 1, 2025 as a result of Participant's death, or (y) if Participant experiences a Disability Separation (defined below) on or after January 1, 2025, then one hundred percent (100%) of each Award Installment (and any related Dividend Equivalents) that is unvested on such termination date or separation date, as applicable, will vest immediately after such death or the date of such Disability Separation. The Company will process any vesting pursuant to the terms of the immediately preceding sentence within 30 days following, as applicable, (x) its receipt of notice of Participant's death or (y) the date of the Disability Separation; provided, however, in the event of a Disability Separation, if Participant is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Company), then the distribution of Stock deliverable upon such vesting shall not occur until the Delivery Date.

(c) Notwithstanding Paragraph 8(a) above, if Participant's employment terminates on or after January 1, 2025 as a result of Participant's Qualified Retirement (defined below), then one hundred percent (100%) of each Award Installment (and any related Dividend Equivalents) that is unvested on the Participant's Qualified Retirement Date will vest immediately after such Qualified Retirement; provided, however, in the event that Participant is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Company), then the distribution of Stock deliverable upon such vesting shall not occur until the Delivery Date.

(d) For purposes of this Paragraph 8:

(i) "Delivery Date" shall mean the date that is six (6) months plus one (1) day after the Participant's Qualified Retirement Date or the date of Participant's Disability Separation, as applicable, or such earlier date as may be permitted by Section 409A.

(ii) "Disability Separation" shall mean a "separation of service," within the meaning of Section 409A, by Participant's employer as a result of Participant's disability, in accordance with the Company's policies and procedures as the same are in effect at the time of such separation.

(iii) "Qualified Retirement" shall mean any termination of Participant's employment with the Company or its Subsidiaries or Affiliates for any reason (excluding death, a Disability Separation and any involuntary termination for Cause) that (x) qualifies as a "separation from service" within the meaning of Section 409A, and (y) occurs on or after the first day of the calendar month in which either of the following conditions are scheduled to be satisfied:

A. the Participant is 55 years of age or older and has completed at least fifteen (15) years of service as an employee of the Company or one or more of its Subsidiaries or Affiliates; or

B. the Participant is 60 years of age or older and has completed at least ten (10) years of service as an employee of the Company or one or more of its Subsidiaries or Affiliates.

(iv) "Qualified Retirement Date" means the date as of which Participant's employment with the Company or its Subsidiaries or Affiliates terminates pursuant to a Qualified Retirement as defined in Paragraph 8(d)(iii) above.

(e) Nothing in this Paragraph 8 will be interpreted as altering in any way the provisions of Section 11 of the Plan.

9. Delivery at Vesting. Subject to the provisions of the Plan and this Agreement (including Paragraphs 8(b) and 8(c)), upon vesting of all or part of the Award, the Company shall deliver to Participant one share of Stock in exchange for each such vested Restricted Stock Unit and for each Dividend Equivalent Unit related thereto and cash in the amount of any other related Dividend Equivalents, and the applicable Restricted Stock Units (and any related Dividend Equivalents) shall be cancelled. Unless determined otherwise by the Company at any time prior to the applicable delivery, each fractional Restricted Stock Unit (and related Dividend Equivalent Unit) shall vest and be settled in an equal fraction of a share of Stock. Notwithstanding any

provision of the Plan or this Agreement to the contrary, however, delivery of shares of Stock under this Agreement shall be delayed if the Committee reasonably anticipates, based on notice from the Company, that delivery of Stock will violate Federal securities laws or other applicable laws; provided that the Company shall deliver Stock pursuant to the provisions of the Plan and this Agreement at the earliest date at which the Committee reasonably believes, based on notice from the Company, that such delivery will not cause such violation.

10. Disqualifying Activity. Subject to Paragraph 15(c) below, and notwithstanding any other provision of this Agreement, if the Committee determines that Participant is engaging in, or has engaged in, a Disqualifying Activity, the provisions of Section 10(b) of the Plan will apply. A violation by Participant of Paragraph 12, 13 or 14 below, and any violation by Participant of any other non-competition agreement between Participant and the Company or any of its Subsidiaries or Affiliates, shall constitute a "material violation" of an "agreement between Participant and the Company" within the meaning of clause (iii) of the definition of Disqualifying Activity, and may also constitute a Disqualifying Activity within the meaning of one or more of the other clauses defining Disqualifying Activity under the Plan.

11. Taxes. No later than the date as of which Taxes become due, Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any Taxes and other items of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan and this Agreement shall be conditioned on such payment or arrangements and the Company and its Subsidiaries and Affiliates, to the extent permitted by law, shall have the right to deduct any such Taxes from any payment of any kind otherwise due to Participant. At vesting (or Delivery Date, if applicable) of any Award Installment, Restricted Stock Units and any related Dividend Equivalent Units vesting on such vesting date (or being distributed on such Delivery Date) will be valued at the Fair Market Value of the Company's Stock on such date.

Unless otherwise determined by the Committee, Participant must satisfy the minimum statutory tax withholding obligations resulting from the vesting of Restricted Stock Units and related Dividend Equivalents ("Minimum Withholding Obligations") either (a) by surrendering to the Company Restricted Stock Units that are then vesting or being distributed (or shares of Stock issuable upon such event) with a value sufficient to satisfy the Minimum Withholding Obligations, or (b) by paying to the Company the appropriate amount in cash or, if acceptable to the Company, by check or other instrument. Unless Participant advises the Company of Participant's election to use an alternative payment method, Participant shall be deemed to have elected to surrender to the Company Restricted Stock Units that are then vesting or being distributed (or shares of Stock issuable upon such event) with a value sufficient to satisfy the Minimum Withholding Obligations.

Under no circumstances will Participant be entitled to satisfy any Minimum Withholding Obligations by surrendering Restricted Stock Units that are not then vesting (or being distributed on such Delivery Date) or any Restricted Stock Units that Participant has elected to defer under Paragraph 7 above. Any request by Participant to satisfy Minimum Withholding Obligations by surrendering shares of Stock owned by Participant prior to the date of such satisfaction must be specifically approved in advance by the Committee. All payments and surrenders of Units or shares of Stock and any requests for approval of alternative payment arrangements must be made by Participant in accordance with such procedures as may be adopted by the Company in connection therewith, and subject to such rules as have been or may be adopted by the Committee.

12. Non-Solicitation. In consideration of the Award made to Participant under this Agreement, and in further consideration of the continuation of Participant's at-will employment with the Company or one of its Subsidiaries or Affiliates (collectively, "Progressive"), starting on the Grant Date and ending on the date that is

exactly twelve (12) months after Participant's Separation Date (defined below), Participant shall not directly or indirectly recruit or solicit for hire, or assist in any manner in the recruitment or solicitation for hire, any employee or officer of Progressive, in each case involving employment by any individual, business or entity other than Progressive, or in any way induce any such employee or officer to terminate employment with Progressive. For purposes of this Agreement, "Separation Date" means the date on which Participant's employment with Progressive terminates for any reason.

13. Non-Competition. In consideration of the Award made to Participant under this Agreement, and in further consideration of the continuation of Participant's at-will employment with Progressive, starting on the Grant Date and ending on the date that is exactly twelve (12) months after Participant's Separation Date, Participant shall not, directly or indirectly, on Participant's own account or on account of any other person or entity (except in the authorized course of Participant's employment with Progressive), engage in any Competitive Activity.

(a) *Definitions*. For purposes of this Agreement:

(i) "Competitive Activity" means engaging in any activity or providing any products or services that are the same as or similar to, or that may be directed in whole or part to replacing, the actual or proposed activities, products, or services of Progressive's Core Business (as defined below):

A. with respect to which Participant had knowledge of, or access to, Confidential Information (as defined below) during Participant's employment with Progressive; and

B. where, as to any applicable geographic territory, the activities engaged in by Participant, the products or services provided by Participant, or the duties assigned to Participant reasonably could require Participant, in whole or in part, to rely on, use, or disclose Confidential Information of which Participant had knowledge, or to which Participant had access, during Participant's employment with Progressive.

(ii) "Confidential Information" means confidential and/or proprietary information and/or trade secrets which are the property of Progressive, or which Progressive is under an obligation not to disclose, including but not necessarily limited to the following: information regarding Progressive's processes and products, including information relating to research and development, agent or customer data, and/or technologies; product features and/or specifications, tests or investigations; business plans, marketing plans and financials, reports, data, figures, margins, profits, statistics, analyses and other related information; any information that Participant has agreed not to disclose and/or use other than in the course of Participant's employment with Progressive; and any other confidential information of whatever nature which gives Progressive an opportunity to obtain a competitive advantage over its competitors. Confidential Information does not include information that is generally available to the public other than as a result of a breach of a contractual or other duty of confidentiality.

(iii) "Core Business" means activities, products, or services that are related, in whole or in part, to the business of property and casualty insurance or to any other actual or proposed insurance-related activities, products, or services of Progressive.

(b) *Reasonableness of Restriction*. Participant acknowledges and agrees that the covenants contained in this Paragraph 13 are not intended to prevent Participant from earning a living, but

rather to protect Progressive's legitimate business interests in its Confidential Information and do not unreasonably interfere with Participant's ability to secure gainful employment following the termination of Participant's employment with Progressive. Participant further acknowledges that in the event Participant's employment with Progressive ends, Participant's knowledge, experience and capabilities are such that Participant can obtain employment in business activities which are of a different and non-competing nature than those performed in the course of Participant's employment with Progressive and that the enforcement of a remedy hereunder by way of injunction will not prevent Participant from earning a reasonable livelihood.

(c) *Tolling of Covenants*. Participant acknowledges and agrees that in the event the Company brings an action for injunctive or other relief against Participant, the Company shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the restrictive covenant. Accordingly, it is hereby further agreed that the restrictive covenants contained in this Paragraph 13 shall be deemed to have the duration specified herein, as computed from the date relief is granted but reduced by the time between the period when the restriction(s) began to run and the date of the first violation of the restrictive covenant(s) by Participant.

14. Non-Disclosure of Confidential Information.

(a) During the course of Participant's employment, Participant may be given access to, help develop, or learn of Confidential Information (as defined above). Participant acknowledges and agrees that Participant has an obligation to maintain the confidentiality of Confidential Information, including any records containing Confidential Information, except as otherwise authorized by law; and Participant's obligation continues at all times during and after Participant's employment. Participant acknowledges that Confidential Information does not become any less confidential or proprietary to Progressive because Participant may commit records to memory or because Participant may otherwise maintain records outside of Progressive's offices, computer systems or data storage repositories.

(b) During the course of Participant's employment, Participant may be given access to confidential information and/or trade secrets of third parties, subject to Progressive's duty to maintain confidentiality of such information and use it only for certain purposes. Participant will not disclose to any person, corporation or entity, and not use for Participant's benefit or the benefit of any other person, corporation or entity, any such third party's confidential information, except as necessary in carrying on work for Progressive consistent with Progressive's agreement with the third party.

(c) Participant will use Participant's best efforts and the utmost diligence to guard and protect Progressive's Confidential Information, and Participant will not, during or after the period of Participant's employment by Progressive, use or disclose, directly or indirectly, any of Progressive's Confidential Information which Participant may develop, obtain or learn about during or as a result of Participant's employment by Progressive, except in the ordinary course of performing duties on behalf of Progressive and/or except as previously authorized by Progressive in writing. Participant acknowledges that the Confidential Information is owned and shall continue to be owned by Progressive and that misuse, misappropriation or unauthorized disclosure of this information will cause irreparable harm and/or other damage to Progressive both during and after the term of Participant's employment.

(d) Notwithstanding anything in this Agreement to the contrary, Participant and the Company acknowledge that Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (x) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law. In addition, Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Furthermore, in the event Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Participant may disclose the trade secret to Participant's attorney and use the trade secret information in the court proceeding, if Participant files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

15. Additional Terms Applicable to Non-Solicitation, Non-Competition and/or Non-Disclosure Provisions.

(a) *Remedies for Breach.* Participant acknowledges and agrees that the damages which may arise from a breach or threatened breach of any of the covenants contained in Paragraph 12, 13 or 14 of this Agreement are irreparable and difficult to measure and that money damages alone would be an inadequate remedy for any such breach. Accordingly, if Participant breaches or threatens to breach any portion of the covenants contained in Paragraph 12, 13 or 14 of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach or threatened breach without showing or proving any actual damage. In the event Participant violates and/or breaches any of the covenants contained in Paragraph 12, 13 or 14, the Company also shall be entitled to an accounting and repayment of all lost profits, compensation, commissions, remuneration or benefits that Participant directly or indirectly has realized or may realize as a result of any such violation or breach; and the Company shall be entitled to recover for all lost sales, profits, commissions, trade secrets, Confidential Information, good will and customers caused by Participant's improper acts, in addition to and not in limitation of any injunctive relief or other rights or remedies that the Company is or may be entitled to at law or in equity or under this Agreement.

(b) *Applicability of Covenants*. Subject to Paragraph 15(g) below:

(i) If, on the Grant Date, Participant is employed or resides in a jurisdiction in which any term or provision of Paragraph 12, 13 or 14 of this Agreement, or part thereof, would be unlawful, void, or otherwise unenforceable as a matter of law, then such term or provision, or part thereof, shall not apply to Participant;

(ii) If Participant is licensed actively as an attorney-at-law in any U.S. state, nothing in Paragraphs 12, 13 or 14 of this Agreement shall prevent Participant from practicing as an attorney-at-law, subject to Participant's compliance with applicable ethical rules governing such practice; and

(iii) The restrictions in Paragraph 13 shall apply to Participant only if, on the Grant Date, Participant's assigned salary grade level is 50 through 53, GNG, ENG or CNG.

(c) *Violation as Disqualifying Activity*. Participant acknowledges and agrees that the remedies identified in Paragraph 15(a) above for a breach of Paragraph 12, 13 or 14 of this Agreement shall be in addition to, and not in lieu of, the consequences of Participant's engagement in a Disqualifying Activity as provided in Paragraph 10 of this Agreement and Section 10(b) of the Plan.

(d) *Attorney's Fees.* If the Company brings a legal action to enforce any covenant contained in Paragraph 12, 13 or 14 of this Agreement, and if the Company is awarded any damages and/or any full or partial injunction due to Participant's acts, then the Company shall be entitled to recover its reasonable costs incurred in conducting the action including, but not limited to, reasonable attorneys' fees and expenses.

(e) *Effect on Other Agreements*. The provisions of Paragraphs 12, 13, and 14 of this Agreement shall be in addition to, and shall not supersede or replace, the provisions of any employment or other agreement between Participant and Progressive that contains similar or additional restrictions on Participant, including but not limited to any such provisions contained in a prior agreement relating to an award of restricted stock units.

(f) *Forum; Jurisdiction*.

(i) Subject to Paragraph 15(f)(ii) below:

A. All claims, actions or proceedings brought in a court of law that arise out of, require the interpretation of, and/or that are in any way related to the subject matter covered in this Agreement shall be brought and litigated exclusively in the state or federal courts located in Cuyahoga County of the State of Ohio, to which courts the parties consent to both personal jurisdiction and service of process in a manner consistent with Ohio law. The only exception to this choice of venue/forum is litigation to enforce any order or judgment rendered by such Ohio state or federal court, in which case such enforcement proceeding may be litigated in another jurisdiction. This consent to personal jurisdiction and choice of venue/forum are intended by the Company and Participant to be mandatory and not permissive in nature. Progressive and Participant hereby waive any right to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue or jurisdiction with respect to any action or proceeding brought in accordance herewith.

B. The Company and Participant irrevocably consent and agree that the state and federal courts located in Cuyahoga County of the State of Ohio shall have personal jurisdiction over the Company and Participant for the purpose of litigating in court any dispute, controversy, or proceeding with respect to matters described in this Agreement, and each consents to service of process in a manner consistent with Ohio law.

(ii) The provisions of this Agreement, including but not limited to Paragraph 15(f)(i) above and Paragraphs 16 and 18 below, do not and shall not be interpreted to modify, supersede, or replace the terms of any agreement between Participant and Progressive requiring either party to bring claims against the other in binding arbitration. To the extent that Participant and Progressive enter or have entered into an agreement to arbitrate that covers claims that arise out of, require the interpretation of, and/or that are in any way related to the

subject matter covered in this Agreement, the terms of such agreement to arbitrate shall remain in full force and effect notwithstanding any other provision of this Agreement.

(g) Participant is encouraged to consult with an attorney before executing this Agreement.

(h) *Severability.* If for any reason any term or provision of Paragraphs 12, 13 or 14 of this Agreement, or part thereof, is held to be unlawful, void, or otherwise unenforceable as a matter of law, unless such invalidity or unenforceability can be cured by reformation or modification of the offending term or provision, or part thereof, including but not limited to as set forth below, all other valid and enforceable terms and provisions, or parts thereof, herein shall remain in full force and effect, and all of the invalid terms or provisions, or parts thereof, of this Agreement shall be deemed to be severable in nature. If for any reason any term or provision of Paragraphs 12, 13 or 14 of this Agreement, or part thereof, is invalid or unenforceable because it is held to cover an area or to be for a length of time or otherwise have a scope that is unreasonable or is otherwise construed to be too broad, such term or provision, or part thereof, shall be reformed and/or modified to provide for a restriction having the maximum enforceable area, time period and/or other scope (not greater than those contained herein) as shall be valid and enforceable under applicable law.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to this Award, and, except as provided in Paragraphs 12, 13, 14, and 15, supersedes and cancels any other agreement, representation or communication, whether oral or in writing, between the parties relating to the Award, provided that the Agreement shall be at all times subject to the Plan.

17. Amendment. The Committee may amend the terms of this Award to the fullest extent permitted by Section 12 of the Plan.

18. Choice of Law. This Agreement shall be deemed to be made and executed in Ohio and shall be governed, construed, and interpreted under, and in accordance with, the laws of the State of Ohio, without regard to conflict of law provisions.

19. Acknowledgments. Participant: (x) acknowledges receiving a copy of the Plan description relating to the Plan, and represents that Participant is familiar with all of the material provisions of the Plan, as set forth in such Plan description; (y) accepts this Agreement and the Award subject to all provisions of the Plan and this Agreement; and (z) agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee relating to the Plan, this Agreement or the Award.

Participant evidences agreement with the terms and conditions of this Agreement, and intention to be bound by this Agreement, by electronically accepting the Award pursuant to the procedures adopted by the Company. **Upon such acceptance by Participant, this Agreement will be immediately binding and enforceable against Participant and the Company.**

THE PROGRESSIVE CORPORATION

By: _____
Vice President & Secretary

RESTRICTED STOCK UNIT AWARD AGREEMENT
(2024 Performance-Based Award – Performance versus Market)

This Agreement ("Agreement") is made this <Grant Date> ("Grant Date") by and between <Participant Name> ("Participant") and The Progressive Corporation (the "Company").

1. Definitions. Unless otherwise defined or expressly given a different meaning in this Agreement, each capitalized term in this Agreement shall have the meaning given to it in The Progressive Corporation _____ Equity Incentive Plan (the "Plan"). Financial and operational terms used in this Agreement (e.g., references to business lines, units or segments) are used consistently with the use of those terms in the Company's Form 10-K (including exhibits and other documents incorporated therein) for the fiscal year ended December 31, 2023 (the "Form 10-K"). It is understood that references herein to any performance results of the Company mean the applicable consolidated operating results of the Company and its Subsidiaries and Affiliates.

2. Award of Restricted Stock Units. The Company grants to Participant an award (the "Award") of performance-based restricted stock units ("Restricted Stock Units" or "Units"), pursuant to, and subject to, the terms of the Plan. The Award is based on a target award value of <# of Units> Units (the "Target Award Units"). The number of Restricted Stock Units that are ultimately earned pursuant to the Award (if any) will be determined based on the Target Award Units and the procedures and calculations set forth in this Agreement. Under the calculations set forth below, the maximum potential Award is a number of Units equal to two and one-half (2.50) times the sum of Target Award Units plus any related Dividend Equivalent Units (defined below) (the "Maximum Award Units"). The Award is not intended to qualify as "performance-based compensation" under Section 162(m)(4)(C) of the Code as was in effect during November 2017.

3. Condition to Participant's Rights under this Agreement. This Agreement shall not become effective, and Participant shall have no rights with respect to the Award or any Restricted Stock Units, unless and until Participant has fully executed this Agreement and delivered it to the Company. In the Company's sole discretion, such execution and delivery may be accomplished through electronic means. If this Agreement has not been executed and delivered by Participant by 11:59 p.m., Mayfield Village, Ohio time on the last day of the month immediately following the month in which the Grant Date occurs, then this Award shall be forfeited in its entirety.

4. Restrictions; Vesting.

(a) *Growth Evaluation Period; Certification.* Subject to the terms and conditions of the Plan and this Agreement, including the provisions of Paragraph 9 below, Participant's rights in and to Restricted Stock Units shall vest, if at all, as follows:

(i) The "Growth Evaluation Period" shall be the three-year period comprised of the years 2024, 2025 and 2026.

(ii) The Award shall vest (if at all) only if, to the extent, and when the Committee certifies:

A. the extent to which the Company's performance results have satisfied the performance criteria set forth in both Paragraphs 4(b) and 4(c) below; and

B. the Performance Factor (defined below) to be multiplied by the Target Award Units (and any related Dividend Equivalent Units) to determine the number of Restricted Stock Units (if any) that have vested as a result of such performance.

Such certification shall occur (x) at the first opportunity to certify results (as defined in Paragraph 9(e)(iii)), or (y) if, at the first opportunity to certify results, the Performance Factor is higher than 0.00 but the Profitability Requirement (as defined in Paragraph 4(b)) has not been satisfied, as soon as practicable after the end of the first month thereafter in which the Profitability Requirement is satisfied (the date of such certification, the "Certification Date"), but in any event must occur (if at all) on or before January 31, 2029 (the "Expiration Date"). If the Committee certifies the vesting of a number of Units that is less than the Maximum Award Units, then with respect to all other Units that could have been earned under this Agreement, the Award will terminate and be forfeited automatically.

(b) *Profitability Requirement*. The Award shall not vest unless the Company has achieved a combined ratio of 96.0 or less, calculated by reference to the Company's financial results, prepared in accordance with generally accepted accounting principles applicable in the United States ("GAAP") and rounded to the nearest tenth decimal, for the twelve (12) fiscal month period immediately preceding the date of the certification described in Paragraph 4(a) above (the "Profitability Requirement"). This section is qualified by the provisions of Paragraph 4(d) below. If the Profitability Requirement has not been satisfied with respect to the Award prior to the Expiration Date, none of the Award shall vest, and the Award shall be forfeited in its entirety.

(c) *Number of Units Vesting*. Provided that the Profitability Requirement has been satisfied, the number of Restricted Stock Units (if any) that vest in connection with the Award will be determined as follows:

(i) Performance scores reflecting the Company's compounded annual rate of growth in Earned Premiums (defined below) for the Growth Evaluation Period ("Company Growth Rate") for each of the Company's (x) Private Passenger Auto and (y) Commercial Auto businesses (each a "Business Line" and, collectively, the "Business Lines") will be compared to the compounded annual rate of growth for the Growth Evaluation Period (the "Market Growth Rate") of the market for the applicable Business Line, in each case determined as provided below.

The performance score for each of Private Passenger Auto and Commercial Auto will be determined by the following calculation:

If the Company Growth Rate for the Business Line exceeds the Market Growth Rate by the Maximum Measure for that Business Line or more	2.500 (i.e., the Maximum Performance Score)
If the Company Growth Rate for the Business Line exceeds the Market Growth Rate by more than the Target Measure for that Business Line but less than the Maximum Measure for that Business Line	1.000 + (Company Growth Rate – Market Growth Rate – 2.000) Example: Private Passenger Auto Company Growth Rate = 2.500%; Private Passenger Auto Market Growth Rate = 0.100%; Performance Score = 1.000 + (2.500 - 0.100 - 2.000) = 1.400

If the Company Growth Rate for the Business Line exceeds the Market Growth Rate by exactly the Target Measure for that Business Line	1.000 (i.e., Target Performance Score)
If the Company Growth Rate for the Business Line exceeds the Market Growth Rate by less than the Target Measure for that Business Line	(Company Growth Rate – Market Growth Rate) / Target Measure for that Business Line Example: Private Passenger Auto Company Growth Rate = 1.050%; Private Passenger Auto Market Growth Rate = 0.100%; Performance Score = ((1.050 - 0.100) / 2.000) = 0.480
If the Company Growth Rate for the Business Line is equal to or less than the Market Growth Rate for that Business Line	0.000

(ii) The Target Measure and Maximum Measure for each Business Line is as follows:

Business Line	Target Measure	Maximum Measure
Private Passenger Auto	2 percentage points	3.5 percentage points
Commercial Auto	2 percentage points	3.5 percentage points

(iii) The resulting performance score for each of the Business Lines will then be multiplied by a weighting factor, which shall be a fraction or decimal equivalent, determined by dividing the Earned Premiums generated by such Business Line during the Growth Period by the Earned Premiums generated by all of the Business Lines in the aggregate during the Growth Period to produce a weighted performance score. Subject to Paragraph 4(e), the sum of these weighted performance scores will be the performance factor (the "Performance Factor"). The number of Restricted Stock Units vesting will be determined by multiplying the Target Award Units (and any Dividend Equivalent Units) by the Performance Factor. In no event will the Performance Factor be more than 2.50. If the Performance Factor is 0.00, none of the Award shall vest, and the Award shall be forfeited in its entirety.

(iv) For purposes of these determinations:

A. Subject to the provisions of Paragraphs 4(c)(iv)B. and 4(c)(iv)C. below:

1. "Earned Premiums" shall mean Direct Premiums Earned, as that term is used in the A.M. Best annual report currently known as the "A2 Report;" and

2. The Company Growth Rate for each Business Line will be the compounded annual rate of growth in Earned Premiums for such Business Line during the Growth Evaluation Period, determined by comparing (a) the annual aggregate Earned Premiums of the Company for such Business Line for 2026, as reported by A.M. Best in its initial annual report currently known as the "A2 Report," with (b) such Earned Premiums of the Company for such Business Line for 2023 as reported in A.M. Best's A2 Report; and

3. The Market Growth Rate for Private Passenger Auto or Commercial Auto, as applicable, will be the compounded annual rate of growth in Earned Premiums during the Growth Evaluation Period, determined by comparing (a) the aggregate Earned Premiums of the U.S. Private Passenger Auto market or the Commercial Auto market, as applicable, for 2026, as reported in A.M. Best's A2 Report, with (b) such Earned Premiums for 2023 as reported in A.M. Best's A2 Report, but excluding (in each case) the applicable Earned Premiums of the Company for the applicable Business Line; and

B. In making the calculations required under this Agreement, (x) Company Growth Rate for each Business Line, Market Growth Rate and the performance score for each Business Line shall each be rounded to the nearest thousandth of a whole percentage point, (y) the Performance Factor will be rounded to the nearest one-hundredth, and (z) if applicable, the number of Restricted Stock Units vesting shall be rounded to the nearest thousandth of a whole Unit (or, in each case, as otherwise reasonably determined by the Company); and

C. In the event that A.M. Best ceases to publish the A2 Report, or modifies the A2 Report in such a way as to render the comparisons required by this Agreement to be not meaningful, in the Committee's sole judgment, the determinations required above shall be made using such comparable Company and industrywide data as may be then available from A.M. Best in any successor or replacement report or publication, or such comparable data as may be available from another nationally recognized provider of insurance industry data, in each case as the Committee may approve in its sole discretion.

(d) *Exclusions*. For purposes of determining whether the Profitability Requirement is satisfied, to the extent permitted under Section 162(m), as the same was in effect during November 2017, the following items will be excluded from, to the extent that any such item would otherwise be included in, the calculation of the Company's combined ratio: (1) the financial results (if such results can be separately determined) attributable to the operations of an entity, business, product line or product that (x) is acquired or disposed of by the Company, or any of its Subsidiaries or Affiliates, during the Performance Period and (y) is not a part of the Company's Earned Premiums for any business line for which premiums are reflected in Private Passenger Auto or Commercial Auto in the A.M. Best A2 Report; and (2) all other items of gain, loss or expense determined to be extraordinary or unusual in nature under GAAP that are recognized or incurred during the period over which the Profitability Requirement is being calculated.

(e) *Committee Discretion*. Notwithstanding anything to the contrary contained in this Agreement, at or prior to the time of vesting, the Committee, in its sole discretion, may reduce the number of Restricted Stock Units that otherwise would vest according to this Agreement, or eliminate the Award in full. The Committee, in its sole discretion, may treat Participant differently than other individuals for these purposes. Any such determination by the Committee shall be final and binding on Participant. Under no circumstances shall the Committee have discretion to increase the award to Participant in excess of the number of Units that would have been awarded at vesting based on this Paragraph 4 (excluding adjustments required by Section 3(c) and/or Section 11 of the Plan).

(f) *Exceptions.* The Award shall vest in accordance with and subject to the foregoing except to the extent that, prior to the Certification Date, the Award has terminated or been forfeited or has been subject to accelerated vesting under the terms and conditions of the Plan or this Agreement.

5. Expiration of Award. Notwithstanding anything to the contrary in this Agreement, if Participant's rights in and to the Award have not vested in accordance with Paragraph 4 of this Agreement on or before the Expiration Date, this Award shall expire at 11:59 p.m. Mayfield Village, Ohio time, on the Expiration Date. Upon such expiration, the Award shall terminate automatically, and Participant shall have no further rights with respect to the Award.

6. Dividend Equivalents. Subject to this Paragraph 6, with respect to dividends for which a record date occurs during the Restriction Period applicable to any Units, Participant shall be credited with a Dividend Equivalent with respect to each outstanding Restricted Stock Unit, with respect to each vested but not yet distributed Restricted Stock Unit (as contemplated by Paragraph 9(b)(i)) and with respect to any Dividend Equivalent Unit (defined below) resulting from prior reinvestments of Dividend Equivalents as provided in this Paragraph. All Dividend Equivalents so credited will be deemed to be reinvested in Restricted Stock Units on the date that the applicable dividend or distribution is made to the Company's shareholders, based on the Target Award Units and any Dividend Equivalent Units resulting from prior reinvestments of Dividend Equivalents, in the number of Units determined by dividing the aggregate value of the Dividend Equivalents by the Fair Market Value of the Stock on such date (rounded to the nearest thousandth of a whole Unit or as otherwise reasonably determined by the Company); provided, however, that if Dividend Equivalents cannot be reinvested in Units due to the operation of Section 3(a) of the Plan, such Dividend Equivalents will be credited to Participant as a cash value based on the Target Award Units and any Dividend Equivalent Units resulting from prior reinvestments of Dividend Equivalents, which cash value shall be held by the Company (without interest) subject to this Agreement. Any Units resulting from the deemed reinvestment of dividends in accordance with this Paragraph 6 are referred to herein as "Dividend Equivalent Units." Dividend Equivalents shall be subject to the same terms and conditions, and shall vest or be forfeited (as applicable) at the same time, upon the same conditions, and in the same proportion, as the Target Award Units set forth in this Award; provided, however, that (x) if the Award vests after the record date for, but before the payment date of, a dividend, then the Dividend Equivalents related to such dividend and to Units vesting on the vesting date will be paid in cash or in Stock, in the sole discretion of the Company, as soon as practicable following the payment date for such dividend, and (y) if Paragraph 9(b)(i) is applicable and a record date for any dividend occurs after the applicable vesting date but before the applicable Delivery Date (as defined in Paragraph 9(e)(i) below), then any Dividend Equivalents related to such dividend will be paid in cash or in Stock, in the sole discretion of the Company, on or as soon as practicable following the Delivery Date.

7. Units Non-Transferable. No Restricted Stock Units (and no Dividend Equivalents) shall be transferable by Participant other than by will or by the laws of descent and distribution. In the event all or any portion of the Award is transferred or assigned pursuant to a court order, such transfer or assignment shall be without liability to the Company, and the Company shall have the right to offset against the Award any expenses (including attorneys' fees) incurred by the Company, or any of its Subsidiaries or Affiliates, in connection with such attempted transfer or assignment.

8. Executive Deferred Compensation Plan. If Participant is eligible, and has made the appropriate election, to defer the Award into The Progressive Corporation Executive Deferred Compensation Plan (the "Deferral Plan"), and the Award is eligible for deferral under the Deferral Plan, then at the time of vesting, the Restricted Stock Units that would otherwise vest under this Agreement (but not any Dividend Equivalents, which shall be delivered to Participant in accordance with Paragraph 11), instead of being delivered to Participant shall

be credited to Participant's account under the Deferral Plan, subject to and in accordance with the terms and conditions of the Deferral Plan and any related deferral agreement.

9. Termination of Employment; Disability Separation.

(a) Except as otherwise provided in the Plan, or in this Paragraph 9, or as otherwise determined by the Committee, if Participant's employment with the Company or any Subsidiary or Affiliate terminates for any reason, the Award and all Restricted Stock Units (and any related Dividend Equivalents) held by Participant that are unvested or subject to restriction at the time of such termination shall be forfeited automatically immediately after such termination.

(b) Notwithstanding Paragraph 9(a), if Participant's employment terminates on or after January 1, 2025 as a result of Participant's death, or if Participant experiences a Disability Separation on or after January 1, 2025, then:

(i) if the termination or separation, as applicable, occurs prior to the end of the Growth Evaluation Period, then one hundred percent (100%) of the Target Award Units (and any related Dividend Equivalent Units) shall vest immediately after such termination or separation, the Performance Factor shall be deemed to be 1.00, and the remainder of the Units that otherwise could have vested under this Agreement shall be forfeited. The Company will process any vesting pursuant to the terms of the immediately preceding sentence within 30 days following, as applicable, (x) its receipt of notice of Participant's death or (y) the date of the Disability Separation; provided, however, in the event of a Disability Separation, if Participant is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Company), then the distribution of Stock deliverable upon such vesting shall not occur until the Delivery Date; and

(ii) if the termination or separation, as applicable, occurs after the end of the Growth Evaluation Period, then the provisions of Paragraph 9(d) will apply.

(c) Notwithstanding Paragraph 9(a), if Participant's termination of employment occurs after the end of the Growth Evaluation Period, but prior to the first opportunity to certify results, for any reason other than (x) as a result of Participant's death, Qualified Retirement or termination for Cause, or (y) Participant having experienced a Disability Separation, then Participant shall be eligible to participate in the vesting of Restricted Stock Units (and any related Dividend Equivalents) under this Agreement only to the extent certified by the Committee at the time of such first opportunity to certify results, but if certification does not occur upon such first opportunity to certify results, the Award shall be forfeited automatically.

(d) Notwithstanding Paragraph 9(a), (x) if Participant's termination of employment occurs as a result of Participant's Qualified Retirement on or after January 1, 2025, or death after the end of the Growth Evaluation Period, or (y) Participant experiences a Disability Separation after the end of the Growth Evaluation Period, then the Award shall remain in effect and shall vest upon the Committee's certification of the achievement of the performance measures identified in Paragraph 4 to the extent provided in Paragraph 4 (unless such performance measures are not achieved prior to the Expiration Date, in which event the Award will terminate, and the Award will be forfeited, as of such Expiration Date),

(e) For purposes of this Paragraph 9:

(i) "Delivery Date" shall mean the date that is six (6) months plus one (1) day after the date of Participant's Disability Separation, or such earlier date as may be permitted by Section 409A.

(ii) "Disability Separation" shall mean a "separation of service," within the meaning of Section 409A, by Participant's employer as a result of Participant's disability, in accordance with the Company's policies and procedures as the same are in effect at the time of such separation.

(iii) the phrase "first opportunity to certify results" means the date which is the earlier to occur of: (A) the last day of the calendar month immediately following the month in which A.M. Best publishes the A2 Report (or, if applicable, the calendar month immediately following the month in which the successor or replacement report or data described in Paragraph 4(c)(iv)(D. above is published) for the third year of the Growth Evaluation Period, or (B) the date on which a meeting of the Compensation Committee is held at which such report or data is reviewed (whether or not a certification occurs) or a written action is executed by the Committee in lieu of such a meeting.

(iv) the term "Qualified Retirement" means any termination of a Participant's employment with the Company or its Subsidiaries or Affiliates for any reason (excluding death, a Disability Separation and any involuntary termination for Cause) that (x) qualifies as a "separation from service" within the meaning of Section 409A, and (y) occurs on or after the first day of the calendar month in which either of the following conditions are scheduled to be satisfied:

A. the Participant is 55 years of age or older and has completed at least fifteen (15) years of service as an employee of the Company or one or more of its Subsidiaries or Affiliates; or

B. the Participant is 60 years of age or older and has completed at least ten (10) years of service as an employee of the Company or one or more of its Subsidiaries or Affiliates.

(f) Nothing in this Paragraph 9 will be interpreted as altering in any way the provisions of Section 11 of the Plan.

10. Disqualifying Activity. Subject to Paragraph 16(c) below, and notwithstanding any other provision of this Agreement, if the Committee determines that Participant is engaging in, or has engaged in, a Disqualifying Activity, the provisions of Section 10(b) of the Plan will apply. A violation by Participant of Paragraph 13, 14 or 15 below, and any violation by Participant of any other non-competition agreement between Participant and the Company or any of its subsidiaries or Affiliates, shall constitute a "material violation" of an "agreement between Participant and the Company" within the meaning of clause (iii) of the definition of Disqualifying Activity, and may also constitute a Disqualifying Activity within the meaning of one or more of the other clauses defining Disqualifying Activity under the Plan.

11. Delivery at Vesting. Subject to the provisions of the Plan and this Agreement (including Paragraph 9(b)(i)), upon vesting of all or part of the Award, the Company shall deliver to Participant one share of Stock in exchange for each such vested Restricted Stock Unit and for each Dividend Equivalent Unit related thereto and cash in the amount of any other related Dividend Equivalents, and all Restricted Stock Units and

Dividend Equivalents shall be cancelled. Unless determined otherwise by the Company at any time prior to the applicable delivery, each fractional Restricted Stock Unit (and related Dividend Equivalent Unit) shall vest and be settled in an equal fraction of a share of Stock. The delivery of such shares of Stock shall be on or as soon as practicable following the Certification Date, but in no event later than March 15 of the calendar year following the year in which the Restricted Stock Units vest under Paragraph 4. Notwithstanding any provision of the Plan or this Agreement to the contrary, however, delivery of shares of Stock under this Agreement shall be delayed if the Committee reasonably anticipates, based on notice from the Company, that delivery of Stock will violate Federal securities laws or other applicable laws; provided that the Company shall deliver Stock pursuant to the provisions of the Plan and this Agreement at the earliest date at which the Committee reasonably believes, based on notice from the Company, that such delivery will not cause such violation.

12. Taxes. No later than the date as of which Taxes become due, Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any Taxes and other items of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan and this Agreement shall be conditioned on such payment or arrangements and the Company and its Subsidiaries and Affiliates, to the extent permitted by law, shall have the right to deduct any such Taxes from any payment of any kind otherwise due to Participant. At vesting (or Delivery Date, if applicable), Restricted Stock Units and related Dividend Equivalent Units vesting on such date (or being distributed on such Delivery Date) will be valued at the Fair Market Value of the Company's Stock on such date.

Unless otherwise determined by the Committee, Participant must satisfy the minimum statutory tax withholding obligations resulting from the vesting of Restricted Stock Units and related Dividend Equivalents ("Minimum Withholding Obligations") by surrendering to the Company Restricted Stock Units and/or Dividend Equivalents that are then vesting (or shares of Stock issuable as a result of the vesting) with a value sufficient to satisfy the Minimum Withholding Obligations.

Under no circumstances will Participant be entitled to satisfy any Minimum Withholding Obligations by surrendering Restricted Stock Units that are not then vesting (or being distributed on such Delivery Date) or any Restricted Stock Units that Participant has elected to defer under Paragraph 8 above. Any request by Participant to satisfy Minimum Withholding Obligations by surrendering shares of Stock owned by Participant prior to the date of such satisfaction must be specifically approved in advance by the Committee. All payments and surrenders of Units or shares of Stock and any requests for approval of alternative payment arrangements must be made by Participant in accordance with such procedures as may be adopted by the Company in connection therewith, and subject to such rules as have been or may be adopted by the Committee.

13. Non-Solicitation. In consideration of the Award made to Participant under this Agreement, and in further consideration of the continuation of Participant's at-will employment with the Company or one of its Subsidiaries or Affiliates (collectively, "Progressive"), starting on the Grant Date and ending on the date that is exactly twelve (12) months after Participant's Separation Date (defined below), Participant shall not directly or indirectly recruit or solicit for hire, or assist in any manner in the recruitment or solicitation for hire, any employee or officer of Progressive, in each case involving employment by any individual, business or entity other than Progressive, or in any way induce any such employee or officer to terminate employment with Progressive. For purposes of this Agreement, "Separation Date" means the date on which Participant's employment with Progressive terminates for any reason.

14. Non-Competition. In consideration of the Award made to Participant under this Agreement, and in further consideration of the continuation of Participant's at-will employment with Progressive, starting on the Grant Date and ending on the date that is exactly twelve (12) months after Participant's Separation Date, Participant shall not, directly or indirectly, on Participant's own account or on account of any other person or

entity (except in the authorized course of Participant's employment with Progressive), engage in any Competitive Activity.

(a) *Definitions*. For purposes of this Agreement:

(i) "Competitive Activity" means engaging in any activity or providing any products or services that are the same as or similar to, or that may be directed in whole or part to replacing, the actual or proposed activities, products, or services of Progressive's Core Business (as defined below):

A. with respect to which Participant had knowledge of, or access to, Confidential Information (as defined below) during Participant's employment with Progressive; and

B. where, as to any applicable geographic territory, the activities engaged in by Participant, the products or services provided by Participant, or the duties assigned to Participant reasonably could require Participant, in whole or in part, to rely on, use, or disclose Confidential Information of which Participant had knowledge, or to which Participant had access, during Participant's employment with Progressive.

(ii) "Confidential Information" means confidential and/or proprietary information and/or trade secrets which are the property of Progressive, or which Progressive is under an obligation not to disclose, including but not necessarily limited to the following: information regarding Progressive's processes and products, including information relating to research and development, agent or customer data, and/or technologies; product features and/or specifications, tests or investigations; business plans, marketing plans and financials, reports, data, figures, margins, profits, statistics, analyses and other related information; any information that Participant has agreed not to disclose and/or use other than in the course of Participant's employment with Progressive; and any other confidential information of whatever nature which gives Progressive an opportunity to obtain a competitive advantage over its competitors. Confidential Information does not include information that is generally available to the public other than as a result of a breach of a contractual or other duty of confidentiality.

(iii) "Core Business" means activities, products, or services that are related, in whole or in part, to the business of property and casualty insurance or to any other actual or proposed insurance-related activities, products, or services of Progressive.

(b) *Reasonableness of Restriction*. Participant acknowledges and agrees that the covenants contained in this Paragraph 14 are not intended to prevent Participant from earning a living, but rather to protect Progressive's legitimate business interests in its Confidential Information and do not unreasonably interfere with Participant's ability to secure gainful employment following the termination of Participant's employment with Progressive. Participant further acknowledges that in the event Participant's employment with Progressive ends, Participant's knowledge, experience and capabilities are such that Participant can obtain employment in business activities which are of a different and non-competing nature than those performed in the course of Participant's employment with Progressive and that the enforcement of a remedy hereunder by way of injunction will not prevent Participant from earning a reasonable livelihood.

(c) *Tolling of Covenants*. Participant acknowledges and agrees that in the event the Company brings an action for injunctive or other relief against Participant, the Company shall

not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the restrictive covenant. Accordingly, it is hereby further agreed that the restrictive covenants contained in this Paragraph 14 shall be deemed to have the duration specified herein, as computed from the date relief is granted but reduced by the time between the period when the restriction(s) began to run and the date of the first violation of the restrictive covenant(s) by Participant.

15. Non-Disclosure of Confidential Information.

(a) During the course of Participant's employment, Participant may be given access to, help develop, or learn of Confidential Information (as defined above). Participant acknowledges and agrees that Participant has an obligation to maintain the confidentiality of Confidential Information, including any records containing Confidential Information, except as otherwise authorized by law; and Participant's obligation continues at all times during and after Participant's employment. Participant acknowledges that Confidential Information does not become any less confidential or proprietary to Progressive because Participant may commit records to memory or because Participant may otherwise maintain records outside of Progressive's offices, computer systems or data storage repositories.

(b) During the course of Participant's employment, Participant may be given access to confidential information and/or trade secrets of third parties, subject to Progressive's duty to maintain confidentiality of such information and use it only for certain purposes. Participant will not disclose to any person, corporation or entity, and not use for Participant's benefit or the benefit of any other person, corporation or entity, any such third party's confidential information, except as necessary in carrying on work for Progressive consistent with Progressive's agreement with the third party.

(c) Participant will use Participant's best efforts and the utmost diligence to guard and protect Progressive's Confidential Information, and Participant will not, during or after the period of Participant's employment by Progressive, use or disclose, directly or indirectly, any of Progressive's Confidential Information which Participant may develop, obtain or learn about during or as a result of Participant's employment by Progressive, except in the ordinary course of performing duties on behalf of Progressive and/or except as previously authorized by Progressive in writing. Participant acknowledges that the Confidential Information is owned and shall continue to be owned by Progressive and that misuse, misappropriation or unauthorized disclosure of this information will cause irreparable harm and/or other damage to Progressive both during and after the term of Participant's employment.

(d) Notwithstanding anything in this Agreement to the contrary, Participant and the Company acknowledge that Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law. In addition, Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Furthermore, in the event Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Participant may disclose the trade secret to Participant's attorney and use the trade secret information in the court proceeding, if Participant files any document containing

the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

16. Additional Terms Applicable to Non-Solicitation, Non-Competition and/or Non-Disclosure Provisions.

(a) *Remedies for Breach*. Participant acknowledges and agrees that the damages which may arise from a breach or threatened breach of any of the covenants contained in Paragraph 13, 14 or 15 of this Agreement are irreparable and difficult to measure and that money damages alone would be an inadequate remedy for any such breach. Accordingly, if Participant breaches or threatens to breach any portion of the covenants contained in Paragraph 13, 14 or 15 of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach or threatened breach without showing or proving any actual damage. In the event Participant violates and/or breaches any of the covenants contained in Paragraph 13, 14 or 15, the Company also shall be entitled to an accounting and repayment of all lost profits, compensation, commissions, remuneration or benefits that Participant directly or indirectly has realized or may realize as a result of any such violation or breach; and the Company shall be entitled to recover for all lost sales, profits, commissions, trade secrets, Confidential Information, good will and customers caused by Participant's improper acts, in addition to and not in limitation of any injunctive relief or other rights or remedies that the Company is or may be entitled to at law or in equity or under this Agreement.

(b) *Applicability of Covenants*. Subject to Paragraph 16(g) below:

(i) If, on the Grant Date, Participant is employed or resides in a jurisdiction in which any term or provision of Paragraph 13, 14 or 15 of this Agreement, or part thereof, would be unlawful, void, or otherwise unenforceable as a matter of law, then such term or provision, or part thereof, shall not apply to Participant;

(ii) If Participant is licensed actively as an attorney-at-law in any U.S. state, nothing in Paragraphs 13, 14 or 15 of this Agreement shall prevent Participant from practicing as an attorney-at-law, subject to Participant's compliance with applicable ethical rules governing such practice; and

(iii) The restrictions in Paragraph 14 shall apply to Participant only if, on the Grant Date, Participant's assigned salary grade level is 50 through 53, GNG, ENG or CNG.

(c) *Violation as Disqualifying Activity*. Participant acknowledges and agrees that the remedies identified in Paragraph 16(a) above for a breach of Paragraph 13, 14 or 15 of this Agreement shall be in addition to, and not in lieu of, the consequences of Participant's engagement in a Disqualifying Activity as provided in Paragraph 10 of this Agreement and Section 10(b) of the Plan.

(d) *Attorney's Fees*. If the Company brings a legal action to enforce any covenant contained in Paragraph 13, 14 or 15 of this Agreement, and if the Company is awarded any damages and/or any full or partial injunction due to Participant's acts, then the Company shall be entitled to recover its reasonable costs incurred in conducting the action including, but not limited to, reasonable attorneys' fees and expenses.

(e) *Effect on Other Agreements*. The provisions of Paragraphs 13, 14, and 15 of this Agreement shall be in addition to, and shall not supersede or replace, the provisions of any employment or other agreement between Participant and Progressive that contains similar or additional restrictions on Participant, including but not limited to any such provisions contained in a prior agreement relating to an award of restricted stock units.

(f) *Forum; Jurisdiction*.

(i) Subject to Paragraph 16(f)(ii) below:

A. All claims, actions or proceedings brought in a court of law that arise out of, require the interpretation of, and/or that are in any way related to the subject matter covered in this Agreement shall be brought and litigated exclusively in the state or federal courts located in Cuyahoga County of the State of Ohio, to which courts the parties consent to both personal jurisdiction and service of process in a manner consistent with Ohio law. The only exception to this choice of venue/forum is litigation to enforce any order or judgment rendered by such Ohio state or federal court, in which case such enforcement proceeding may be litigated in another jurisdiction. This consent to personal jurisdiction and choice of venue/forum are intended by the Company and Participant to be mandatory and not permissive in nature. Progressive and Participant hereby waive any right to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue or jurisdiction with respect to any action or proceeding brought in accordance herewith.

B. The Company and Participant irrevocably consent and agree that the state and federal courts located in Cuyahoga County of the State of Ohio shall have personal jurisdiction over the Company and Participant for the purpose of litigating in court any dispute, controversy, or proceeding with respect to matters described in this Agreement, and each consents to service of process in a manner consistent with Ohio law.

(ii) The provisions of this Agreement, including but not limited to Paragraph 16(f)(i) above and Paragraphs 18 and 19 below, do not and shall not be interpreted to modify, supersede, or replace the terms of any agreement between Participant and Progressive requiring either party to bring claims against the other in binding arbitration. To the extent that Participant and Progressive enter or have entered into an agreement to arbitrate that covers claims that arise out of, require the interpretation of, and/or that are in any way related to the subject matter covered in this Agreement, the terms of such agreement to arbitrate shall remain in full force and effect notwithstanding any other provision of this Agreement.

(g) Participant is encouraged to consult with an attorney before executing this Agreement.

(h) *Severability*. If for any reason any term or provision of Paragraphs 13, 14 or 15 of this Agreement, or part thereof, is held to be unlawful, void, or otherwise unenforceable as a matter of law, unless such invalidity or unenforceability can be cured by reformation or modification of the offending term or provision, or part thereof, including but not limited to as set forth below, all other valid and enforceable terms and provisions, or parts thereof, herein shall remain in full force and effect, and all of the invalid terms or provisions, or parts thereof, of

this Agreement shall be deemed to be severable in nature. If for any reason any term or provision of Paragraphs 13, 14 or 15 of this Agreement, or part thereof, is invalid or unenforceable because it is held to cover an area or to be for a length of time or otherwise have a scope that is unreasonable or is otherwise construed to be too broad, such term or provision, or part thereof, shall be reformed and/or modified to provide for a restriction having the maximum enforceable area, time period and/or other scope (not greater than those contained herein) as shall be valid and enforceable under applicable law.

17. Recoupment. The Award shall be subject to the Company's Dodd-Frank Clawback Policy, as may be amended from time to time (collectively, the "Clawback Policy") and recoupment pursuant to the Federal securities laws and rules of the Securities and Exchange Commission and any applicable national securities exchange. The Clawback Policy is incorporated herein by reference. The provisions of this Paragraph 17 are in addition to the rights of the Company as set forth in Section 14(h) of the Plan.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the Award and, except as provided in Paragraphs 13, 14, 15 and 16, supersedes and cancels any other agreement, representation or communication, whether oral or in writing, between the parties relating to the Award, provided that the Agreement shall be at all times subject to the Plan.

19. Choice of Law. This Agreement shall be deemed to be made and executed in Ohio and shall be governed, construed and interpreted under, and in accordance with, the laws of the State of Ohio, without regard to conflict of law provisions.

20. Amendment. The Committee may amend the terms of this Award to the fullest extent permitted by Section 12 of the Plan.

21. Acknowledgments. Participant: (x) acknowledges receiving a copy of the Plan description relating to the Plan, and represents that Participant is familiar with all of the material provisions of the Plan, as set forth in such Plan description; (y) accepts this Agreement and the Award subject to all provisions of the Plan and this Agreement; and (z) agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee relating to the Plan, this Agreement or the Award.

Participant evidences agreement with the terms and conditions of this Agreement, and intention to be bound by this Agreement, by electronically accepting the Award pursuant to the procedures adopted by the Company. **Upon such acceptance by Participant, this Agreement will be immediately binding and enforceable against Participant and the Company.**

THE PROGRESSIVE CORPORATION

By: _____
Vice President & Secretary

RESTRICTED STOCK UNIT AWARD AGREEMENT
(2024 Performance-Based Award – Investment Results)

This Agreement ("Agreement") is made this <Grant Date> ("Grant Date") by and between <Participant Name> ("Participant") and The Progressive Corporation (the "Company").

1. Definitions. Unless otherwise defined or expressly given a different meaning in this Agreement, each capitalized term in this Agreement shall have the meaning given to it in The Progressive Corporation _____ Equity Incentive Plan (the "Plan"). References herein to performance results of the Company mean the applicable results achieved by the Subsidiaries and mutual company and other affiliates of the Company in the portfolio(s) to the extent actively managed by Progressive Capital Management Corp. ("PCM") during the Evaluation Period ("Managed Portfolios").

2. Award of Restricted Stock Units. The Company grants to Participant an award (the "Award") of performance-based restricted stock units ("Restricted Stock Units" or "Units"), pursuant to, and subject to, the terms of the Plan. The Award is based on a target award value of <# of Units> Units (the "Target Award Units"). The number of Restricted Stock Units that are ultimately earned pursuant to the Award (if any) will be determined based on the Target Award Units and the procedures and calculations set forth in this Agreement. Under the calculations set forth below, the maximum potential Award is a number of Units equal to two and one-half (2.50) times the sum of Target Award Units plus any related Dividend Equivalent Units (defined below) (the "Maximum Award Units"). The Award is not intended to qualify as "performance-based compensation" under Section 162(m)(4)(C) of the Code as was in effect during November 2017.

3. Condition to Participant's Rights under this Agreement. This Agreement shall not become effective, and Participant shall have no rights with respect to the Award or any Restricted Stock Units, unless and until Participant has fully executed this Agreement and delivered it to the Company. In the Company's sole discretion, such execution and delivery may be accomplished through electronic means. If this Agreement has not been executed and delivered by Participant by 11:59 p.m., Mayfield Village, Ohio time on the last day of the month immediately following the month in which the Grant Date occurs, then this Award shall be forfeited in its entirety.

4. Restrictions; Vesting.

(a) *Evaluation Period; Certification.* Subject to the terms and conditions of the Plan and this Agreement, including the provisions of Paragraph 8 below, Participant's rights in and to Restricted Stock Units shall vest, if at all, as follows:

(i) The "Evaluation Period" shall be the three-year period comprised of the calendar years 2024, 2025 and 2026.

(ii) The Award shall vest (if at all) only if, to the extent, and when the Committee certifies:

A. the Performance Ranking of the Company's Fixed-Income Portfolio (as each of those terms are defined in Paragraph 4(b) below); and

B. the Performance Factor (determined as described below and rounded to the nearest one-hundredth) to be multiplied by the Target Award Units (and any related

Dividend Equivalent Units) to determine the number of Restricted Stock Units (if any) that have vested as a result of such performance.

Such certification shall occur as soon as practicable after the end of the Evaluation Period (the date of such certification, the "Certification Date"). If the Committee certifies the vesting of a number of Units that is less than the Maximum Award Units, then with respect to all other Units that could have been earned under this Agreement, the Award will terminate and be forfeited automatically.

(b) *Number of Units Vesting*. The number of Restricted Stock Units (if any) that vest in connection with the Award will be determined by application of the following formula:

Number of Units Vesting = Target Award Units (plus related Dividend Equivalent Units) x Performance Factor

(i) The Performance Factor will be determined by the Committee after the expiration of the Evaluation Period based on the fully taxable equivalent total return of the segment(s) of the Company's fixed-income investment portfolio that constitute(s) Managed Portfolios (the "Fixed-Income Portfolio" or "Portfolio"), in comparison to the total returns of the group of comparable investment firms identified by the Independent Data Source (the "Investment Benchmark"), each calculated for the three calendar years comprising the Evaluation Period. For purposes of this Agreement, the "Independent Data Source" shall be a third party independent data source determined by the Committee and, initially and until further action of the Committee, shall be Investment Metrics. After the end of the Evaluation Period, the Independent Data Source will determine the firms that are included in the Investment Benchmark in accordance with the criteria specified on Exhibit I hereto. The Independent Data Source will also provide to the Company the monthly total return data for each of the Investment Benchmark firms for the three-year period ending on the last day of the Evaluation Period.

Investment results for the Fixed-Income Portfolio will be marked to market, including 50% of the benefit of any state premium tax abatements for municipal securities held in the Portfolio that are realized by the Company during the Evaluation Period, in order to calculate the Portfolio's fully taxable equivalent total return, compounded on a monthly basis, for the Evaluation Period. The investment performance achieved by the Fixed-Income Portfolio for the Evaluation Period will then be compared against the total returns of the firms included in the Investment Benchmark for the same period, also compounded on a monthly basis, as determined by the Company from the monthly performance data supplied by the Independent Data Source for each firm in the Investment Benchmark, to determine where the Fixed-Income Portfolio's performance falls on a percentile basis when compared to the firms in the Investment Benchmark, as further described in Exhibit II hereto ("Performance Ranking").

The Portfolio's Performance Ranking will be used to determine a performance score of between 0.00 and 2.50 for the Evaluation Period, based on the following schedule:

Score = 0.00 **Rank at or below**	**Score = 1.00** **Rank equal to**	**Score = 2.00** **Rank equal to**	**Score = 2.50** **Rank at or above**
25th Percentile	50th Percentile	75th Percentile	90th Percentile

A Performance Ranking between the values identified in the schedule will be interpolated to generate the Performance Factor, as further described on Exhibit II.

(ii) The Company will work with the Independent Data Source to ensure, to the extent practicable, that the list of firms comprising the Investment Benchmark and all data necessary to calculate the Performance Ranking and the Performance Factor are received by March 1st of the year immediately following the Evaluation Period. In all events, distributions under this Agreement must be made on or before March 15th of the year immediately following the Evaluation Period.

(iii) In the event that the Independent Data Source (or its successors or assigns) ceases to provide or publish the information required to calculate the Performance Factor, or modifies the information in such a way as to render the comparisons required by this Agreement to be not meaningful, in the Committee's sole judgment, the determinations required above shall be made using such investment return data for comparable firms as may be available from another recognized provider of investment industry data as the Committee may approve in its sole discretion.

(iv) Notwithstanding any other provision of this Agreement, the Managed Portfolios and Fixed-Income Portfolio shall not include any portfolio managed by, or any investment made at the direction of, any business unit or area other than PCM.

(c) *Committee Discretion.* Notwithstanding anything to the contrary contained in this Agreement, at or prior to the time of vesting, the Committee, in its sole discretion, may reduce the number of Restricted Stock Units that otherwise would vest according to this Agreement, or eliminate the Award in full. The Committee, in its sole discretion, may treat Participant differently than other individuals for these purposes. Any such determination by the Committee shall be final and binding on Participant. Under no circumstances shall the Committee have discretion to increase the award to Participant in excess of the number of Units that would have been awarded at vesting based on this Paragraph 4 (excluding adjustments required by Section 3(c) and/or Section 11 of the Plan).

(d) *Exceptions.* The Award shall vest in accordance with and subject to the foregoing except to the extent that, prior to the Certification Date, the Award has been forfeited or has been subject to accelerated vesting under the terms and conditions of the Plan or this Agreement.

5. Dividend Equivalents. Subject to this Paragraph 5, with respect to dividends for which a record date occurs during the Restriction Period applicable to any Units, Participant shall be credited with a Dividend Equivalent with respect to each outstanding Restricted Stock Unit, with respect to each vested but not yet distributed Restricted Stock Unit (as contemplated by Paragraph 8(b)(i)) and with respect to any Dividend Equivalent Unit (defined below) resulting from prior reinvestments of Dividend Equivalents as provided in this Paragraph. All Dividend Equivalents so credited will be deemed to be reinvested in Restricted Stock Units on the date that the applicable dividend or distribution is made to the Company's shareholders, based on the Target Award Units and any Dividend Equivalent Units resulting from prior reinvestments of Dividend Equivalents, in the number of Units determined by dividing the aggregate value of the Dividend Equivalents by the Fair Market Value of the Stock on such date (rounded to the nearest thousandth of a whole Unit or as otherwise reasonably determined by the Company); provided, however, that if Dividend Equivalents cannot be reinvested in Units due

to the operation of Section 3(a) of the Plan, such Dividend Equivalents will be credited to Participant as a cash value based on the Target Award Units and any Dividend Equivalent Units resulting from prior reinvestments of Dividend Equivalents, which cash value shall be held by the Company (without interest) subject to this Agreement. Any Units resulting from the deemed reinvestment of dividends in accordance with this Paragraph 5 are referred to herein as "Dividend Equivalent Units." Dividend Equivalents shall be subject to the same terms and conditions, and shall vest or be forfeited (as applicable) at the same time, upon the same conditions, and in the same proportion, as the Target Award Units set forth in this Award; provided, however, that (x) if the Award vests after the record date for, but before the payment date of, a dividend, then the Dividend Equivalents related to such dividend and to Units vesting on the vesting date will be paid in cash or in Stock, in the sole discretion of the Company, as soon as practicable following the payment date for such dividend, and (y) if Paragraph 8(b)(i) is applicable and a record date for any dividend occurs after the applicable vesting date but before the applicable Delivery Date (as defined in Paragraph 8(d)(i) below), then any Dividend Equivalents related to such dividend will be paid in cash or in Stock, in the sole discretion of the Company, on or as soon as practicable following the Delivery Date.

6. Units Non-Transferable. No Restricted Stock Units (and no Dividend Equivalents) shall be transferable by Participant other than by will or by the laws of descent and distribution. In the event all or any portion of the Award is transferred or assigned pursuant to a court order, such transfer or assignment shall be without liability to the Company, and the Company shall have the right to offset against the Award any expenses (including attorneys' fees) incurred by the Company, or any of its Subsidiaries or Affiliates, in connection with such attempted transfer or assignment.

7. Executive Deferred Compensation Plan. If Participant is eligible, and has made the appropriate election, to defer the Award into The Progressive Corporation Executive Deferred Compensation Plan (the "Deferral Plan"), and the Award is eligible for deferral under the Deferral Plan, then at the time of vesting, the Restricted Stock Units that would otherwise vest under this Agreement (but not any Dividend Equivalents, which shall be delivered to Participant in accordance with Paragraph 10), instead of being delivered to Participant shall be credited to Participant's account under the Deferral Plan, subject to and in accordance with the terms and conditions of the Deferral Plan and any related deferral agreement.

8. Termination of Employment; Disability Separation.

(a) Except as otherwise provided in the Plan, or in this Paragraph 8, or as otherwise determined by the Committee, if Participant's employment with the Company or any Subsidiary or Affiliate terminates for any reason, the Award and all Restricted Stock Units (and any related Dividend Equivalents) held by Participant that are unvested or subject to restriction at the time of such termination shall be forfeited automatically immediately after such termination.

(b) Notwithstanding Paragraph 8(a), if Participant's employment terminates on or after January 1, 2025 as a result of Participant's death, or if Participant experiences a Disability Separation on or after January 1, 2025, then:

(i) The Performance Factor will be determined by the Committee after the expiration of the Evaluation Period based on if the termination or separation, as applicable, occurs prior to the end of the Evaluation Period, then one hundred percent (100%) of the Target Award Units (and any related Dividend Equivalent Units) shall vest immediately after such termination or separation, the Performance Factor shall be deemed to be 1.00, and the remainder of the Units that otherwise could have vested under this Agreement shall be forfeited. The Company will process any vesting pursuant to the terms of the immediately preceding sentence within 30 days

following, as applicable, (x) its receipt of notice of Participant's death or (y) the date of the Disability Separation; provided, however, in the event of a Disability Separation, if Participant is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Company), then the distribution of Stock deliverable upon such vesting shall not occur until the Delivery Date; and

(ii) if the termination or separation, as applicable, occurs after the end of the Evaluation Period, then the provisions of Paragraph 8(c) will apply.

(c) Notwithstanding Paragraph 8(a), (x) if Participant's termination of employment occurs as a result of Participant's Qualified Retirement on or after January 1, 2025, or (y) if Participant's termination of employment occurs after the end of the Evaluation Period (including as a result of death but excluding a termination for Cause), or (z) Participant experiences a Disability Separation after the end of the Evaluation Period, then the Award shall remain in effect and shall vest upon the Committee's certification of the achievement of the performance measures identified in Paragraph 4 to the extent provided in Paragraph 4.

(d) For purposes of this Paragraph 8:

(i) "Delivery Date" shall mean the date that is six (6) months plus one (1) day after the date of Participant's Disability Separation or such earlier date as may be permitted by Section 409A.

(ii) "Disability Separation" shall mean a "separation of service," within the meaning of Section 409A, by Participant's employer as a result of Participant's disability, in accordance with the Company's policies and procedures as the same are in effect at the time of such separation.

(iii) the term "Qualified Retirement" means any termination of a Participant's employment with the Company or its Subsidiaries or Affiliates for any reason (excluding death, a Disability Separation and any involuntary termination for Cause) that (x) qualifies as a "separation from service" within the meaning of Section 409A, and (y) occurs on or after the first day of the calendar month in which either of the following conditions are scheduled to be satisfied:

A. the Participant is 55 years of age or older and has completed at least fifteen (15) years of service as an employee of the Company or one or more of its Subsidiaries or Affiliates; or

B. the Participant is 60 years of age or older and has completed at least ten (10) years of service as an employee of the Company or one or more of its Subsidiaries or Affiliates.

(e) Nothing in this Paragraph 8 will be interpreted as altering in any way the provisions of Section 11 of the Plan.

9. Disqualifying Activity. Subject to Paragraph 15(c) below, and notwithstanding any other provision of this Agreement, if the Committee determines that Participant is engaging in, or has engaged in, a Disqualifying Activity, the provisions of Section 10(b) of the Plan will apply. A violation by Participant of

Paragraph 12, 13 or 14 below, and any violation by Participant of any other non-competition agreement between Participant and the Company or any of its subsidiaries or Affiliates, shall constitute a "material violation" of an "agreement between Participant and the Company" within the meaning of clause (iii) of the definition of Disqualifying Activity, and may also constitute a Disqualifying Activity within the meaning of one or more of the other clauses defining Disqualifying Activity under the Plan.

10. Delivery at Vesting. Subject to the provisions of the Plan and this Agreement (including Paragraph 8(b)(i)), upon vesting of all or part of the Award, the Company shall deliver to Participant one share of Stock in exchange for each such vested Restricted Stock Unit and for each Dividend Equivalent Unit related thereto and cash in the amount of any other related Dividend Equivalents, and all Restricted Stock Units and Dividend Equivalents shall be cancelled. Unless determined otherwise by the Company at any time prior to the applicable delivery, each fractional Restricted Stock Unit (and related Dividend Equivalent Unit) shall vest and be settled in an equal fraction of a share of Stock. The delivery of such shares of Stock shall be on or as soon as practicable following the Certification Date, but, as provided by Paragraph 4(b)(ii) in no event later than March 15 of the calendar year following the year in which the Restricted Stock Units vest under Paragraph 4. Notwithstanding any provision of the Plan or this Agreement to the contrary, however, delivery of shares of Stock under this Agreement shall be delayed if the Committee reasonably anticipates, based on notice from the Company, that delivery of Stock will violate Federal securities laws or other applicable laws; provided that the Company shall deliver Stock pursuant to the provisions of the Plan and this Agreement at the earliest date at which the Committee reasonably believes, based on notice from the Company, that such delivery will not cause such violation.

11. Taxes. No later than the date as of which Taxes become due, Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any Taxes and other items of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan and this Agreement shall be conditioned on such payment or arrangements and the Company and its Subsidiaries and Affiliates, to the extent permitted by law, shall have the right to deduct any such Taxes from any payment of any kind otherwise due to Participant. At vesting (or Delivery Date, if applicable), Restricted Stock Units and related Dividend Equivalent Units vesting on such date (or being distributed on such Delivery Date) will be valued at the Fair Market Value of the Company's Stock on such date.

Unless otherwise determined by the Committee, Participant must satisfy the minimum statutory tax withholding obligations resulting from the vesting of Restricted Stock Units and related Dividend Equivalents ("Minimum Withholding Obligations") by surrendering to the Company Restricted Stock Units and/or Dividend Equivalents that are then vesting (or shares of Stock issuable as a result of the vesting) with a value sufficient to satisfy the Minimum Withholding Obligations.

Under no circumstances will Participant be entitled to satisfy any Minimum Withholding Obligations by surrendering Restricted Stock Units that are not then vesting (or being delivered on such Delivery Date) or any Restricted Stock Units that Participant has elected to defer under Paragraph 7 above. Any request by Participant to satisfy Minimum Withholding Obligations by surrendering shares of Stock owned by Participant prior to the date of such satisfaction must be specifically approved in advance by the Committee. All payments and surrenders of Units or shares of Stock and any requests for approval of alternative payment arrangements must be made by Participant in accordance with such procedures as may be adopted by the Company in connection therewith, and subject to such rules as have been or may be adopted by the Committee.

12. Non-Solicitation. In consideration of the Award made to Participant under this Agreement, and in further consideration of the continuation of Participant's at-will employment with the Company or one of its Subsidiaries or Affiliates (collectively, "Progressive"), starting on the Grant Date and ending on the date that is

exactly twelve (12) months after Participant's Separation Date (defined below), Participant shall not directly or indirectly recruit or solicit for hire, or assist in any manner in the recruitment or solicitation for hire, any employee or officer of Progressive, in each case involving employment by any individual, business or entity other than Progressive, or in any way induce any such employee or officer to terminate employment with Progressive. For purposes of this Agreement, "Separation Date" means the date on which Participant's employment with Progressive terminates for any reason.

13. Non-Competition. In consideration of the Award made to Participant under this Agreement, and in further consideration of the continuation of Participant's at-will employment with Progressive, starting on the Grant Date and ending on the date that is exactly twelve (12) months after Participant's Separation Date, Participant shall not, directly or indirectly, on Participant's own account or on account of any other person or entity (except in the authorized course of Participant's employment with Progressive), engage in any Competitive Activity.

(a) *Definitions*. For purposes of this Agreement:

(i) "Competitive Activity" means engaging in any activity or providing any products or services that are the same as or similar to, or that may be directed in whole or part to replacing, the actual or proposed activities, products, or services of Progressive's Core Business (as defined below):

A. with respect to which Participant had knowledge of, or access to, Confidential Information (as defined below) during Participant's employment with Progressive; and

B. where, as to any applicable geographic territory, the activities engaged in by Participant, the products or services provided by Participant, or the duties assigned to Participant reasonably could require Participant, in whole or in part, to rely on, use, or disclose Confidential Information of which Participant had knowledge, or to which Participant had access, during Participant's employment with Progressive.

(ii) "Confidential Information" means confidential and/or proprietary information and/or trade secrets which are the property of Progressive, or which Progressive is under an obligation not to disclose, including but not necessarily limited to the following: information regarding Progressive's processes and products, including information relating to research and development, agent or customer data, and/or technologies; product features and/or specifications, tests or investigations; business plans, marketing plans and financials, reports, data, figures, margins, profits, statistics, analyses and other related information; any information that Participant has agreed not to disclose and/or use other than in the course of Participant's employment with Progressive; and any other confidential information of whatever nature which gives Progressive an opportunity to obtain a competitive advantage over its competitors. Confidential Information does not include information that is generally available to the public other than as a result of a breach of a contractual or other duty of confidentiality.

(iii) "Core Business" means activities, products, or services that are related, in whole or in part, to the business of property and casualty insurance or to any other actual or proposed insurance-related activities, products, or services of Progressive.

(b) *Reasonableness of Restriction*. Participant acknowledges and agrees that the covenants contained in this Paragraph 13 are not intended to prevent Participant from earning a living, but rather to protect Progressive's legitimate business interests in its Confidential Information and

do not unreasonably interfere with Participant's ability to secure gainful employment following the termination of Participant's employment with Progressive. Participant further acknowledges that in the event Participant's employment with Progressive ends, Participant's knowledge, experience and capabilities are such that Participant can obtain employment in business activities which are of a different and non-competing nature than those performed in the course of Participant's employment with Progressive and that the enforcement of a remedy hereunder by way of injunction will not prevent Participant from earning a reasonable livelihood.

(c) *Tolling of Covenants*. Participant acknowledges and agrees that in the event the Company brings an action for injunctive or other relief against Participant, the Company shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the restrictive covenant. Accordingly, it is hereby further agreed that the restrictive covenants contained in this Paragraph 13 shall be deemed to have the duration specified herein, as computed from the date relief is granted but reduced by the time between the period when the restriction(s) began to run and the date of the first violation of the restrictive covenant(s) by Participant.

14. Non-Disclosure of Confidential Information.

(a) During the course of Participant's employment, Participant may be given access to, help develop, or learn of Confidential Information (as defined above). Participant acknowledges and agrees that Participant has an obligation to maintain the confidentiality of Confidential Information, including any records containing Confidential Information, except as otherwise authorized by law; and Participant's obligation continues at all times during and after Participant's employment. Participant acknowledges that Confidential Information does not become any less confidential or proprietary to Progressive because Participant may commit records to memory or because Participant may otherwise maintain records outside of Progressive's offices, computer systems or data storage repositories.

(b) During the course of Participant's employment, Participant may be given access to confidential information and/or trade secrets of third parties, subject to Progressive's duty to maintain confidentiality of such information and use it only for certain purposes. Participant will not disclose to any person, corporation or entity, and not use for Participant's benefit or the benefit of any other person, corporation or entity, any such third party's confidential information, except as necessary in carrying on work for Progressive consistent with Progressive's agreement with the third party.

(c) Participant will use Participant's best efforts and the utmost diligence to guard and protect Progressive's Confidential Information, and Participant will not, during or after the period of Participant's employment by Progressive, use or disclose, directly or indirectly, any of Progressive's Confidential Information which Participant may develop, obtain or learn about during or as a result of Participant's employment by Progressive, except in the ordinary course of performing duties on behalf of Progressive and/or except as previously authorized by Progressive in writing. Participant acknowledges that the Confidential Information is owned and shall continue to be owned by Progressive and that misuse, misappropriation or unauthorized disclosure of this information will cause irreparable harm and/or other damage to Progressive both during and after the term of Participant's employment.

(d) Notwithstanding anything in this Agreement to the contrary, Participant and the Company acknowledge that Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (x) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law. In addition, Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Furthermore, in the event Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Participant may disclose the trade secret to Participant's attorney and use the trade secret information in the court proceeding, if Participant files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

15. Additional Terms Applicable to Non-Solicitation, Non-Competition and/or Non-Disclosure Provisions.

(a) *Remedies for Breach*. Participant acknowledges and agrees that the damages which may arise from a breach or threatened breach of any of the covenants contained in Paragraph 12, 13 or 14 of this Agreement are irreparable and difficult to measure and that money damages alone would be an inadequate remedy for any such breach. Accordingly, if Participant breaches or threatens to breach any portion of the covenants contained in Paragraph 12, 13 or 14 of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach or threatened breach without showing or proving any actual damage. In the event Participant violates and/or breaches any of the covenants contained in Paragraph 12, 13 or 14, the Company also shall be entitled to an accounting and repayment of all lost profits, compensation, commissions, remuneration or benefits that Participant directly or indirectly has realized or may realize as a result of any such violation or breach; and the Company shall be entitled to recover for all lost sales, profits, commissions, trade secrets, Confidential Information, good will and customers caused by Participant's improper acts, in addition to and not in limitation of any injunctive relief or other rights or remedies that the Company is or may be entitled to at law or in equity or under this Agreement.

(b) *Applicability of Covenants*. Subject to Paragraph 15(g) below:

(i) If, on the Grant Date, Participant is employed or resides in a jurisdiction in which any term or provision of Paragraph 12, 13 or 14 of this Agreement, or part thereof, would be unlawful, void, or otherwise unenforceable as a matter of law, then such term or provision, or part thereof, shall not apply to Participant;

(ii) If Participant is licensed actively as an attorney-at-law in any U.S. state, nothing in Paragraphs 12, 13 or 14 of this Agreement shall prevent Participant from practicing as an attorney-at-law, subject to Participant's compliance with applicable ethical rules governing such practice; and

(iii) The restrictions in Paragraph 13 shall apply to Participant only if, on the Grant Date, Participant's assigned salary grade level is 50 through 53, GNG, ENG or CNG.

(c) *Violation as Disqualifying Activity*. Participant acknowledges and agrees that the remedies identified in Paragraph 15(a) above for a breach of Paragraph 12, 13 or 14 of this Agreement shall be in addition to, and not in lieu of, the consequences of Participant's engagement in a Disqualifying Activity as provided in Paragraph 9 of this Agreement and Section 10(b) of the Plan.

(d) *Attorney's Fees*. If the Company brings a legal action to enforce any covenant contained in Paragraph 12, 13 or 14 of this Agreement, and if the Company is awarded any damages and/or any full or partial injunction due to Participant's acts, then the Company shall be entitled to recover its reasonable costs incurred in conducting the action including, but not limited to, reasonable attorneys' fees and expenses.

(e) *Effect on Other Agreements*. The provisions of Paragraphs 12, 13, and 14 of this Agreement shall be in addition to, and shall not supersede or replace, the provisions of any employment or other agreement between Participant and Progressive that contains similar or additional restrictions on Participant, including but not limited to any such provisions contained in a prior agreement relating to an award of restricted stock units.

(f) *Forum; Jurisdiction*.

(i) Subject to Paragraph 15(f)(ii) below:

A. All claims, actions or proceedings brought in a court of law that arise out of, require the interpretation of, and/or that are in any way related to the subject matter covered in this Agreement shall be brought and litigated exclusively in the state or federal courts located in Cuyahoga County of the State of Ohio, to which courts the parties consent to both personal jurisdiction and service of process in a manner consistent with Ohio law. The only exception to this choice of venue/forum is litigation to enforce any order or judgment rendered by such Ohio state or federal court, in which case such enforcement proceeding may be litigated in another jurisdiction. This consent to personal jurisdiction and choice of venue/forum are intended by the Company and Participant to be mandatory and not permissive in nature. Progressive and Participant hereby waive any right to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue or jurisdiction with respect to any action or proceeding brought in accordance herewith.

B. The Company and Participant irrevocably consent and agree that the state and federal courts located in Cuyahoga County of the State of Ohio shall have personal jurisdiction over the Company and Participant for the purpose of litigating in court any dispute, controversy, or proceeding with respect to matters described in this Agreement, and each consents to service of process in a manner consistent with Ohio law.

(ii) The provisions of this Agreement, including but not limited to Paragraph 15(f)(i) above and Paragraphs 17 and 18 below, do not and shall not be interpreted to modify, supersede, or replace the terms of any agreement between Participant and Progressive requiring either party to bring claims against the other in binding arbitration. To the extent that Participant and Progressive enter or have entered into an agreement to arbitrate that covers claims that arise out of, require the interpretation of, and/or that are in any way related to the

subject matter covered in this Agreement, the terms of such agreement to arbitrate shall remain in full force and effect notwithstanding any other provision of this Agreement.

(g) Participant is encouraged to consult with an attorney before executing this Agreement.

(h) *Severability*. If for any reason any term or provision of Paragraphs 12, 13 or 14 of this Agreement, or part thereof, is held to be unlawful, void, or otherwise unenforceable as a matter of law, unless such invalidity or unenforceability can be cured by reformation or modification of the offending term or provision, or part thereof, including but not limited to as set forth below, all other valid and enforceable terms and provisions, or parts thereof, herein shall remain in full force and effect, and all of the invalid terms or provisions, or parts thereof, of this Agreement shall be deemed to be severable in nature. If for any reason any term or provision of Paragraphs 12, 13 or 14 of this Agreement, or part thereof, is invalid or unenforceable because it is held to cover an area or to be for a length of time or otherwise have a scope that is unreasonable or is otherwise construed to be too broad, such term or provision, or part thereof, shall be reformed and/or modified to provide for a restriction having the maximum enforceable area, time period and/or other scope (not greater than those contained herein) as shall be valid and enforceable under applicable law.

16. Recoupment. The Award shall be subject to the Company's Dodd-Frank Clawback Policy, as may be amended from time to time (collectively, the "Clawback Policy") and recoupment pursuant to the Federal securities laws and rules of the Securities and Exchange Commission and any applicable national securities exchange. The Clawback Policy is incorporated herein by reference. The provisions of this Paragraph 16 are in addition to the rights of the Company as set forth in Section 14(h) of the Plan.

17. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the Award and, except as provided in Paragraphs 12, 13, 14 and 15, supersedes and cancels any other agreement, representation or communication, whether oral or in writing, between the parties relating to the Award, provided that the Agreement shall be at all times subject to the Plan.

18. Choice of Law. This Agreement shall be deemed to be made and executed in Ohio and shall be governed, construed and interpreted under, and in accordance with, the laws of the State of Ohio, without regard to conflict of law provisions.

19. Amendment. The Committee may amend the terms of this Award to the fullest extent permitted by Section 12 of the Plan.

20. Acknowledgments. Participant: (x) acknowledges receiving a copy of the Plan description relating to the Plan, and represents that Participant is familiar with all of the material provisions of the Plan, as set forth in such Plan description; (y) accepts this Agreement and the Award subject to all provisions of the Plan and this Agreement; and (z) agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee relating to the Plan, this Agreement or the Award.

Participant evidences agreement with the terms and conditions of this Agreement, and intention to be bound by this Agreement, by electronically accepting the Award pursuant to the procedures adopted by the Company. **Upon such acceptance by Participant, this Agreement will be immediately binding and enforceable against Participant and the Company.**

THE PROGRESSIVE CORPORATION

By: _____
Vice President & Secretary

EXHIBIT I

INVESTMENT BENCHMARK CRITERIA

After the end of the Evaluation Period, the Independent Data Source will determine the firms comprising the Investment Benchmark for each applicable Plan year from its records and will supply to the Company the monthly total returns and any other relevant data for each of those firms for the Evaluation Period.

A firm will be included in the Investment Benchmark if the Independent Data Source is able to determine from its records that:

1. The firm has provided monthly data regarding its holdings and investment return, as necessary to determine or calculate such firm's monthly total return, and to evaluate such firm's compliance with each of the criteria set forth below, for the entire Evaluation Period; and

2. At all times during the Evaluation Period, the information provided by the firm shows, or the Independent Data Source is able to calculate, that such firm's investment portfolio satisfies each of the following criteria:

Duration:	Effective Duration between 1.5 years and 5.0 years
Credit Quality Average	= A, or = AA, or = AAA, or = AAA+
Convexity (%)	>= -1
Sector Allocation:	U.S. High-Yield Corporate Debt <= 10%
Sector Allocation:	Mortgages <= 60%
Sector Allocation:	U.S. Investment-Grade Corporate Debt <= 60%
Sector Allocation:	CMBS <= 60%
Sector Allocation:	ABS <= 60%
Sector Allocation:	Emerging Markets Debt <= 5%

3. The Company will have no discretion to alter the Investment Benchmark list after it is finalized by the Independent Data Source.

EXHIBIT II

DETERMINATION OF PERFORMANCE RANKING AND PERFORMANCE FACTOR

Once all the total returns are calculated, the data is sorted in descending order from highest to lowest total return (rounded to nearest one-hundredth). From here, the process to compute the Performance Factor is as follows:

Interpolated Values for Setting the 25th, 75th and 90th Percentiles

The 25th, 75th and 90th percentiles for total return rankings are computed based on the total number of firms in the Investment Benchmark, excluding the PCM Fixed-Income Portfolio return. For example, if there were 114 participants, the return required to earn a 2.00 portfolio performance factor would be determined by interpolating between the twenty-eighth and twenty-ninth firm's returns, since 25% of 114 = 28.50. The same procedure would be used to determine the 0.00 and 2.50 portfolio performance factors.

Firm Percentile	Performance Factor	Interpolated Position Calculation (based upon 114 firms)
90th	2.50	114 * 0.10 = 11.40
75th	2.00	114 * 0.25 = 28.50
25th	0.00	114 * 0.75 = 85.50

The total returns, computed by Investment Accounting, for the interpolated positions are calculated as follows (continuing to use an example of 114 survey firms and pseudo results):

Interpolated Value (75th Percentile) = Firm 28 return – ((Firm 28 Return - Firm 29 Return) * 0.75)
Firm 28 result = 0.12%
Firm 29 result = 0.11%

The same procedure would be used to determine the 25th and 90th percentile returns.

Firm Percentile	Interpolated Position	Firm Investment Results (firm above and below Interpolated Position)	Interpolated Investment Results Calculation (based upon 114 firm)
90th	11.40	Firm 11 = 1.32% Firm 12 = 1.26%	1.32% - ((1.32% - 1.26%) *0.90) = 1.27%
75th	28.50	Firm 28 = .12% Firm 29 = .11%	0.12% - ((0.12% - 0.11%) *0.75) = 0.11%
25th	85.50	Firm 85 = -3.10% Firm 86 = -3.10%	-3.10% - ((-3.10% - -3.10%) *0.25) = -3.10%

In this case, the PCM Performance Factor will equal 2.00 if its total return equals the interpolated value for Firm 28.50 or 0.11%.

Once the percentile groups are computed, 25th, 75th and 90th percentile, the remainder of the performance scores are calculated as follows:

Firms ranking between the 90th and the 75th percentile:

Performance score variance = 0(.50) / Number of positions from the 90th percentile (the interpolated position) to the last firm prior to the 75th percentile. In the case of 114 participants, the number of positions to divide the 0.50 performance factor by would be 18.

The calculation for the performance score variance from 2.50 – 2.00 would be:

0.50 / 18 = 0.027778 per position for 114 firms

Firms ranking between the 75th and the 25th percentile:

Performance score variance = (2.00) / Number of positions from the 75th percentile (the interpolated position) to the last firm prior to the 25th percentile (the interpolated position). In the case of 114 participants, the number of positions to divide the 2.00 performance factor by would be 59.

The calculation for the performance score variance from 2.00 – 0.00 would be:

2.00 / 59 = 0.033898 per position for 114 firms

In the case of a tie in total returns between firms, each firm will have the same performance score, one step under the next higher position. The next lowest position would then be stepped down by a factor based on the number of participants who tie. In the case of a tie between two firms, the step down will be twice the performance score variance to maintain the proper stepping to the 0.00 performance score level.

Example: If firms 29 and 30 each had the same total return in the 114 firm example, then firms 29 and 30 would each have a Performance Factor of 1.966102, which is 2.00 - .033898. The number 31 position in this example would have a performance score of 1.898305, which is the required step down from 29 to 31.

In addition, if the returns are tied between the interpolated value set for the 2.00 performance score and any position below the 2.00 level, those lower positions will also be set to a 2.00 performance score. The step down factor in the performance score will work similarly as noted in the example above. For the 25th percentile and lower, all firms with total returns equaling the last interpolated total return value would have the same performance score as the last interpolated value (.033898), and all others in the lower 25% group would have a 0.00 Portfolio Performance Factor.

PCM Ranking:

Once all the performance scores have been created, from 2.50 to 0.00, PCM's return is compared to the rankings to determine its Performance Factor. If the PCM return is not exactly the value of the 25th, 75th or 90th percentile and does not match the return of any participant, then PCM's Performance Factor is an interpolated value between the firms with the next highest and next lowest returns.

The interpolation computation for the Performance Factor based on PCM's return is as follows:

Performance score of firm below PCM return + (PCM's Return – Return below PCM) / (Return above PCM – Return below PCM) * (Performance score of firm above PCM – Performance score of firm below PCM)

Assuming the following data, using the 114 firm example:

Firm	Performance score	Total return
Firm above PCM	2.11	0.30
PCM		0.26
Firm below PCM	2.08	0.24

The calculation of PCM's Performance Factor is:

2.08 + (0.26 - 0.24) / (0.30 - 0.24) * (2.11 - 2.08) = 2.09

The performance scores and the final Performance Factor are rounded to the nearest one-hundredth, if necessary.

RESTRICTED STOCK UNIT AWARD AGREEMENT
(2024 Special [Time/Performance]-Based Award)

This Agreement ("Agreement") is made this <Grant Date> ("Grant Date") by and between <Participant Name> ("Participant") and The Progressive Corporation (the "Company").

1. Definitions. Unless otherwise defined or expressly given a different meaning in this Agreement, each capitalized term in this Agreement shall have the meaning given to it in The Progressive Corporation _____Equity Incentive Plan (the "Plan"). [INCLUDE IF AWARD IS PERFORMANCE-BASED AND THE FOLLOWING IS APPLICABLE: Financial and operational terms used in this Agreement (e.g., references to business lines, units or segments) are used consistently with the use of those terms in the Company's Form 10-K (including exhibits and other documents incorporated therein) for the fiscal year ended December 31, 2023 (the "Form 10-K"). It is understood that references herein to any performance results of the Company mean the applicable consolidated operating results of the Company and its Subsidiaries and Affiliates.]

2. Award of Restricted Stock Units. The Company grants to Participant an award (the "Award") consisting of <# of Units> restricted stock units (the "Restricted Stock Units" or "Units"), pursuant to, and subject to, the terms of the Plan. [INCLUDE IF AWARD IS PERFORMANCE-BASED AND THE FOLLOWING IS APPLICABLE: The Award is based on a target award value of <# of Units> Units (the "Target Award Units"). The number of Restricted Stock Units that are ultimately earned pursuant to the Award (if any) will be determined based on the Target Award Units and the procedures and calculations set forth in this Agreement. Under the calculations set forth below, the maximum potential Award is a number of Units equal to _____ (___) times the sum of Target Award Units plus any related Dividend Equivalent Units (the "Maximum Award Units").] [INCLUDE IF AWARD IS PERFORMANCE-BASED: The Award is not intended to qualify as "performance-based compensation" under Section 162(m)(4)(C) of the Code as was in effect during November 2017.]

3. Condition to Participant's Rights under this Agreement. This Agreement shall not become effective, and Participant shall have no rights with respect to the Award or any Restricted Stock Units, unless and until Participant has fully executed this Agreement and delivered it to the Company. In the Company's sole discretion, such execution and delivery may be accomplished through electronic means. [INCLUDE IF APPLICABLE: If this Agreement has not been executed and delivered by Participant by 11:59 p.m., Mayfield Village, Ohio time on [DATE TBD], then this Award shall be forfeited in its entirety.]

4. Restrictions; Vesting.

(a) Subject to the terms and conditions of the Plan and this Agreement, including the provisions of Paragraph __ below [SECTION REGARDING TERMINATION OF EMPLOYMENT], Participant's rights in and to the Units shall vest, if at all, [on _____/according to the following schedule]:

[IF AWARD IS TIME-BASED, INCLUDE VESTING SCHEDULE, INCLUDING ANY VESTING UPON SATISFACTION OF QUALIFIED RETIREMENT ELIGIBILITY REQUIREMENTS, ALSO NOTE THE SCHEDULE MAY BE MODIFIED AS NECESSARY OR APPROPRIATE IN THE COMPANY'S SOLE DISCRETION TO ELIMINATE OR MINIMIZE FRACTIONAL UNITS FROM THE VESTING SCHEDULE]

[IF AWARD IS PERFORMANCE-BASED, INCLUDE PERFORMANCE OBJECTIVES THAT ARE PERMITTED BY THE PLAN, PROVISIONS PROVIDING FOR VESTING UPON CERTIFICATION BY THE COMPENSATION COMMITTEE THAT THE OBJECTIVES HAVE BEEN ACHIEVED, PROVISIONS FOR NEGATIVE COMMITTEE DISCRETION, AND RELEVANT CALCULATIONS (AND EXCLUSIONS PERMITTED BY THE PLAN) TO DETERMINE PERFORMANCE AND RELATED FACTORS, IF APPLICABLE]

[INCLUDE IF AWARD IS TIME-BASED: The Restricted Stock Units awarded under this Agreement shall vest in accordance with the provisions set forth above unless, prior to the vesting date set forth or determined in the manner described above, the Award and the applicable Units are forfeited or has been subject to accelerated vesting under the terms and conditions of the Plan or this Agreement.][INCLUDE IF AWARD IS PERFORMANCE-BASED: The Award shall vest in accordance with and subject to the foregoing except to the extent that, prior to the Certification Date, the Award has been forfeited or has been subject to accelerated vesting under the terms and conditions of the Plan or this Agreement.]

__. [INCLUDE IF AWARD IS PERFORMANCE-BASED AND THE LANGUAGE IS APPLICABLE: Expiration of Award. Notwithstanding anything to the contrary in this Agreement, if Participant's rights in and to the Award have not vested in accordance with Paragraph 4 of this Agreement on or before 11:59 p.m., Mayfield Village, Ohio time, on _____ (the "Expiration Date"), this Award shall expire at 11:59 p.m. on the Expiration Date. Upon such expiration, the Award shall terminate automatically, and Participant shall have no further rights with respect to the Award.]

__. [INCLUDE IF AWARD IS TIME-BASED AND DIVIDEND EQUIVALENTS ARE INCLUDED: Dividend Equivalents. Subject to this Paragraph __, with respect to dividends for which a record date occurs during the Restriction Period applicable to any Units, Participant shall be credited with a Dividend Equivalent with respect to each outstanding Restricted Stock Unit, [with respect to each vested but not yet distributed Restricted Stock Unit (as contemplated by [PARAGRAPH ADDRESSING 6 MONTH DELAY REQUIRED BY 409A])], and with respect to any Dividend Equivalent Unit (defined below) resulting from prior reinvestments of Dividend Equivalents as provided in this Paragraph. All Dividend Equivalents so credited will be deemed to be reinvested in Restricted Stock Units on the date that the applicable dividend or distribution is made to the Company's shareholders, in the number of Dividend Equivalent Units determined by dividing the aggregate value of the Dividend Equivalents by the Fair Market Value of the Stock on such date (rounded to the nearest thousandth of a whole Unit or as otherwise reasonably determined by the Company); provided, however, that if Dividend Equivalents cannot be reinvested in Units due to the operation of Section 3(a) of the Plan, such Dividend Equivalents will be credited to Participant as a cash value, which cash value shall be held by the Company (without interest) subject to this Agreement. Any Units resulting from the deemed reinvestment of dividends in accordance with this Paragraph __ are referred to herein as "Dividend Equivalent Units." Dividend Equivalents shall be subject to the same terms and conditions, and shall vest or be forfeited (as applicable) at the same time, as the Restricted Stock Units to which they relate; provided, however, that [(x)] if the Restriction Period for any Restricted Stock Unit ends after the record date for, but before the payment date of, a dividend, then any Dividend Equivalents related to such dividend and to Units for which the Restriction Period is ending will be paid in cash or in Stock, in the sole discretion of the Company, as soon as practicable following the payment date for such dividend[, and (y) if [ANY PARAGRAPH ADDRESSING 6 MONTH DELAY REQUIRED BY 409A] below is applicable and a record date for any dividend occurs after the applicable vesting date but before the applicable Delivery Date (as defined in Paragraph 8(d)(i) below), then any Dividend Equivalents related to such dividend will be paid in cash

or in Stock, in the sole discretion of the Company, on or as soon as practicable following the Delivery Date].

__. [INCLUDE IF AWARD IS PERFORMANCE-BASED AND DIVIDEND EQUIVALENTS ARE INCLUDED: Dividend Equivalents. Subject to this Paragraph __, with respect to dividends for which a record date occurs during the Restriction Period applicable to any Units, Participant shall be credited with a Dividend Equivalent with respect to each outstanding Restricted Stock Unit, [with respect to each vested but not yet distributed Restricted Stock Unit (as contemplated by [SECTION REFERRING TO A POTENTIAL 6 MONTH DELAY IN DISTRIBUTION)]] and with respect to any Dividend Equivalent Unit (defined below) resulting from prior reinvestments of Dividend Equivalents as provided in this Paragraph. All Dividend Equivalents so credited will be deemed to be reinvested in Restricted Stock Units on the date that the applicable dividend or distribution is made to the Company's shareholders, based on the Target Award Units and any Dividend Equivalent Units resulting from prior reinvestments of Dividend Equivalents, in the number of Units determined by dividing the aggregate value of the Dividend Equivalents by the Fair Market Value of the Stock on such date (rounded to the nearest thousandth of a whole Unit or as otherwise reasonably determined by the Company); provided, however, that if Dividend Equivalents cannot be reinvested in Units due to the operation of Section 3(a) of the Plan, such Dividend Equivalents will be credited to Participant as a cash value based on the Target Award Units and any Dividend Equivalent Units resulting from prior reinvestments of Dividend Equivalents, which cash value shall be held by the Company (without interest) subject to this Agreement. Any Units resulting from the deemed reinvestment of dividends in accordance with this Paragraph __ are referred to herein as "Dividend Equivalent Units." Dividend Equivalents shall be subject to the same terms and conditions, and shall vest or be forfeited (as applicable) at the same time, upon the same conditions, and in the same proportion, as the Target Award Units set forth in this Award; provided, however, that [(x)] if the Award vests after the record date for, but before the payment date of, a dividend, then the Dividend Equivalents related to such dividend and to Units vesting on the vesting date will be paid in cash or in Stock, in the sole discretion of the Company, as soon as practicable following the payment date for such dividend [and (y) if [SECTION REFERRING TO A POTENTIAL 6 MONTH DELAY IN DISTRIBUTION] is applicable and a record date for any dividend occurs after the applicable vesting date but before the applicable Delivery Date (as defined in [APPLICABLE SECTION] below), then any Dividend Equivalents related to such dividend will be paid in cash or in Stock, in the sole discretion of the Company, on or as soon as practicable following the Delivery Date].]

__. Units Non-Transferable. No Restricted Stock Units (and no Dividend Equivalents) shall be transferable by Participant other than by will or by the laws of descent and distribution. In the event all or any portion of the Award is transferred or assigned pursuant to a court order, such transfer or assignment shall be without liability to the Company, and the Company shall have the right to offset against the Award any expenses (including attorneys' fees) incurred by the Company, or any of its Subsidiaries or Affiliates, in connection with such attempted transfer or assignment.

__. Termination of Employment. Except as otherwise provided in the Plan or in this Paragraph __, or as otherwise determined by the Committee, if Participant's employment with the Company or any Subsidiary or Affiliate terminates for any reason, the Award and all Restricted Stock Units (and any related Dividend Equivalents) held by Participant that are unvested or subject to restriction at the time of such termination shall be forfeited automatically immediately after such termination. [DESCRIBE ANY EXCEPTIONS, INCLUDING THOSE RESULTING FROM DEATH, DISABILITY OR RETIREMENT.] Nothing in this Paragraph __ will be interpreted as altering in any way the provisions of Section 11 of the Plan.

__. Delivery at Vesting. Subject to the provisions of the Plan and this Agreement [including, without limitation, [ANY SECTION REFERRING TO A POTENTIAL 6 MONTH DELAY], upon vesting of all or part of the Award, the Company shall deliver to Participant one share of Stock in exchange for each such vested Restricted Stock Unit and for each Dividend Equivalent Unit related thereto and cash in the amount of any other related Dividend Equivalents, and the applicable Restricted Stock Units (and any related Dividend Equivalents) shall be cancelled. Unless determined otherwise by the Company at any time prior to the applicable delivery, each fractional Restricted Stock Unit (and related Dividend Equivalent Unit) shall vest and be settled in an equal fraction of a share of Stock. [INCLUDE THE FOLLOWING SENTENCE IF THE AWARD IS TIME-BASED: Notwithstanding the foregoing, as to any Participant who is a "specified employee" as defined in Section 409A of the Code, any delivery of Common Shares will be delayed for six (6) months plus one (1) day after the vesting date if, and to the extent, that such delay is required by Section 409A.] [INCLUDE THE FOLLOWING SENTENCE IF THE AWARD IS PERFORMANCE-BASED: The delivery of such shares of Stock shall be on or as soon as practicable following the Certification Date, but in no event later than March 15 of the calendar year following the year in which the Certification Date occurred.] Notwithstanding any provision of the Plan or this Agreement to the contrary, however, delivery of shares of Stock under this Agreement shall be delayed if the Committee reasonably anticipates, based on notice from the Company, that delivery of Stock will violate Federal securities laws or other applicable laws; provided that the Company shall deliver Stock pursuant to the provisions of the Plan and this Agreement at the earliest date at which the Committee reasonably believes, based on notice from the Company, that such delivery will not cause such violation.

__. Disqualifying Activity. Notwithstanding any other provision of this Agreement, if the Committee determines that Participant is engaging in, or has engaged in, a Disqualifying Activity, the provisions of Section 10(b) of the Plan will apply. A violation of Paragraph __ and any violation of any non-competition agreement between Participant and the Company or any of its subsidiaries or Affiliates, by Participant shall constitute a "material violation" of an "agreement between the Participant and the Company" within the meaning of clause (iii) of the definition of Disqualifying Activity. [NOTE: MODIFY SECTION AS NECESSARY TO ADDRESS INTERPLAY WITH ANY RESTRICTIVE COVENANTS INCLUDED ELSEWHERE IN THE AGREEMENT.]

__. Taxes. No later than the date as of which [Taxes become due], Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any Taxes and other items of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan and this Agreement shall be conditioned on such payment or arrangements and the Company and its Subsidiaries and Affiliates, to the extent permitted by law, shall have the right to deduct any such Taxes from any payment of any kind otherwise due to Participant. At vesting [(or Delivery Date, if applicable)] of any Award Installment, Restricted Stock Units and any related Dividend Equivalent Units vesting on such vesting date [(or being distributed on such Delivery Date)] will be valued at the Fair Market Value of the Company's Stock on such date.

[INCLUDE IF THE AWARD IS PERFORMANCE-BASED: Unless otherwise determined by the Committee, Participant must satisfy the minimum statutory tax withholding obligations resulting from the vesting of Restricted Stock Units and related Dividend Equivalents ("Minimum Withholding Obligations") by surrendering to the Company Restricted Stock Units and/or Dividend Equivalents that are then vesting (or shares of Stock issuable as a result of the vesting) with a value sufficient to satisfy the Minimum Withholding Obligations.]

[INCLUDE IF THE AWARD IS TIME-BASED: Unless otherwise determined by the Committee, Participant must satisfy the minimum statutory tax withholding obligations resulting from the vesting of Restricted Stock Units and related Dividend Equivalents ("Minimum Withholding Obligations") either (a) by surrendering to the Company Restricted Stock Units that are then vesting or being distributed (or shares of Stock issuable upon [such event/vesting]) with a value sufficient to satisfy the Minimum Withholding Obligations, or (b) by paying to the Company the appropriate amount in cash or, if acceptable to the Company, by check or other instrument. Unless Participant advises the Company of Participant's election to use an alternative payment method, Participant shall be deemed to have elected to surrender to the Company Restricted Stock Units that are then vesting or being distributed (or shares of Stock issuable upon [such event/vesting]) with a value sufficient to satisfy the Minimum Withholding Obligations.]

Under no circumstances will Participant be entitled to satisfy any Minimum Withholding Obligations by surrendering Restricted Stock Units that are not then vesting [or being distributed on such Delivery Date/or any Restricted Stock Units that Participant has elected to defer under Paragraph _ above]. Any request by Participant to satisfy Minimum Withholding Obligations by surrendering shares of Stock owned by Participant prior to the date of such satisfaction must be specifically approved in advance by the Committee. All payments and surrenders of Units or shares of Stock and any requests for approval of alternative payment arrangements must be made by Participant in accordance with such procedures as may be adopted by the Company in connection therewith, and subject to such rules as have been or may be adopted by the Committee.

__. [INCLUDE THE FOLLOWING IF AWARD IS PERFORMANCE-BASED: Recoupment. The Award shall be subject to the Company's Dodd-Frank Clawback Policy, as may be amended from time to time (collectively, the "Clawback Policy") and recoupment pursuant to the Federal securities laws and rules of the Securities and Exchange Commission and any applicable national securities exchange. The Clawback Policy is incorporated herein by reference. The provisions of this Paragraph __ are in addition to the rights of the Company as set forth in Section 14(h) of the Plan.]

[ANY ADDITIONAL OR MODIFIED TERMS, NOT INCONSISTENT WITH THE PLAN, INCLUDING PROVISIONS ADDRESSING NON-SOLICITATION, NON-COMPETITION AND NON-DISCLOSURE OF INFORMATION.]

__. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the Award, and supersedes and cancels any other agreement, representation or communication, whether oral or in writing, between the parties relating to the Award, provided that the Agreement shall be at all times subject to the Plan. [NOTE: ALTER AS NECESSARY TO EXCLUDE OTHER AWARD, AGREEMENTS AND PROVISIONS NOT INTENDED TO BE SUPERSEDED.]

__. Amendment. The Committee may amend the terms of this Award to the fullest extent permitted by Section 12 of the Plan.

__. Choice of Law. This Agreement shall be deemed to be made and executed in Ohio and shall be governed, construed, and interpreted under, and in accordance with, the laws of the State of Ohio, without regard to conflict of law provisions.

__. Acknowledgments. Participant: (i) acknowledges receiving a copy of the Plan description relating to the Plan, and represents that Participant is familiar with all of the material provisions of the Plan, as set forth in such Plan description; (ii) accepts this Agreement and the Award subject to all

provisions of the Plan and this Agreement; and (iii) agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee relating to the Plan, this Agreement or the Award.

Participant evidences agreement with the terms and conditions of this Agreement, and intention to be bound by this Agreement, by electronically accepting the Award pursuant to the procedures adopted by the Company. **Upon such acceptance by Participant, this Agreement will be immediately binding and enforceable against Participant and the Company.**

THE PROGRESSIVE CORPORATION

By: _____
Vice President & Secretary

2024 PROGRESSIVE CAPITAL MANAGEMENT ANNUAL INCENTIVE PLAN

1. **The Plan.** The Progressive Corporation and its subsidiaries (collectively "Progressive" or the "Company") have adopted the 2024 Progressive Capital Management Annual Incentive Plan (the "Plan") as part of the Company's compensation program for its investment professionals for the Company's 2024 fiscal year (the "Plan year"). The Plan is performance-based, is not a form of commission compensation, and is administered under the direction of the Compensation Committee of the Board of Directors of The Progressive Corporation (the "Committee"). Payment under the Plan, if any, is based on Company performance as defined by the Plan, not individual employee performance. References in this Plan to the Company's portfolio mean the respective portfolios of the Company's subsidiaries and affiliates that are actively managed by Progressive Capital Management Corp. ("PCM") and references in this Plan to the Company's investment results mean the investment results of those portfolios only.

The Company's investment professionals invest the funds of the Company in accordance with investment guidelines approved from time to time by the Investment and Capital Committee of the Board of Directors. Those guidelines address such matters as minimum average credit quality and the duration of the portfolio, as well as limitations on the extent to which the portfolio can be concentrated in individual issuers. Compliance with the guidelines is routinely monitored and variations therefrom must be reported to, and approved by, the Investment and Capital Committee.

2. **Participants.** Progressive employees who are assigned primarily to the Company's capital management function, including the Company's Chief Investment Officer ("CIO"), are eligible to be selected for participation in the Plan. Eligible employees in addition to the CIO will be selected by the CIO in consultation with the Chief Executive Officer ("CEO") or Chief Human Resources Officer ("CHRO") (the "Designated Executives") to participate in the Plan. Participants may also participate in other Gainshare, bonus or incentive compensation plans maintained by Progressive, if so determined by the Designated Executives (or in the case of the CIO or any other executive officer, by the Committee). Other eligible employees of the Company may be selected for participation in the Plan for or at any time during the Plan year by the Designated Executives. In such cases, the Designated Executives will determine the new participant's Target Percentage (described below) and other terms of participation (except with respect to the CIO or any other executive officer, as to whom all determinations must be made by the Committee). Throughout this Plan, references to "executive officers" refer to executive officers of The Progressive Corporation within the meaning of any Securities and Exchange Commission ("SEC") or New York Stock Exchange rule applicable to the Company.

3. **Annual Incentive Payment Determination.**

   A. *Annual Incentive Payment*. Each participant may earn an annual cash bonus (the "Annual Incentive Payment"), subject to the terms of this Plan. The amount of the Annual Incentive Payment earned by any participant will be determined by application of the following formula:

   Annual Incentive Payment = Paid Eligible Earnings x Target Percentage x Performance Factor Payment

B. *Paid Eligible Earnings*. Paid Eligible Earnings for the Plan year shall mean and include the following: regular pay, Paid Time Off pay (including Protected PTO-PSL, but excluding the payout of unused Paid Time Off or Protected PTO-PSL at termination), Volunteer Time Off pay, sick pay, holiday pay, funeral pay, military make-up pay, overtime pay, shift differential pay, and retroactive payments of any of the foregoing items, in each case received by the participant during the Plan year for work or services performed as an officer or employee of Progressive.

For purposes of the Plan, and notwithstanding the foregoing, Paid Eligible Earnings shall exclude all other types of compensation, including, without limitation: any short-term or long-term disability payments made to the participant; the earnings replacement component of any workers' compensation benefit or award; any amounts paid pursuant to a judgment in, or settlement related to, any action, suit or proceeding, whether in law or equity, to any extent arising from or relating to a participant's employment with the Company, or work or services performed for or on behalf of the Company; any amount paid under a separation allowance (or severance) plan; any bonus (including PCM Bonus Plan bonus or PCM Annual Incentive Plan payment), Gainshare or other incentive compensation payment or award (whether denominated, or payable, in cash or equity), including, without limitation, payments from any discretionary cash fund; any dividend payments or dividend equivalent amounts; any unused Paid Time Off; any unused Volunteer Time Off; and any other payment required by applicable law to be paid to a participant by the Company and intended to replace all or any portion of wages or earnings during a period of unemployment, whether due to illness, disability or otherwise (including, but not limited to, payments made pursuant to any statute, rule or regulation of a governmental authority relating to leave on account of maternity, paternity, parental status or responsibility, or sickness).

C. *Target Percentage*. The "Target Percentages" for participants in the Plan shall be determined by or under the direction of the Committee, but will not exceed 125% for any participant. Target Percentages may vary among Plan participants and may be changed from year to year by or under the direction of the Designated Executives (or in the case of the CIO or any other executive officer, by the Committee).

D. *Performance Factor*. The "Performance Factor" will be determined by the Committee after the expiration of the Plan year based on the performance of the Company's fixed-income investment portfolio (the "Fixed-Income Portfolio" or "Portfolio"), and such other factors and information relating to the performance of the Company's investment professionals as the Committee shall determine.

First, an indicated performance factor will be determined based on the fully taxable equivalent total return of the Fixed-Income Portfolio, in comparison to the total returns of the group of comparable investment firms identified by the Independent Data Source (the "Investment Benchmark"), over the one- and three-year periods ending on December 31 of the Plan year, as described below. For purposes of this Agreement, the "Independent Data Source" shall be a third-party independent data source determined by the Committee. After the end of the Plan year, the Independent Data Source will determine the firms that are included in the Investment Benchmark in accordance with the criteria specified on Exhibit I hereto. The Independent Data Source will also provide to the Company the monthly total return data for each of the Investment Benchmark firms for the three-year period ending on December 31 of the Plan year.

Investment results for the Fixed-Income Portfolio will be marked to market, including 50% of the benefit of any state premium tax abatements for municipal securities held in the Portfolio that are realized by the Company during the Plan year, in order to calculate the Portfolio's fully taxable equivalent total return for the one-year (2024) and three-year (2022-2024) periods, in each case compounded on a monthly basis. The investment performance achieved by the Fixed-Income Portfolio for the one- and three-year periods (each, a "comparison period") will then be compared against the total returns of the firms included in the Investment Benchmark for the same periods, also compounded on a monthly basis, as determined by the Company from the monthly performance data supplied by the Independent Data Source for each firm in the Investment Benchmark, to determine, for each comparison period, where the Fixed Income Portfolio's performance falls on a percentile basis when compared to the firms in the Investment Benchmark, as further described on Exhibit II ("Performance Ranking").

The Portfolio's Performance Ranking will be used to determine a performance score of between 0.00 and 2.00 for each comparison period, based on the following schedule:

Comparison Period	**Score = 0** **Rank at or below**	**Score = 1.00** **Rank equal to**	**Score = 2.00** **Rank at or above**
One year	15th Percentile	50th Percentile	85th Percentile
Three year	25th Percentile	50th Percentile	75th Percentile

A Performance Ranking between the values identified in the schedule will be interpolated on a straight-line basis to generate the applicable performance score, as further described on Exhibit II. Once these performance scores are determined, an overall indicated performance factor will be determined by averaging the performance scores for the one- and three-year comparison periods.

The overall indicated performance factor will be reported to the Committee after the expiration of the Plan year, together with such supporting documentation as the Committee may require. The Committee may consider such additional information as it deems necessary or appropriate in its discretion. Such information may include, without limitation:

- the primary investment factors that are responsible for favorable or unfavorable results relative to the firm group, such as the Company's duration and yield curve position and the extent of its exposure to sectors of the fixed-income markets, including corporate bonds, residential mortgage-backed securities, commercial mortgage-backed securities, other asset-backed securities, government bonds, preferred stocks and non-investment-grade bonds;
- the Company's holdings within each sector relative to the general market composition of each sector;
- the extent to which material investment decisions may have been driven by Company strategic or capital considerations; and
- the impact on investment results of significant portfolio cash flows driven by Company operations, strategic decisions or capital transactions.

In addition, the Committee may choose to consult with others, including, without limitation, management, the Board's Investment and Capital Committee, other Board members, and

outside compensation and investment professionals, in evaluating the performance of the Company's investment professionals for the year. The Committee will then determine the Performance Factor, which may vary among participants; provided that under no circumstances may the Performance Factor for any participant exceed 2.00 for the year.

E. In the event that the Independent Data Source (or its successor or assigns) discontinues providing the data that is necessary to make the calculations required by this Plan, or modifies the information in such a way as to render the comparisons required by this Plan to be not meaningful, in the Committee's sole judgment, the determinations required above shall be made using investment return data for comparable firms satisfying the criteria set forth on Exhibit I as may be available from another recognized provider of investment industry data as the Committee may approve in its sole discretion.

F. Notwithstanding any other provision of this Plan, the Fixed Income Portfolio shall not include any portfolio managed by, or any investment made at the direction of, any business unit or area other than PCM.

4. **Payment Procedures; Deferral.** The Annual Incentive Payments will be determined and paid to Plan participants as soon as practicable after the Performance Factor has been determined by the Committee, but no later than March 15th of the year immediately following the Plan year.

   Any Plan participant who is then eligible to participate in The Progressive Corporation Executive Deferred Compensation Plan ("Deferral Plan") may elect to defer all or any portion of the Annual Incentive Payment otherwise payable to such participant under this Plan, subject to and in accordance with the terms of the Deferral Plan. If a Plan participant has made such an election under the Deferral Plan, then to the extent of such election, the Annual Incentive Payment will, instead of being paid to such participant as described in the immediately preceding paragraph, be credited to such participant's account under the Deferral Plan in accordance with the terms of the Deferral Plan.

5. **Qualification Date; Leave of Absence; Withholding.** Unless otherwise determined by the Committee, and except as otherwise expressly provided herein, in order to be entitled to receive an Annual Incentive Payment for the Plan year, the participant must be an active officer or regular employee of the Company on November 30 of the Plan year ("Qualification Date"). An individual (a) who is hired on or after December 1 of any Plan year, or (b) whose employment terminates for any reason prior to the Qualification Date is not entitled to an Annual Incentive Payment for that Plan year. Annual Incentive Payments are not earned until paid.

   Any participant who is on a leave of absence covered by the Family and Medical Leave Act of 1993, as amended (or equivalent state or local law), the Americans with Disabilities Act of 1991, as amended (or equivalent state or local law), personal leave of absence with the approval of the Company, military leave or short- or long-term disability (provided that, in the case of a long-term disability, the participant is still an employee of the Company) on the Qualification Date relating to the Plan year will be entitled to receive an Annual Incentive Payment for the Plan year based on the Paid Eligible Earnings received by the participant during the Plan year.

   Progressive shall have the right to deduct from any Annual Incentive Payment, prior to payment, the amount of any taxes required to be withheld by any federal, state, local or foreign government with respect to such payments.

6. **Other Plans.** Participants may be selected to participate in this Plan and in one or more other incentive plans offered by the Company. In the case of the CIO or any other executive officer, all determinations with respect to such incentive plans and the executive's participation therein shall be made by the Committee. In all other cases, the Designated Executives shall have full authority to determine the incentive plan or plans in which any employee shall participate during the Plan year and the weighting factor (if any) that will apply to each such plan.

7. **Non-Transferability.** Annual Incentive Payments shall be payable only to the participant or, in the event of the participant's death, to the participant's estate. The right to any Annual Incentive Payment hereunder may not be sold, transferred, assigned or encumbered, voluntarily or involuntarily, other than by will or the laws of descent or distribution. Nothing herein shall prevent any participant's interest hereunder from being subject to involuntary attachment, levy or other legal process.

8. **Administration.** The Plan will be administered by or under the direction of the Committee. The Committee will have the authority to adopt, alter, amend, modify, revise and repeal such rules, guidelines, procedures and practices governing the Plan as it, from time to time, in its sole discretion deems advisable.

   The Committee will have full authority to determine the manner in which the Plan will operate, to interpret the provisions of the Plan and to make all determinations hereunder. All such interpretations and determinations shall be final and binding on Progressive, all Plan participants, their estates and beneficiaries and all other parties. No such interpretation or determination shall be relied on as a precedent for any similar action or decision. No member of the Committee shall incur any liability for any action taken or omitted, or any determination made, in good faith with respect to the Plan.

   Unless otherwise determined by the Committee, all of the authority of the Committee hereunder (including, without limitation, the authority to administer the Plan, select the persons entitled to participate herein, interpret the provisions hereof, waive any of the requirements specified herein and make determinations hereunder and to select, approve, establish, change or modify the Investment Benchmarks, Performance Targets and Target Percentages) may be exercised by the Designated Officers. If one or more of the Designated Officers is unavailable or unable to participate, or if such position is vacant, the Chief Financial Officer may act instead of such officer.

Notwithstanding anything in this Plan to the contrary: (a) all determinations made under this Plan with respect to the CIO or any other individual deemed to be an executive officer of the Company must be made only by the Committee; and (b) only the Committee may make the determination of the Performance Factor required by Section 3.D. above.

9. **Miscellaneous.**

   A. *Recoupment*. Progressive shall have the right to recoup any Annual Incentive Payment (or an appropriate portion thereof, as hereinafter provided) with respect to any Plan year paid to a participant hereunder who was an executive officer of Progressive at any time during such Plan year, if: (i) the Annual Incentive Payment was calculated by reference to the achievement during such Plan year of certain financial or operating results (which includes, for purposes hereof, the performance of the Fixed-Income Portfolio); (ii) such financial or operating results were incorrect and were subsequently the subject of a restatement by Progressive within three (3) years after the date on which such Annual Incentive Payment was paid to the participant; and

(iii) the Annual Incentive Payment would not have been paid, in whole or in part, to the participant if the restated financial or operating results had been known at the time the payment was made. Such recoupment right shall be available to Progressive whether or not the participant in question was at fault or responsible in any way in causing such restatement. In such circumstances, Progressive will have the right to recover from each such participant for such Plan year, and each such participant will refund to Progressive promptly upon demand, the amount by which the Annual Incentive Payment paid to such participant for the Plan year in question exceeded the payment that would have been made if the Annual Incentive Payment had been calculated by reference to the restated results, without interest; provided, however, that Progressive will not seek to recover such amounts from any participant who was not an executive officer at any time during the Plan year unless the amount due would exceed the lesser of five percent (5%) of the Annual Incentive Payment previously paid or twenty-thousand dollars ($20,000). Such recovery, at the Committee's discretion, may be made by lump sum payment, installment payments, credits against future Annual Incentive Payments, annual Gainshare payments or other bonus payments, credits against any other compensation, or other appropriate mechanism. References in this paragraph to payments and amounts paid shall be deemed to include amounts deposited in the Deferral Plan as a result of an election by the participant.

B. *Further Rights*. Notwithstanding the foregoing subsection A., if any participant that was an executive officer at any time during such Plan year engaged in fraud or other misconduct (as determined by the Committee or the Board, in their respective sole discretion) resulting, in whole or in part, in a restatement of the financial or operating results used hereunder to determine the Annual Incentive Payments for a specific Plan year, Progressive will further have the right to recover from such participant, and the participant will refund to Progressive upon demand, an amount equal to the entire Annual Incentive Payment paid to such participant for such Plan year plus interest at the rate of eight percent (8%) per annum or, if lower, the highest rate permitted by law, calculated from the date that such bonus was paid to the participant. Progressive shall further have the right to recover from such participant Progressive's costs and expenses incurred in connection with recovering such Annual Incentive Payment from the participant and enforcing its rights under this subsection B., including, without limitation, reasonable attorneys' fees. There shall be no time limit on the Company's right to recover such amounts under this subsection B., except as otherwise provided by applicable law. References in this paragraph to payments and amounts paid shall be deemed to include amounts deposited into the Deferral Plan as a result of an election by the participant.

C. *Compliance with Law and Exchange Requirements*. The Annual Incentive Payments determined and paid pursuant to the Plan shall be subject to all applicable laws and regulations. Without limiting the foregoing, and notwithstanding anything to the contrary contained in this Plan, the Annual Incentive Payment paid to a participant (and any payment made to such participant pursuant to a similar plan) shall be subject to The Progressive Corporation Dodd-Frank Clawback Policy, as may be amended from time to time (collectively, the "Clawback Policy") and recoupment pursuant to the Federal securities laws and the rules of the SEC and any applicable national securities exchange. The Clawback Policy is incorporated herein by reference. References in this paragraph to payments and amounts paid shall be deemed to include amounts deposited into the Deferral Plan as a result of an election by the participant.

D. *Rights Not Exclusive*. The rights contained in the foregoing subsections A. through C. shall be in addition to, and shall not limit, any other rights or remedies that the Company may have under any applicable law or regulation. Nothing contained in subsections A. through C. shall be

deemed to limit any additional legal or equitable rights or remedies the Company may have under applicable law with respect to any participant who may have caused or contributed to the Company's need to restate its financial results. If any of the provisions of subsections A. through C., or any part thereof, are held to be unenforceable, the court making such determination shall have the power to revise or modify such provision to make it enforceable to the maximum extent permitted by applicable law and, in its revised or modified form, said provision shall then be enforceable.

10. **Termination; Amendments.** The Plan may be suspended, terminated, amended or revised, in whole or in part, at any time and from time to time by the Committee, in its sole discretion.

11. **Unfunded Obligations.** The Plan will be unfunded and all payments due under the Plan will be made from Progressive's general assets.

12. **No Employment Rights.** Nothing in the Plan, and no action hereunder, shall be construed as conferring upon any person the right to remain a participant in the Plan or to remain employed by Progressive, nor shall the Plan limit Progressive's right to discipline or discharge any of its officers or employees or change any of their job titles, duties, authority or compensation, at any time and without assigning a reason therefor.

13. **Set-off Rights.** Progressive shall have the unrestricted right to set off against or recover out of any Annual Incentive Payment or other sums owed to any participant under the Plan any amounts owed by such participant (including pursuant to Section 9) to Progressive.

14. **Misconduct.** No participant shall have the right to receive any Annual Incentive Payment if, prior to such payment being made, participant's employment is terminated as a result of any action or inaction that, under Progressive's employment practices or policies as then in effect, constitutes grounds for immediate termination of employment, as determined by Progressive (or, in the case of an executive officer, the Committee) in its sole discretion. In addition, no participant who is an executive officer shall have the right to receive any Annual Incentive Payment if, prior to such payment being made, participant's employment is terminated by Progressive for Cause, or if there occurs any action or inaction that constitutes grounds for termination for Cause or otherwise constitutes grounds for immediate termination of employment under the Company's employment practices or policies as then in effect, as determined by the Committee in its sole discretion. For purposes of this Section 14, "Cause" shall mean a felony conviction of a participant or the failure of a participant to contest prosecution for a felony; a participant's willful misconduct or dishonesty, any of which, in the judgment of the Committee, is harmful to the business or reputation of Progressive; or any material violation (in the judgment of the Committee) of any of the provisions of the Company's Code of Business Conduct and Ethics or the Chief Executive Officer/Senior Financial Officer Code of Ethics (if applicable to the participant), or any confidentiality agreement, non-solicitation agreement, non-competition agreement or other agreement between the participant and Progressive.

15. **Employees Subject to Foreign Jurisdictions.** To the extent the Committee deems it necessary, appropriate or desirable to comply with foreign law or practice or taxation and to further the purposes of the Plan, the Committee may, without amending the Plan, exclude any employee not temporarily or permanently residing in the United States from participating in the Plan or establish rules applicable to Annual Incentive Payments to participants who are foreign nationals or foreign

residents, are employed outside the United States, or both, including rules that differ from those set forth in this Plan.

16. **Section 409A.** Payments under the Plan are intended to be exempt from Section 409A because no legally binding right to any Annual Incentive Payment arises until the payment date, and, in the alternative, because any payment is a short term deferral under Section 409A; the Plan shall be administered and interpreted accordingly. Notwithstanding any provision of the Plan to the contrary, if the Committee determines that any payment under the Plan may constitute deferred compensation subject to Section 409A, the Committee may take any actions necessary to preserve the intended tax treatment of the benefits provided with respect to such payment. Any benefit under the Plan that is subject to Section 409A because deferred pursuant to the terms of the Deferral Plan shall be paid according to the terms of such plan.

17. **Prior Plans.** This Plan supersedes all prior plans, agreements, understandings and arrangements regarding bonuses or other cash incentive compensation payable or due to any participant from Progressive with respect to the performance of Progressive's investment portfolio. Without limiting the generality of the foregoing, this Plan supersedes and replaces the 2023 Progressive Capital Management Annual Incentive Plan (the "Prior Plan"), which is and shall be deemed to have terminated on the last day of the Company's 2023 fiscal year (the "Prior Plan Termination Date"); provided, however, that (a) any bonuses or other sums earned and payable under the Prior Plan with respect to any Plan year ended on or prior to the Prior Plan Termination Date shall be unaffected by such termination and shall be paid to the appropriate participants when and as provided thereunder, and (b) any provisions regarding recoupment of payments from executive officers and the administrative and interpretive authority of the Committee and/or the Designated Officers under the Prior Plan shall survive.

18. **Effective Date.** This Plan is adopted, and is effective, as of the first day of the Company's 2024 fiscal year and will be effective for the 2024 Plan year (which coincides with Progressive's 2024 fiscal year, except that investment returns are calculated on a calendar year basis).

19. **Governing Law.** This Plan shall be governed by, and interpreted and construed in accordance with, the laws of the State of Ohio applicable to contracts made and performed wholly within such state by residents thereof.

EXHIBIT I

INVESTMENT BENCHMARK CRITERIA

After the end of the Plan year, the Independent Data Source will determine the firms comprising the Investment Benchmark for the Plan year from its records and will supply to the Company the monthly total returns and any other relevant data for each of those firms for the three-year period ending on December 31 of the Plan year.

A firm will be included in the Investment Benchmark if the Independent Data Source is able to determine from its records that:

1. The firm has provided monthly data regarding its holdings and investment return, as necessary to determine or calculate such firm's monthly total return, and to evaluate such firm's compliance with each of the criteria set forth below, for the entire three-year period ending on December 31 of the Plan year; and

2. At all times during the three-year period ending on December 31 of the Plan year, the information provided by the firm shows, or the Independent Data Source is able to calculate, that such firm's investment portfolio satisfies each of the following criteria:

Duration:	Effective Duration between 1.5 years and 5.0 years
Credit Quality Average	= A, or = AA, or = AAA, or = AAA+
Convexity (%)	>= -1
Sector Allocation:	U.S. High Yield Corporate Debt <= 10%
Sector Allocation:	Mortgages <= 60%
Sector Allocation:	U.S. Investment Grade Corporate Debt <= 60%
Sector Allocation:	CMBS <= 60%
Sector Allocation:	ABS <= 60%
Sector Allocation:	Emerging Markets Debt <= 5%

3. The Company will have no discretion to alter the Investment Benchmark list after it is finalized by the Independent Data Source.

EXHIBIT II

DETERMINATION OF PERFORMANCE RANKING AND PERFORMANCE FACTOR

Once all the total returns are calculated, the data is sorted in descending order from highest to lowest total return (rounded to nearest one-hundredth). From here, the process to compute the Performance Factor is as follows (this Exhibit shows the procedures and related calculations for the 3-year comparison period required by the Plan; the calculations for the 1-year comparison period would follow the same procedures, except that necessary adjustments would be made to determine the top and bottom 15% levels and the performance score variances between those levels):

Interpolated Values for Setting the 25th and 75th Percentiles

The 25th and 75th percentiles for total return rankings are computed based on the total number of firms in the Investment Benchmark, excluding the PCM Fixed-Income Portfolio return. For example, if there were 114 participants, the return required to earn a 2.00 portfolio performance factor would be determined by interpolating between the twenty-eighth and twenty-ninth firm's returns, since 25% of 114 = 28.50. The same procedure would be used to determine the 0.00 portfolio performance factor.

Percentile	Performance Factor	Interpolated Position Calculation (based upon 114 firms)
75th	2.00	114 * .25 = 28.50
25th	0.00	114 * .75 = 85.50

The total returns, computed by Investment Accounting, for the interpolated positions are calculated as follows (continuing to use an example of 114 survey firms and pseudo results):

Interpolated Value (75th Percentile) = Firm 28 return – ((Firm 28 Return - Firm 29 Return) * 0.75)
Firm 28 result = .12%
Firm 29 result = .11%

The same procedure would be used to determine the 25th percentile returns.

Percentile	Interpolated Position	Firm Investment Results (firm above and below Interpolated Position)	Interpolated Investment Results Calculation (based upon 114 firm)
75th	28.50	Firm 28 = .12% Firm 29 = .11%	.12% - ((.12% - .11%) *.75) = .11%
25th	85.50	Firm 85 = -3.10% Firm 86 = -3.10%	-3.10% - ((-3.10% - -3.10%) *.25) = -3.10%

In this case, the PCM Performance Factor will equal 2.00 if its total return equals the interpolated value for Firm 28.50 or .11%.

Once the percentile groups are computed, the remainder of the performance scores are calculated as follows:

Firms ranking between the 75th and the 25th percentile:

Performance score variance = (2.00) / Number of positions from the 75th percentile (the interpolated position) to the last firm prior to the 25th percentile (the interpolated position). In the case of 114 participants, the number of positions to divide the 2.00 performance factor by would be 59.

The calculation for the performance score variance from 2.00 – 0.00 would be:

2.00 / 59 = .033898 per position for 114 firm

In the case of a tie in total returns between firms, each firm will have the same performance score, one step under the next higher position. The next lowest position would then be stepped down by a factor based on the number of participants who tie. In the case of a tie between two firms, the step down will be twice the performance score variance to maintain the proper stepping to the 0.00 performance score level.

Example: If firms 29 and 30 each had the same total return in the 114 firm example, then firms 29 and 30 would each have a Performance Factor of 1.966102, which is 2.00 - .033898. The number 31 position in this example would have a performance score of 1.898305, which is the required step down from 29 to 31.

In addition, if the returns are tied between the interpolated value set for the 2.00 performance score and any position below the 2.00 level, those lower positions will also be set to a 2.00 performance score. The step-down factor in the performance score will work similarly as noted in the example above. For the 25th percentile and lower, all firms with total returns equaling the last interpolated total return value would have the same performance score as the last interpolated value (0.033898), and all others in the lower 25% group would have a 0.00 Portfolio Performance Factor.

PCM Ranking:

Once all the performance scores have been created, from 2.00 to 0.00, PCM's return is compared to the rankings to determine its Performance Factor. If the PCM return is not exactly the value of the 25th or 75th percentile and does not match the return of any participant, then PCM's Performance Factor is an interpolated value between the firms with the next highest and next lowest returns.

The interpolation computation for the Performance Factor based on PCM's return is as follows:

Performance score of firm below PCM return + (PCM's Return – Return below PCM) / (Return above PCM – Return below PCM) * (Performance score of firm above PCM – Performance score of firm below PCM)

Assuming the following data, using the 114 firm example:

Firm	**Performance score**	**Total return**
Firm above PCM	1.86	-0.13
PCM		-0.26
Firm below PCM	1.83	-0.30

The calculation of PCM's Performance Factor is:

$$1.83 + (-0.26 - -0.30) / (-0.13 - -0.30) * (1.86 – 1.83) = 1.84$$

The performance scores and the final Performance Factor are rounded to the nearest one-hundredth, if necessary.

Exhibit 31.1

CERTIFICATION

I, Susan Patricia Griffith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Progressive Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ Susan Patricia Griffith
Susan Patricia Griffith
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, John P. Sauerland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Progressive Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ John P. Sauerland
John P. Sauerland
Vice President and Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATION

I, Susan Patricia Griffith, President and Chief Executive Officer of The Progressive Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2024 (the "Report"), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Susan Patricia Griffith
Susan Patricia Griffith
President and Chief Executive Officer
May 6, 2024

Exhibit 32.2

SECTION 1350 CERTIFICATION

I, John P. Sauerland, Chief Financial Officer of The Progressive Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2024 (the "Report"), which this certification accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John P. Sauerland
John P. Sauerland
Vice President and Chief Financial Officer
May 6, 2024

Exhibit 99

Letter to Shareholders
First Quarter 2024

We had a really strong first quarter 2024 with robust premium growth and underwriting profitability significantly better than our target profitability goals. The companywide combined ratio (CR) for the quarter was 86.1 and net premiums written (NPW) were up 18%, compared to the first quarter last year. As I drafted this opening paragraph, I couldn't help but reflect on all the hard work of so many Progressive employees who enabled us to be in this position after several years of uncertainty. I often get asked what makes us different and I believe it truly is our ability to create and execute on a plan and work united as a team, knowing what each person's role is on the team to achieve success. It feels wonderful to be in our current position, and we can now focus our conversations on "putting our foot on the gas" to continue to generate strong growth. However, in true Progressive fashion, we remain mindful that it's still early in the year and many things can quickly change.

Our Personal Lines business started off the year with a solid profitability foundation and robust consumer shopping that grew through the first quarter. Our first quarter CR was 84.5, compared to 98.7 in the first quarter last year, reflecting the benefits of lower loss frequency in the first quarter and our very disciplined approach managing through the 2023 calendar year. During the first quarter 2024, we experienced 0.7 points of favorable prior year development, a favorable swing of almost 5 points compared to the first quarter last year when we had adverse prior year development. Over half of the favorable development in the first quarter 2024 was in Florida and, in part, related to lower frequency of losses after tort reform legislation that passed in the first quarter last year. For the first quarter, on a year-over-year basis, our loss frequency was down nearly 9% for both bodily injury and physical damage. In addition, Personal Lines profitability continued to benefit from the rate and non-rate actions we took in 2023 to achieve our target profit margins. While we feel that we are currently adequately priced in much of the country, we will continue to assess our data, monitor trends, and adjust rates accordingly as we cautiously resume more typical business operations that support growth.

During the first quarter 2024, our Personal Lines NPW grew 20%, over the first quarter last year, and policies in force (PIF) were up 7% to end the quarter at 26.5 million PIFs. In late 2023, we started to unwind some of the non-rate restrictions in place during the year, and we continued to reduce these restrictions during the first quarter 2024 as profitability in various states improved. In addition, we are increasing our media spend. During the first quarter, due to the combination of elevated shopping, reduced non-rate restrictions, and increased media spend, our Direct auto business tied the record setting quote volumes we delivered in the first quarter 2023, and we also experienced our largest single day quote volume ever in our Direct auto business. Operationally, our Customer Relationship Management (CRM) organization is doing an excellent job keeping up with increased demand as our phone sales organization set daily and weekly new business application records. In addition to new business, we have experienced ten consecutive months of year-over-year improvement in policy life expectancy.

In product development, we remain focused on pricing segmentation. During the quarter, we elevated our first state on our latest auto product model 8.9, with 20 more states scheduled to elevate during 2024. Model 8.8 was in 27 states that represented over 60% of NPW at quarter end. In our 8.8 product model, we continue to see improvements in competitiveness in policies with prior insurance.

For the quarter, our Commercial Lines NPW increased 11% at a CR of 91.8, which was better than our full calendar-year profitability target and 6.6 points better than the first quarter 2023. We raised commercial auto rates, excluding our expansion products, about 17% in 2023 and profitability continues to improve as those rate increases earn into our results. Our expansion products (transportation network company (TNC), business owners' policy (BOP), and Protective Insurance products, which we now refer to as Progressive Fleet & Specialty) continue to be on track with our historical timeframes to achieve profitability targets. For our TNC products, based on past results and the loss costs unique to this product, we continued to take significant rate increases upon renewal in an effort to improve profitability. We remain optimistic that we are well positioned to meet our profitability targets in the TNC business.

Challenging freight market conditions continue to provide growth headwinds for our for-hire transportation (FHT) business market target (BMT). We have seen the FHT BMT continue to shrink since the fourth quarter of 2022, as the number of active motor carriers has decreased, on a net basis, in nearly every month since then, which is resulting in growth challenges in our FHT BMT. On the other hand, we are seeing healthy shopping and new business application growth in our other BMTs. Given that we responded more swiftly than the industry to address

rising loss costs and profitability challenges in 2023, we believe we are well positioned with adequate rates, competitive pricing, and improved segmentation to grow profitably in 2024.

With current rate levels that we believe are adequate for anticipated losses, our focus is turning to growth and introducing new segmentation and product features designed to improve competitiveness for preferred business. We recently launched our latest commercial auto 8.2 product model, and it is in market in two states as of the end of the first quarter and another state elevated early in the second quarter. We will be rolling it out to additional states throughout the remainder of the year and will continue to monitor its performance.

We also launched BOP in Florida, which marked the 45th state where we write this product and increased our footprint to writing in 76% of the commercial multiperil market. With this latest state, we deployed our most advanced product, customized underwriting guidelines, and an enhanced policy contract. Early results indicate strong quoting volume with conversion in line with expectations.

Our Property business finished the first quarter with a combined ratio of 93.4, which is 12.1 points better than the first quarter 2023, and solid growth. Both weather and non-weather losses contributed to the profitability in the first quarter 2024. Catastrophe losses were down 5.0 points from the first quarter 2023. We ended the quarter with 3.2 million PIFs, 10% over first quarter 2023. NPW increased 17%, compared to the prior year quarter, driven primarily by growth in new business applications and increased retention in states where we are focused on growth. Consistent with Personal and Commercial Lines, our Property business continued to benefit from the rate increases taken in 2023 to address profitability concerns and adjust for inflation.

Our main priority for the Property business continues to be improving profitability and rebalancing the volatility risk in our book. We have continued to manage overall exposure by focusing growth efforts on markets that are less susceptible to catastrophic weather events and lowering our exposure to coastal and hail-prone states. In states where we are focused on growth, PIFs grew just over 20% from first quarter 2023 and decreased just over 5% in states that are more prone to catastrophes and have higher exposure to hail. In regions where our appetite to write new business is limited, we are prioritizing Progressive auto bundles, as well as lower risk properties, such as new construction or homes with newer roofs. In addition to shifting our mix, we continued to adjust rates to address profitability concerns, elevating rate increases of close to 6% across the Property portfolio during the first quarter 2024, which brings the trailing four quarter aggregate rate increase to about 17%. We also continued to focus on advancing segmentation through the roll-out of our newest product 5.0 model, elevating two more states in the first quarter. Adding Arizona and Utah brought the total states elevated on the new product model to five states that represent about 13% of countrywide home premium on a trailing 12-month basis.

In the first quarter of 2024, our investment portfolio saw a return of 0.8%. While we saw less volatility in the market during the quarter than much of 2022 and 2023, there continues to be a lot of uncertainty regarding the direction of monetary policy as we move forward. Our fixed-income portfolio return was 0.3%, as interest rates moved higher during the quarter. While interest rates remained volatile, we saw a rise in the equity markets that produced a total return on this portfolio of 9.9% for the quarter, which could reflect the market's excitement regarding new technologies and a more benign economic environment. During the quarter, we took advantage of higher interest rates to move our duration up to 3.2 years.

The first three months of 2024 provided us with our second consecutive quarter of strong capital generation. A strong performance from our operating business, along with positive investment returns, led to a further strengthening of our robust capital position. In light of our capital strength, we took the opportunity to redeem all $500 million of our outstanding preferred shares during the first quarter, and believe we are in a position to significantly grow our business.

As I often do, I like to share stories I receive about either customers or employees, as it gives you a unique view of our incredible culture. I'm providing two of those in this letter and I think both will make you appreciate the passion that we have for each other and the customers we serve.

Melissa, a supervisor from our Customer Relationship Organization, wrote:

On a beautiful Saturday afternoon, my husband and I headed to the auto parts store. Little did we know that this outing would turn into the perfect advertisement for Progressive. While browsing the store, we overheard a conversation between two employees discussing the need for insurance for a jet ski trailer.

Standing there, amidst automotive parts, I was struck by an urge to chime in with a solution, courtesy of our own Progressive. But, before a word could escape my lips, to my inner delight (and hardly contained excitement), the response from his coworker came as if it were a line taken straight from one of Flo's commercials: "Oh dude, you just gotta call Progressive. They do this bundling thing, and it's really a great price."

The exchange continued, only reinforcing my silent cheerleading from the aisle over. The employee advocated for our bundling options, praising Progressive's competitive pricing and exceptional service, echoing sentiments I, too, hold dear.

As we left the store, I couldn't help but feel proud of the impact our work has and the unexpected brand ambassadors we have in the communities we serve.

The story below is from Ashley, one of our teammates in Virginia. She recently shared her experience as a Progressive employee (including her first time using our newest benefit—volunteer time off).

In March 2017, I had just been promoted to a supervisor role in Virginia when our family was rocked by a devastating tragedy that left our beautiful two-year-old son, Luke, with a significant brain injury. He fell into a pond, and it took 25 minutes to revive him.

I was devastated watching my sweet boy fight to survive and didn't know what the next days—or even hours—would hold. I called my manager, Greg, and left him a message explaining that I wasn't sure when I'd be back to work. By Monday morning, Greg was by my side in the hospital. He'd already worked with HR to figure out how to handle my time away and was asking what more he could do to help.

That was just the beginning of my son's road to recovery. Despite all the emotions I was feeling, one I never experienced was loneliness. My amazing coworkers, the same ones who had thrown me a baby shower when I was pregnant with Luke, visited daily. They brought books, fresh clothes, coffee, slippers, and most importantly the warmest encouragement. They sat by my side when Luke began breathing on his own for the first time. They celebrated with me when he opened his eyes and smiled. They washed his blankets to bring him the comfort of home, even in a hospital room. They laughed with me, they cried with me, and they celebrated each victory like it was their own. They were the family we needed to make it through the most traumatic experience of our lives.

In the months that followed, Luke was transferred to a hospital 2.5 hours away in Baltimore. The Ronald McDonald House provided a free, welcoming, supportive environment for my husband and our other three children when they came to visit on weekends. While we were there, my manager from Virginia visited and coworkers I'd never met in Baltimore checked in on us.

Seven years later, Luke has made strides in his recovery, thanks to his many treatments. He's the same kid, with different abilities. Every year on the anniversary of his accident, we do something to make a positive impact and this year, my coworkers invited me to join them in using our volunteer time off at the Ronald McDonald House. I got to stand in the kitchen of the place that sustained our family physically, with the same people that sustained our family emotionally. It was a full circle experience that reminded me how fortunate I am to work with such thoughtful, kind people at a company that supports our desire to serve others.

I hope those two stories give you a better sense of who we are as a company and my belief that people and culture are so very strategic to our success.

Also relevant to our culture, for the fourth year in a row, Progressive has been recognized as a Gallup Exceptional Workplace Award winner! Even though we don't manage towards awards or recognition, this is further evidence that our efforts to promote the well-being of our employees, prioritize communication and listening strategies, and integrate engagement into every stage of our employee and manager lifecycle. We have a truly special culture that enables us to do our best work together.

Through the discipline of our organization, the diligence of our product management teams, and resiliency of all our Progressive people, we continue to thrive during uncertain times with a first quarter that I believe has positioned us well for the balance of 2024.

Stay well and be kind to others,

/s/ Tricia Griffith
Tricia Griffith
President and Chief Executive Officer