



Investor Relations

PROGRESSIVE

2024 Q4

Claims
effectiveness
and efficiency

Information Relevant to this Presentation

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Investors are cautioned that certain statements in this presentation and related comments by management during the earnings call 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;
- the highly competitive nature of property-casualty insurance markets;
- whether we adjust claims accurately;
- compliance with complex and changing laws and regulations;
- the impact of misconduct or fraudulent acts by employees, agents, and third parties to our business and/or exposure to regulatory assessments;
- our ability to attract, develop, and retain talent and maintain appropriate staffing levels;
- 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, our financial condition, 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, 2024.

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.

Information Relevant to this Presentation

Regulation FD Disclosure Outlets

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

Additional Information

Information in this presentation, and related comments by management during the earnings call, should be reviewed together. Additional information can also be found in Progressive's annual report on Form 10-K for the year ending December 31, 2024 filed with the Securities and Exchange Commission. All information, statements, and projections in this presentation and the related earnings call speak only as of the date of this presentation and related earnings call. Progressive assumes no obligation to update any forward-looking or other information included in this presentation or related earnings calls, whether as a result of new information, future developments or events or otherwise.



John Murphy

Claims President



Matt White

Business Leader
Claims Data & Analytics

Agenda

- 01 / **2024 recap**
- 02 / **Strategic construct**
- 03 / **Empowering our people**
- 04 / **Photo estimating**



John Murphy

Claims President



2024 recap



2024 was arguably the best year in our 87-year history

+21%

net premiums
written

+18%

policies in force
(PIF)

88.8

combined
ratio

\$74.4B

+5.3M

(6.1) pts

Strategic construct



Our four cornerstones

Core Values — *Who we are*

Integrity, Golden Rule, Objectives,
Excellence, Profit

Our four cornerstones

Core Values —*Who we are*

Integrity, Golden Rule, Objectives,
Excellence, Profit

Purpose —*Why we're here*

We exist to help people move
forward and live fully

Our four cornerstones

Core Values —*Who we are*

Integrity, Golden Rule, Objectives,
Excellence, Profit

Purpose —*Why we're here*

We exist to help people move
forward and live fully

Vision —*Where we're headed*

Become consumers', agents', and
business owners' No. 1 destination for
insurance and other financial needs

Our four cornerstones

Core Values —Who we are

Integrity, Golden Rule, Objectives, Excellence, Profit

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Vision —Where we're headed

Become consumers', agents', and business owners' No. 1 destination for insurance and other financial needs

Strategy —How we'll get there

People and culture	Broad needs	Leading brand	Competitive prices
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Strategic pillars

Strategy —How we'll get there

People and
culture

Broad
needs

Leading
brand

Competitive
prices



People and culture

Ensuring that our people and culture collectively remain our most powerful source of competitive advantage.



Broad needs

Meeting the broader needs of our customers throughout their lifetimes.



Leading brand

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



Competitive prices

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

Strategic pillars

Strategy —How we'll get there

People and culture

Broad needs

Leading brand

Competitive prices



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Competitive prices

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Our success starts with our people and the culture we’ve nurtured over decades

Strategy —How we’ll get there

People and culture | Broad needs | Leading brand | Competitive prices



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Leading brand

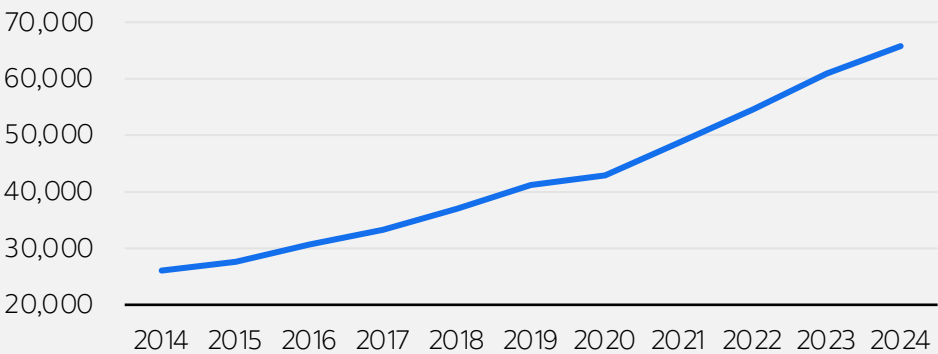
Maintaining a leading brand recognized for innovative offerings and supported by experiences that instill confidence.



Competitive prices

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

Progressive headcount since 2014



People advantages, scale, and culture are difficult to replicate



U.S. Gallup results

U.S. employee engagement sinks
to 10-year low

&



Progressive Gallup results

Progressive is in the 98th percentile for
engagement

2024 marks a significant year of achievement

- Engagement surpassed previous records
- Progressive also ranks in the 99th percentile for overall satisfaction

Employee Engagement & Culture Survey comments reflect our special environment

“

The people and our mutual goal of providing the best customer service and accurate outcomes. The work ethic is very high, and I appreciate working with people who genuinely care about the job and their co-workers.

“

I like that Progressive takes care of their employees as much as they take care of its customers. The company really promotes its Core Values on every level, and I have found that to be the main reason I could see myself retiring from the company.

“

I love that this job provides an opportunity to learn, grow, and develop every day. There is always something new.

Claims plays a key role in generating competitive rates

Strategy —How we'll get there

People and
culture

Broad
needs

Leading
brand

Competitive
prices



People and culture

Ensuring that our people and culture collectively remain our most powerful source of competitive advantage.



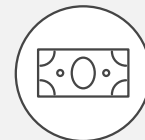
Broad needs

Meeting the broader needs of our customers throughout their lifetimes.



Leading brand

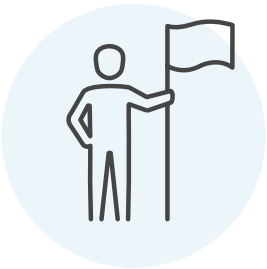
Maintaining a leading brand recognized for innovative offerings and supported by experiences that instill confidence.



Competitive prices

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

Claims guiding principles inform our daily efforts, investments, and priorities



Employee engagement

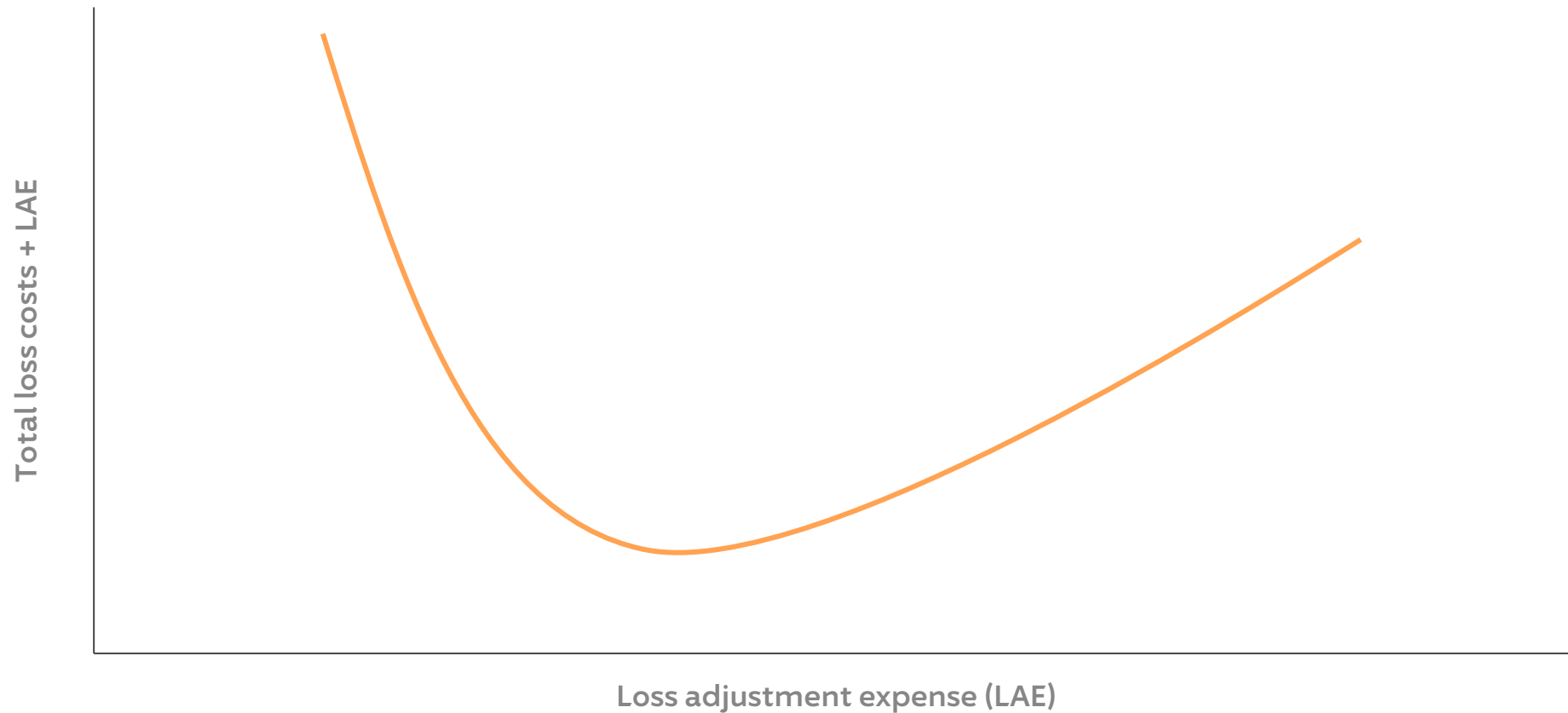


Accuracy and efficiency

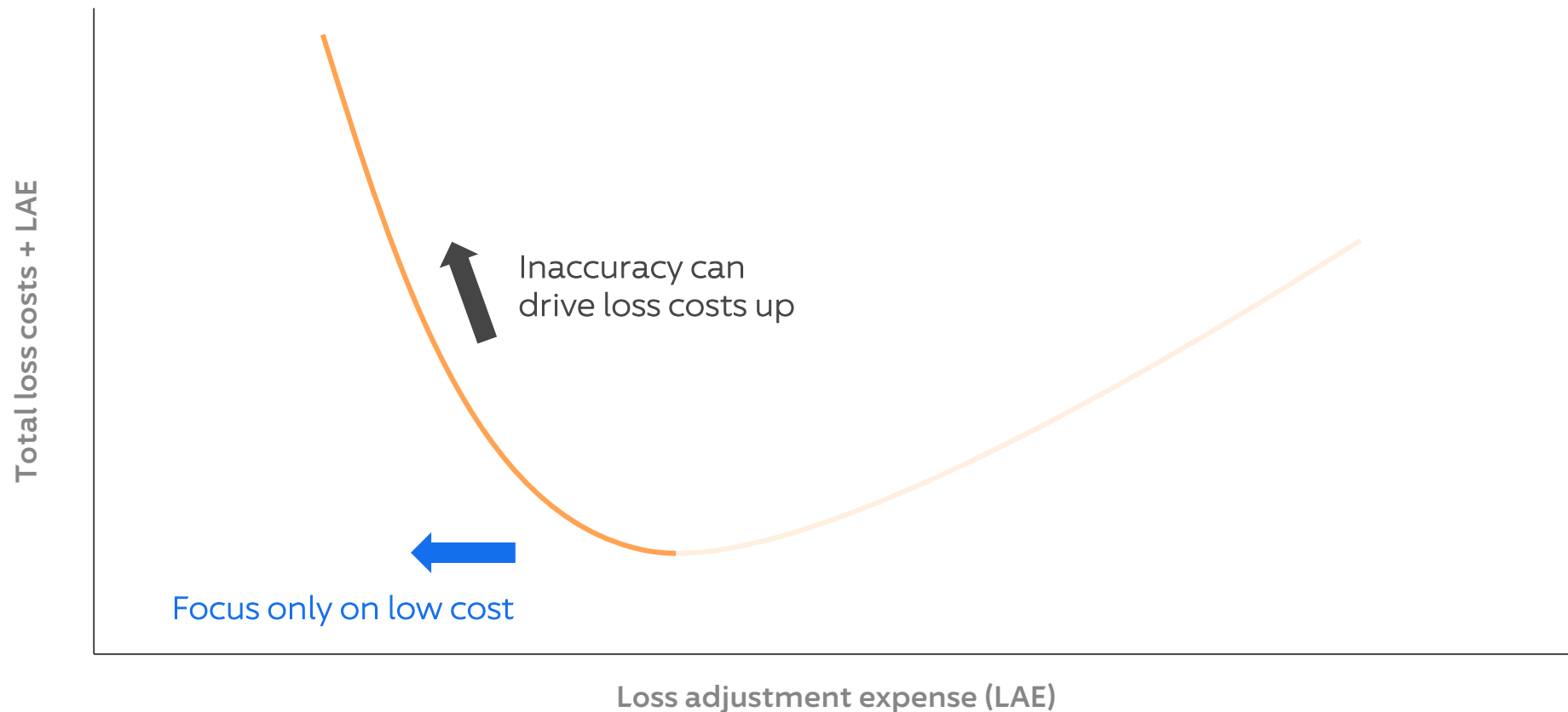


Customer experience

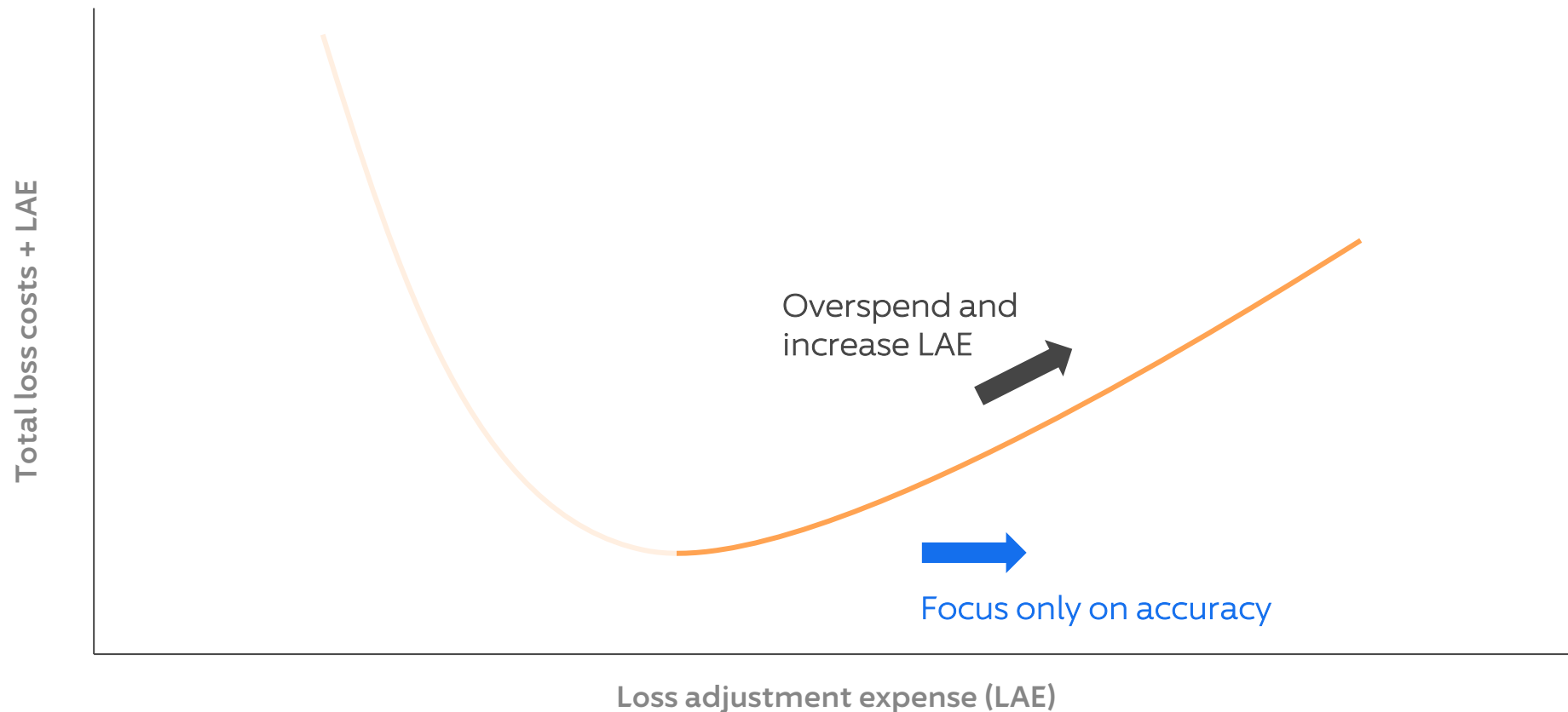
Seek a perfect balance along the accuracy/efficiency cost curve



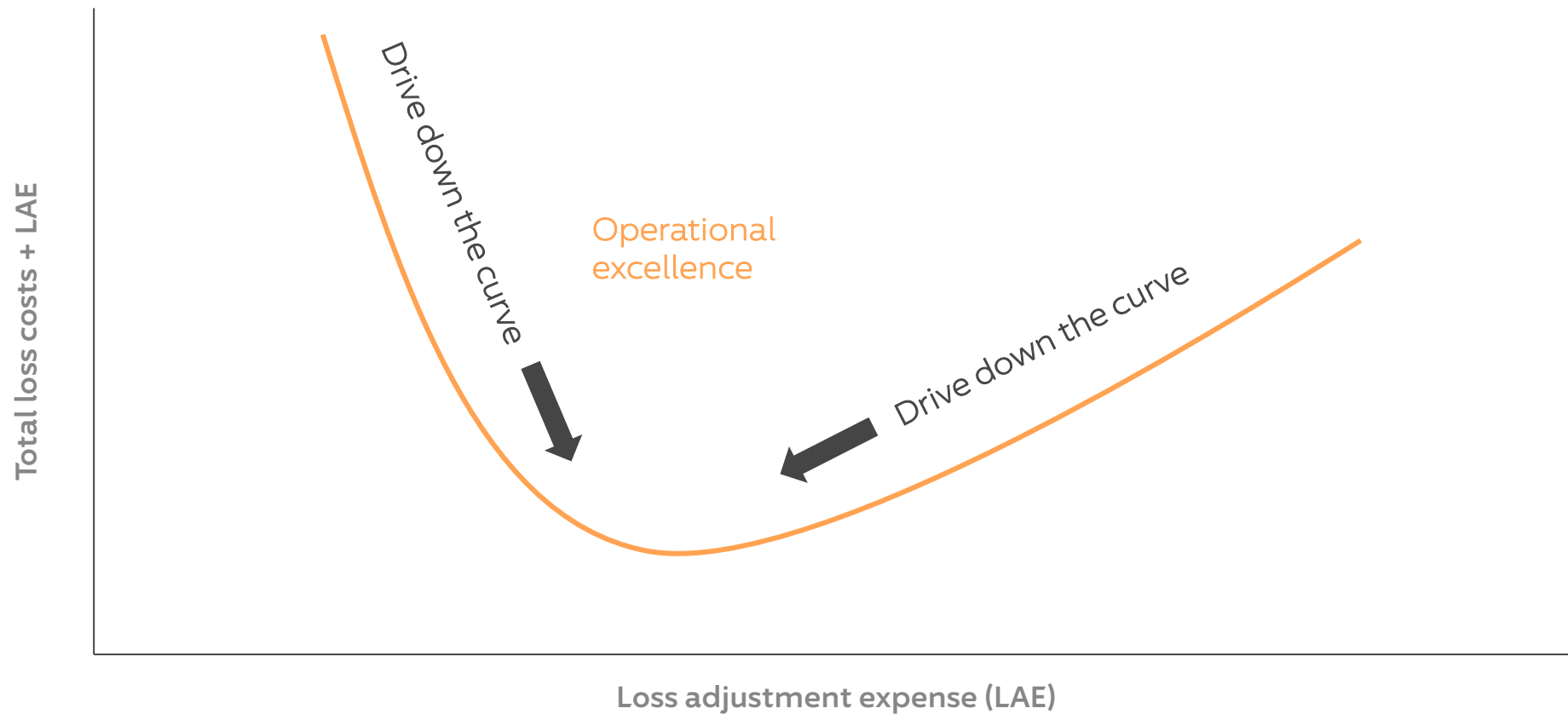
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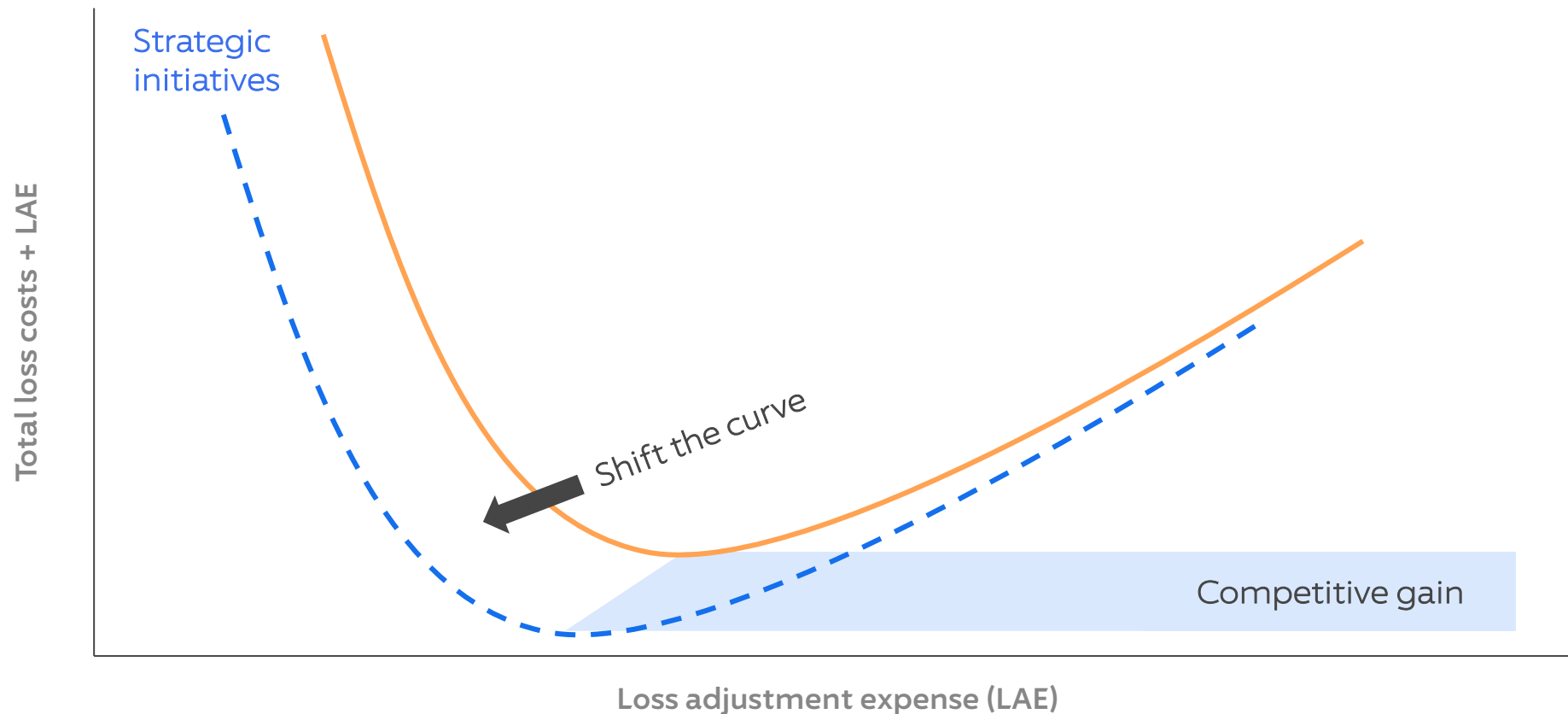
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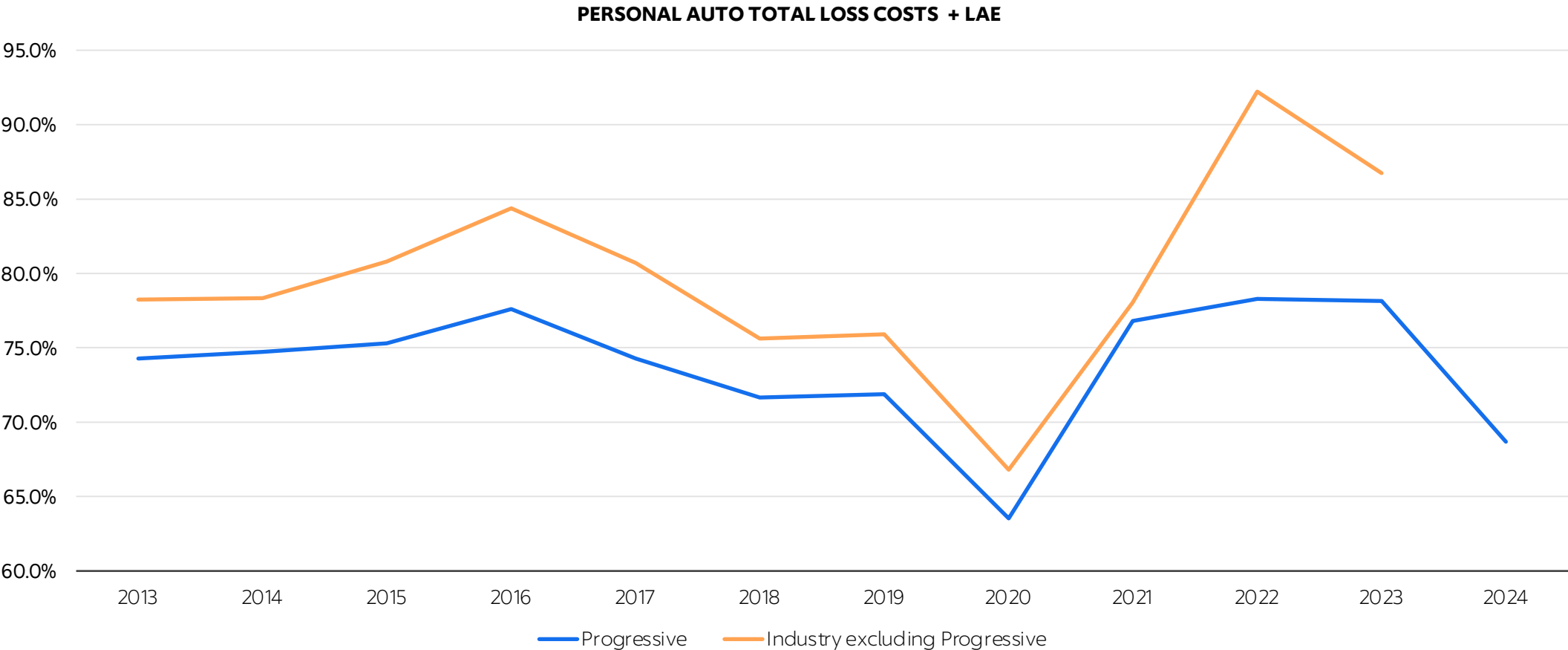
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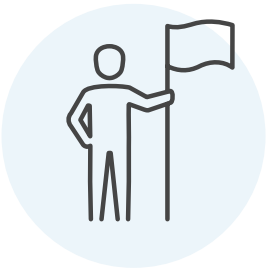


We like our position relative to the industry and seek to widen the gap



Source: S&P Market Intelligence

Improvements seen across all four claims guiding principles



Employee engagement



Accuracy and efficiency

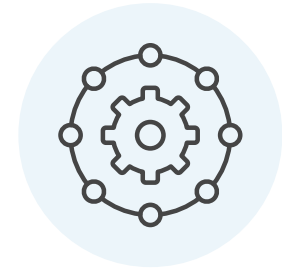


Customer experience



Matt White

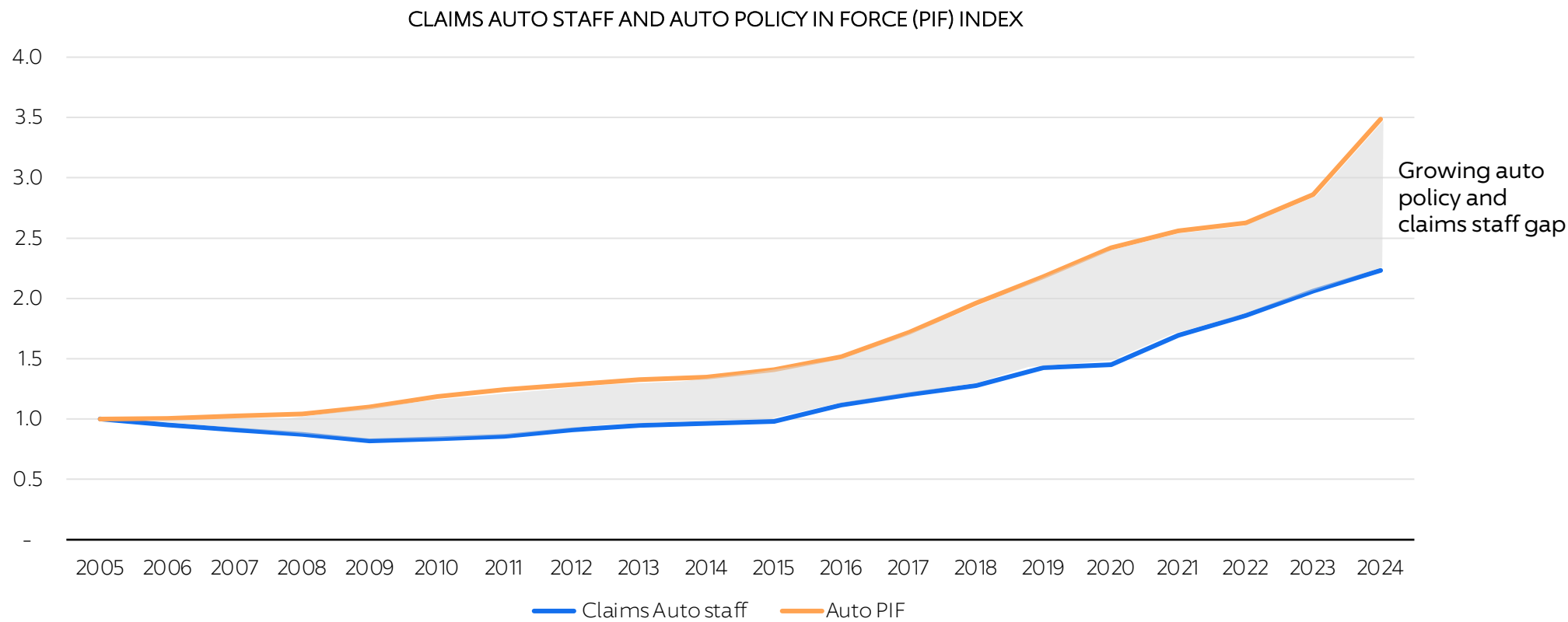
Business Leader
Claims Data & Analytics



Empowering
our people and
enabling our
customers with
technology

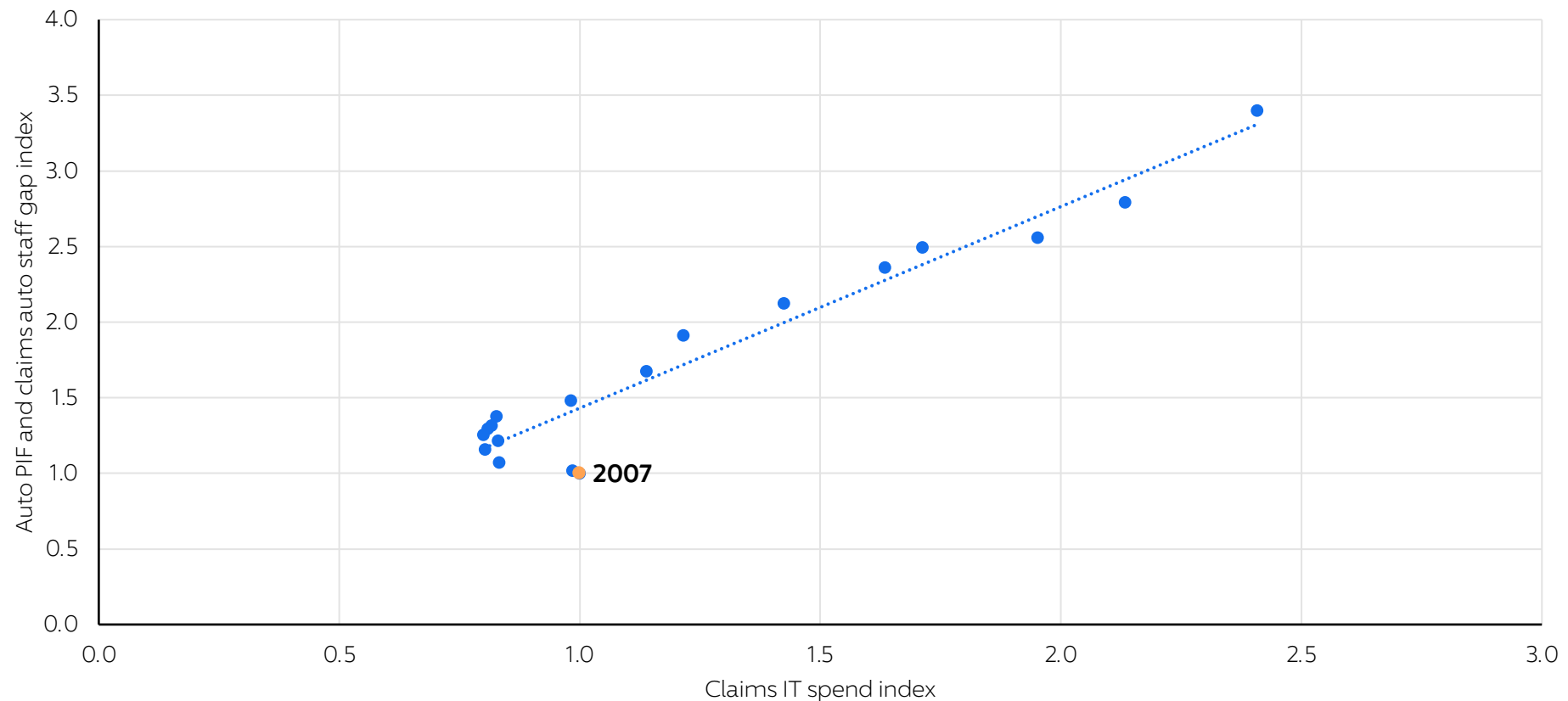


Operational efficiency: growing policies faster than claims staff

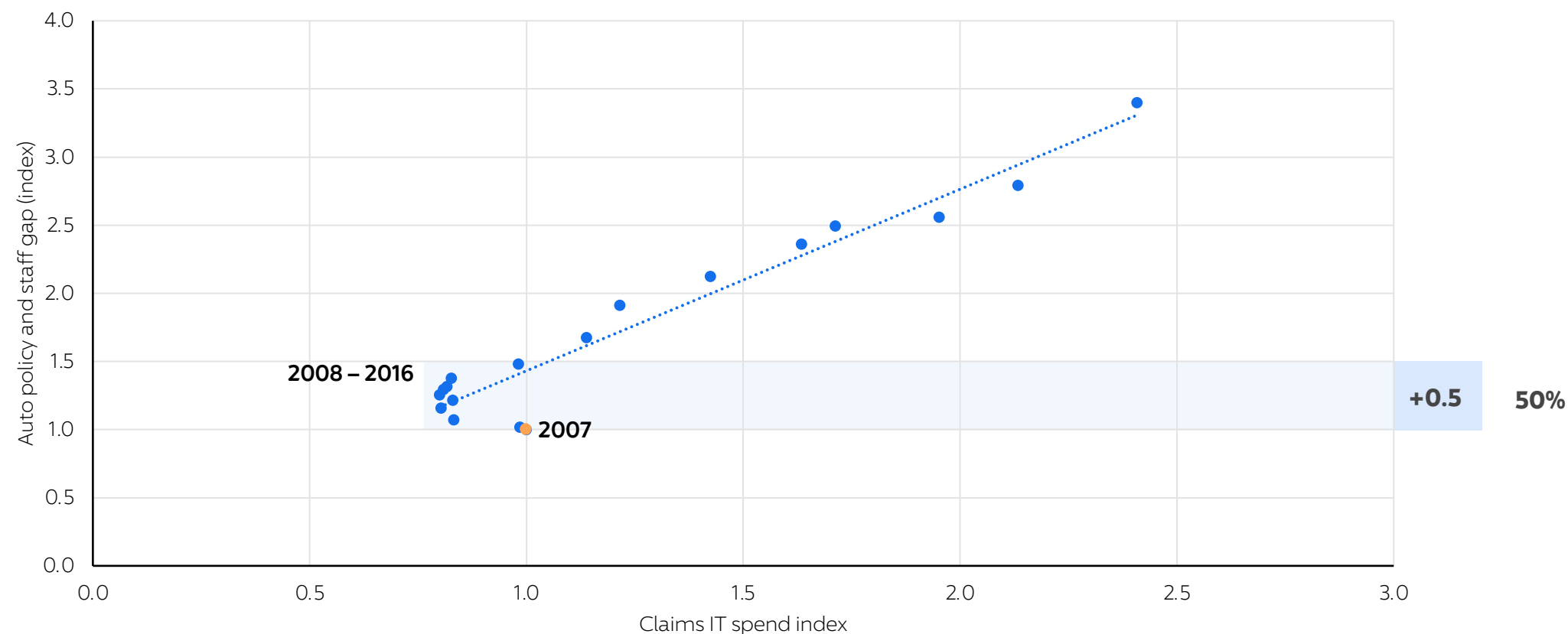


Source: Internal data

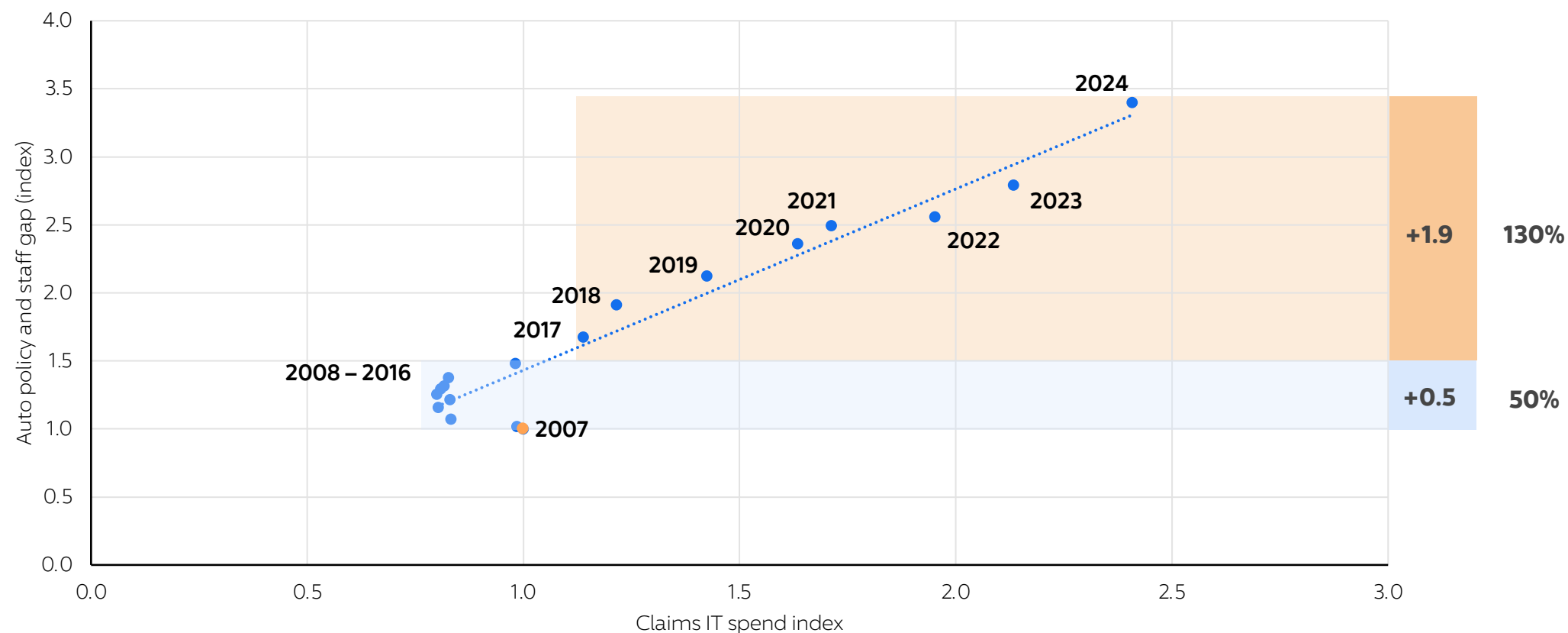
Efficient technology investments are key contributors to the widening gap between policies in force and staff need



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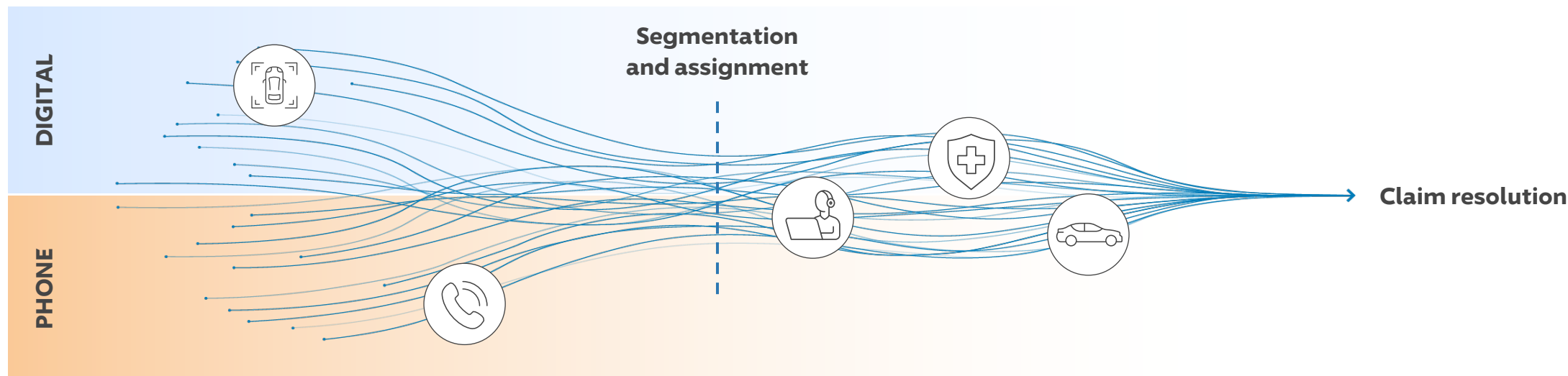


Source: Internal data

Translating our digital and segmentation DNA to Claims

FIRST NOTICE OF LOSS:

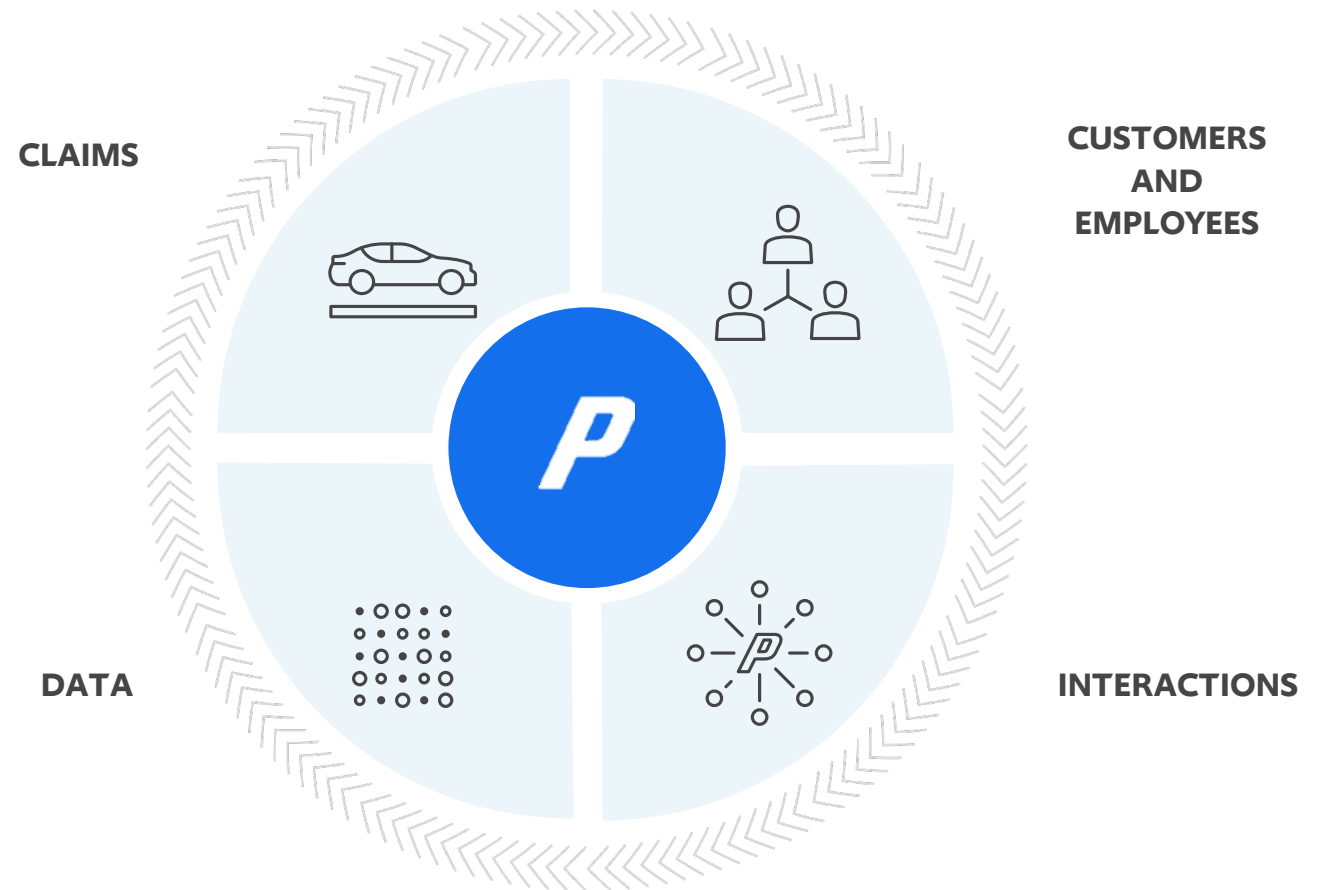
- Another *funnel* that allows us to segment
- Trade-offs between experience cost and segmentation value
- Get claims to the right claims adjuster at the right time
- Ahead of industry digital trends but upside remains



Digital experiences help accelerate virtuous cycles in Claims

DIGITAL EXPERIENCES

- For customers and employees
- Unlocks and accelerates virtuous cycle
- Enabling continued optimization

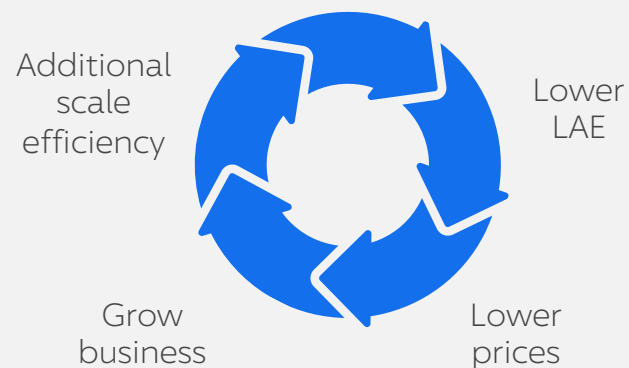


Digital experiences help accelerate virtuous cycles in Claims

DIGITAL EXPERIENCES

- For customers and employees
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Investment in technology and process improvements



CLAIMS

CUSTOMERS
AND
EMPLOYEES

DATA

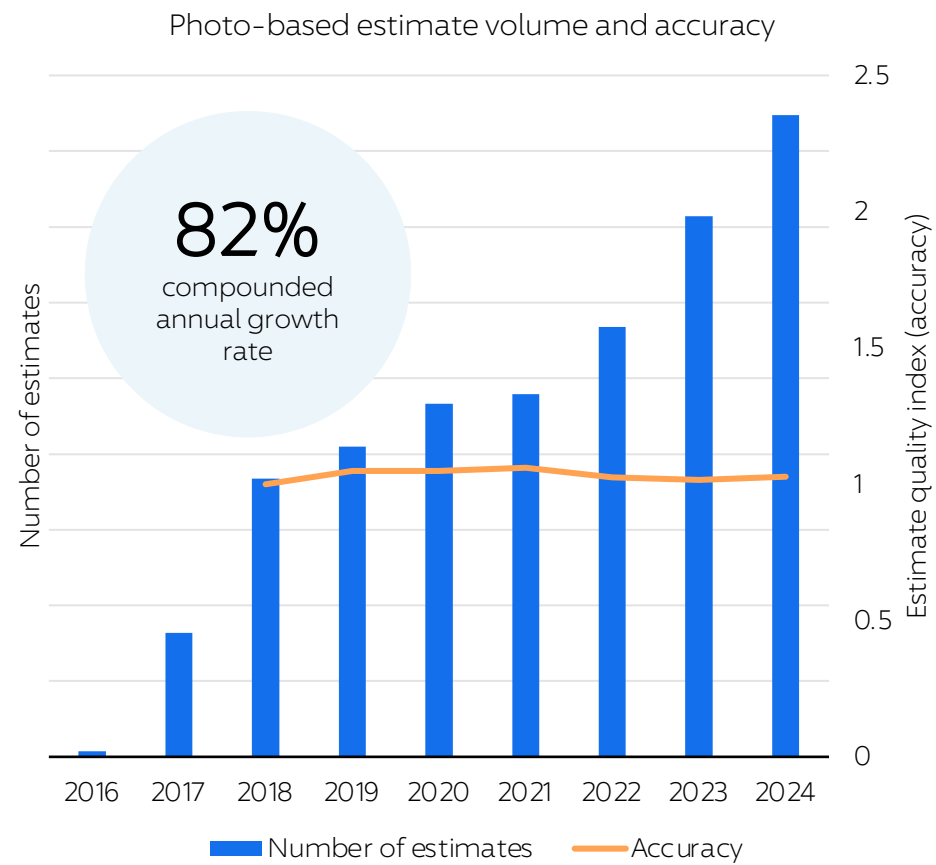
INTERACTIONS



Photo estimating
is an example of
shifting the curve
and then driving
down it

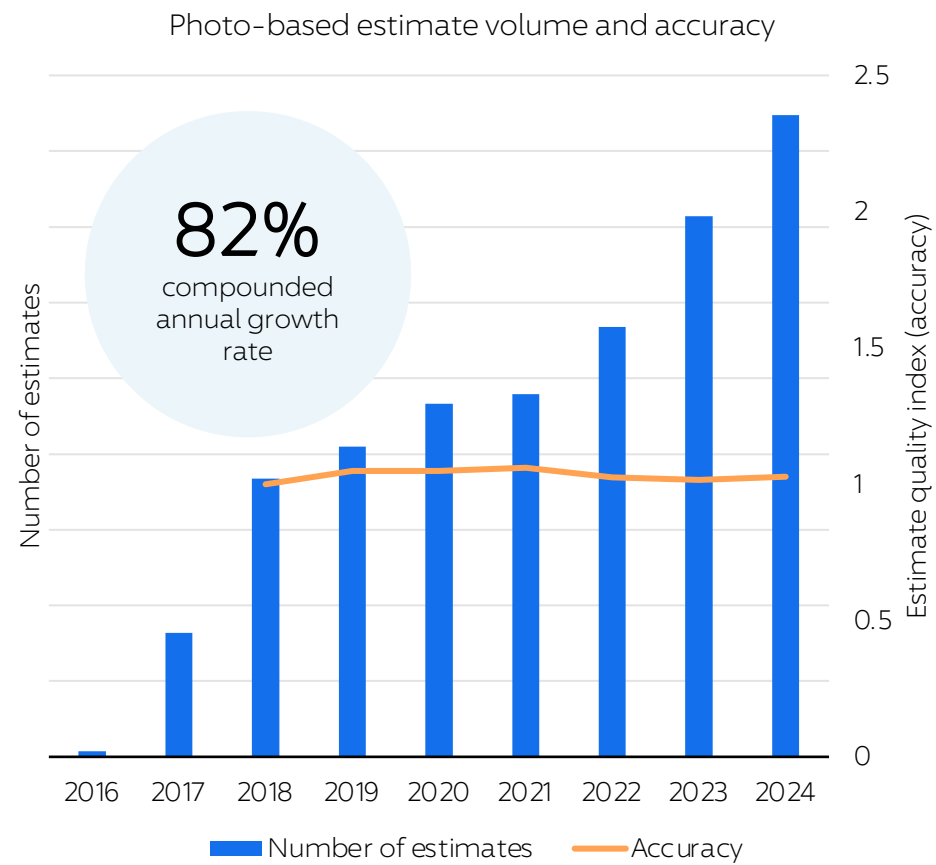


Photo estimating is an example of digital options for customers that can drive efficiency with sustained accuracy

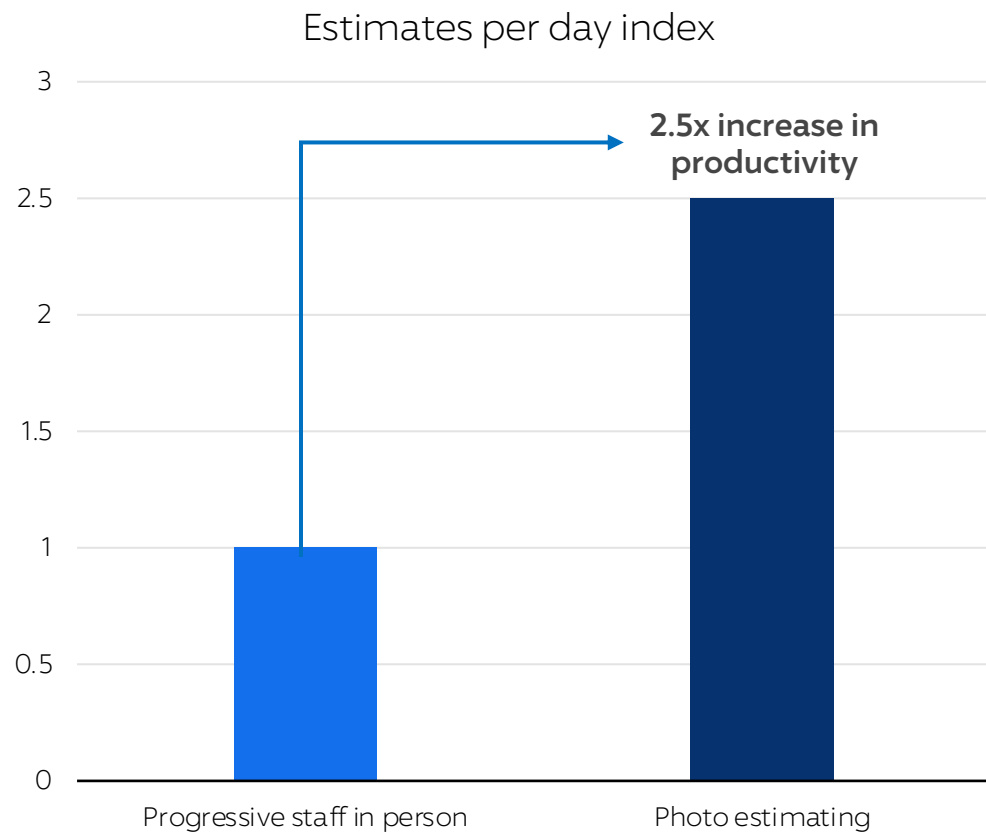


Source: Internal data

Photo estimating is an example of digital options for customers that can drive efficiency with sustained accuracy



Source: Internal data

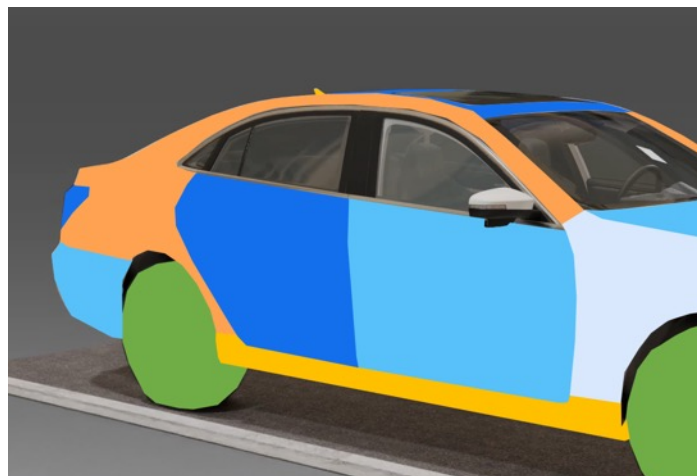


With data and processes refined, we optimize using technologies like machine vision

1) CUSTOMER UPLOADS VEHICLE PHOTOS



2) PART SEGMENTATION MASKS



3) DAMAGE LOCATION/TYPE BY PART

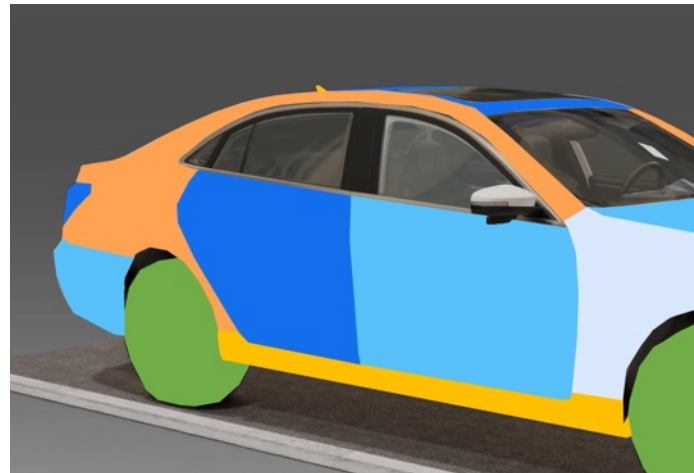


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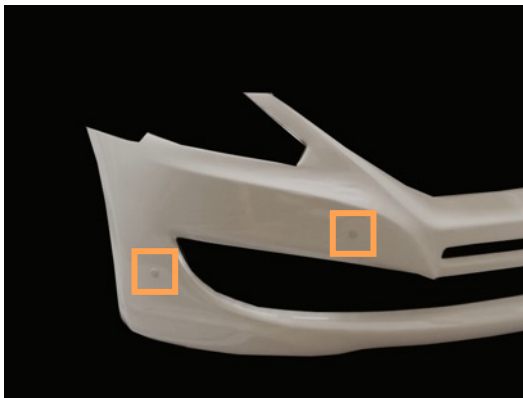
Great talent + technology



OUR PHYSICAL DAMAGE PROCESS TEAM

- 18 total team members (25-year average)
- 400+ years' experience combined

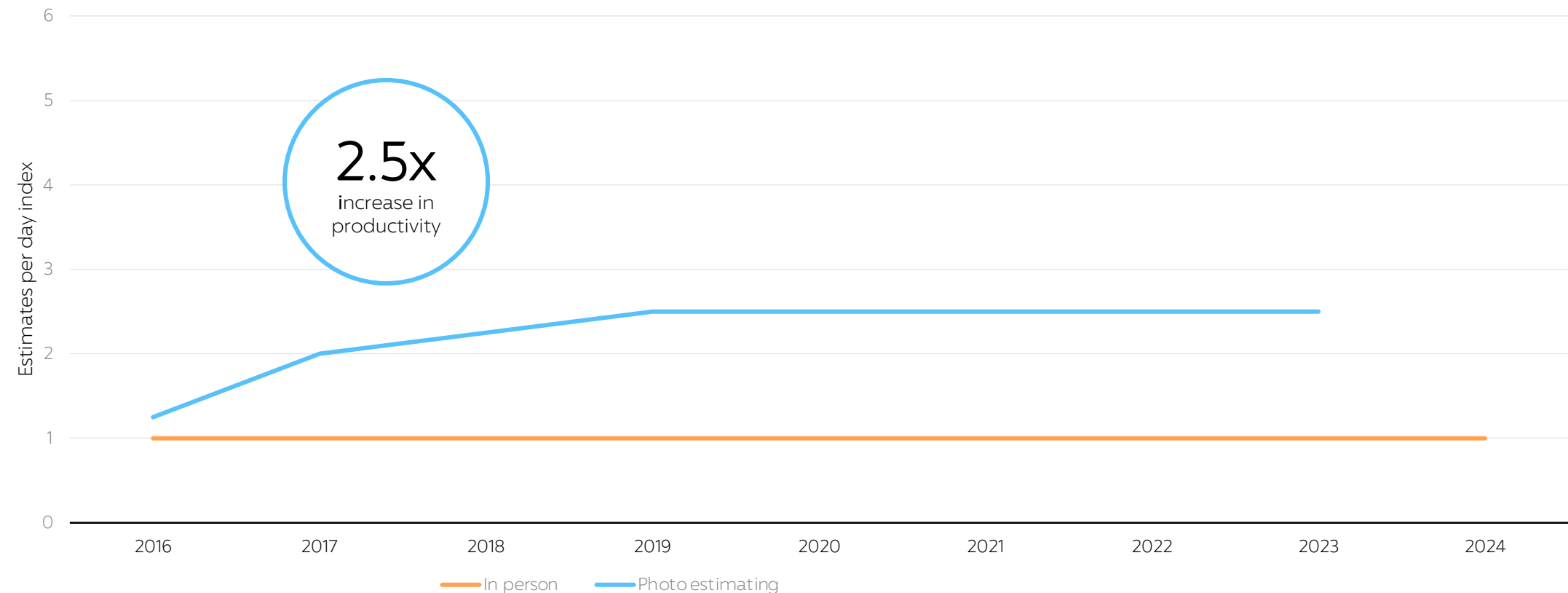
Getting it right and achieving the right cost curve balance requires knowing the details—and correct part mapping is nuanced



Illustrative example of estimate

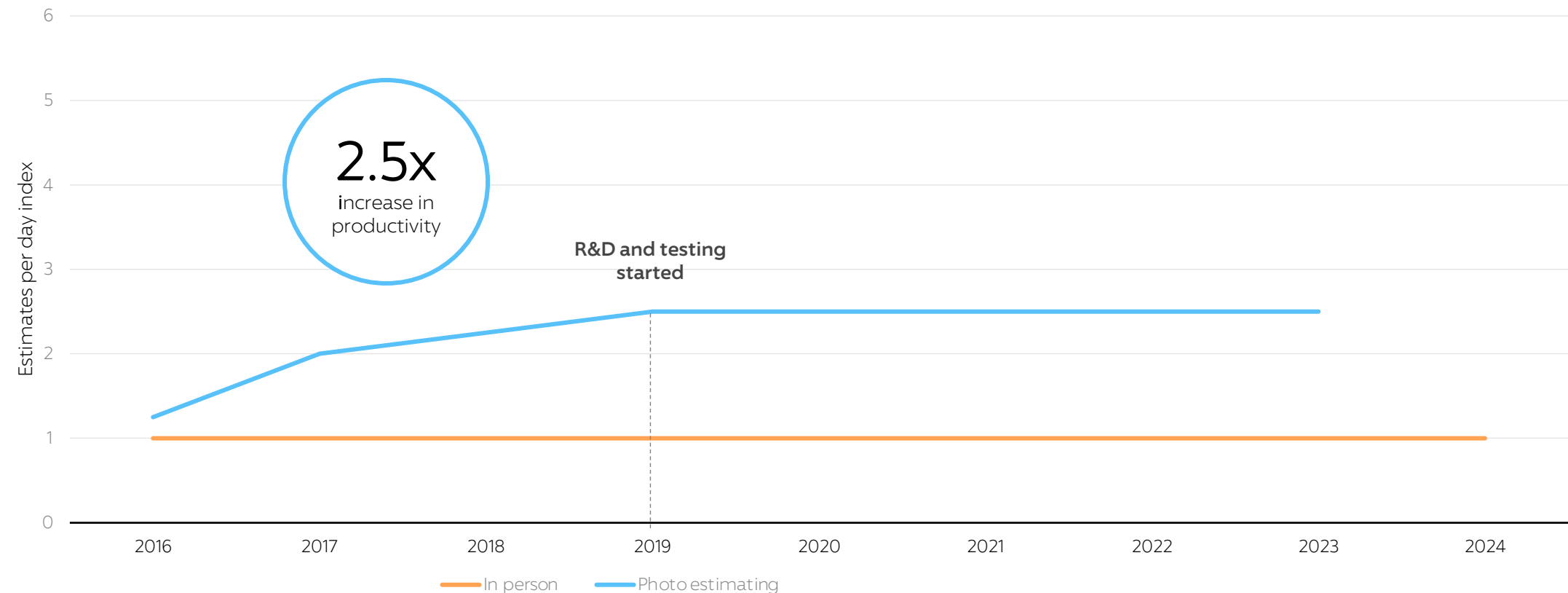
Labor						Part				
Line #		Description	Operation	Type	Total units	Type	Number	Quantity	Total price	Tax
Rear bumper										
35	AUTO	Front bumper cover assembly	Overhaul	Body	3.3#	Existing				
36	100599	Front bumper cover	Remove/replace	Body	INC#	New	5VX04LXH AA	1	\$484	Yes
37	AUTO	Front add w/ blind spot sensors	Remove/replace	Body	0.6					

Machine vision and task automation have doubled the productivity of our people and we have not yet hit the ceiling



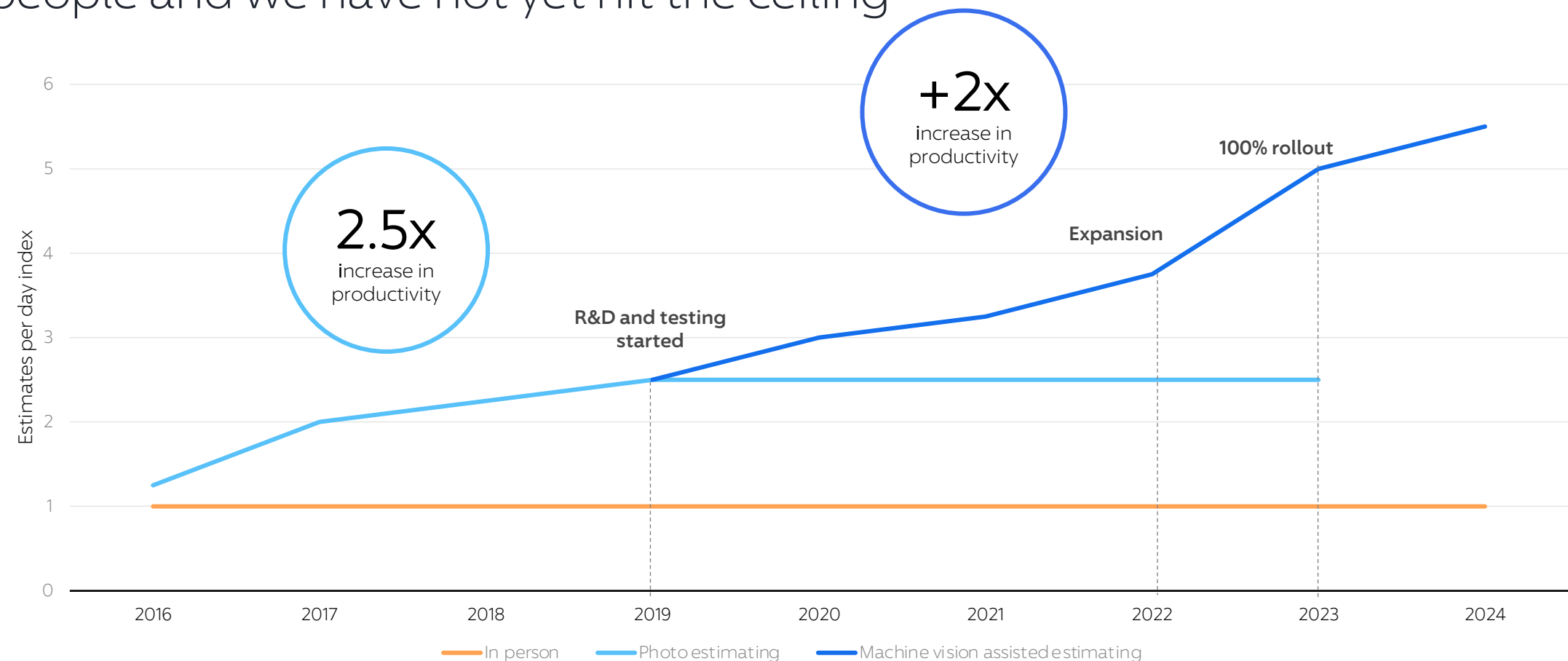
Source: Internal data

Machine vision and task automation have doubled the productivity of our people and we have not yet hit the ceiling



Source: Internal data

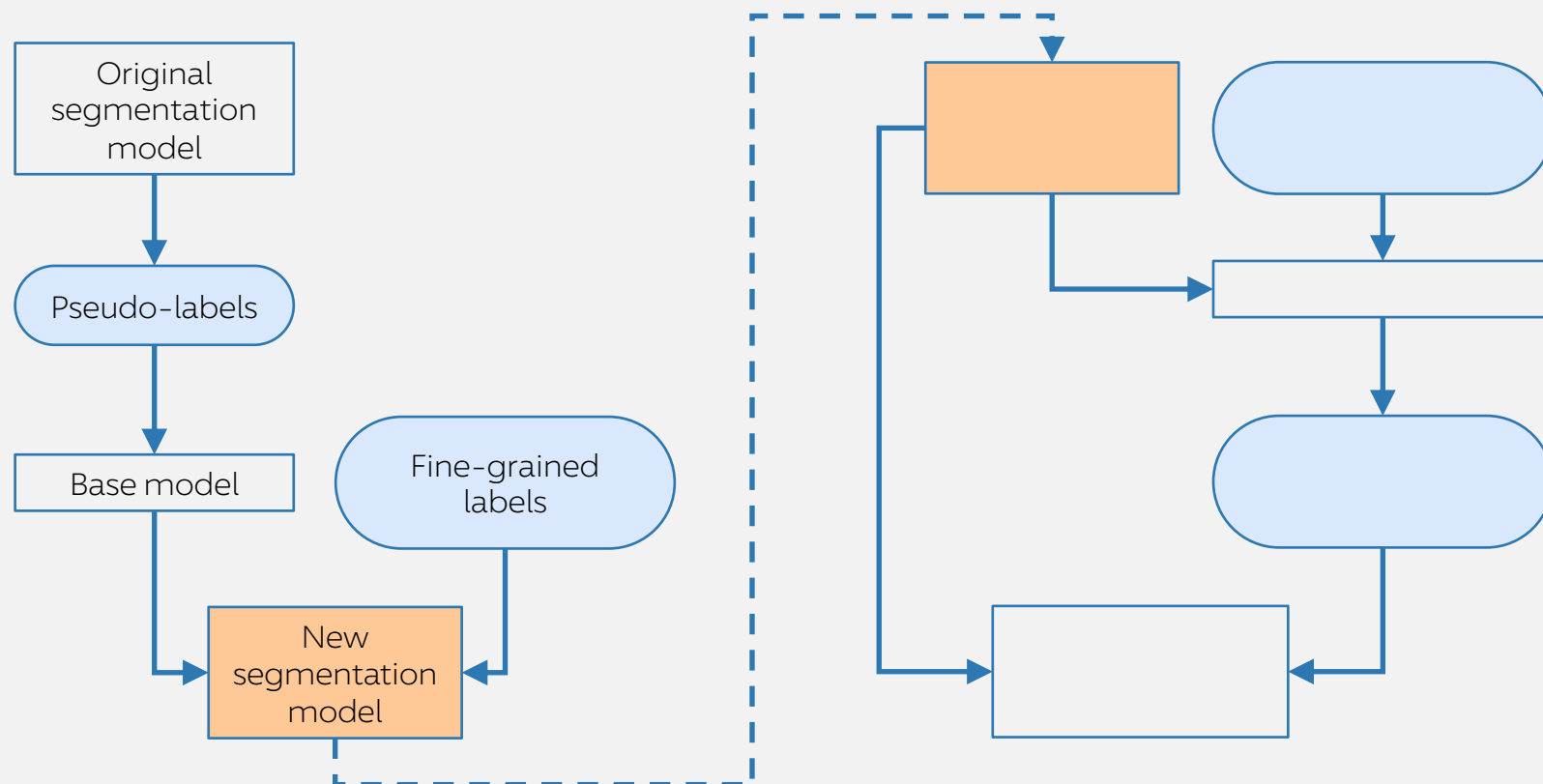
Machine vision and task automation have doubled the productivity of our people and we have not yet hit the ceiling



Source: Internal data

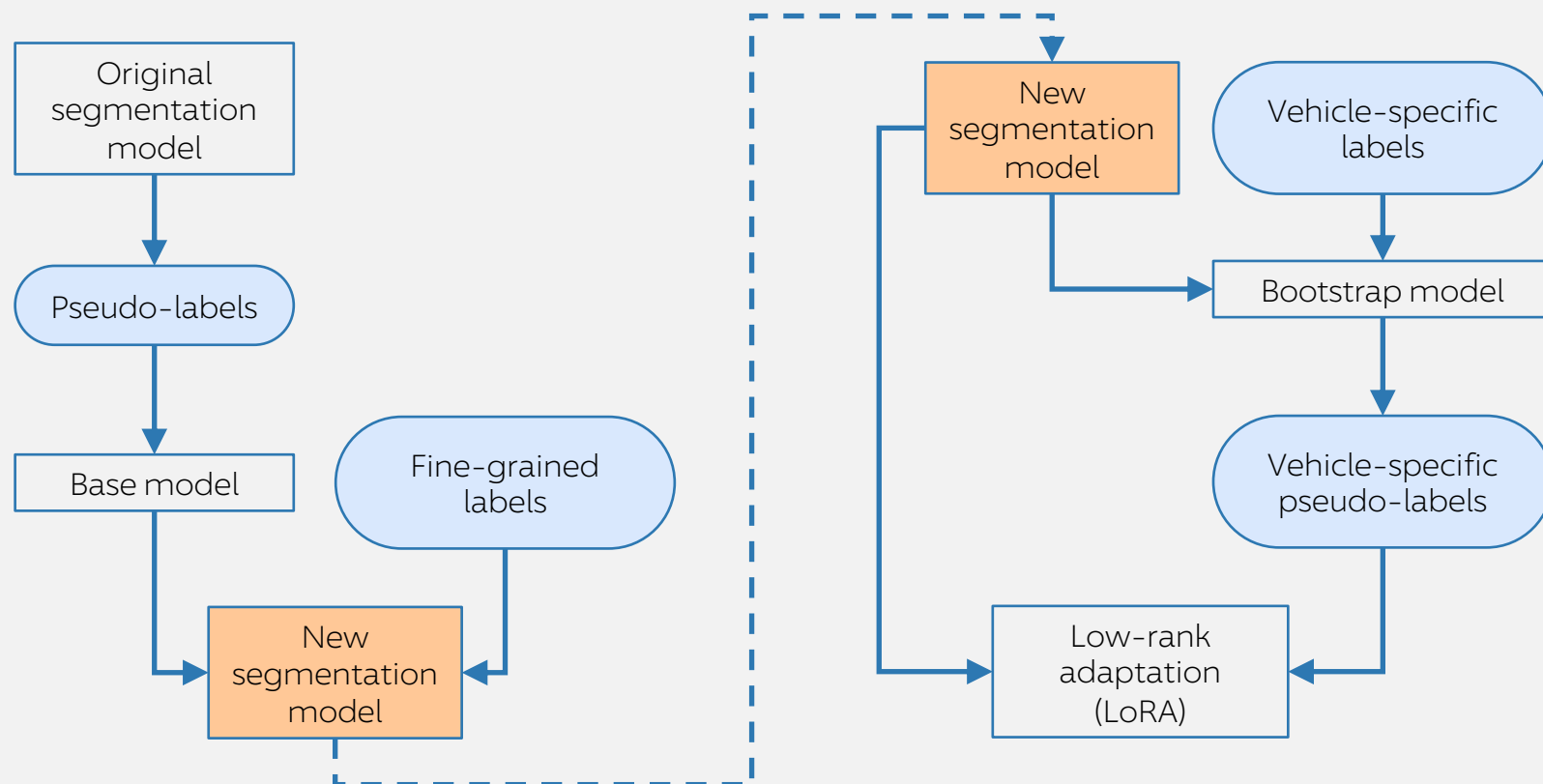
Data scale also provides unique advantages with how we improve

PSEUDO-LABELLING MAXIMIZES OUR DATA SCALE



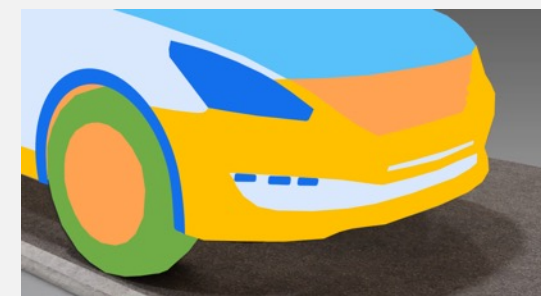
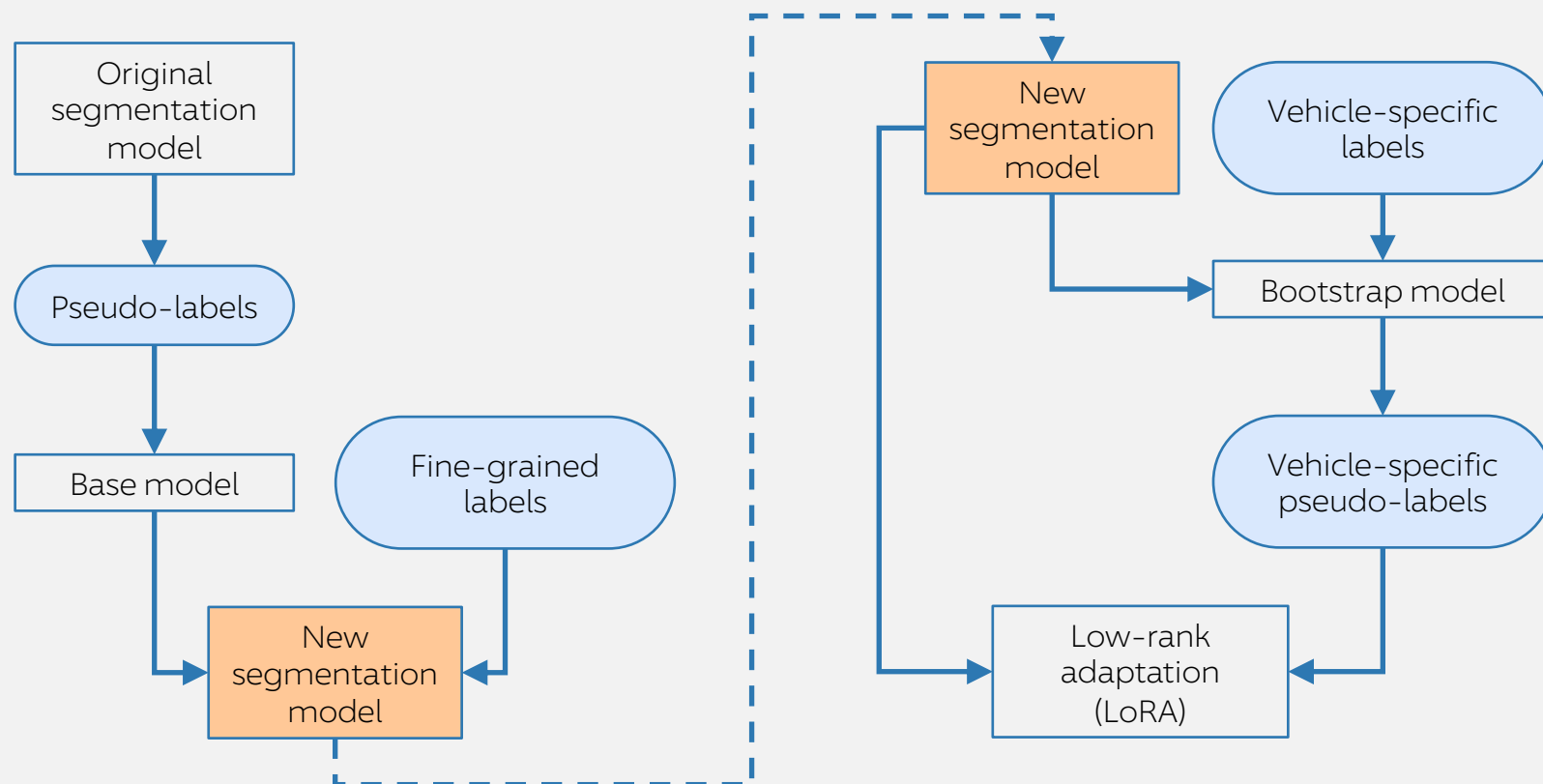
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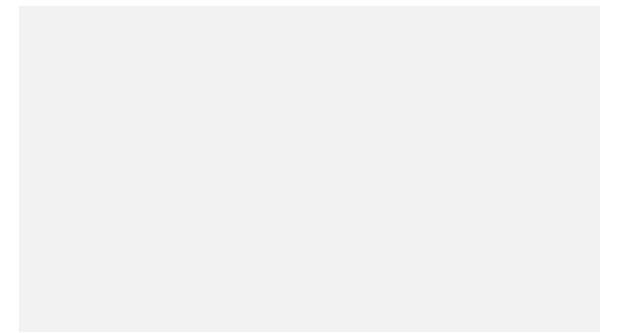
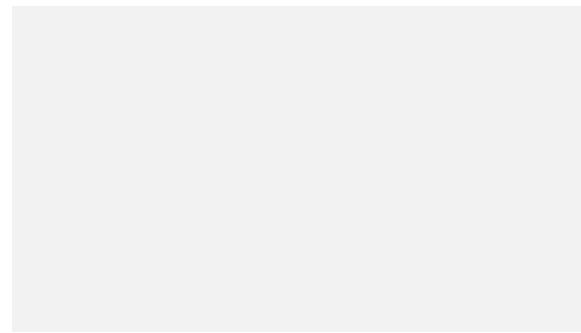
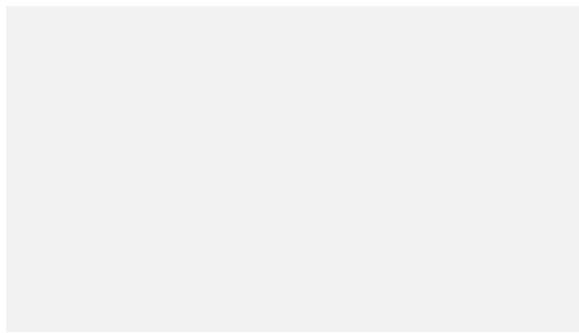
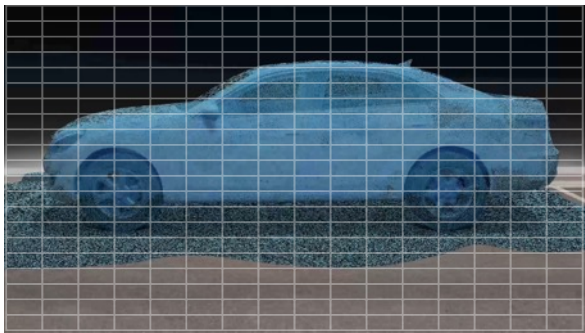
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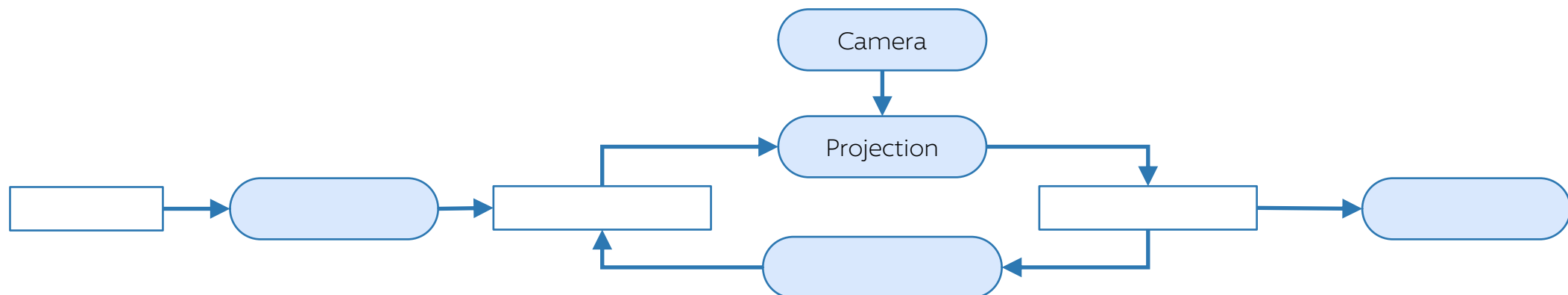


Continue to invest so that we can achieve even greater accuracy and efficiency and deliver more value for our customers

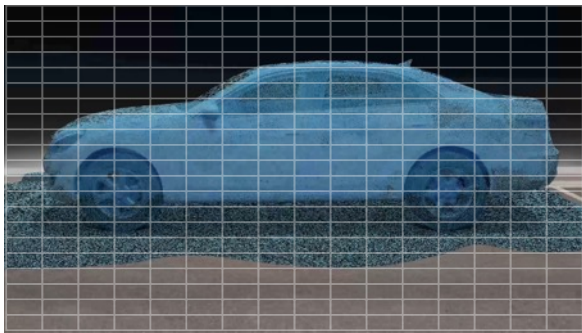


1. CAMERA POSE

Create image coordinate grid



Continue to invest so that we can achieve even greater accuracy and efficiency and deliver more value for our customers



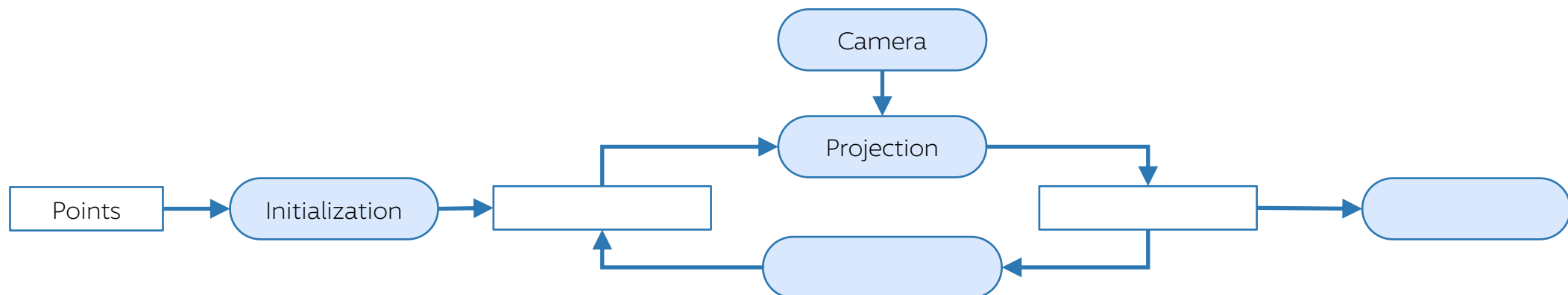
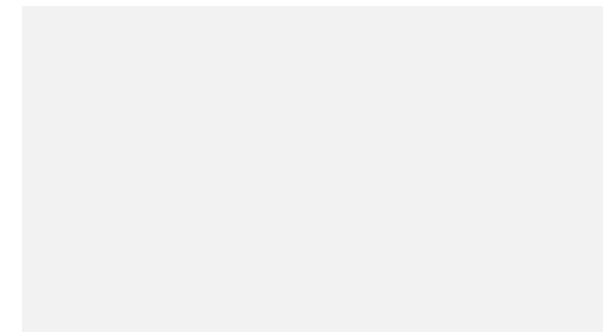
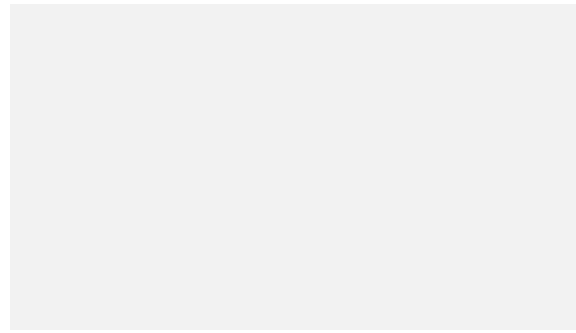
1. CAMERA POSE

Create image coordinate grid

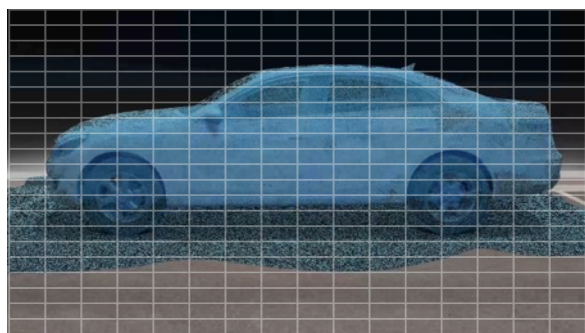


2. STRUCTURE FROM MOTION

Point cloud created



Continue to invest so that we can achieve even greater accuracy and efficiency and deliver more value for our customers



1. CAMERA POSE

Create image coordinate grid



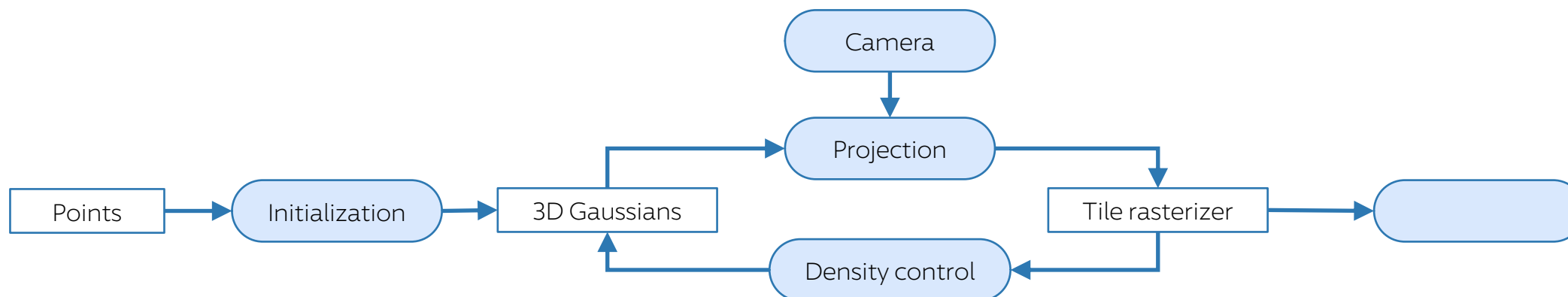
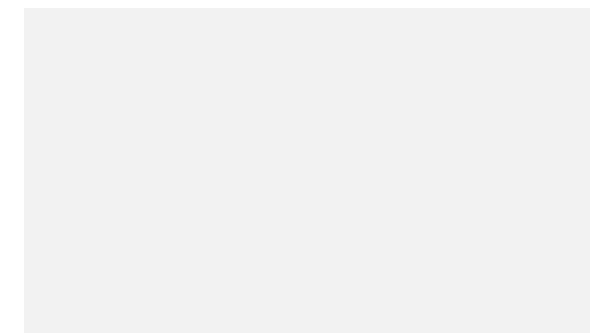
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Point cloud created

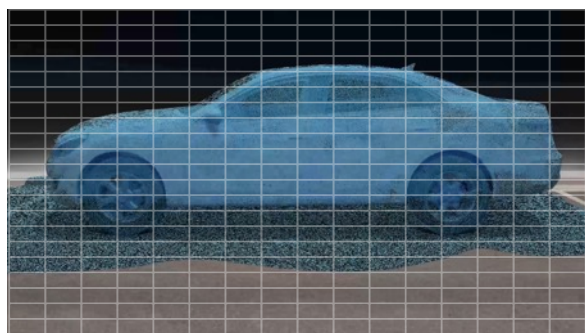


3. GAUSSIAN SPLATTING

Density optimization



Continue to invest so that we can achieve even greater accuracy and efficiency and deliver more value for our customers



1. CAMERA POSE

Create image coordinate grid



2. STRUCTURE FROM MOTION

Point cloud created



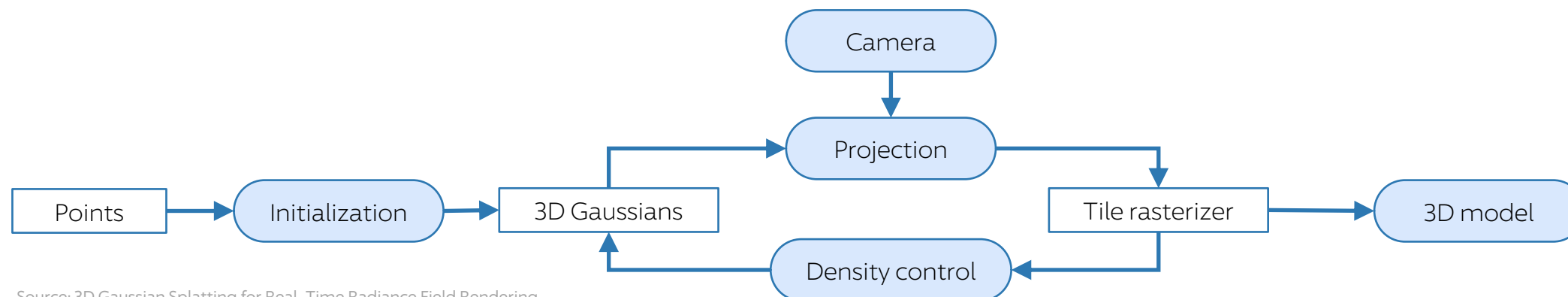
3. GAUSSIAN SPLATTING

Density optimization



4. INTERACTIVE 3D MODEL

Vehicle reconstructed



When we build or buy technologies—we do so with extensibility and agility in mind

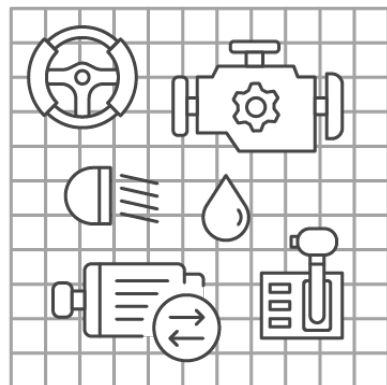
Rather than this

Monolithic, tightly integrated solutions expensive to change



We like this

Loosely coupled pieces, easily changed



So we can build these

Enhance existing or extend to new value streams



When we build or buy technologies—we do so with extensibility and agility in mind

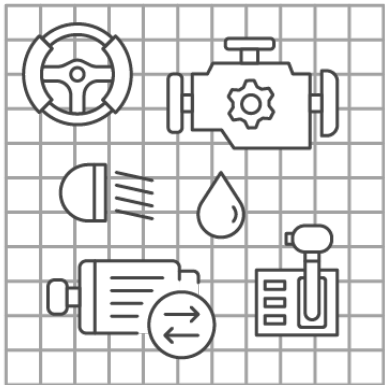
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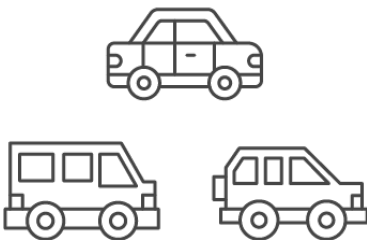
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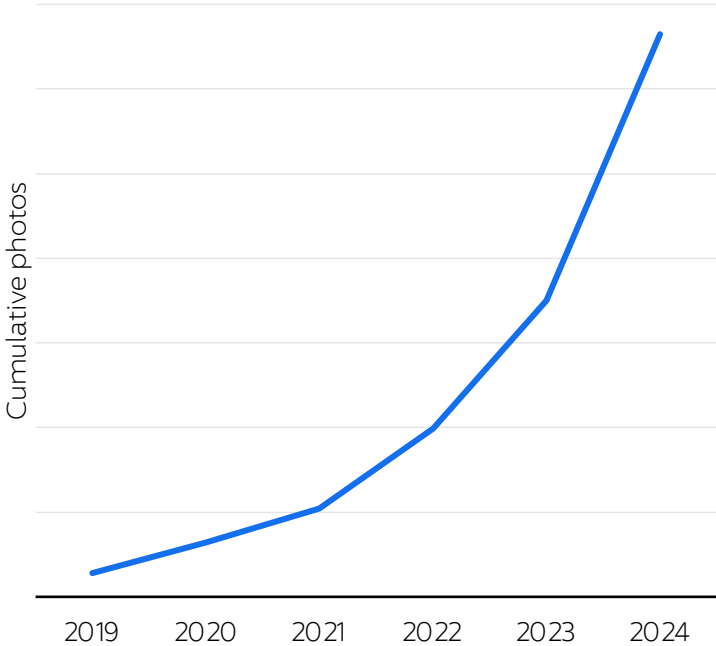


So we can build these

Enhance existing or extend to new value streams



Photos at first notice of loss



Conclusion



Conclusion: Investments to empower our people via technology enable us to find the balance in the loss/LAE curve while also shifting it



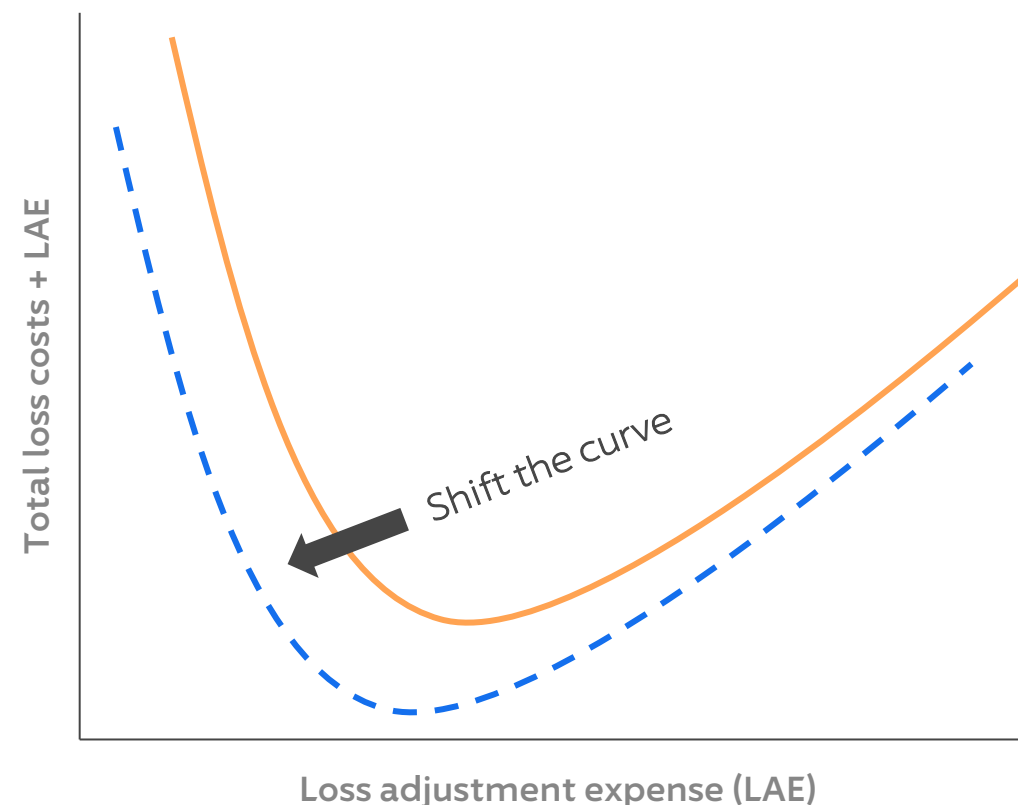
Claims enablement of competitive prices



Balance accuracy and efficiency to optimize cost and experience



People and technology continue to enable us to shift the curve



Thank you

INVESTOR RELATIONS Q4

PROGRESSIVE