

Progressive® Insurance and United Services Automobile Association (USAA) Enter License Agreement for Usage-Based Insurance

MAYFIELD VILLAGE, Ohio — June 28, 2013 — Progressive® Insurance is entering into a licensing agreement with United Services Automobile Association (USAA) for intellectual property related to usage-based car insurance programs.

Progressive leads the industry with six usage-based insurance (UBI) U.S. patents and more than one million users to date. Its current implementation of UBI, Snapshot®, accounts for more than \$1 billion in premiums and is currently available in 44 states and the District of Columbia.

"We have found that key driving behaviors predict the likelihood of a claim far better than traditional insurance rating variables alone," said John Sauerland, Progressive Personal Lines Group President. "As insurers realize the benefits UBI offers consumers, it's critical they deliver programs that reflect responsible intellectual property practices, which includes licensing the appropriate IP."

Progressive announced its licensing program in December 2012, making its intellectual property available to companies interested in implementing UBI programs, subject to the following terms:

- Term of Agreement: Commences the date license is executed through April 2022
- Waiting Period: Licensees will not rate insurance based on its customers' driving habits prior to April 1, 2015
- Licensing Fee: Annual royalty payment equal to licensee's countrywide Private Passenger Auto insurance direct written premiums for the most recently reported year, multiplied by two basis points (0.02 percent)
- Progressive also has the right to licensor recognition

Application for Licensing under these terms is open through June 2013, with payments commencing with usage on or after April 2015.

Companies interested in Progressive's UBI licensing program can contact Mark Connelly at [Mark_Connelly@ Progressive.com](mailto:Mark_Connelly@Progressive.com) for more information as well as detailed terms and conditions.

About Progressive

The Progressive Group of Insurance Companies makes it easy to understand, buy and use auto insurance. Progressive offers choices so consumers can reach us whenever, wherever and however it's most convenient for them — online at progressive.com, by phone at 1-800-PROGRESSIVE, on a mobile device or in-person with a local agent.

Progressive offers insurance for personal and commercial autos and trucks, motorcycles, boats, recreational vehicles and homes. It's the fourth largest auto insurer in the country, the largest seller of motorcycle insurance and a leader in commercial auto insurance. Progressive also offers car insurance online in Australia at <http://www.progressiveonline.com.au>.

Founded in 1937, Progressive continues its long history of offering shopping tools and services that save customers time and money, like Name Your Price®, Snapshot®, and Service Centers.

The Common Shares of The Progressive Corporation, the Mayfield Village, Ohio-based holding company, are publicly traded at NYSE:PGR.

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