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 June 30, 2026

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.)
300 North Commons Blvd., 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: 581,371,770 outstanding at July 2, 2026

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

The Progressive Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

(unaudited)

Periods Ended June 30,	Three Months 2026	Three Months 2025	Six Months 2026	Six Months 2025
(millions — except per share amounts)				
Revenues				
Net premiums earned	$ 21,573	$ 20,310	$ 42,541	$ 39,719
Investment income	979	871	1,896	1,685
Net realized gains (losses) on securities:				
Net realized gains (losses) on security sales	16	19	112	20
Net holding period gains (losses) on securities	588	368	372	155
Total net realized gains (losses) on securities	604	387	484	175
Fees and other revenues	305	303	602	590
Service revenues	148	133	274	244
Total revenues	23,609	22,004	45,797	42,413
Expenses				
Losses and loss adjustment expenses	14,572	13,605	28,399	26,409
Policy acquisition costs	1,567	1,511	3,105	2,967
Other underwriting expenses	3,009	2,689	6,057	5,408
Investment expenses	10	9	18	16
Service expenses	154	139	285	256
Interest expense	88	69	158	139
Total expenses	19,400	18,022	38,022	35,195
Net Income				
Income before income taxes	4,209	3,982	7,775	7,218
Provision for income taxes	898	807	1,646	1,476
Net income	3,311	3,175	6,129	5,742
Other Comprehensive Income (Loss)				
Changes in:				
Total net unrealized gains (losses) on fixed-maturity securities	(375)	428	(949)	1,327
Net unrealized losses on forecasted transactions	0	1	0	1
Foreign currency translation adjustment	(1)	0	(1)	0
Other comprehensive income (loss)	(376)	429	(950)	1,328
Comprehensive income (loss)	$ 2,935	$ 3,604	$ 5,179	$ 7,070
Computation of Earnings Per Common Share				
Average common shares outstanding - Basic	583.0	586.2	584.3	586.1
Net effect of dilutive stock-based compensation	1.2	1.6	1.3	1.6
Total average equivalent common shares - Diluted	584.2	587.8	585.6	587.7
Basic: Earnings per common share	$ 5.68	$ 5.42	$ 10.49	$ 9.80
Diluted: Earnings per common share	$ 5.67	$ 5.40	$ 10.47	$ 9.77

See notes to consolidated financial statements.

The Progressive Corporation and Subsidiaries

Consolidated Balance Sheets

(unaudited)

(millions)	June 30, 2026	June 30, 2025	December 31, 2025
Assets			
Available-for-sale securities, at fair value:			
Fixed maturities (amortized cost: $91,485, $82,372, and $82,704)	$ 90,435	$ 82,272	$ 82,866
Short-term investments (amortized cost: $1,978, $2,103, and $10,005)	1,978	2,103	10,005
Total available-for-sale securities	92,413	84,375	92,871
Equity securities, at fair value:			
Nonredeemable preferred stocks (cost: $292, $517, and $419)	276	500	404
Common equities (cost: $870, $775, and $819)	4,532	3,735	4,098
Total equity securities	4,808	4,235	4,502
Total investments	97,221	88,610	97,373
Cash and cash equivalents	178	125	125
Restricted cash and cash equivalents	15	10	13
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	193	135	138
Accrued investment income	728	636	670
Premiums receivable, net of allowance for credit losses of $544, $501, and $552	17,106	16,406	15,362
Reinsurance recoverables	3,919	4,197	4,083
Prepaid reinsurance premiums	202	263	197
Deferred acquisition costs	2,211	2,110	2,044
Property and equipment, net of accumulated depreciation of $1,381, $1,369, and $1,460	922	820	783
Net federal deferred income taxes	681	633	748
Other assets	1,742	1,670	1,641
Total assets	$ 124,925	$ 115,480	$ 123,039
Liabilities and Shareholders' Equity			
Unearned premiums	$ 27,401	$ 26,335	$ 25,219
Loss and loss adjustment expense reserves	45,567	41,154	43,310
Dividends payable on common shares	58	58	7,972
Accounts payable, accrued expenses, and other liabilities	9,179	8,434	9,318
Debt[1]	8,387	6,895	6,897
Total liabilities	90,592	82,876	92,716
Common shares, $1.00 par value (authorized 900; issued 798, including treasury shares of 217, 212, and 212)	581	586	586
Paid-in capital	2,338	2,192	2,307
Retained earnings	32,261	29,921	27,327
Accumulated other comprehensive income (loss):			
Net unrealized gains (losses) on fixed-maturity securities	(832)	(81)	117
Net unrealized losses on forecasted transactions	(13)	(13)	(13)
Foreign currency translation adjustment	(2)	(1)	(1)
Total accumulated other comprehensive income (loss)	(847)	(95)	103
Total shareholders' equity	34,333	32,604	30,323
Total liabilities and shareholders' equity	$ 124,925	$ 115,480	$ 123,039

[1] Consists of both short-term and 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)

Periods Ended June 30,	Three Months 2026	Three Months 2025	Six Months 2026	Six Months 2025
(millions — except per share amounts)				
Common Shares, $1.00 Par Value				
Balance, beginning of period	$ 584	$ 586	$ 586	$ 586
Treasury shares purchased	(3)	0	(5)	0
Balance, end of period	581	586	581	586
Paid-In Capital				
Balance, beginning of period	2,314	2,160	2,307	2,145
Amortization of equity-based compensation	36	32	52	48
Treasury shares purchased	(12)	0	(21)	(1)
Balance, end of period	2,338	2,192	2,338	2,192
Retained Earnings				
Balance, beginning of period	29,612	26,732	27,327	24,283
Net income	3,311	3,175	6,129	5,742
Treasury shares purchased	(599)	(13)	(1,066)	(66)
Cash dividends declared on common shares ($0.10, $0.10, $0.20, and $0.20 per share)	(58)	(58)	(116)	(117)
Other, net	(5)	85	(13)	79
Balance, end of period	32,261	29,921	32,261	29,921
Accumulated Other Comprehensive Income (Loss)				
Balance, beginning of period	(471)	(524)	103	(1,423)
Other comprehensive income (loss)	(376)	429	(950)	1,328
Balance, end of period	(847)	(95)	(847)	(95)
Total shareholders' equity	$ 34,333	$ 32,604	$ 34,333	$ 32,604

There are 20 million Serial Preferred Shares authorized. There are 5 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)

Six Months Ended June 30,	**2026**	**2025**
(millions)		
Cash Flows From Operating Activities		
Net income	$ 6,129	$ 5,742
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	157	149
Net amortization (accretion) of fixed-income securities	(79)	(55)
Amortization of equity-based compensation	52	48
Net realized (gains) losses on securities	(484)	(175)
Net (gains) losses on disposition of property and equipment	2	1
Changes in:		
Premiums receivable	(1,744)	(2,037)
Reinsurance recoverables	164	568
Prepaid reinsurance premiums	(5)	86
Deferred acquisition costs	(167)	(149)
Income taxes	241	(173)
Unearned premiums	2,182	2,477
Loss and loss adjustment expense reserves	2,257	2,097
Accounts payable, accrued expenses, and other liabilities	(572)	550
Other, net	(159)	54
Net cash provided by operating activities	7,974	9,183
Cash Flows From Investing Activities		
Purchases:		
Fixed maturities	(32,153)	(26,354)
Equity securities	(178)	(87)
Sales:		
Fixed maturities	18,454	17,086
Equity securities	115	151
Maturities, paydowns, calls, and other:		
Fixed maturities	5,032	4,006
Equity securities	164	177
Net (purchases) sales of short-term investments	8,080	(1,429)
Net change in unsettled security transactions	368	178
Purchases of property and equipment	(201)	(161)
Sales of property and equipment	35	52
Net cash used in investing activities	(284)	(6,381)
Cash Flows From Financing Activities		
Dividends paid to common shareholders	(8,030)	(2,754)
Acquisition of treasury shares for equity award tax liabilities	(44)	(55)
Acquisition of treasury shares acquired in open market	(1,048)	(12)
Net proceeds from debt issuances	1,487	0
Net cash used in financing activities	(7,635)	(2,821)
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	55	(19)
Cash, cash equivalents, restricted cash, and restricted cash equivalents – January 1	138	154
Cash, cash equivalents, restricted cash, and restricted cash equivalents – June 30	$ 193	$ 135

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; collectively referred to as Progressive, we, us, or our.

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 June 30, 2026, 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, 2025 (2025 Annual Report to Shareholders).

Premiums Receivable

We perform analyses to evaluate our premiums receivable for expected credit losses. See our 2025 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:

(millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Allowance for credit losses, beginning of period	$ 528	$ 473	$ 552	$ 460
Increase in allowance[1]	230	176	413	329
Write-offs[2]	(214)	(148)	(421)	(288)
Allowance for credit losses, end of period	$ 544	$ 501	$ 544	$ 501

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

Supplemental Cash Flow Information

Cash and cash equivalents include bank demand deposits. 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:

(millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Common share dividends[1]	$ 58	$ 58
Operating lease liabilities[2]	43	63

[1] Declared but unpaid. See *Note 10 – Dividends* for further discussion.
[2] From obtaining right-of-use assets.

In the respective periods, we paid the following:

(millions)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Income taxes, net of refunds	$ 1,403	$ 1,644
Interest	138	138
Operating lease liabilities	49	45

New Accounting Standards

We did not adopt any new accounting standards during the three and six months ended June 30, 2026.

In May 2026, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) that establishes accounting guidance for the recognition of environmental credits and environmental credit obligations. This ASU will be effective for fiscal years (including interim periods within those fiscal years) beginning after December 15, 2027 (fiscal 2028 for calendar-year companies). We do not believe this ASU will have a material impact on our financial condition or results of operations.

In September 2025, the FASB issued an ASU that amends the existing accounting guidance for capitalization of internal-use software costs and provides more detailed guidelines around the criteria for capitalization. This ASU will be effective for fiscal years (including interim periods within those fiscal years) beginning after December 15, 2027 (fiscal 2028 for calendar-year companies). We do not believe this ASU will have a material impact on our financial condition or results of operations.

2. INVESTMENTS

The following tables present the composition of our investment portfolio by major security type:

($ in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Holding Period Gains (Losses)	Fair Value	% of Total Fair Value
June 30, 2026						
Available-for-sale securities:						
Fixed maturities:						
U.S. government	$ 44,463	$ 52	$ (734)	$ 0	$ 43,781	45.0 %
State and local government	3,904	10	(62)	0	3,852	4.0
Foreign government	16	0	0	0	16	0
Corporate and other debt	21,641	86	(139)	3	21,591	22.2
Residential mortgage-backed	4,291	14	(23)	0	4,282	4.4
Commercial mortgage-backed	7,674	8	(229)	0	7,453	7.7
Other asset-backed	9,496	7	(43)	0	9,460	9.7
Total fixed maturities	91,485	177	(1,230)	3	90,435	93.0
Short-term investments	1,978	0	0	0	1,978	2.0
Total available-for-sale securities	93,463	177	(1,230)	3	92,413	95.0
Equity securities:						
Nonredeemable preferred stocks	292	0	0	(16)	276	0.3
Common equities	870	0	0	3,662	4,532	4.7
Total equity securities	1,162	0	0	3,646	4,808	5.0
Total portfolio[1]	$ 94,625	$ 177	$ (1,230)	$ 3,649	$ 97,221	100.0 %

($ in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Holding Period Gains (Losses)	Fair Value	% of Total Fair Value
June 30, 2025						
Available-for-sale securities:						
Fixed maturities:						
U.S. government	$ 46,684	$ 598	$ (472)	$ 0	$ 46,810	52.8 %
State and local government	3,030	12	(78)	0	2,964	3.3
Foreign government	17	0	0	0	17	0
Corporate and other debt	18,004	222	(112)	8	18,122	20.5
Residential mortgage-backed	2,644	21	(7)	2	2,660	3.0
Commercial mortgage-backed	5,325	10	(286)	0	5,049	5.7
Other asset-backed	6,668	26	(44)	0	6,650	7.5
Total fixed maturities	82,372	889	(999)	10	82,272	92.8
Short-term investments	2,103	0	0	0	2,103	2.4
Total available-for-sale securities	84,475	889	(999)	10	84,375	95.2
Equity securities:						
Nonredeemable preferred stocks	517	0	0	(17)	500	0.6
Common equities	775	0	0	2,960	3,735	4.2
Total equity securities	1,292	0	0	2,943	4,235	4.8
Total portfolio[1]	$ 85,767	$ 889	$ (999)	$ 2,953	$ 88,610	100.0 %

($ in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Net Holding Period Gains (Losses)	Fair Value	% of Total Fair Value
December 31, 2025						
Available-for-sale securities:						
Fixed maturities:						
U.S. government	$ 43,114	$ 541	$ (357)	$ 0	$ 43,298	44.5 %
State and local government	3,342	19	(58)	0	3,303	3.4
Foreign government	17	0	0	0	17	0
Corporate and other debt	19,773	273	(68)	13	19,991	20.5
Residential mortgage-backed	3,152	28	(6)	1	3,175	3.3
Commercial mortgage-backed	6,194	12	(233)	0	5,973	6.1
Other asset-backed	7,112	28	(31)	0	7,109	7.3
Total fixed maturities	82,704	901	(753)	14	82,866	85.1
Short-term investments	10,005	0	0	0	10,005	10.3
Total available-for-sale securities	92,709	901	(753)	14	92,871	95.4
Equity securities:						
Nonredeemable preferred stocks	419	0	0	(15)	404	0.4
Common equities	819	0	0	3,279	4,098	4.2
Total equity securities	1,238	0	0	3,264	4,502	4.6
Total portfolio[1]	$ 93,947	$ 901	$ (753)	$ 3,278	$ 97,373	100.0 %

[1] At June 30, 2026 and 2025, and December 31, 2025, we had $568 million, $303 million, and $200 million, respectively, of net unsettled security transactions included in accounts payable, accrued expenses, and other liabilities on our consolidated balance sheets.

The total fair value of the portfolio at June 30, 2026 and 2025, and December 31, 2025, included $6.7 billion, $5.0 billion, and $13.0 billion, respectively, of securities held in a consolidated, non-insurance subsidiary of the holding company, net of unsettled security transactions. A portion of the investments held at December 31, 2025, were sold and proceeds were used to pay our common share dividends in January 2026; see *Note 10 – Dividends* for additional information.

At June 30, 2026, securities in the principal amount of $881 million were on deposit to meet state insurance and other regulatory requirements. We did not hold any securities of any one issuer, excluding U.S. government securities, with an aggregate cost or fair value exceeding 10% of total shareholders' equity at June 30, 2026 or 2025, or December 31, 2025. At June 30, 2026, we did not hold any debt securities that were non-income producing during the preceding 12 months.

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:

	June 30,		
(millions)	2026	2025	December 31, 2025
Fixed Maturities:			
Corporate and other debt	$ 693	$ 731	$ 733
Residential mortgage-backed	827	615	792
Total hybrid securities	$ 1,520	$ 1,346	$ 1,525

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 following table details the composition of fixed maturities by maturity at June 30, 2026:

(millions)	Cost	Fair Value
Less than one year	$ 11,419	$ 11,396
One to five years	47,762	47,152
Five to ten years	31,885	31,468
Ten years or greater	419	419
Total	$ 91,485	$ 90,435

Securities are classified in the maturity distribution table based upon their projected cash flows. Contractual maturities may differ from expected cash flows 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	Gross Unrealized Losses	No. of Sec.	Fair Value	Gross Unrealized Losses
June 30, 2026									
U.S. government	91	$ 37,839	$ (734)	51	$ 32,644	$ (400)	40	$ 5,195	$ (334)
State and local government	351	2,239	(62)	188	1,174	(9)	163	1,065	(53)
Corporate and other debt	379	10,640	(139)	305	8,825	(83)	74	1,815	(56)
Residential mortgage-backed	79	1,997	(23)	61	1,946	(17)	18	51	(6)
Commercial mortgage-backed	160	4,222	(229)	51	1,831	(7)	109	2,391	(222)
Other asset-backed	164	5,222	(43)	132	4,471	(18)	32	751	(25)
Total fixed maturities	1,224	$ 62,159	$ (1,230)	788	$ 50,891	$ (534)	436	$ 11,268	$ (696)

				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	Gross Unrealized Losses	No. of Sec.	Fair Value	Gross Unrealized Losses
June 30, 2025									
U.S. government	73	$ 10,463	$ (472)	9	$ 2,878	$ (20)	64	$ 7,585	$ (452)
State and local government	275	1,677	(78)	53	289	(1)	222	1,388	(77)
Corporate and other debt	159	3,737	(112)	28	610	(6)	131	3,127	(106)
Residential mortgage-backed	29	385	(7)	11	342	(2)	18	43	(5)
Commercial mortgage-backed	153	3,331	(286)	16	448	(2)	137	2,883	(284)
Other asset-backed	79	1,797	(44)	40	880	(2)	39	917	(42)
Total fixed maturities	768	$ 21,390	$ (999)	157	$ 5,447	$ (33)	611	$ 15,943	$ (966)

				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	Gross Unrealized Losses	No. of Sec.	Fair Value	Gross Unrealized Losses
December 31, 2025									
U.S. government	62	$ 17,402	$ (357)	8	$ 11,327	$ (54)	54	$ 6,075	$ (303)
State and local government	252	1,589	(58)	60	318	(1)	192	1,271	(57)
Corporate and other debt	141	3,821	(68)	36	1,177	(5)	105	2,644	(63)
Residential mortgage-backed	30	293	(6)	12	233	(1)	18	60	(5)
Commercial mortgage-backed	147	3,551	(233)	34	1,210	(3)	113	2,341	(230)
Other asset-backed	64	1,924	(31)	32	1,148	(3)	32	776	(28)
Total fixed maturities	696	$ 28,580	$ (753)	182	$ 15,413	$ (67)	514	$ 13,167	$ (686)

A review of the securities in an unrealized loss position indicated that, at the end of each period presented, 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.

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 credit losses deemed to be uncollectible during the first six months of 2026 or 2025, and did not have a material credit loss allowance balance as of June 30, 2026 and 2025, or December 31, 2025. No unrealized loss write offs were recorded during the six months ended June 30, 2026 or 2025.

As of June 30, 2026 and 2025, and December 31, 2025, 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 will pay their principal and interest obligations.

In addition, we reviewed the accrued investment income on securities in an unrealized loss position at June 30, 2026 and 2025, and December 31, 2025, 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 June 30, 2026 and 2025, or December 31, 2025.

Realized Gains (Losses) The following table details the components of net realized gains (losses) for the three and six months ended June 30:

	Three Months		Six Months	
(millions)	**2026**	**2025**	**2026**	**2025**
Gross realized gains on security sales				
Available-for-sale securities:				
U.S. government	$ 51	$ 24	$ 150	$ 77
State and local government	0	0	1	0
Corporate and other debt	9	2	35	3
Residential mortgage-backed	0	1	1	1
Total available-for-sale securities	60	27	187	81
Equity securities:				
Nonredeemable preferred stocks	2	0	10	2
Common equities	23	4	36	39
Total equity securities	25	4	46	41
Subtotal gross realized gains on security sales	85	31	233	122
Gross realized losses on security sales				
Available-for-sale securities:				
U.S. government	(49)	(1)	(85)	(78)
State and local government	(4)	0	(4)	(2)
Corporate and other debt	(6)	(2)	(11)	(3)
Commercial mortgage-backed	0	(6)	0	(10)
Total available-for-sale securities	(59)	(9)	(100)	(93)
Equity securities:				
Nonredeemable preferred stocks	(3)	(3)	(8)	(5)
Common equities	(7)	0	(13)	(4)
Total equity securities	(10)	(3)	(21)	(9)
Subtotal gross realized losses on security sales	(69)	(12)	(121)	(102)
Net realized gains (losses) on security sales				
Available-for-sale securities:				
U.S. government	2	23	65	(1)
State and local government	(4)	0	(3)	(2)
Corporate and other debt	3	0	24	0
Residential mortgage-backed	0	1	1	1
Commercial mortgage-backed	0	(6)	0	(10)
Total available-for-sale securities	1	18	87	(12)
Equity securities:				
Nonredeemable preferred stocks	(1)	(3)	2	(3)
Common equities	16	4	23	35
Total equity securities	15	1	25	32
Subtotal net realized gains (losses) on security sales	16	19	112	20
Net holding period gains (losses)				
Hybrid securities	17	11	(10)	14
Equity securities	571	357	382	141
Subtotal net holding period gains (losses)	588	368	372	155
Total net realized gains (losses) on securities	$ 604	$ 387	$ 484	$ 175

During the second quarter and first six months of 2026 and 2025, the majority of our security sales were U.S. government securities that were sold for duration management. We also selectively sold securities that we viewed as having less attractive risk/reward profiles during the second quarter and first six months of 2026 and 2025.

The following table reflects our holding period realized gains (losses) recognized on equity securities held at the three and six months ended June 30:

	Three Months		Six Months	
(millions)	**2026**	**2025**	**2026**	**2025**
Total net gains (losses) recognized during the period on equity securities	$ 586	$ 358	$ 407	$ 173
Less: Net gains (losses) recognized on equity securities sold during the period	15	1	25	32
Net holding period gains (losses) recognized during the period on equity securities held at period end	$ 571	$ 357	$ 382	$ 141

Net Investment Income The following table details the components of net investment income for the three and six months ended June 30:

	Three Months		Six Months	
(millions)	**2026**	**2025**	**2026**	**2025**
Available-for-sale securities:				
Fixed maturities:				
U.S. government	$ 433	$ 422	$ 833	$ 844
State and local government	27	21	51	40
Corporate and other debt	253	208	488	379
Residential mortgage-backed	54	32	93	57
Commercial mortgage-backed	83	59	154	112
Other asset-backed	100	84	187	168
Total fixed maturities	950	826	1,806	1,600
Short-term investments	16	28	60	46
Total available-for-sale securities	966	854	1,866	1,646
Equity securities:				
Nonredeemable preferred stocks	2	5	6	13
Common equities	11	12	24	26
Total equity securities	13	17	30	39
Investment income	979	871	1,896	1,685
Investment expenses	(10)	(9)	(18)	(16)
Net investment income	$ 969	$ 862	$ 1,878	$ 1,669

On a year-over-year basis, investment income (interest and dividends) increased 12% and 13% for the three and six months ended June 30, 2026, respectively, compared to the same periods last year. The increases primarily reflect growth in invested assets.

3. FAIR VALUE

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
June 30, 2026					
Fixed maturities:					
U.S. government	$ 43,781	$ 0	$ 0	$ 43,781	$ 44,463
State and local government	0	3,852	0	3,852	3,904
Foreign government	0	16	0	16	16
Corporate and other debt	0	21,587	4	21,591	21,641
Residential mortgage-backed	0	4,282	0	4,282	4,291
Commercial mortgage-backed	0	7,453	0	7,453	7,674
Other asset-backed	0	9,310	150	9,460	9,496
Total fixed maturities	43,781	46,500	154	90,435	91,485
Short-term investments	1,930	48	0	1,978	1,978
Total available-for-sale securities	45,711	46,548	154	92,413	93,463
Equity securities:					
Nonredeemable preferred stocks	0	227	49	276	292
Common equities:					
Common stocks	4,485	0	8	4,493	831
Other risk investments	0	0	39	39	39
Subtotal common equities	4,485	0	47	4,532	870
Total equity securities	4,485	227	96	4,808	1,162
Total portfolio	$ 50,196	$ 46,775	$ 250	$ 97,221	$ 94,625
Debt	$ 0	$ 7,758	$ 0	$ 7,758	$ 8,387

(millions)	Fair Value Level 1	Level 2	Level 3	Total	Cost
June 30, 2025					
Fixed maturities:					
U.S. government	$ 46,810	$ 0	$ 0	$ 46,810	$ 46,684
State and local government	0	2,964	0	2,964	3,030
Foreign government	0	17	0	17	17
Corporate and other debt	0	18,117	5	18,122	18,004
Residential mortgage-backed	0	2,660	0	2,660	2,644
Commercial mortgage-backed	0	5,049	0	5,049	5,325
Other asset-backed	0	6,650	0	6,650	6,668
Total fixed maturities	46,810	35,457	5	82,272	82,372
Short-term investments	1,922	181	0	2,103	2,103
Total available-for-sale securities	48,732	35,638	5	84,375	84,475
Equity securities:					
Nonredeemable preferred stocks	0	440	60	500	517
Common equities:					
Common stocks	3,694	0	9	3,703	743
Other risk investments	0	0	32	32	32
Subtotal common equities	3,694	0	41	3,735	775
Total equity securities	3,694	440	101	4,235	1,292
Total portfolio	$ 52,426	$ 36,078	$ 106	$ 88,610	$ 85,767
Debt	$ 0	$ 6,294	$ 0	$ 6,294	$ 6,895

(millions)	Fair Value Level 1	Level 2	Level 3	Total	Cost
December 31, 2025					
Fixed maturities:					
U.S. government	$ 43,298	$ 0	$ 0	$ 43,298	$ 43,114
State and local government	0	3,303	0	3,303	3,342
Foreign government	0	17	0	17	17
Corporate and other debt	0	19,987	4	19,991	19,773
Residential mortgage-backed	0	3,175	0	3,175	3,152
Commercial mortgage-backed	0	5,973	0	5,973	6,194
Other asset-backed	0	7,109	0	7,109	7,112
Total fixed maturities	43,298	39,564	4	82,866	82,704
Short-term investments	9,810	195	0	10,005	10,005
Total available-for-sale securities	53,108	39,759	4	92,871	92,709
Equity securities:					
Nonredeemable preferred stocks	0	344	60	404	419
Common equities:					
Common stocks	4,057	0	5	4,062	783
Other risk investments	0	0	36	36	36
Subtotal common equities	4,057	0	41	4,098	819
Total equity securities	4,057	344	101	4,502	1,238
Total portfolio	$ 57,165	$ 40,103	$ 105	$ 97,373	$ 93,947
Debt	$ 0	$ 6,345	$ 0	$ 6,345	$ 6,897

Our portfolio valuations, excluding short-term investments valued at adjusted original cost and 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. At each reporting period, we concluded there was sufficient market activity in the relevant sectors and securities, further supporting our Level 1 and Level 2 classifications.

Our short-term investments classified as Level 1 include commercial paper, U.S. Treasury Bills, and money market funds, which are highly liquid, actively marketed, and have short durations. These securities are valued at their original cost, adjusted for any accretion of discount, which approximates fair value because of the relatively short period of time until maturity. The remainder of our short-term investments with a trade date to maturity of less than a year are classified as Level 2. These securities are classified as Level 2 since they are valued using external pricing vendor prices or are securities that continually trade at par value because they contain either liquidity facilities or mandatory put features within one year and, as a result, are valued at their original cost.

At June 30, 2026 and December 31, 2025, vendor-quoted prices represented 91% of our Level 1 classifications (excluding short-term investments valued at adjusted original cost), compared to 93%, at June 30, 2025. The securities quoted by vendors in Level 1 primarily represent our holdings in U.S. government securities, 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.

At June 30, 2026 and 2025, vendor-quoted prices comprised 99% of our Level 2 classifications (excluding short-term investments valued at adjusted original cost), with the balance from dealer quotes, compared to 100% at December 31, 2025. 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 asset-backed securities, including residential, commercial, 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 asset-backed securities into more finite sectors (e.g., planned amortization class, first pay, second pay, senior, and subordinated) and use duration and credit quality to determine if the fair value is appropriate.

For corporate and other debt, nonredeemable preferred stock, and 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 state and local government (municipal) securities, 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 investments valued at adjusted original cost, we look at acquisition price relative to the coupon or yield. Since most of these securities are 60 days or less to maturity, we believe that adjusted original cost is the best estimate of fair value. For short-term investments valued with external vendor prices, we review securities by duration, credit quality, and coupon, as well as changes in interest rate and credit spread movements within that stratification, and recent trade information.

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 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 our external sales transactions and compare the actual final market sales prices to previous market valuation prices on a monthly basis. This review provides us further validation that our pricing sources are providing market level prices, and gives us 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 and 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 during the first six months of 2026 and for the full year of 2025, 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 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.

During the first six months of 2026 and for the full year of 2025, 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 and six months ended June 30, 2026 and 2025:

(millions)	Fair Value at March 31, 2026	Calls/ Maturities/ Paydowns/ Other	Purchases	Sales	Net Realized (Gain)/Loss on Sales	Change in Valuation[1]	Net Transfers In (Out)	Fair Value at June 30, 2026
Fixed maturities:								
Corporate and other debt	$ 4	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4
Other asset-backed	0	0	150	0	0	0	0	150
Equity securities:								
Nonredeemable preferred stocks	49	0	0	0	0	0	0	49
Common equities:								
Common stocks	5	0	0	0	0	3	0	8
Other risk investments	37	2	0	0	0	0	0	39
Total Level 3 securities	$ 95	$ 2	$ 150	$ 0	$ 0	$ 3	$ 0	$ 250

(millions)	Fair Value at March 31, 2025	Calls/ Maturities/ Paydowns/ Other	Purchases	Sales	Net Realized (Gain)/Loss on Sales	Change in Valuation[1]	Net Transfers In (Out)	Fair Value at June 30, 2025
Fixed maturities:								
Corporate and other debt	$ 5	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5
Equity securities:								
Nonredeemable preferred stocks	60	0	0	0	0	0	0	60
Common equities:								
Common stocks	9	0	0	0	0	0	0	9
Other risk investments	31	1	0	0	0	0	0	32
Total Level 3 securities	$ 105	$ 1	$ 0	$ 0	$ 0	$ 0	$ 0	$ 106

(millions)	Fair Value at December 31, 2025	Calls/ Maturities/ Paydowns/ Other	Purchases	Sales	Net Realized (Gain)/Loss on Sales	Change in Valuation[1]	Net Transfers In (Out)	Fair Value at June 30, 2026
Fixed maturities:								
Corporate and other debt	$ 4	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4
Other asset-backed	0	0	150	0	0	0	0	150
Equity securities:								
Nonredeemable preferred stocks	60	0	0	(5)	(7)	1	0	49
Common equities:								
Common stocks	5	0	0	0	0	3	0	8
Other risk investments	36	3	0	0	0	0	0	39
Total Level 3 securities	$ 105	$ 3	$ 150	$ (5)	$ (7)	$ 4	$ 0	$ 250

(millions)	Fair Value at December 31, 2024	Calls/ Maturities/ Paydowns/ Other	Purchases	Sales	Net Realized (Gain)/Loss on Sales	Change in Valuation[1]	Net Transfers In (Out)	Fair Value at June 30, 2025
Fixed maturities:								
Corporate and other debt	$ 5	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5
Equity securities:								
Nonredeemable preferred stocks	52	0	8	0	0	0	0	60
Common equities:								
Common stocks	23	0	0	0	0	(14)	0	9
Other risk investments	25	7	0	0	0	0	0	32
Total Level 3 securities	$ 105	$ 7	$ 8	$ 0	$ 0	$ (14)	$ 0	$ 106

[1]For fixed maturities, amounts included are unrealized gains (losses) reflected in accumulated other comprehensive income (loss) on our consolidated balance sheets. For equity securities, amounts included are net holding period gains (losses) on securities on our consolidated statements of comprehensive income.

The following tables provide a summary of the quantitative information about Level 3 fair value measurements for our applicable securities at June 30, 2026 and 2025, and December 31, 2025:

($ in millions)		Fair Value at June 30, 2026	Valuation Technique	Unobservable Input	Range of Input Values Increase (Decrease)	Weighted Average Increase (Decrease)
Fixed maturities:						
Corporate and other debt	$	4	Market comparables	Weighted average market capitalization price change %	(0.8)% to 1.4%	(0.1)%
Equity securities:						
Nonredeemable preferred stocks		49	Market comparables	Weighted average market capitalization price change %	(9.3)% to 46.6%	14.4 %
Common stocks		8	Market comparables	Weighted average market capitalization price change %	(36.7)% to 77.2%	32.0 %
Subtotal Level 3 securities		61				
External price securities		150				
Pricing exemption securities		39				
Total Level 3 securities	$	250				

($ in millions)		Fair Value at June 30, 2025	Valuation Technique	Unobservable Input	Range of Input Values Increase (Decrease)	Weighted Average Increase (Decrease)
Fixed maturities:						
Corporate and other debt	$	5	Market comparables	Weighted average market capitalization price change %	0.6% to 0.8%	0.7 %
Equity securities:						
Nonredeemable preferred stocks		60	Market comparables	Weighted average market capitalization price change %	(13.1)% to 22.7%	3.7 %
Common stocks		9	Market comparables	Weighted average market capitalization price change %	(26.3)% to 56.6%	21.3 %
Subtotal Level 3 securities		74				
Pricing exemption securities		32				
Total Level 3 securities	$	106				

($ in millions)		Fair Value at December 31, 2025	Valuation Technique	Unobservable Input	Range of Input Values Increase (Decrease)	Weighted Average Increase (Decrease)
Fixed maturities:						
Corporate and other debt	$	4	Market comparables	Weighted average market capitalization price change %	(0.1)% to 0.1%	0 %
Equity securities:						
Nonredeemable preferred stocks		60	Market comparables	Weighted average market capitalization price change %	(14.5)% to 7.6%	(4.5)%
Common stocks		5	Market comparables	Weighted average market capitalization price change %	(40.9)% to 36.3%	7.6 %
Subtotal Level 3 securities		69				
Pricing exemption securities		36				
Total Level 3 securities	$	105				

4. DEBT

Debt at each of the balance sheet periods consisted of the following Senior Notes:

($ in millions)				June 30, 2026		June 30, 2025		December 31, 2025	
Principal Amount	Interest Rate	Issuance Date	Maturity Date	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
$ 500	2.45 %	August 2016	January 2027	$ 500	$ 495	$ 499	$ 488	$ 499	$ 493
500	2.50	March 2022	March 2027	500	493	499	487	499	492
300	6 5/8	March 1999	March 2029	299	316	298	324	299	323
550	4.00	October 2018	March 2029	548	544	548	547	548	551
500	3.20	March 2020	March 2030	498	477	498	477	498	484
500	4.60	March 2026	March 2031	497	498	0	0	0	0
500	3.00	March 2022	March 2032	497	456	497	456	497	462
400	6.25	November 2002	December 2032	398	432	397	438	397	442
500	4.95	May 2023	June 2033	497	504	497	511	497	513
1,000	5.15	March 2026	March 2036	990	1,000	0	0	0	0
350	4.35	April 2014	April 2044	347	297	347	299	347	304
400	3.70	January 2015	January 2045	396	311	396	310	396	314
850	4.125	April 2017	April 2047	843	688	843	699	843	702
600	4.20	March 2018	March 2048	591	491	591	493	591	498
500	3.95	March 2020	March 2050	492	389	491	392	492	392
500	3.70	March 2022	March 2052	494	367	494	373	494	375
Total				$ 8,387	$ 7,758	$ 6,895	$ 6,294	$ 6,897	$ 6,345

At June 30, 2026, short-term debt consisted of the $500 million 2.45% senior notes that mature in January 2027 and the $500 million 2.50% senior notes that mature in March 2027. There was no short-term debt outstanding at June 30, 2025, or December 31, 2025.

In March 2026, The Progressive Corporation issued $500 million of 4.60% Senior Notes due 2031 and $1 billion of 5.15% Senior Notes due 2036 in an underwritten public offering. The net proceeds from the issuances, after deducting underwriters' discounts, commissions, and other issuance costs, were approximately $1,487 million in aggregate. Consistent with the other senior notes issued by The Progressive Corporation, interest on these notes is payable semiannually, principal is due at maturity, and the notes are redeemable, in whole or in part, at any time, subject to a treasury "make whole" provision.

During the second quarter 2026, The Progressive Corporation renewed its line of credit with PNC Bank, National Association (PNC), in the maximum principal amount of $300 million, which expires April 30, 2027. The renewal amended the interest rate to 1-month term Secured Overnight Financing Rate (SOFR) plus 1.0%. The remaining terms are unchanged from the previous line of credit. See the 2025 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 and six months ended June 30, 2026, was 21.3% and 21.2%, respectively, compared to 20.3% and 20.4% for the same periods last year. The lower effective tax rate for the prior-year periods was primarily due to the tax benefits associated with distributions of deferred compensation during the second quarter 2025.

Deferred income taxes reflect the tax effects of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Although realization of the deferred tax assets is not assured, management believes that it is more likely than not that 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 and, therefore, no valuation allowance was needed at June 30, 2026 and 2025, and December 31, 2025.

We had net current income taxes recoverable of $50 million and $115 million at June 30, 2026 and 2025, respectively, which were reported in other assets on our consolidated balance sheets, compared to net current income taxes payable of $28 million at December 31, 2025, which was reported in accounts payable, accrued expenses, and other liabilities. The balance may fluctuate from period to period due to normal timing differences.

At June 30, 2026 and 2025, and December 31, 2025, we have not recorded any unrecognized tax benefits or related interest and penalties.

6. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

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

	June 30,	
(millions)	**2026**	**2025**
Balance at January 1	$ 43,310	$ 39,057
Less reinsurance recoverables on unpaid losses	3,807	4,487
Net balance at January 1	39,503	34,570
Incurred related to:		
Current year	29,401	27,016
Prior years	(1,002)	(607)
Total incurred	28,399	26,409
Paid related to:		
Current year	13,928	12,842
Prior years	12,073	10,883
Total paid	26,001	23,725
Net balance at June 30	41,901	37,254
Plus reinsurance recoverables on unpaid losses	3,666	3,900
Balance at June 30	$ 45,567	$ 41,154

We experienced favorable reserve development of $1,002 million and $607 million during the first six months of 2026 and 2025, respectively, which is reflected as “incurred related to prior years” in the table above.

Year-to-date June 30, 2026

- The favorable prior-year reserve development included approximately $670 million attributable to accident year 2025, $220 million to accident year 2024, and the remainder to accident years 2023 and prior.
- Our personal auto products incurred about $845 million of favorable loss and loss adjustment expense (LAE) reserve development, with the agency and direct auto businesses each contributing about half. The favorable development was primarily due to lower than anticipated bodily injury severity and, to a lesser extent, lower than anticipated payments on reopened property damage claims that were previously closed and lower than anticipated personal injury protection loss adjustment expenses.
- Our Commercial Lines business incurred about $140 million of favorable loss and LAE reserve development. The favorable development was primarily due to lower than anticipated injury severity in our transportation network company (TNC) business, partially offset by higher than anticipated injury severity and litigation defense costs in our core commercial auto products.

Year-to-date June 30, 2025

- The favorable prior-year reserve development included approximately $400 million attributable to accident year 2024, $115 million to accident year 2023, and the remainder to accident years 2022 and prior.
- Our personal auto products incurred about $520 million of favorable loss and LAE reserve development, with the agency and direct auto businesses each contributing about half. The favorable development was primarily due to lower than anticipated loss severity and frequency in Florida and, to a lesser extent, lower than anticipated litigation defense costs across most states.
- Our personal property products experienced about $50 million of favorable development, primarily attributable to favorable development on 2024 catastrophe events.
- Our Commercial Lines business experienced about $45 million of favorable development, primarily attributable to lower than anticipated severity in our TNC business.

7. SEGMENT INFORMATION

Our Personal Lines segment writes insurance for personal autos, special lines products (e.g., recreational vehicles, such as motorcycles, RVs, and watercraft), personal residential property insurance for homeowners and renters, umbrella insurance, and flood insurance through the “Write Your Own” program for the National Flood Insurance Program.

Our Commercial Lines segment writes auto-related liability and physical damage insurance, business-related general liability and commercial property insurance predominately for small businesses, and workers’ compensation insurance primarily for the transportation industry.

Our service businesses primarily 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:

(millions)	Personal Lines	Commercial Lines	Other[1]	Companywide
Three Months Ended June 30, 2026				
Net premiums earned	$ 18,880	$ 2,691	$ 2	$ 21,573
Fees and other revenues	288	18	(1)	305
Total underwriting revenue	19,168	2,709	1	21,878
Losses and loss adjustment expenses:				
Losses (excluding catastrophe losses)	10,501	1,390	6	11,897
Catastrophe losses	759	14	0	773
Loss adjustment expenses	1,600	302	0	1,902
Total losses and loss adjustment expenses	12,860	1,706	6	14,572
Underwriting expenses:				
Distribution expenses[2]	2,536	316	3	2,855
Other underwriting expenses[3]	1,426	290	5	1,721
Total underwriting expenses	3,962	606	8	4,576
Pretax underwriting profit (loss)	$ 2,346	$ 397	$ (13)	2,730
Investment profit (loss)[4]				1,573
Service businesses profit (loss)				(6)
Interest expense				(88)
Total pretax profit (loss)				$ 4,209

(millions)	Personal Lines	Commercial Lines	Other[1]	Companywide
Three Months Ended June 30, 2025				
Net premiums earned	$ 17,544	$ 2,765	$ 1	$ 20,310
Fees and other revenues	263	40	0	303
Total underwriting revenue	17,807	2,805	1	20,613
Losses and loss adjustment expenses:				
Losses (excluding catastrophe losses)	9,574	1,561	(1)	11,134
Catastrophe losses	688	19	0	707
Loss adjustment expenses	1,471	292	1	1,764
Total losses and loss adjustment expenses	11,733	1,872	0	13,605
Underwriting expenses:				
Distribution expenses[2]	2,328	308	1	2,637
Other underwriting expenses[3]	1,298	261	4	1,563
Total underwriting expenses	3,626	569	5	4,200
Pretax underwriting profit (loss)	$ 2,448	$ 364	$ (4)	2,808
Investment profit (loss)[4]				1,249
Service businesses profit (loss)				(6)
Interest expense				(69)
Total pretax profit (loss)				$ 3,982

(millions)	Personal Lines	Commercial Lines	Other[1]	Companywide
Six Months Ended June 30, 2026				
Net premiums earned	$ 37,264	$ 5,274	$ 3	$ 42,541
Fees and other revenues	564	38	0	602
Total underwriting revenue	37,828	5,312	3	43,143
Losses and loss adjustment expenses:				
Losses (excluding catastrophe losses)	20,720	2,847	7	23,574
Catastrophe losses	1,022	19	0	1,041
Loss adjustment expenses	3,193	591	0	3,784
Total losses and loss adjustment expenses	24,935	3,457	7	28,399
Underwriting expenses:				
Distribution expenses[2]	5,200	616	5	5,821
Other underwriting expenses[3]	2,772	558	11	3,341
Total underwriting expenses	7,972	1,174	16	9,162
Pretax underwriting profit (loss)	$ 4,921	$ 681	$ (20)	5,582
Investment profit (loss)[4]				2,362
Service businesses profit (loss)				(11)
Interest expense				(158)
Total pretax profit (loss)				$ 7,775

(millions)	Personal Lines	Commercial Lines	Other[1]	Companywide
Six Months Ended June 30, 2025				
Net premiums earned	$ 34,254	$ 5,464	$ 1	$ 39,719
Fees and other revenues	512	78	0	590
Total underwriting revenue	34,766	5,542	1	40,309
Losses and loss adjustment expenses:				
Losses (excluding catastrophe losses)	18,683	3,120	(1)	21,802
Catastrophe losses	1,142	24	0	1,166
Loss adjustment expenses	2,861	579	1	3,441
Total losses and loss adjustment expenses	22,686	3,723	0	26,409
Underwriting expenses:				
Distribution expenses[2]	4,676	594	1	5,271
Other underwriting expenses[3]	2,573	523	8	3,104
Total underwriting expenses	7,249	1,117	9	8,375
Pretax underwriting profit (loss)	$ 4,831	$ 702	$ (8)	5,525
Investment profit (loss)[4]				1,844
Service businesses profit (loss)				(12)
Interest expense				(139)
Total pretax profit (loss)				$ 7,218

[1] Includes other underwriting business and run-off operations.
[2] Includes policy acquisition costs, agents' contingent commissions, and advertising costs attributable to our operating segments. A portion of our companywide advertising costs are also attributed to our service businesses.
[3] Primarily consists of employee compensation and benefit costs, and the increase in the allowance for credit loss exposure on our premiums receivable.
[4] Calculated as recurring investment income plus total net realized gains (losses) on securities, less 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. 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. 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. 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 June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
	Under-writing Margin	Combined Ratio	Under-writing Margin	Combined Ratio	Under-writing Margin	Combined Ratio	Under-writing Margin	Combined Ratio
Personal Lines	12.4 %	87.6	14.0 %	86.0	13.2 %	86.8	14.1 %	85.9
Commercial Lines	14.7	85.3	13.2	86.8	12.9	87.1	12.9	87.1
Total underwriting operations	12.7	87.3	13.8	86.2	13.1	86.9	13.9	86.1

8. 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 March 31, 2026	$ (596)	$ 125	$ (471)	$ (457)	$ (13)	$ (1)
Other comprehensive income (loss) before reclassifications:						
Investment securities	(438)	92	(346)	(346)	0	0
Foreign currency translation adjustment	(1)	0	(1)	0	0	(1)
Total other comprehensive income (loss) before reclassifications	(439)	92	(347)	(346)	0	(1)
Less: Reclassification adjustment for amounts realized in net income by income statement line item:						
Net realized gains (losses) on securities	37	(8)	29	29	0	0
Total reclassification adjustment for amounts realized in net income	37	(8)	29	29	0	0
Total other comprehensive income (loss)	(476)	100	(376)	(375)	0	(1)
Balance at June 30, 2026	$ (1,072)	$ 225	$ (847)	$ (832)	$ (13)	$ (2)

(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 March 31, 2025	$ (671)	$ 147	$ (524)	$ (509)	$ (14)	$ (1)
Other comprehensive income (loss) before reclassifications for investment securities	558	(117)	441	441	0	0
Less: Reclassification adjustment for amounts realized in net income by income statement line item:						
Net realized gains (losses) on securities	16	(3)	13	13	0	0
Interest expense	(1)	0	(1)	0	(1)	0
Total reclassification adjustment for amounts realized in net income	15	(3)	12	13	(1)	0
Total other comprehensive income (loss)	543	(114)	429	428	1	0
Balance at June 30, 2025	$ (128)	$ 33	$ (95)	$ (81)	$ (13)	$ (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, 2025	$ 130	$ (27)	$ 103	$ 117	$ (13)	$ (1)
Other comprehensive income (loss) before reclassifications:						
Investment securities	(1,066)	224	(842)	(842)	0	0
Foreign currency translation adjustment	(1)	0	(1)	0	0	(1)
Total other comprehensive income (loss) before reclassifications	(1,067)	224	(843)	(842)	0	(1)
Less: Reclassification adjustment for amounts realized in net income by income statement line item:						
Net realized gains (losses) on securities	135	(28)	107	107	0	0
Total reclassification adjustment for amounts realized in net income	135	(28)	107	107	0	0
Total other comprehensive income (loss)	(1,202)	252	(950)	(949)	0	(1)
Balance at June 30, 2026	$ (1,072)	$ 225	$ (847)	$ (832)	$ (13)	$ (2)

(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, 2024	$ (1,809)	$ 386	$ (1,423)	$ (1,408)	$ (14)	$ (1)
Other comprehensive income (loss) before reclassifications for investment securities	1,666	(350)	1,316	1,316	0	0
Less: Reclassification adjustment for amounts realized in net income by income statement line item:						
Net realized gains (losses) on securities	(14)	3	(11)	(11)	0	0
Interest expense	(1)	0	(1)	0	(1)	0
Total reclassification adjustment for amounts realized in net income	(15)	3	(12)	(11)	(1)	0
Total other comprehensive income (loss)	1,681	(353)	1,328	1,327	1	0
Balance at June 30, 2025	$ (128)	$ 33	$ (95)	$ (81)	$ (13)	$ (1)

In an effort to manage interest rate risk, we entered into forecasted transactions on certain issuances of The Progressive Corporation's debt. During the next 12 months, we expect to reclassify approximately $1 million (pretax) into interest expense, related to net unrealized losses on forecasted transactions (see *Note 4 – Debt* in our 2025 Annual Report to Shareholders for further discussion).

9. 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 2025 Annual Report to Shareholders.

As of June 30, 2026, lawsuits have been certified or conditionally certified as class/collective actions in cases alleging that: we improperly value total loss claims by applying a negotiation adjustment in Colorado, North Carolina, and Ohio; we improperly calculate basic economic loss as it relates to wage loss coverage in New York; and we improperly reduce or deny personal injury protection benefits when medical expenses are paid initially by health insurance in Arkansas. 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.

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 June 30, 2026, 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 three 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 available to us, we determined that losses from these lawsuits are reasonably possible but neither probable nor reasonably estimable, other than for suits for which accruals have been established and are not material, as of June 30, 2026.

With respect to our pending lawsuits that are not related to claims under insurance policies, the accruals that we have established were not material at June 30, 2026 and 2025, or December 31, 2025, and there were no material settlements during 2025 or the first six months of 2026. 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 2025 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 1 – Reporting and Accounting Policies* and *Note 12 – Litigation* in our 2025 Annual Report to Shareholders.

10. DIVIDENDS

Following is a summary of our common share dividends that were declared and/or paid during the six months ended June 30, 2026 and 2025:

(millions — except per share amounts)		Amount	
Declared	**Payable**	**Per Share**	**Accrued/Paid[1]**
Annual-Variable Dividends:			
December 2025	January 2026	$ 13.50	$ 7,913
December 2024	January 2025	4.50	2,637
Quarterly Dividends:			
May 2026	July 2026	0.10	58
March 2026	April 2026	0.10	58
December 2025	January 2026	0.10	59
May 2025	July 2025	0.10	58
March 2025	April 2025	0.10	59
December 2024	January 2025	0.10	58

[1] The accrual is based on an estimate of shares outstanding as of the record date and recorded as dividends payable on common shares on our consolidated balance sheets until paid; the prior period accrual was reclassified into this line item from accounts payable, accrued expenses, and other liabilities to conform to the current period's presentation.

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

I. OVERVIEW

The Progressive Corporation's insurance subsidiaries continued to generate underwriting profitability above our 4% companywide calendar-year underwriting profit goal during the second quarter 2026, producing a companywide underwriting profit margin of 12.7%. Both our Personal Lines and Commercial Lines operating segments generated strong underwriting profitability during the second quarter 2026.

We also reported steady year-over-year growth in both premiums and policies in force despite increased competition in the marketplace. Companywide net premiums written were $21.1 billion, an increase of $1.0 billion, or 5%, compared to the second quarter last year, while net premiums earned increased 6%. We also surpassed the 40 million policies in force milestone by adding 0.5 million more policies during the quarter and ending the second quarter with 2.8 million more policies in force than at June 30, 2025.

Personal Lines reported an underwriting profit margin of 12.4% for the second quarter, compared to 14.0% for the same period last year. Personal Lines also experienced year-over-year growth for the second quarter 2026, with net premiums written increasing 5% and policies in force increasing 8%, compared to the same period last year. This growth follows significant increases in the second quarter last year, which had net premiums written growth of 15% and policies in force growth of 16%. The current period net premiums written growth was primarily driven by policies in force growth in our personal auto products, which were up 9%, compared to June 30, 2025.

Commercial Lines reported an underwriting profit margin of 14.7% for the second quarter 2026, compared to 13.2% in the same period last year. Commercial Lines net premiums written increased 4% and policies in force increased 3% during the second quarter 2026, compared to the same period last year. In our core commercial auto business (which excludes our transportation network company (TNC) business, our Progressive Fleet & Specialty Programs (FSP) products, and our business owners' policy (BOP) product) we continued to experience a shift to a greater mix of business market targets (BMT) with lower average written premiums and a shift to a greater mix of policies with 6-month terms in our contractor and business auto BMTs, which negatively affected average premiums since those policies have about half the amount of net premiums written as 12-month term policies.

For the second quarter 2026, we experienced a $136 million year-over-year increase in net income, compared to the second quarter 2025, primarily reflecting an increase in total net investment income. Total comprehensive income decreased $669 million for the second quarter 2026, compared to the same period last year, driven by net unrealized losses on our fixed-maturity securities in the current period, compared to net unrealized gains during the second quarter last year.

At June 30, 2026, total capital (debt plus shareholders' equity) was $42.7 billion, an increase of $5.5 billion from year-end 2025. The increase was primarily driven by $5.2 billion of comprehensive income earned during the first six months of 2026 and the issuance of $1.5 billion of senior notes during the first quarter 2026. These increases were partially offset by the repurchase of 5.4 million of our common shares at a total cost of $1.1 billion.

A. Insurance Operations

Our companywide underwriting profit margin for the second quarter 2026 was 1.1 points lower than the same period last year. The decrease reflected a 0.6 point increase in our loss and loss adjustment expense (LAE) ratio, primarily due to increased severity, and a 0.5 point increase in our underwriting expense ratio, primarily driven by increased advertising expense, as discussed below.

We continue to closely monitor our expenses, including acquisition expenses and non-acquisition expenses, which we view as important measures of operational efficiency as we seek to deliver our most competitive rates to consumers. During the second quarter 2026, advertising expense was $1.4 billion, or 16% higher than the second quarter last year. The current period effect of the higher advertising spend on our expense ratio was partially offset by the increase in net premiums earned, resulting in an additional 0.5 points of contribution to the underwriting expense ratio in the second quarter 2026, compared to the same period last year. We will continue to advertise to maximize growth as long as the advertising spend is efficient and we remain on track to achieve our calendar-year profitability goal.

Personal Lines represented 88% of companywide net premiums written during the second quarter 2026 and is comprised of our personal vehicle and property products. Personal Lines vehicle products include both personal auto and special lines products, with special lines typically experiencing higher losses during warmer weather months, due to the seasonal nature of these products (e.g., recreational vehicles, such as motorcycles, RVs, and watercraft). In our personal property products, homeowners products are defined as our total personal property business excluding renters and umbrella products.

Personal Lines generated an underwriting profit margin of 12.4% for the second quarter 2026, with personal vehicle and personal property products reporting underwriting profit margins of 12.0% and 22.0%, respectively. Profitability in our special lines products had a minimal impact on the personal vehicle combined ratio during the second quarter 2026. The strong underwriting profit margin in our personal property products was primarily driven by a low level of incurred catastrophe losses, lower loss frequency during the period, and increased rates.

For the second quarter 2026, Personal Lines net premiums written increased 5%, with personal vehicle business increases of 2% in agency and 8% in direct, and a 1% increase in personal property, each compared to the same period last year. Changes in net premiums written are a function of new business applications (i.e., policies sold), retention, business mix, and premium per policy.

Personal vehicles experienced an increase in new business applications of 1% and an increase in renewal business applications of 11% during the second quarter 2026, compared to the same period in the prior year. Our personal vehicle business continued to generate sustained net premiums written and application growth despite continued increased competition in the marketplace and in comparison to the double-digit application growth experienced during the same period last year.

Personal property experienced flat new business applications and an increase in renewal business applications of 1% during the second quarter 2026, compared to the same period last year. New business applications in our homeowners product increased 11%, compared to the prior-year period, while declining 2% in our renters product.

On a countrywide basis, during the second quarter 2026, we decreased personal auto rates by less than 1% and increased personal property rates about 1%, in the aggregate.

We believe a key element in improving the accuracy of our personal auto rating is Snapshot®, our usage-based insurance offering. During the second quarter 2026, Snapshot adoption rates among eligible new business personal auto consumers decreased 3% in direct and 8% in agency, compared to the same period last year. Approximately half of direct new business consumers elected Snapshot in both the second quarter 2025 and 2026. The decrease in the agency adoption rate was primarily due to the expansion of Snapshot eligibility in the second half of 2025, which increased the number of agents able to write Snapshot policies and broadened access to agents with historically lower adoption rates. Snapshot is available in all states, other than California, and our latest segmentation model was available in states representing 81% of countrywide personal auto net premiums written (excluding California) on a trailing 12-month basis at quarter end. We continue to invest in our mobile application, with the majority of new enrollments choosing mobile devices for Snapshot monitoring.

During the second quarter 2026, we continued to focus on selectively increasing the availability of our personal property products. Beginning late 2025, we took actions in certain markets to generate new business growth at the state level based on our concentration risks, product segmentation, rate adequacy, cost sharing, geographical diversification, and the regulatory and market conditions. Some of these actions include expanding independent agency relationships, reopening new business in certain agency and direct channel markets, and lifting targeted underwriting restrictions on older roofs, medium- to high-value homes, and non-bundled homeowners products in certain markets. Certain of these restrictions remain in place in markets where we continue to focus on improving profitability and reducing exposure in more volatile weather-related markets. We believe these actions taken in 2025 continued to adversely impact new business application growth in 2026.

The Commercial Lines segment includes our core commercial auto products, TNC business, FSP products, and BOP product. Total Commercial Lines generated an underwriting profit margin of 14.7% with a net premiums written increase of 4% and a policies in force increase of 3% for the second quarter 2026, compared to the same period last year. Increases in both net premiums written and policies in force were primarily driven by volume growth due to rate decreases in targeted state and BMT combinations, and increased advertising and agent incentive spend. Core commercial auto products experienced an increase in new business applications of 1% and an increase in renewal business applications of 8% during the second quarter 2026, compared to the same period last year. New and renewal business applications increased in all BMTs except for-hire transportation.

In aggregate, core commercial auto rates were relatively flat on a countrywide basis during the second quarter 2026.

We believe we are currently adequately priced in our personal auto, personal property, and core commercial auto products in most states through the remainder of the year. However, we regularly monitor the factors that could impact our loss costs, which may include tariffs, inflation, new and used car prices, miles driven, driving patterns, loss severity and frequency, weather events, building materials, construction costs, and other factors, on a state-by-state basis.

For the second quarter 2026, on a year-over-year basis, average written premium per policy decreased 2% in both personal auto and personal property products, and decreased 3% in core commercial auto products. In aggregate, we took minimal personal auto rate decreases on a countrywide basis over the previous 12 months. The decrease in personal property average written premium per policy was primarily due to a shift in the mix of business to more renters policies, which have lower average written premiums, partially offset by aggregate rate increases of 9% taken over the last 12 months and higher premium coverages reflecting increased property values. The decrease in core commercial auto average written premium per policy was primarily due to a shift in the mix of business, including a shift to a higher percentage of 6-month policies, which have about half of the amount of net premiums written as 12-month term policies. Given that our personal property and commercial auto policies are predominately written for 12-month terms, rate and non-rate actions take longer to earn into premium for these products.

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. Increasing our share of Progressive auto and personal property bundled households (i.e., Robinsons) remains a key initiative, and we plan to continue investing in the customer experience in order to support that goal. Policy life expectancy, our actuarial estimate of the average length of time a newly written policy remains in force before cancellation or lapse in coverage, is our primary measure of customer retention in both Personal Lines and Commercial Lines.

In personal auto, we evaluate 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, we believe this measure is more responsive to current experience and may be an indicator for the future trend of our 12-month measure. For the second quarter 2026, trailing 12-month total personal auto policy life expectancy decreased 8% year over year, while trailing 3-month policy life expectancy decreased 9%, compared to the same period last year. We believe these decreases were primarily due to increased shopping and competition in the marketplace and, to a lesser extent, changes in billing plans offered to customers and a shift in our mix of business.

Our trailing 12-month policy life expectancy was down 8% for our personal property products year over year for the second quarter 2026. We believe the retention decrease was primarily driven by a continued shift in the mix of business to more renters policies and, to a lesser extent, rate increases in previous years and increased competition in the marketplace.

For core commercial auto products, trailing 12-month policy life expectancy increased 2%, compared to the same period in the prior year. We believe the increase reflected a shift to the business auto and contractor BMTs, which historically have higher policy life expectancies, moderation in our rate increases, and various initiatives, including payment and renewal reminders.

B. Investments

The fair value of our investment portfolio was $97.2 billion at June 30, 2026, compared to $97.4 billion at December 31, 2025. The modest decrease from year-end 2025 primarily reflected valuation declines across fixed-maturity sectors, the $7.9 billion payment of our annual variable common share dividend, and the $1.1 billion of repurchases of our common shares, mostly offset by significant positive cash flows from insurance operations and proceeds from the $1.5 billion senior note issuances in March 2026.

Our asset allocation strategy is to maintain 0%-25% of our portfolio in Group I securities and 75%-100% in Group II securities as defined below under *Results of Operations – Investments*. At June 30, 2026, 7% of our portfolio was allocated to Group I securities, compared to 6% at December 31, 2025, with the remainder allocated to Group II securities.

Our recurring investment income generated a pretax book yield of 4.2% in both second quarter 2026 and 2025. The investment portfolio produced a fully taxable equivalent (FTE) total return of 1.2% in the second quarter 2026, compared to 2.1% in the same period last year. For the second quarter 2026, the fixed-income and common stock portfolios generated FTE total returns of 0.6% and 15.3%, respectively, compared to 1.7% and 10.9%, in the same period last year. The decrease in the fixed-income portfolio's FTE total return primarily reflected year-over-year movements in U.S. Treasury yields.

The fixed-income portfolio maintained a weighted average credit quality of AA- at June 30, 2026 and 2025, and December 31, 2025. The fixed-income portfolio duration was 3.5 years at June 30, 2026, compared to 3.4 years at both June 30, 2025 and December 31, 2025. During 2026, we modestly increased our duration to take advantage of higher yields available in the market.

II. FINANCIAL CONDITION

A. Liquidity and Capital Resources

Progressive's insurance operations generate liquidity by collecting and investing premiums from new and renewal business in advance of paying claims, as well as our insurance subsidiaries producing aggregate calendar-year underwriting profits and positive cash flows. As primarily an auto insurer, our claims liabilities generally have a short-term duration.

Operations generated positive cash flows of $8.0 billion and $9.2 billion for the six months ended June 30, 2026 and 2025, respectively. The decrease in operating cash flows during the first six months of 2026, compared to the same period last year, was primarily due to the $1.2 billion Florida policyholder credits paid in the first quarter 2026. These policyholder credits represented the estimated profit we earned for the three-accident-year period ended December 31, 2025, in excess of the statutory profit limit that a Florida statute imposes on the profit that any insurance group can earn on personal auto insurance over any contiguous three-accident-year period. See our 2025 Annual Report to Shareholders for further discussion of the Florida policyholder credit expense. We believe cash flows will remain positive for the foreseeable future and do not anticipate the need to raise capital to support our operations during that timeframe, although changes in market or regulatory conditions affecting the insurance industry, or other unforeseen events, may necessitate otherwise.

At June 30, 2026, we held $45.8 billion in short-term investments and U.S. Treasury securities, which represented about half of our total portfolio's fair value at quarter end. Based on our portfolio allocation and investment strategies, we believe we have sufficient readily available marketable securities to cover claims payments and short-term obligations in the event our cash flows from operations were to become negative. See *Item 1A, Risk Factors* in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission for the year ended December 31, 2025 (our 2025 Form 10-K), for a discussion of certain matters that may affect our portfolio and capital position.

Our total capital (debt plus shareholders' equity) was $42.7 billion at June 30, 2026, compared to $39.5 billion at June 30, 2025, and $37.2 billion at December 31, 2025. The increase from year-end 2025 primarily reflected the $5.2 billion of comprehensive income recognized during the first six months of 2026 and the issuance of $1.5 billion of senior notes in the first quarter 2026. These increases were partially offset by the repurchase of our common shares, as discussed below. Our debt-to-total capital ratio was 19.6% at June 30, 2026, compared to 17.5% at June 30, 2025, and 18.5% at December 31, 2025. These ratios were consistent with our financial policy of maintaining a debt-to-total capital ratio of less than 30%.

None of the covenants on our existing debt securities include rating or credit triggers that would require an adjustment of interest rate or an acceleration of principal payments in the event our debt securities are downgraded by a rating agency. In April 2026, we renewed the unsecured discretionary line of credit with PNC Bank, National Association, in the maximum principal amount of $300 million and amended the interest rate to a 1-month term Secured Overnight Financing Rate (SOFR) plus 1.0%. We did not engage in short-term borrowings, including any borrowings under the line of credit, to fund our operations or for liquidity purposes during the reported periods.

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, investment losses, catastrophic and other insured losses, natural disasters, and other significant business interruptions. This analysis helps us estimate potential capital needs under a range of scenarios.

During the first six months of 2026, we returned capital to shareholders primarily through common share dividends and common share repurchases. Our Board of Directors declared a $0.10 per common share dividend in both the first and second quarters of 2026. These dividends, which were both $58 million, in the aggregate, were paid in April 2026 and July 2026. In January 2026, we also paid common share dividends declared in the fourth quarter 2025, in the aggregate amount of $8.0 billion, or $13.60 per share (see *Note 10 – Dividends* for further discussion).

Pursuant to our financial policies, we repurchase common shares opportunistically when we believe our shares are trading below our determination of long-term fair value and to neutralize dilution from equity-based compensation granted during the year. During the first six months of 2026, we repurchased 5.4 million common shares, at a total cost of $1.1 billion, both in the open market and to satisfy tax withholding obligations in connection with the vesting of equity awards under our employee 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 the potential capital needs of our business.

At June 30, 2026, we had $6.7 billion in a consolidated, non-insurance subsidiary of the holding company that can be used to fund corporate obligations and provide additional capital to our insurance subsidiaries to support potential future growth and other opportunities. As of June 30, 2026, our estimated consolidated statutory surplus was $32.9 billion.

During the first six months of 2026, our contractual obligations and critical accounting policies have not changed materially from those discussed in our 2025 Annual Report to Shareholders. There also were no material changes in off-balance-sheet leverage, including purchase obligations, from those discussed in our 2025 Annual Report to Shareholders.

Based on 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, contractual obligations, and other expected capital requirements for the foreseeable future.

Nevertheless, we may decide to raise additional capital to take advantage of attractive market terms or 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, subject to market conditions, through the offering of any security, or a combination thereof, covered by the registration.

III. RESULTS OF OPERATIONS – UNDERWRITING

A. Segment Overview

We report our underwriting operations in two segments: Personal Lines and Commercial Lines. Our Personal Lines segment includes personal vehicles (auto and special lines products) and personal property products (insurance for homeowners and renters, umbrella insurance, and flood insurance through the "Write Your Own" program for the National Flood Insurance Program). Since personal auto products represented about 90% of the Personal Lines net premiums written as of the end of the quarter, much of the following Personal Lines discussion will focus on our personal auto products, both in total and by distribution channel.

Our Commercial Lines segment writes auto-related liability and physical damage insurance, business-related general liability and commercial property insurance predominantly for small businesses, and workers' compensation insurance primarily for the transportation industry. Commercial Lines includes our core commercial auto products, TNC business, FSP products, and BOP product. Since core commercial auto products represented about 80% of the Commercial Lines net premiums written on a trailing 12-month basis as of the end of the quarter, much of the following Commercial Lines discussion focuses only on our core commercial auto products.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Personal Lines				
Vehicles				
Agency	36 %	37 %	35 %	35 %
Direct	48	47	47	46
Property	4	4	3	4
Total Personal Lines	88	88	85	85
Commercial Lines	12	12	15	15
Total underwriting operations	100 %	100 %	100 %	100 %

Within Personal Lines, we categorize our personal auto policyholders into 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 term personal auto policies in our Platinum agencies to promote bundled personal auto and property growth. At June 30, 2026 and 2025, 9% and 11%, respectively, of our agency personal auto policies in force were 12-month term policies. To the extent our agency application mix of annual personal auto policies changes, the shift in policy term could impact our average written premiums in the agency channel, as 12-month term policies generate about twice the amount of net premiums written, compared to 6-month term policies.

Our special lines and personal property products are written for 12-month terms. During the second quarter 2026, 55% of special lines net premiums written and 70% of personal property net premiums written were generated through the independent agency channel, with the balance generated through the direct channel.

Within Commercial Lines, our core commercial auto business operates in five traditional business market targets (BMT):

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

At June 30, 2026, 83% 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, with about 11% of core commercial auto premiums written through the direct channel.

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 June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
	Underwriting Profit (Loss)		Underwriting Profit (Loss)		Underwriting Profit (Loss)		Underwriting Profit (Loss)	
($ in millions)	$	Margin	$	Margin	$	Margin	$	Margin
Personal Lines								
Vehicles								
Agency	$ 1,041	13.6 %	$ 1,135	15.6 %	$ 2,325	15.4 %	$ 2,406	16.8 %
Direct	1,134	10.8	1,185	12.5	2,258	11.0	2,198	12.0
Property	171	22.0	128	16.4	338	21.9	227	14.6
Total Personal Lines	2,346	12.4	2,448	14.0	4,921	13.2	4,831	14.1
Commercial Lines	397	14.7	364	13.2	681	12.9	702	12.9
Other indemnity[1]	(13)	NM	(4)	NM	(20)	NM	(8)	NM
Total underwriting operations	$ 2,730	12.7 %	$ 2,808	13.8 %	$ 5,582	13.1 %	$ 5,525	13.9 %

[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.

The decrease in our underwriting profit margin compared to the prior year, for both the second quarter and first six months of 2026, was driven by increased severity and advertising spend. During the second quarter, our advertising expense was $1.4 billion, which was 16%, or 0.5 points, greater than the second quarter last year. For the first half of 2026, our advertising expense was $2.9 billion, which was 18%, or 0.6 points, greater than the same period last year.

See the *Losses and Loss Adjustment Expenses (LAE)* section below for further discussion of our personal and commercial auto severity and frequency trends, catastrophe losses, and reserve development recognized during the periods, and the *Underwriting Expenses* section for further discussion of our advertising and non-acquisition expenses.

Further underwriting results for our Personal Lines business, Commercial Lines business, and our underwriting operations in total, were as follows:

Underwriting Performance[1]	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Personal Lines						
Vehicles						
Agency						
Loss & loss adjustment expense ratio	68.1	66.2	1.9	66.4	65.1	1.3
Underwriting expense ratio	18.3	18.2	0.1	18.2	18.1	0.1
Combined ratio	86.4	84.4	2.0	84.6	83.2	1.4
Direct						
Loss & loss adjustment expense ratio	69.6	68.3	1.3	68.6	67.7	0.9
Underwriting expense ratio	19.6	19.2	0.4	20.4	20.3	0.1
Combined ratio	89.2	87.5	1.7	89.0	88.0	1.0
Property						
Loss & loss adjustment expense ratio	47.9	54.4	(6.5)	48.4	56.4	(8.0)
Underwriting expense ratio	30.1	29.2	0.9	29.7	29.0	0.7
Combined ratio	78.0	83.6	(5.6)	78.1	85.4	(7.3)
Total Personal Lines						
Loss & loss adjustment expense ratio	68.1	66.8	1.3	66.9	66.2	0.7
Underwriting expense ratio	19.5	19.2	0.3	19.9	19.7	0.2
Combined ratio	87.6	86.0	1.6	86.8	85.9	0.9
Commercial Lines						
Loss & loss adjustment expense ratio	63.2	66.8	(3.6)	65.3	67.2	(1.9)
Underwriting expense ratio	22.1	20.0	2.1	21.8	19.9	1.9
Combined ratio	85.3	86.8	(1.5)	87.1	87.1	0
Total Underwriting Operations						
Loss & loss adjustment expense ratio	67.4	66.8	0.6	66.7	66.3	0.4
Underwriting expense ratio	19.9	19.4	0.5	20.2	19.8	0.4
Combined ratio	87.3	86.2	1.1	86.9	86.1	0.8
Accident year – Loss & loss adjustment expense ratio[2]	70.0	68.4	1.6	69.1	67.8	1.3

[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 June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Change in net loss and LAE reserves	$ 1,272	$ 1,565	$ 2,398	$ 2,684
Paid losses and LAE	13,300	12,040	26,001	23,725
Total incurred losses and LAE	$ 14,572	$ 13,605	$ 28,399	$ 26,409

Loss and LAE, our most significant expense, represent the costs needed to settle claims. These costs include payments made and estimated future payments to be made, to or on behalf of our policyholders, and expenses related to adjusting claims. Claims costs are driven by loss severity and frequency. In personal auto and core commercial auto, these trends are influenced by inflation and driving patterns, among other factors. In our personal property business, severity is primarily affected by construction costs and the age and complexity of the structure, among other factors. We consider anticipated changes in these factors when establishing premium rates and loss reserves. Loss reserves are estimates of future costs and we adjust our reserves as underlying assumptions change and additional information develops.

Our total loss and LAE ratio increased 0.6 points and 0.4 points, for the three and six months ended June 30, 2026, respectively, compared to the same periods last year, primarily due to higher severity, partially offset by greater favorable prior accident years reserve development. On an accident year basis, our loss and LAE ratio was 1.6 points and 1.3 points higher for the second quarter and first half of 2026, respectively, compared to the same periods last year.

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 June 30, 2026 $	Three Months Ended June 30, 2026 Point[1]	Three Months Ended June 30, 2025 $	Three Months Ended June 30, 2025 Point[1]	Six Months Ended June 30, 2026 $	Six Months Ended June 30, 2026 Point[1]	Six Months Ended June 30, 2025 $	Six Months Ended June 30, 2025 Point[1]
Personal Lines								
Vehicles	$ 654	3.6	$ 531	3.2	$ 821	2.3	$ 831	2.5
Property	105	13.5	157	20.2	201	13.0	311	20.0
Total Personal Lines	759	4.0	688	3.9	1,022	2.7	1,142	3.3
Commercial Lines	14	0.5	19	0.7	19	0.4	24	0.4
Total net catastrophe losses incurred	$ 773	3.6	$ 707	3.5	$ 1,041	2.4	$ 1,166	2.9

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

Changes in our estimate of ultimate losses on catastrophes currently reserved, along with the impact of potential future catastrophes, could materially affect 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 auto or core commercial auto businesses. Our reinsurance programs include:

- catastrophe per occurrence excess of loss contracts for our personal property business, our boat product, and certain BOP product coverages;
- aggregate excess of loss contracts for our personal property business and certain BOP product coverages; and
- excess of loss reinsurance for our workers' compensation insurance.

We evaluate our reinsurance programs during the renewal process, if not more frequently, to ensure they continue to align with our risk tolerance. During the second quarter 2026, we entered into new reinsurance contracts under our per occurrence excess of loss program for our personal property business. This reinsurance program has a retention threshold for losses and allocated loss adjustment expenses (ALAE) from a single catastrophic event of $300 million for a storm outside of Florida and $75 million for a storm in Florida. In general, our program includes coverage for $1.9 billion in losses and ALAE with additional substantial coverage for a second or third hurricane. When considering coverage specific to Florida, including the Florida Hurricane Catastrophe Fund, this coverage reaches an estimated $2.2 billion.

For 2026, we also entered into a new catastrophe aggregate excess of loss reinsurance contract for claims occurring in 2026. This contract has multiple layers of coverage, provides a higher coverage limit than the 2025 program, and covers named storms and other perils (e.g., wildfires, winter storms, severe thunderstorms). See *Item 1, Business – Reinsurance* in our 2025 Form 10-K for a discussion of our various reinsurance programs.

While the total coverage limit and per-event retention will evolve as our business grows, we expect to remain a consistent purchaser of reinsurance coverage. While the availability of reinsurance is subject to many factors outside of our control, the types of reinsurance we elected to purchase during the first half of 2026 were readily available and competitively priced. On a year-over-year basis, we did not incur a material change in the aggregate costs of our reinsurance programs. See *Item 1A, Risk Factors* in our 2025 Form 10-K for a discussion of certain risks related to catastrophe events.

The following discussion of 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 business, the reported frequency and severity trends include comprehensive coverage. Comprehensive coverage insures against damage to a customer's vehicle from various causes other than collision, such as windstorm, hail, theft, falling objects, and glass breakage.

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

Coverage Type	Quarter 2026	Year-to-date 2026
Bodily injury	7%	7%
Collision	1	0
Personal injury protection	5	1
Property damage	3	2
Total	4	4

The year-over-year increase in total severity was predominantly driven by bodily injury coverage, due to higher medical costs, more large losses, and a higher rate of plaintiff-attorney represented claims, compared to the same period in the prior year. The change in severity has been relatively stable during the first six months of 2026.

To address inherent seasonality trends and lessen the effect of month-to-month variability in the commercial auto products, we assess severity using a trailing 12-month period. Since the loss patterns in the core commercial auto products are not indicative of our other commercial auto products (i.e., TNC and FSP businesses), we believe disclosing severity and frequency trends excluding those businesses is more representative of our overall experience for the majority of our commercial products. As of the end of the second quarter 2026, trailing 12-month incurred severity in our core commercial auto products increased 5%, compared to the same period last year.

Estimating future severity remains challenging, and we continue to monitor changes in underlying costs drivers, including general inflation, used car prices, vehicle repair costs, medical costs, health care reform, court decisions, jury verdicts, regulatory changes, and other factors that may affect severity.

The change in total personal auto incurred frequency, on a calendar-year basis, over the prior-year period, was as follows:

Coverage Type	Quarter 2026	Year-to-date 2026
Bodily injury	(2)%	(2)%
Collision	(3)	(1)
Personal injury protection	0	1
Property damage	(3)	(2)
Total	(2)	(1)

On a trailing 12-month basis, incurred frequency in our core commercial auto products decreased 8% as of the end of the second quarter 2026, compared to the same period last year. We believe this decrease was due, in part, to a shift in the mix of business and lower vehicle miles traveled.

Although we closely monitor changes in frequency, the degree or direction of near-term frequency change is not something that we are able to predict with any certainty. We continue to analyze trends to distinguish changes in our loss experience from external factors, so that we can respond through pricing actions and more accurately reserve for our loss exposures. These changes include the number of vehicles per household, miles driven, vehicle usage, gasoline prices, advances in vehicle safety, unemployment rates, shifts in business mix, changes in customer driving patterns, and the ridesharing economy, among other factors.

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 June 30,		Six Months Ended June 30,	
($ in millions)	2026	2025	2026	2025
Actuarial Adjustments				
Reserve decrease (increase)				
Prior accident years	$ 161	$ 73	$ 283	$ 98
Current accident year	116	40	145	54
Calendar-year actuarial adjustments	$ 277	$ 113	$ 428	$ 152
Prior Accident Years Development				
Favorable (unfavorable)				
Actuarial adjustments	$ 161	$ 73	$ 283	$ 98
All other development	390	256	719	509
Total development	$ 551	$ 329	$ 1,002	$ 607
(Increase) decrease to calendar-year combined ratio	2.6 pts.	1.6 pts.	2.4 pts.	1.5 pts.

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

For the Personal Lines vehicle products and Commercial Lines business, development for catastrophe losses is reflected in “all other development” to the extent it relates to prior-year reserves. For our Personal Lines property business, all catastrophe losses are reviewed monthly, and any development on catastrophe reserves is included as part of the actuarial adjustments. We report these actuarial adjustments separately for current and prior accident years to show these adjustments as part of 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. Our objective is to establish case and IBNR reserves that are adequate to cover all loss costs, while incurring minimal variation from the date reserves are initially established until losses are fully developed. Our ability to achieve this objective is affected by many factors, including the factors impacting estimates described above.

As shown in the table above, we experienced favorable prior accident years reserve development during the first six months of both 2026 and 2025. The favorable development during the first six months of 2026 was due, in part, to lower than anticipated bodily injury severity and, to a lesser extent, lower than anticipated payments on reopened property damage claims that were previously closed and lower than anticipated personal injury protection loss adjustment expenses. In commercial auto, the favorable development was primarily due to lower than anticipated injury severity in our TNC business, partially offset by higher than anticipated injury severity and litigation defense costs in our core commercial auto products.

See *Note 6 – Loss and Loss Adjustment Expense Reserve*s to the consolidated financial statements for a more detailed discussion of our prior accident years reserve development and *V. Critical Accounting Estimates* in our 2025 Annual Report to Shareholders for a discussion of the application of estimates and assumptions in establishing our loss reserves.

Underwriting Expenses

Underwriting expenses include policy acquisition costs and other underwriting expenses. The underwriting expense ratio represents underwriting expenses, net of certain fees and other revenues, as a percentage of net premiums earned. For the second quarter and first half of 2026, our underwriting expense ratio increased 0.5 points and 0.4 points, respectively, compared to the same periods last year. The increase was primarily attributable to higher advertising spend. During the second quarter 2026, we continued to invest heavily in advertising to capture consumer shopping and will continue to advertise to maximize growth, as long as we remain on track to achieve our profitability goal and can acquire customers at or below our target acquisition cost. For the three and six months ended June 30, 2026, total companywide advertising costs were $1.4 billion and $2.9 billion, respectively. Advertising spend increased 16%, or 0.5 points, in the second quarter and 18%, or 0.6 points, for the first six months of 2026, compared to the same periods last year.

To analyze underwriting expenses, we also review our non-acquisition expense ratio (NAER), which excludes costs related to acquiring a policy (e.g., advertising and agency commissions) from our underwriting expense ratio. By excluding these costs from our underwriting expense ratio, we are able to understand costs other than those incurred to acquire new policies and grow the business. For the second quarter 2026, our NAER was flat in our personal vehicle business compared to the same period last year, while increasing 1.5 points in personal property and 1.1 points in core commercial auto. On a year-to-date basis, our NAER decreased 0.2 points in our personal vehicle business, compared to the same period last year, and increased 1.0 points in personal property and 0.7 points in core commercial auto. We remain committed to efficiently managing operational non-acquisition expenses.

C. Growth

For our underwriting operations, we analyze growth in terms of both premiums and policies. Net premiums written represent premiums from policies written during the period, less any premiums ceded to reinsurers. Net premiums earned, which reflects premiums written in both 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 variability from rate changes and mix shifts, represents all policies for which coverage was in effect as of the end of the period specified.

	Three Months Ended June 30,			Six Months Ended June 30,		
($ in millions)	**2026**	**2025**	**% Change**	**2026**	**2025**	**% Change**
Net Premiums Written						
Personal Lines						
Vehicles						
Agency	$ 7,655	$ 7,481	2 %	$ 15,482	$ 14,954	4 %
Direct	10,098	9,387	8	21,183	19,454	9
Property	856	845	1	1,549	1,578	(2)
Total Personal Lines	18,609	17,713	5	38,214	35,986	6
Commercial Lines	2,465	2,363	4	6,498	6,296	3
Other indemnity[1]	3	0	NM	6	0	NM
Total underwriting operations	$ 21,077	$ 20,076	5 %	$ 44,718	$ 42,282	6 %
Net Premiums Earned						
Personal Lines						
Vehicles						
Agency	$ 7,632	$ 7,302	5 %	$ 15,112	$ 14,328	5 %
Direct	10,471	9,466	11	20,605	18,374	12
Property	777	776	0	1,547	1,552	0
Total Personal Lines	18,880	17,544	8	37,264	34,254	9
Commercial Lines	2,691	2,765	(3)	5,274	5,464	(3)
Other indemnity[1]	2	1	NM	3	1	NM
Total underwriting operations	$ 21,573	$ 20,310	6 %	$ 42,541	$ 39,719	7 %

NM = Not meaningful

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

	June 30,		
(# in thousands)	**2026**	**2025**	**% Change**
Policies in Force			
Personal Lines			
Agency - auto	11,211	10,423	8 %
Direct - auto	16,721	15,245	10
Special lines	7,297	6,850	7
Property	3,631	3,608	1
Total Personal Lines	38,860	36,126	8
Commercial Lines	1,226	1,189	3
Companywide total	40,086	37,315	7 %

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 current customers as a critical component of our continued growth.

D. Personal Lines

Our Personal Lines business offers personal vehicle (personal auto and special lines) and residential property insurance products to consumers, with the operating goal of growing the number of insured products within our policyholders' households. In the discussion below, we report our personal auto and personal property business results separately to provide a further understanding of our products. Our personal auto business discussions are further separated between the agency and direct distribution channels. For the three months ended June 30, 2026, 42% of our personal auto business was written through the agency channel and 58% was written through the direct channel. For both the second quarter and first half of 2026, consumer segment results varied by channel, as discussed below. Our total personal auto business experienced overall growth in policies in force, new business applications, and conversion, while quotes declined, compared to the same periods last year.

Personal Auto - Agency

The year-over-year changes in our personal auto agency business were as follows:

	Quarter		Year-to-date	
	2026	**2025**	**2026**	**2025**
Applications				
New	2 %	6 %	1 %	17 %
Renewal	9	19	11	18
Total	8	16	9	18
Written premium per policy				
New	(3)	(6)	(3)	(5)
Renewal	(5)	(3)	(5)	(2)
Total	(4)	(3)	(4)	(2)
Policy life expectancy				
Trailing 3 months	(7)	(6)		
Trailing 12 months	(6)	(4)		

The personal auto 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 second quarter 2026, we generated new agency personal auto application growth in 17 states, including five of our top 10 largest agency states.

Compared to the prior-year periods, new application and policies in force growth varied by consumer segment:

- Sams and Wrights experienced flat new application growth and a low decline in new applications during the second quarter and first six months of 2026, respectively, and positive policies in force growth at the end of the second quarter;
- Dianes experienced a low increase in new application growth during the second quarter and first six months of 2026, with positive policies in force growth at the end of the second quarter; and
- Robinsons experienced a moderate increase in new application growth during the second quarter and first six months of 2026, with a single-digit decrease in policies in force growth at the end of the second quarter.

For the second quarter 2026, on a year-over-year basis, we experienced a decrease in agency auto quote volume of 1% with a rate of conversion (i.e., converting a quote to a sale) increase of 2%. For the first six months of 2026, quote volume was flat and the rate of conversion increased 1%, compared to the same period in the prior year. Compared to the prior-year periods, quote volume and conversion varied by consumer segment:

- Sams and Dianes experienced a low single-digit decrease in quote volume and a single-digit increase in conversion, during the second quarter and first six months of 2026;
- Wrights experienced a low single-digit decrease in quote volume during the second quarter and first six months of 2026 and experienced conversion growth in the low single-digits for the quarter, with flat growth for the first six months of 2026; and
- Robinsons experienced a low double-digit increase in quote volume for the quarter and a single-digit increase for the first six months of 2026, with a single-digit decline in conversion in both periods.

Our personal auto rates were relatively stable during the quarter and on a year-to-date basis. The decrease in written premium per policy for new and renewal personal auto agency business for the second quarter and first six months 2026, compared to the same periods last year, was in part attributable to rate decreases in certain markets and a shift in the mix of business, including a shift to a higher percentage of 6-month term policies, which have about half of the amount of net premiums written as policies with 12-month terms.

Our trailing 3- and 12-month policy life expectancy in the agency auto business experienced a decrease at the end of the second quarter 2026, on a year-over-year basis, which we believe is primarily due to increased shopping and competition in the marketplace and, to a lesser extent, changes in billing plans offered to customers and a shift in our mix of business.

Personal Auto - Direct

The year-over-year changes in our personal auto direct business were as follows:

	Quarter		Year-to-date	
	2026	2025	2026	2025
Applications				
New	1 %	9 %	2 %	21 %
Renewal	13	25	14	23
Total	10	21	11	22
Written premium per policy				
New	3	3	4	3
Renewal	(2)	1	(1)	1
Total	0	1	0	1
Policy life expectancy				
Trailing 3 months	(10)	(8)		
Trailing 12 months	(9)	(6)		

The personal auto direct business includes business written directly by Progressive online or by phone. During the second quarter 2026, we generated new direct personal auto application growth in 19 states, including five of our top 10 largest direct states. Compared to the same periods in the prior year, Sams and Dianes experienced a single-digit increase in new applications, while Wrights and Robinsons experienced a single-digit decline for the second quarter and first six months of 2026. Policies in force grew between 6% and 11% in each consumer segment, compared to the same period last year.

During the second quarter and first six months of 2026, direct personal auto quote volume decreased 7% and 6%, respectively, with a rate of conversion increase of 9% in both periods, compared to the same periods last year, primarily driven by our competitiveness in the marketplace. For the second quarter and first six months of 2026, all consumer segments experienced a decline in quote volume and an increase in conversion, compared to the same periods in the prior year.

Our personal auto rates were relatively stable during the quarter and on a year-to-date basis, resulting in a minimal written premium per policy change for the second quarter and first six months of 2026, compared to the same periods last year.

Our trailing 3- and 12-month policy life expectancy in the direct auto business experienced a decrease at the end of the second quarter 2026, on a year-over-year basis, which we believe is primarily due to increased shopping and competition in the marketplace and, to a lesser extent, changes in billing plans offered to customers and a shift in our mix of business.

Personal Property

The year-over-year changes in our personal property business were as follows:

	Quarter		Year-to-date	
	2026	2025	2026	2025
Applications				
New	0 %	(11)%	(1)%	(6)%
Renewal	1	14	1	13
Total	1	4	0	6
Written premium per policy				
New	26	(33)	21	(37)
Renewal	(6)	(3)	(8)	(3)
Total	(2)	(6)	(4)	(7)
Policy life expectancy				
Trailing 12 months	(8)	(17)		

Our personal property business writes residential property insurance for homeowners and renters, umbrella, and flood insurance through the "Write Your Own" program for the National Flood Insurance Program. Our personal property business insurance is written in the agency and direct channels.

In addition to reducing our overall exposure in more volatile weather-related markets (e.g., coastal, wildfire, and hail-prone areas), we continued to focus on achieving profitability goals and, in the second half of 2025, we began to increase product availability in markets where we believe we can achieve our profitability targets for our homeowners product, which we define as our total personal property business excluding renters and umbrella products. In the growth-oriented markets, homeowners product policies in force decreased 2% on a year-over-year basis as of June 30, 2026. Policies in force decreased 17% in the volatile weather markets as of the end of the second quarter 2026, compared to the same period in the prior year.

Beginning late 2025, we took actions in certain markets to generate new business growth at the state level based on our concentration risks, product segmentation, rate adequacy, cost sharing, geographical diversification, and the regulatory and market conditions. Some of these actions include expanding independent agency relationships, reopening new business in certain agency and direct channel markets, and lifting targeted underwriting restrictions on older roofs, medium- to high-value homes, and non-bundled homeowners products in certain markets. Certain of these restrictions remain in place in markets where we continue to focus on improving profitability and reducing exposure in more volatile weather-related markets. We believe these actions taken in 2025 continued to adversely impact new business application growth in 2026.

Our written premium per policy decreased on a year-over-year basis for the second quarter and first half of 2026, primarily attributable to a continued shift in the mix of business to more renters policies, which have lower average written premiums, and a decline in homeowners policies in force in both volatile weather-related markets and non-owner-occupied properties, which both have higher average premiums. The effect of these declines were partially offset by rate increases taken during the last 12 months and higher premium coverages reflecting increased property values. During the second quarter 2026, we increased rates, in aggregate, about 1% in our personal property business, bringing the year-to-date aggregate rate increase to 3%. We intend to continue to make targeted rate increases in states where we are not achieving our profitability goals.

The policy life expectancy in our personal property business shortened as of the end of the second quarter 2026, compared to the same period last year, which we believe is primarily driven by a continued shift in the mix of business to more renters policies and, to a lesser extent, rate increases in previous years and increased competition in the marketplace.

E. Commercial Lines

The following table and discussion focuses on our core commercial auto products, which accounted for about 80% of our Commercial Lines segment net premiums written on a trailing 12-month basis, as of the end of the second quarter 2026. Year-over-year changes in our core commercial auto products were as follows:

	Quarter		Year-to-date	
	2026	2025	2026	2025
Applications				
New	1 %	3 %	(3)%	6 %
Renewal	8	5	9	5
Total	5	5	5	5
Written premium per policy				
New	(4)	(7)	(4)	(7)
Renewal	(3)	(6)	(4)	(5)
Total	(3)	(6)	(4)	(6)
Policy life expectancy				
Trailing 12 months	2	5		

For the second quarter, on a year-over-year basis, core commercial auto new and renewal application growth was positive in all BMTs, except for-hire transportation, primarily driven by rate decreases in targeted state and BMT combinations, and increased advertising and agent incentive spend. For the first six months of 2026, all BMTs experienced an increase in new application growth, except for hire-transportation and contractors, compared to the same period in the prior year. Policies in force grew in all of our BMTs, except in for-hire transportation and for-hire specialty, compared to the same period in the prior year. During the second quarter and first six months of 2026, commercial auto quote volume increased 1% in both periods, with a flat rate of conversion for the quarter and a decrease of 4% for the first six months of 2026, compared to the same periods in the prior year. We believe the decrease in conversion for the first six months of 2026 was primarily attributable to rate increases taken over the last year and increased consumer shopping.

The effect of the previously discussed rate increases on written premium per policy for our core commercial auto business was offset by the continued shift in the mix of business and a shift to a greater mix of policies with 6-month terms in our contractor and business auto BMTs, which have about half the amount of net premiums written as 12-month term policies. During the second quarter 2026, rates remained relatively stable in our core commercial auto products, bringing the year-to-date aggregate rate increase to 1%. We will continue to evaluate our rate need and adjust rates as we deem necessary.

Our policy life expectancy increased in our for-hire specialty and for-hire transportation BMTs, as of the end of the second quarter 2026, compared to the same period last year. The improvement in total policy life expectancy was due to a shift in the mix of business to BMTs with historically higher policy life expectancies, moderation of our rate increases, and various initiatives, such as payment and renewal reminders.

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 June 30:

	Three Months		Six Months	
	2026	2025	2026	2025
Pretax recurring investment book yield (annualized)	4.2 %	4.2 %	4.2 %	4.2 %
FTE total return:				
Fixed-income securities	0.6	1.7	0.9	4.3
Common stocks	15.3	10.9	10.6	5.3
Total portfolio	1.2	2.1	1.3	4.3

The change in the fixed-income portfolio FTE total return, compared to the prior-year period, primarily reflected movement in U.S. Treasury yields year-over-year.

The following table summarizes the FTE total returns for our fixed-income portfolio for the periods ended June 30:

	Three Months		Six Months	
	2026	2025	2026	2025
Fixed-income securities:				
U.S. government	0.1 %	1.7 %	0.1 %	4.7 %
State and local government	0.6	1.4	1.3	3.5
Foreign government	(1.4)	5.1	(2.5)	6.8
Corporate and other debt	1.0	2.0	1.2	4.0
Residential mortgage-backed	0.9	1.6	1.7	3.6
Commercial mortgage-backed	1.4	2.0	2.3	4.2
Other asset-backed	1.1	1.3	1.9	2.8
Nonredeemable preferred stocks	1.8	2.0	2.8	3.8
Short-term investments	1.1	1.1	2.0	2.2

B. Portfolio Allocation

The composition of the investment portfolio was:

($ in millions)		Fair Value	% of Total Portfolio	Duration (years)	Average Rating[1]
June 30, 2026					
U.S. government	$	43,781	45.0 %	4.5	AA+
State and local government		3,852	4.0	2.7	AA+
Foreign government		16	0	0.2	AAA
Corporate and other debt		21,591	22.2	2.8	BBB+
Residential mortgage-backed		4,282	4.4	2.2	AA+
Commercial mortgage-backed		7,453	7.7	1.0	AA
Other asset-backed		9,460	9.7	1.1	AA
Nonredeemable preferred stocks		276	0.3	2.0	BB+
Short-term investments		1,978	2.0	<0.1	A+
Total fixed-income securities		92,689	95.3	3.5	AA-
Common equities		4,532	4.7	na	na
Total portfolio[2]	$	97,221	100.0 %	3.5	AA-
June 30, 2025					
U.S. government	$	46,810	52.8 %	4.4	AA+
State and local government		2,964	3.3	2.6	AA+
Foreign government		17	0	1.1	AAA
Corporate and other debt		18,122	20.5	2.8	BBB+
Residential mortgage-backed		2,660	3.0	2.5	AA+
Commercial mortgage-backed		5,049	5.7	1.6	AA-
Other asset-backed		6,650	7.5	1.1	AA
Nonredeemable preferred stocks		500	0.6	1.2	BBB-
Short-term investments		2,103	2.4	<0.1	A+
Total fixed-income securities		84,875	95.8	3.4	AA-
Common equities		3,735	4.2	na	na
Total portfolio[2]	$	88,610	100.0 %	3.4	AA-
December 31, 2025					
U.S. government	$	43,298	44.5 %	5.4	AA+
State and local government		3,303	3.4	2.6	AA+
Foreign government		17	0	0.7	AAA
Corporate and other debt		19,991	20.5	2.6	BBB+
Residential mortgage-backed		3,175	3.3	2.3	AA+
Commercial mortgage-backed		5,973	6.1	1.4	AA-
Other asset-backed		7,109	7.3	1.2	AA
Nonredeemable preferred stocks		404	0.4	1.0	BB+
Short-term investments		10,005	10.3	<0.1	AA-
Total fixed-income securities		93,275	95.8	3.4	AA-
Common equities		4,098	4.2	na	na
Total portfolio[2]	$	97,373	100.0 %	3.4	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 June 30, 2026 and 2025, and December 31, 2025, we had $568 million, $303 million, and $200 million, respectively, of net unsettled security transactions included in accounts payable, accrued expenses, and other liabilities on our consolidated balance sheets.

The total fair value of the portfolio at June 30, 2026 and 2025, and December 31, 2025, included $6.7 billion, $5.0 billion, and $13.0 billion, respectively, of securities held in a consolidated, non-insurance subsidiary of the holding company, net of unsettled security transactions. A portion of the investments held at December 31, 2025 were sold and proceeds were used to pay our common share dividends in January 2026; see *Note 10 – Dividends* for additional information.

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.

Group I securities, 7% of the total portfolio at June 30, 2026, 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, 93% of the total portfolio at June 30, 2026, 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. Non-investment-grade fixed-maturity securities are determined by National Association of Insurance Commissioners (NAIC) and nationally recognized statistical rating organizations (NRSROs) as applicable.

Our common equities portfolio is primarily indexed to the Russell 1000, with a goal of a +/- 50bps GAAP income targeted total return tracking error.

See *Note 2 – Investments* for a further break-out of our portfolio.

Unrealized Gains (Losses)
As of June 30, 2026 and 2025, our fixed-maturity portfolio had a total after-tax net unrealized loss, which is recorded as part of accumulated other comprehensive income (loss) on our consolidated balance sheets, of $832 million and $81 million, respectively, compared to a total after-tax net unrealized gain of $117 million at December 31, 2025. The decline from June 30, 2025 and December 31, 2025 was due to valuation decreases across fixed-maturity sectors as interest rates rose during 2026. Our U.S. government and corporate and other debt securities had the most significant valuation decrease from prior year and prior year end.

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

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 3.5 years at June 30, 2026 and 3.4 years at both June 30, 2025 and December 31, 2025, fell within our acceptable range of 1.5 to 5.0 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	June 30, 2026	June 30, 2025	December 31, 2025
1 year	12.6 %	11.2 %	11.8 %
2 years	15.1	8.0	9.2
3 years	22.3	28.0	19.5
5 years	28.1	32.6	28.2
7 years	14.1	19.5	19.4
10 years	7.8	0.7	11.9
Total fixed-income portfolio	100.0 %	100.0 %	100.0 %

Credit Risk This exposure is managed by maintaining an A minimum weighted average portfolio credit quality rating, as defined by NRSROs. At June 30, 2026 and 2025, and December 31, 2025, our weighted average credit quality rating was AA-. The credit quality distribution of the fixed-income portfolio was:

Average Rating[1]	June 30, 2026	June 30, 2025	December 31, 2025
AAA	18.0 %	12.8 %	13.2 %
AA	53.1	61.0	59.6
A	9.0	8.2	8.8
BBB	17.9	16.8	17.1
Non-investment grade/non-rated			
BB	1.6	1.0	1.1
B	0.3	0.1	0.1
Non-rated	0.1	0.1	0.1
Total fixed-income portfolio	100.0 %	100.0 %	100.0 %

[1] The credit quality ratings are assigned by NRSROs.

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 investment constraints during the second quarter 2026.

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 second quarter 2026.

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 next 12 months, we expect approximately $11.2 billion, or 24%, of principal repayment from our fixed-income portfolio, excluding U.S. government securities and short-term investments. Cash from interest and dividend payments provides an additional source of recurring liquidity.

The duration of our U.S. government securities, which are included in the fixed-income portfolio, was comprised of the following at June 30, 2026:

($ in millions)		Fair Value	Duration (years)
Less than one year[1]	$	347	0.6
One to two years		2,333	1.8
Two to three years		7,457	2.5
Three to five years		13,289	4.3
Five to seven years		12,872	5.4
Seven to ten years		7,483	7.7
Total U.S. government	$	43,781	4.5

[1] Excludes $757 million of U.S. Treasury Bills included in short-term investments.

ASSET-BACKED SECURITIES

The following table details the credit quality rating of our asset-backed securities at June 30, 2026:

(millions) Average Rating[1]		Residential Mortgage-Backed		Commercial Mortgage-Backed		Other Asset-Backed		Total
AAA	$	3,434	$	4,313	$	6,685	$	14,432
AA		99		1,311		170		1,580
A		597		639		1,041		2,277
BBB		150		820		1,515		2,485
Non-investment-grade/non-rated:								
BB		0		357		49		406
B		0		13		0		13
CCC and lower		1		0		0		1
Non-rated		1		0		0		1
Total fair value	$	4,282	$	7,453	$	9,460	$	21,195

[1] The credit quality ratings are assigned by NRSROs.

Our residential mortgage-backed portfolio consists of securities that are backed by high-credit quality borrowers and/or those that have strong structural protections through underlying loan collateralization. The fair value of this portfolio increased by $146 million during the second quarter 2026 and new purchases were concentrated in high-quality investment-grade securities and contained both fixed-rate and adjustable residential mortgages. We continued to view this sector as having attractive risk-adjusted spreads and potential returns.

The commercial mortgage-backed portfolio fair value increased by $462 million during the second quarter 2026 as we continued to view commercial mortgage-backed spreads as attractive. The growth in the portfolio was primarily the result of purchases of investment-grade securities backed by single-borrower transactions across various sectors including apartments, logistics, office, and data centers. We maintained a preference for geographically diversified portfolios or high-quality single assets in major markets.

A further break-down of our other asset-backed securities (OABS) at June 30, 2026:

(millions) Average Rating	Automobile	Collateralized Loan Obligations	Student Loan	Whole Business Securitizations	Equipment	Other	Total
AAA	$ 2,601	$ 2,960	$ 35	$ 0	$ 815	$ 274	$ 6,685
AA	0	82	1	0	45	42	170
A	0	0	0	150	163	728	1,041
BBB	0	0	0	1,410	0	105	1,515
Non-investment grade/non-rated:							
BB	0	0	0	0	0	49	49
Total fair value	$ 2,601	$ 3,042	$ 36	$ 1,560	$ 1,023	$ 1,198	$ 9,460

The OABS portfolio fair value increased by $1.3 billion during the second quarter 2026. The growth in the portfolio was primarily the result of adding highly-rated, shorter duration collateralized loan obligations. We viewed these additions as offering an attractive risk/reward profile, and they were made in both the new issue and secondary markets.

STATE AND LOCAL GOVERNMENT SECURITIES

The following table details the credit quality rating of our state and local government (municipal) securities at June 30, 2026:

(millions) Average Rating	General Obligations	Housing Revenue	Other Revenue	Total
AAA	$ 948	$ 524	$ 442	$ 1,914
AA	502	705	438	1,645
A	0	0	224	224
Non-rated	56	0	13	69
Total fair value	$ 1,506	$ 1,229	$ 1,117	$ 3,852

The municipal portfolio fair value increased by $765 million during the second quarter 2026, driven primarily by purchases of taxable and tax-exempt bonds, including housing finance agency bonds, across several states. We continued to broaden the portfolio's diversification through these investments.

CORPORATE AND OTHER DEBT SECURITIES

The following table details the credit quality rating of our corporate and other debt securities at June 30, 2026:

(millions) Average Rating	Consumer	Industrial	Communication	Financial Services	Technology	Basic Materials	Energy	Total
AAA	$ 34	$ 0	$ 0	$ 0	$ 0	$ 0	$ 85	$ 119
AA	69	0	423	851	0	0	44	1,387
A	602	673	119	3,316	311	89	539	5,649
BBB	3,907	2,196	722	2,218	1,731	219	2,158	13,151
Non-investment grade/non-rated:			0					
BB	364	163	59	64	122	47	212	1,031
B	102	102	0	0	46	0	0	250
Non-rated	0	0	0	0	4	0	0	4
Total fair value	$ 5,078	$ 3,134	$ 1,323	$ 6,449	$ 2,214	$ 355	$ 3,038	$ 21,591

The corporate and other debt portfolio fair value increased by $605 million during the second quarter 2026. At both June 30, 2026 and March 31, 2026, corporate and other debt securities made up approximately 23% of our fixed-income portfolio. During the quarter, we purchased select corporate debt securities that we viewed as offering more attractive risk/reward profiles.

NONREDEEMABLE PREFERRED STOCKS

The following table details the credit quality rating of our nonredeemable preferred stocks at June 30, 2026:

(millions) Average Rating	Financial Services U.S. Banks	 Foreign Banks	 Insurance	 Other Financial	Industrials	Utilities	Total
BBB	$ 96	$ 59	$ 0	$ 33	$ 0	$ 39	$ 227
Non-investment grade/non-rated:							
Non-rated	0	0	20	20	9	0	49
Total fair value	$ 96	$ 59	$ 20	$ 53	$ 9	$ 39	$ 276

The nonredeemable preferred stock portfolio fair value increased $36 million during the second quarter 2026. The increase was primarily due to nonredeemable preferred stocks purchased during the quarter, partially offset by nonredeemable preferred stocks that were called during the quarter.

While dividends on nonredeemable preferred stocks can be deferred or skipped entirely, we expect these securities to pay dividends in full and on time as of June 30, 2026. The majority of our nonredeemable preferred stocks pay dividends that have tax preferential characteristics and have fixed-rate dividends until a call date. If not called, they generally convert to floating-rate dividends or reset at a fixed spread to a benchmark U.S. Treasury yield.

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;*
- *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 sustainability 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, 2025.*

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 3.5 years at June 30, 2026, compared to 3.4 years at June 30, 2025 and December 31, 2025. The weighted average beta of the equity portfolio was 1.1 at June 30, 2026 and 2025, and December 31, 2025. 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, 2025.

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 9 – 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, 2025.

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

(c) Share Repurchases

ISSUER PURCHASES OF EQUITY SECURITIES

2026 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
April	956,615	$ 200.60	3,754,894	21,245,106
May – prior authorization	326,307	198.75	4,081,201	—
May – current authorization	942,877	198.31	942,877	24,057,123
June	845,952	201.16	1,788,829	23,211,171
Total	3,071,751	$ 199.85		

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.

In May 2026, the Board of Directors approved an authorization for the company to repurchase up to 25 million of its common shares. This authorization, which does not have an expiration date, terminated the 20,918,799 shares that remained under the Board's May 2025 authorization to repurchase 25 million shares.

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 second quarter 2026, all repurchases were accomplished in conjunction with our equity incentive awards or through the open market at the then-current market prices.

Item 5. Other Information.

(c) Insider Trading Arrangements

During the second quarter 2026, Lori Niederst, our Chief Personal Lines Officer, entered into a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c). The plan provides for the sale of all of the shares issued upon vesting for certain outstanding equity awards previously granted to Ms. Niederst, excluding any shares withheld by the company to satisfy tax withholding obligations (see our 2026 Proxy Statement for a description of the company's equity compensation plans). The plan was entered into on April 16, 2026, and will expire on February 12, 2027, 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 51, 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: August 3, 2026

By: /s/ Andrew J. Quigg

Andrew J. Quigg

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(iii)	10	Form of Restricted Stock Award Agreement under The Progressive Corporation Amended and Restated 2017 Directors Equity Incentive Plan (for 2026)	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, Andrew J. Quigg	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, Andrew J. Quigg	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

THE PROGRESSIVE CORPORATION
AMENDED AND RESTATED 2017 DIRECTORS EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

This Agreement (“Agreement”) is made this ____, 2026, by and between <name of participant> (“Participant”) and The Progressive Corporation (the “Company”).

1. Award of Restricted Stock. The Company hereby grants to Participant an award (the “Award”) of restricted stock (the “Restricted Stock”) consisting of <number of shares> of the Company’s Common Shares, $1.00 par value per share (“Common Shares”), pursuant to, and subject to the terms of, The Progressive Corporation Amended and Restated 2017 Directors Equity Incentive Plan (the “Plan”).

2. 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 the Restricted Stock, unless and until Participant has fully executed this Agreement and delivered it to the Company (in the Company’s discretion, such execution and delivery may be accomplished through electronic means).

3. Restrictions; Vesting. The Restricted Stock shall be subject to the restrictions and other terms and conditions set forth in the Plan, which are hereby incorporated herein by reference, and in this Agreement. Subject to the terms and conditions of the Plan and this Agreement, Participant’s rights in and to the shares of Restricted Stock shall vest on April 9, 2027.

The shares of Restricted Stock awarded under this Agreement shall vest as set forth above unless, prior to such Vesting Date, the Award and the applicable shares of Restricted Stock are forfeited or have become subject to accelerated vesting under the terms and conditions of the Plan or this Agreement. Until the shares of Restricted Stock vest, Participant shall not sell, transfer, pledge, assign or otherwise encumber such shares of Restricted Stock or any interest therein.

4. Manner In Which Shares Will Be Held. All shares of Restricted Stock awarded to Participant hereunder shall be issued in book-entry form and held by the Company, or its designee, in such form, and as such, no stock certificates evidencing such shares will be issued or held with respect to such Restricted Stock. Certain terms, conditions and restrictions applicable to such Restricted Stock will be noted in the records of the Company’s transfer agent and in the book-entry system. At the Company’s discretion, and subject to the provisions of this Paragraph 4, stock certificates evidencing the shares of Restricted Stock awarded under this Agreement may be issued and registered in the name of Participant. In such event, such certificates shall be delivered to and held in custody by the Company, or its designee, until the restrictions thereon shall have lapsed or any conditions to the vesting of such Award, or a portion thereof, have been satisfied, and such certificates shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Award.

Participant hereby irrevocably authorizes the Company and the Compensation and Talent Committee of the Board of Directors (the “Committee”) to take any and all appropriate action with respect to the evidence of Participant’s Restricted Stock, including, without limitation, issuing certificates for such Restricted Stock, issuing such Restricted Stock in book-entry form, transferring any previously issued certificates into book-entry form, transferring any Restricted Stock (whether held in certificate or book-entry form) into unrestricted form at vesting, or canceling any Restricted Stock (whether held in certificate or book-entry form) as and when required by this Agreement or the Plan, or undertaking any other action which may be done lawfully by the Company or the Committee in the administration of the Plan and this Agreement. Participant specifically acknowledges and agrees that such certificates and/or book-entry evidence of Participant's Restricted Stock may be transferred or cancelled pursuant to this Agreement and the Plan without requiring that a stock power be executed and delivered by Participant or requiring any other action on the part of Participant, and Participant authorizes the Company to undertake each such action without such stock powers.

Participant hereby further irrevocably appoints the Secretary of the Company and any employee of the Company who may be designated by the Secretary, and each of them, Participant's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for Participant and in his or her name, place and stead, in any and all capacities, to execute and deliver each and every document (including, without limitation, any such stock powers) which may be necessary or appropriate in connection with the issuance, transfer, cancellation or other action taken in connection with the Restricted Stock awarded hereunder pursuant to this Agreement or the Plan. The rights granted by Participant under this paragraph shall automatically expire as to shares of Restricted Stock awarded hereunder upon the transfer of such shares into unrestricted form at vesting or upon the cancellation of such shares at any time, as applicable, pursuant to this Agreement and the Plan.

5. Rights of Shareholder. Except as otherwise provided in this Agreement or the Plan, Participant shall have, with respect to the shares of Restricted Stock awarded hereunder, all of the rights of a shareholder of the Company, including the right to vote the shares and the right to receive any dividends as declared by the Company's Board of Directors.

6. Shares Non-Transferable. No shares of Restricted Stock shall be transferable by Participant other than by will or by the laws of descent and distribution. In the event any 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 such Award any expenses (including attorneys' fees) incurred by the Company in connection with such transfer or assignment.

7. Restricted Stock Deferral Plan. If Participant is eligible, and if Participant has made the appropriate election, to defer all or a portion of the Restricted Stock awarded hereunder into The Progressive Corporation Directors Restricted Stock Deferral Plan (the "Deferral Plan"), then the Common Shares that would otherwise vest in accordance with the terms of this Agreement and are subject to such election, instead of being delivered to Participant, shall be credited to Participant's account and distributed in accordance with the terms of the Deferral Plan and Participant's deferral election thereunder.

8. Dividends. Participant acknowledges and agrees that the Company will pay, or cause to be paid, any cash dividends payable in respect of Restricted Stock through such method(s) of payment as the Company deems advisable, on or promptly after the date established by the Board of Directors for the payment of such cash dividend to holders of the Company's Common Shares (the "Dividend Payment Date"), including, but not limited to: (i) payment by the Company's transfer agent through the procedures established generally for shareholders of record; or (ii) payment by the Company to Participant directly by appropriate check, draft or automatic deposit, provided, however, that in the event a Vesting Date falls between a record date and a Dividend Payment Date for any such dividend and Participant has deferred the Award pursuant to and in accordance with the terms of the Deferral Plan, then such dividend shall not be paid to Participant but instead shall be reinvested in accordance with the Deferral Plan.

9. Termination of Service. Except as otherwise provided in the Plan or as determined by the Committee, if Participant's service as a member of the Board of Directors terminates for any reason other than death or Disability, all Restricted Stock held by Participant which is unvested or subject to restriction at the time of such termination shall be automatically forfeited immediately after such termination. In the event Participant dies while serving on the Board of Directors, all Restricted Stock held by Participant shall vest in full immediately after Participant's death, and the Company shall process such vesting within thirty (30) days of receipt of notice thereof. In the event Participant resigns or is removed from the Board of Directors as a result of Participant's Disability, all Restricted Stock held by Participant shall vest in full immediately after such resignation or removal, and the Company shall process such vesting within thirty (30) days of the date on which the Committee determines that such resignation or removal was the result of Participant's Disability (but not later than December 31 of the year of such resignation or removal, or if later, the 15th day of the third calendar month following such resignation or removal).

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and cancels any other agreement, representation or communication, whether oral or in writing, between the parties hereto relating to the subject matter hereof; provided, however, that the Agreement shall be at all times subject to the Plan as provided above.

11. Amendment. The Committee, in its sole discretion, may hereafter amend the terms of this Award to the fullest extent permitted by Section 13 of the Plan.

12. Definitions: Unless otherwise defined in this Agreement, each capitalized term in this Agreement shall have the meaning given to it in the Plan.

13. Acknowledgment. Participant hereby: (i) acknowledges receiving a copy of the plan description relating to the Plan, and represents that he or she is familiar with all of the material provisions of the Plan, as set forth in such plan description; (ii) accepts this Agreement and the Restricted Stock awarded pursuant hereto 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 Restricted Stock awarded hereunder.

Agreed to as of the day and year first written above.

____

<name of participant>

THE PROGRESSIVE CORPORATION

By: ______________________________

Vice President & Secretary

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: August 3, 2026

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

Exhibit 31.2

CERTIFICATION

I, Andrew J. Quigg, 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: August 3, 2026

/s/ Andrew J. Quigg
Andrew J. Quigg
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 June 30, 2026 (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
August 3, 2026

Exhibit 32.2

SECTION 1350 CERTIFICATION

I, Andrew J. Quigg, 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 June 30, 2026 (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/ Andrew J. Quigg
Andrew J. Quigg
Vice President and Chief Financial Officer
August 3, 2026

Exhibit 99

Letter to Shareholders
Second Quarter 2026

At Progressive, we often set big audacious goals, years in advance of attainment, because we seek to be an enduring business that never sits still and that leans into an always growth mindset. Our goal to be the number one provider of private passenger auto was set decades ago by our long-time CEO Peter Lewis (whose father Joe Lewis co-founded Progressive in 1937) and seemed outlandish by many at the time because we had such a massive hill to climb. We reached that pinnacle (based on trailing 12-month net premiums written as of the end of first quarter 2026) and we also surpassed 40 million overall policies in force (PIF), which is incredible. I am incredibly proud, but not just because it's rewarding to set our sights big and achieve what we set out to do, but to be able to celebrate these milestones with the amazing people of Progressive that I have served, in this capacity, for ten years. They are truly extraordinary and the stories below will give you some insight into how deeply they care about the customers we are so privileged to serve.

These stories come from an annual event where we invite a group of employees, from across the country, for a tour of our headquarters in Cleveland, capped off by a night of baseball at Progressive Field®. To be selected for this experience, we ask employees to write essays about something they've done that embodies our purpose of helping people move forward and live fully. It's challenging to narrow down the thousands of fantastic entries we receive, but here are excerpts from a couple that really stood out to me.

The first is from Lashampa, a claims representative from New York:

"I assisted an elderly customer weeks after her claim had closed when she called me, stranded and overwhelmed in another state for a doctor's appointment with no hotel booked and all nearby hotels sold out due to a convention. Although it was outside my usual claims role, I searched extensively and found the last available room at a bed-and-breakfast about 10 miles away and close to her doctor's office. I connected her with the proprietor, and when she couldn't complete the reservation by phone, he agreed to finalize it in person. I then texted her the address, stayed on the line while she entered it into her GPS, and ensured she arrived safely. This experience demonstrated that truly helping a customer move forward can mean going beyond standard responsibilities to provide guidance, reassurance, and practical support in a vulnerable moment."

This story from Marsha, a supervisor in our Customer Relationship Management organization, really brought a tear to my eye. It shows how much our employees care for others and bring our purpose to life, even outside of work:

"While reviewing applicants for my rental property, my realtor shared a story that stirred something deeply in me. A woman had reached out to him who was desperately searching for a safe place to call home for herself and her three children after fleeing a domestic violence situation. It greatly affected me that the children had to endure that; I believe children deserve consistency, security, and a place where they can simply be kids without fear. Hearing that, I knew this wasn't just about filling a vacancy for me. It was about giving this family a chance to feel safe and begin again. I lowered the rental price and gave her the first two months free so she could have more breathing room financially to focus on caring for herself and her children and rebuilding her family's life during such a difficult time. After a few months, I checked in on her and she's now doing so well mentally and financially. I'm so happy that I could play a part in her moving forward and living fully."

Now, onto the second quarter data. For the second quarter, we had net premiums written (NPW) growth of 5%, year over year (YOY), at a combined ratio (CR) of 87.3 and PIF growth of 7%. Premiums continue to reflect more stable loss trends and competitor rate actions across the industry, and the CR reflects adequate pricing with some room in our margin to absorb potential weather-related losses, while maintaining our targeted profitability. We continue to focus on growing PIFs while reflecting the loss trends that we see in the marketplace in our rates. While this has translated into slow premium growth in the second quarter, I continue to be thrilled about our results, especially given the competitive nature of the insurance market after what was a fairly long hard market.

Personal Lines—personal auto, special lines, and personal property—continued to demonstrate exceptional profitability across all products, with an overall CR of 87.6 for the second quarter, including 4.0 points of catastrophe losses. Year over year, NPW grew 5% for the quarter and 6% year to date (YTD), despite an increasingly competitive marketplace and comparisons to double-digit growth experienced last year. New business applications and PIFs increased 1% and 8%, respectively, compared to the second quarter last year.

We continue to invest across all products to drive growth and retain existing customers. Media expenditures increased 18% YTD through June compared to last year, and agent incentive spend more than doubled. As always, we remain focused on expense discipline and operational efficiencies, delivering a 0.2 point improvement in the Personal Lines vehicle (personal auto and special lines) non-acquisition expense ratio (NAER) YTD versus the same period in the prior year.

Personal auto PIFs increased by over 2.2 million, or 9%, compared to June 2025. Special lines also contributed meaningfully to the overall PIF increase by adding nearly a half million PIFs compared to last year. During the quarter, our personal vehicles business NPW increased 5% YOY, while delivering an excellent 88.0 CR. We further enhanced segmentation and risk selection by expanding our latest personal auto product model (9.0) to 19 states that represented over half of our personal auto PIFs and almost half of our trailing 12-month personal auto NPW at quarter end. We're very pleased with the continued strong conversion gain of +5% compared to the second quarter last year, signaling that we remain highly competitive. During the quarter, we've surpassed a major milestone in our boat program by insuring more than 2 million watercrafts.

In personal property, our strategy of prioritizing lower-risk properties, reducing exposure in more catastrophe-prone markets, and emphasizing bundled homeowners policies resulted in improved profitability, as evidenced by a CR of 78.0 in the second quarter, which included 13.5 points of catastrophe losses. NPW and PIFs both increased 1% YOY for the second quarter. With continued improvements in the health (product segmentation and rate level) of our property offering, we are now pivoting toward increasing new business availability and competitiveness in markets where we are confident we can achieve our target returns. You'll be able to hear a lot more about this during the quarterly investor relations call as this is our deep-dive discussion.

Our Commercial Lines (CL) business finished the second quarter with NPW growth of 4% YOY at an excellent 85.3 CR. Core commercial auto was a significant contributor to CL NPW growth in the quarter, driven by an increase in both new and renewal applications, which we attribute to targeted rate decreases in states and business market targets (BMT) where loss trends warrant rate adjustments, and increased investment in advertising and agent incentives. New business application growth was driven by both increased quoting, particularly in our trucking BMTs, and improved conversion.

Based on data from S&P Global Market Intelligence, the commercial auto industry, excluding Progressive, started 2026 with an estimated CR of approximately 104 in the first quarter, highlighting continued profitability challenges across the commercial auto insurance market. In response, many competitors are taking rate and underwriting actions. Industry data, including first quarter 2026 survey results from the Council of Insurance Agents & Brokers, indicates commercial auto rate increases continued into the second quarter and were the highest among all commercial lines, reaching mid-single digits. We believe our competitive position will continue to improve as our rate actions have moderated and we expect competitors to continue to increase rates and take underwriting actions.

We continue to invest in product segmentation with the roll out of our newest core commercial auto product offering, model 8.3, which leverages new external data that we expect will improve segmentation and better match rate to risk. As of the end of the second quarter 2026, the 8.3 model was elevated in 21 states that represented 59% of our countrywide trailing 12-month core commercial auto NPW. We expect to launch our next product offering, model 8.4, in the third quarter of this year.

Our capital position remains robust as we head into the second half of the year. The combination of attractive margins in our operating business and strength in our investment income has led to a significant accumulation of capital. We repurchased over $1 billion of our common shares throughout the first half of the year. This exceeded the amount spent on our common share repurchases during the entire 2011 year, the last year we repurchased nearly $1 billion, and demonstrates how our strong capital position can drive long-term shareholder value. As we have mentioned before, we will continue to repurchase our shares when we believe we have capital in excess of our current business needs and our shares are trading below our assessment of long-term fair value. Even after our issuance of $1.5 billion of senior notes earlier in the year and significant share repurchases, our debt-to-total capital ratio remained below 20% at the end of the second quarter. We believe that we have ample financial flexibility to support our current and planned business initiatives.

In the second quarter 2026, our investment portfolio saw a return of 1.2%, reflecting a 0.6% return for our fixed-income portfolio and a 15.3% return in the equity portfolio. With a higher asset level, elevated treasury yields, and a shift into more structured products in our fixed-income portfolio, we saw $979 million of investment income in the second quarter, up over 12% from the second quarter 2025.

As I typically like to do, I'll wrap this letter up on an especially positive note sharing a few short customer anecdotes that I've collected that showcase our unique and special culture. These are letters that we received from customers with outstanding words of praise for their claims representatives who know that having an incident or accident can be disruptive and potentially traumatic for a customer and is our moment of truth and time to shine.

This one, a customer who's been with us for 18 years, wrote about her experience working with Rachelle in our claims organization:

"Navigating insurance after a stressful event is rarely easy, but Rachelle made the entire experience feel manageable. She was patient, clear in her explanations, and genuinely empathetic at every step. She walked me through what to expect, answered every question without making me feel like I was asking too many, and followed through on everything she said she would do. I always knew where things stood, and I never had to chase her for an update. It's clear she takes real pride in her work and in taking care of customers. People like Rachelle are the reason customers stay loyal to a company, and I wanted to make sure her efforts didn't go unnoticed. Thank you for building a team that handles people with this kind of care."

This next one is from a newer customer and is a bit longer, but trust me, it's worth it! The customer writes about his stellar experience:

"We had a car accident not too long ago. Fortunately, everyone was okay with no injuries. Unfortunately, my car got totaled. This is the kind of administrative nightmare that can just suck the life out of someone, in this case, me. But, very fortunately for me, Brandon got assigned to help me. In my 50-plus years of life, I don't think I've ever had someone I've never met in person take such good care of any issue for me. I could sing the praises of Brandon all day, but if there was one thing that he does that I've not seen too many other people do, in any profession, it's that Brandon communicates, clearly and fully. He'll call, text, email, and maybe send a carrier pigeon (I'm not sure about that one because I didn't ask him to), but he made sure I knew exactly what he was doing and exactly what everyone else, including myself, needed to do. Thanks to him, I also was able to get a refund on my extended service contract. I would never have thought to even ask about that.

"For years, we had a local insurance company covering our vehicles. Then my wife changed to Progressive, and I was worried that we wouldn't get the same level of service. And we didn't—we got even better service. And I'm so relieved."

And finally, this customer's letter was sent directly to me as a compliment to their claims representative Luis. I could just feel their emotions shine through when I read it. For me, it falls in the category of "doing the right thing when no one is looking." The customer wrote:

"We were compromised by a flat tire and my wife, who is disabled, was undergoing a health crisis. Naturally, this was a stressful and concerning circumstance. Your representative, Luis, responded with professionalism, kindness, and genuine compassion. He went above and beyond by personally changing our tire, ensuring that we were safe and able to continue our scheduled doctor's appointment. His willingness to help, positive attitude, and concern for our well-being made a tremendous difference to us that day. In a world where exceptional service is often overlooked, his actions stood out as a remarkable example of dedication and humanity."

Those are just three of the stories that reflect how important it is to treat our customers with care and respect, and we will continue to raise the bar on ourselves to give these and all of our customers a reason to stay with Progressive.

I’m excited as we head into the second half of the year. While we always celebrate achievements like the one I mentioned in the opening of this letter, we immediately move the proverbial goal post and already have new goals outlined. That’s truly what makes Progressive, progressive.

Stay well and be kind to others,

/s/ Tricia Griffith
Tricia Griffith
President and Chief Executive Officer