

The Progressive Corporation
6300 Wilson Mills Road
Mayfield Village, Ohio 44143
<http://www.progressive.com>

Company Contact:
Douglas S. Constantine
(440) 395-3707
investor_relations@progressive.com

PROGRESSIVE REPORTS NOVEMBER RESULTS

MAYFIELD VILLAGE, OHIO -- December 15, 2023 -- The Progressive Corporation (NYSE:PGR) today reported the following results for November 2023:

(millions, except per share amounts and ratios; unaudited)	November 2023	
Net premiums written	\$	4,725.1
Net premiums earned	\$	5,079.0
Net income	\$	680.6
Per share available to common shareholders	\$	1.15
Total pretax net realized gains (losses) on securities	\$	246.5
Combined ratio – current year		91.1
– prior year		92.2
Average diluted equivalent common shares		587.6

In October 2023, we converted our monthly accounting closing calendar to align with the Gregorian calendar. We do not expect that this change will have a material impact on our reported quarterly and annual underwriting results but it may impact our year-over-year comparisons on monthly results from October 2023 through September 2024. Therefore, during this time period, we have modified and limited the content of the earnings release, compared to our historical reporting. See the Monthly Commentary at the end of the October 2023 release, issued November 17, 2023, for further discussion on the closing calendar conversion.

(thousands; unaudited)	November		
	2023	2022	Change
Policies in Force			
Personal Lines			
Agency – auto	8,312.4	7,732.1	8 %
Direct – auto	11,129.5	10,096.1	10 %
Total personal auto	19,441.9	17,828.2	9 %
Total special lines	5,965.3	5,560.1	7 %
Total Personal Lines	25,407.2	23,388.3	9 %
Total Commercial Lines	1,104.7	1,048.7	5 %
Total Property business	3,070.9	2,841.9	8 %
Companywide Total	29,582.8	27,278.9	8 %

Progressive offers personal and commercial insurance throughout the United States. Our Personal Lines business writes insurance for personal autos and special lines products. Our Commercial Lines business writes auto-related liability and physical damage insurance, business-related general liability and property insurance predominantly for small businesses, and workers' compensation insurance primarily for the transportation industry. Our Property business writes residential property insurance for homeowners, other property owners, and renters.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
COMPREHENSIVE INCOME STATEMENT

November 2023

(millions)

(unaudited)

	November 2023	Year-to- Date 2023	Comments on Monthly Results¹
Net premiums written	<u>\$ 4,725.1</u>	<u>\$ 56,674.3</u>	
Revenues:			
Net premiums earned	\$ 5,079.0	\$ 53,354.0	
Investment income	184.2	1,750.1	
Net realized gains (losses) on securities:			
Net realized gains (losses) on security sales	(30.2)	7.3	
Net holding period gains (losses) on securities	277.5	210.1	
Net impairment losses recognized in earnings	(0.8)	(8.3)	
Total net realized gains (losses) on securities	<u>246.5</u>	<u>209.1</u>	
Fees and other revenues	75.7	814.3	
Service revenues	<u>26.0</u>	<u>286.1</u>	
Total revenues	<u>5,611.4</u>	<u>56,413.6</u>	
Expenses:			
Losses and loss adjustment expenses	3,823.9	42,079.8	
Policy acquisition costs	396.3	4,252.7	
Other underwriting expenses	482.0	5,722.7	
Investment expenses	2.4	23.9	
Service expenses	28.6	321.6	
Interest expense	<u>23.2</u>	<u>245.2</u>	
Total expenses	<u>4,756.4</u>	<u>52,645.9</u>	
Income before income taxes	855.0	3,767.7	
Provision for income taxes	<u>174.4</u>	<u>766.5</u>	
Net income	<u>680.6</u>	<u>3,001.2</u>	
Other comprehensive income (loss)			
Changes in:			
Total net unrealized gains (losses) on fixed-maturity securities	833.8	367.8	
Net unrealized losses on forecasted transactions	0.1	0.5	
Foreign currency translation adjustment	<u>0.1</u>	<u>0.1</u>	
Other comprehensive income (loss)	<u>834.0</u>	<u>368.4</u>	
Total comprehensive income (loss)	<u>\$ 1,514.6</u>	<u>\$ 3,369.6</u>	

¹ For a description of our financial reporting and accounting policies as it applies to information contained throughout this release, see Note 1 to our 2022 audited consolidated financial statements included in our 2022 Shareholders' Report, which can be found at www.progressive.com/annualreport.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
COMPUTATION OF NET INCOME AND COMPREHENSIVE INCOME PER SHARE
&
INVESTMENT RESULTS
November 2023
(millions – except per share amounts)
(unaudited)

The following table sets forth the computation of per share results:

	November 2023	Year-to-Date 2023
Net income	\$ 680.6	\$ 3,001.2
Less: Preferred share dividends	3.4	34.1
Net income available to common shareholders	<u>\$ 677.2</u>	<u>\$ 2,967.1</u>
Per common share:		
Basic	\$ 1.16	\$ 5.07
Diluted	\$ 1.15	\$ 5.05
Comprehensive income (loss)	\$ 1,514.6	\$ 3,369.6
Less: Preferred share dividends	3.4	34.1
Comprehensive income (loss) attributable to common shareholders	<u>\$ 1,511.2</u>	<u>\$ 3,335.5</u>
Per common share:		
Diluted	\$ 2.57	\$ 5.68
Average common shares outstanding - Basic	584.7	584.9
Net effect of dilutive stock-based compensation	<u>2.9</u>	<u>2.6</u>
Total average equivalent common shares - Diluted	<u><u>587.6</u></u>	<u><u>587.5</u></u>

The following table sets forth the investment results for the period:

	November 2023	Year-to-Date	
		2023	2022
Fully taxable equivalent (FTE) total return:			
Fixed-income securities	2.1%	3.4%	(6.5)%
Common stocks	9.2%	20.9%	(13.4)%
Total portfolio	2.3%	4.2%	(7.4)%
Pretax annualized investment income book yield	3.4%	3.2%	2.3%

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION

November 2023

(\$ in millions)

(unaudited)

Current Month							
	Personal Lines Business			Commercial Lines Business	Property Business	Companywide Total	
	Agency	Direct	Total				
Net Premiums Written	\$ 1,810.8	\$ 2,062.5	\$ 3,873.3	\$ 626.2	\$ 225.6	\$ 4,725.1	
Net Premiums Earned	\$ 1,843.1	\$ 2,178.3	\$ 4,021.4	\$ 838.4	\$ 219.2	\$ 5,079.0	
GAAP Ratios							
Loss/LAE ratio	71.7	74.8	73.4	89.9	49.2	75.1	
Expense ratio	17.9	11.7	14.5	18.7	32.9	16.0	
Combined ratio	89.6	86.5	87.9	108.6	82.1	91.1	
Net catastrophe loss ratio ¹			0.5	0.2	(5.0)	0.2	
Actuarial Adjustments²							
Reserve Decrease/(Increase)							
Prior accident years						\$ (87.4)	
Current accident year						(125.9)	
Calendar year actuarial adjustment	\$ (23.2)	\$ (31.3)	\$ (54.5)	\$ (114.7)	\$ (44.1)	\$ (213.3)	
Prior Accident Years Development							
Favorable/(Unfavorable)							
Actuarial adjustment						\$ (87.4)	
All other development						65.5	
Total development						\$ (21.9)	
Calendar year loss/LAE ratio						75.1	
Accident year loss/LAE ratio						74.7	

¹ Represents catastrophe losses incurred during the period, including the impact of reinsurance, as a percent of net premiums earned. The net favorable development in our Property business was primarily due to claim severity being lower than initially anticipated, with about half of the development attributable to Hurricane Idalia.

² Represents adjustments solely based on our normally scheduled actuarial reviews. For our Property business, the actuarial reserving methodology includes changes to catastrophe losses, while the reviews in our vehicle businesses do not include catastrophes.

The unfavorable actuarial adjustment in Commercial Lines was predominately driven by our transportation network company business, primarily reflecting an increase in the frequency and severity of late reported claims, as well as more large loss activity and associated loss adjustment expenses.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION

November 2023

(\$ in millions)

(unaudited)

	Year-to-Date					
	Personal Lines Business			Commercial Lines Business	Property Business	Companywide Total
	Agency	Direct	Total			
Net Premiums Written	\$ 20,412.1	\$ 24,156.8	\$ 44,568.9	\$ 9,515.2	\$ 2,589.9	\$ 56,674.3
Net Premiums Earned	\$ 19,267.8	\$ 22,730.8	\$ 41,998.6	\$ 9,035.0	\$ 2,319.6	\$ 53,354.0
GAAP Ratios						
Loss/LAE ratio	78.1	79.5	78.9	79.3	72.7	78.6
Expense ratio	18.1	14.5	16.1	19.9	29.2	17.4
Combined ratio	96.2	94.0	95.0	99.2	101.9	96.0
Net catastrophe loss ratio ¹			2.5	0.4	28.5	3.3
Actuarial Adjustments²						
Reserve Decrease/(Increase)						
Prior accident years						\$ (449.1)
Current accident year						(613.5)
Calendar year actuarial adjustment	\$ (387.1)	\$ (403.8)	\$ (790.9)	\$ (304.0)	\$ 32.3	\$ (1,062.6)
Prior Accident Years Development						
Favorable/(Unfavorable)						
Actuarial adjustment						\$ (449.1)
All other development						(689.0)
Total development						\$ (1,138.1)
Calendar year loss/LAE ratio						78.6
Accident year loss/LAE ratio						76.5

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

² Represents adjustments solely based on our normally scheduled actuarial reviews. For our Property business, the actuarial reserving methodology includes changes to catastrophe losses, while the reviews in our vehicle businesses do not include catastrophes.

THE PROGRESSIVE CORPORATION AND SUBSIDIARIES
BALANCE SHEET AND OTHER INFORMATION
(millions - except per share amounts and common shares repurchased)
(unaudited)

**November
2023**

CONDENSED GAAP BALANCE SHEET:	
Investments, at fair value:	
Available-for-sale securities:	
Fixed maturities ¹ (amortized cost: \$63,048.7)	\$ 59,932.5
Short-term investments (amortized cost: \$1,498.5)	1,498.5
Total available-for-sale securities	<u>61,431.0</u>
Equity securities:	
Nonredeemable preferred stocks (cost: \$977.1)	884.3
Common equities (cost: \$674.5)	2,791.6
Total equity securities	<u>3,675.9</u>
Total investments ²	<u>65,106.9</u>
Net premiums receivable	12,123.6
Reinsurance recoverables (including \$4,881.1 on unpaid loss and LAE reserves)	5,219.0
Deferred acquisition costs	1,714.4
Other assets	4,031.7
Total assets	<u>\$ 88,195.6</u>
Unearned premiums	\$ 20,593.4
Loss and loss adjustment expense reserves	34,263.9
Other liabilities ²	7,407.2
Debt	6,888.3
Total liabilities	<u>69,152.8</u>
Shareholders' equity	19,042.8
Total liabilities and shareholders' equity	<u>\$ 88,195.6</u>
Common shares outstanding	585.3
Common shares repurchased - actual	299,855
Average cost per common share	\$ 163.11
Book value per common share	\$ 31.69
Trailing 12-month return on average common shareholders' equity	
Net income	18.0 %
Comprehensive income	20.3 %
Net unrealized pretax gains (losses) on fixed-maturity securities	\$ (3,071.9)
Increase (decrease) from October 2023	\$ 1,055.6
Increase (decrease) from December 2022	\$ 465.7
Debt-to-total capital ratio	26.6 %
Fixed-income portfolio duration	3.0
Weighted average credit quality	AA-

¹ As of November 30, 2023, we held certain hybrid securities and recognized a change in fair value of \$44.3 million as a realized loss during the period we held these securities.

² At November 30, 2023, we had \$216.5 million of net unsettled security transactions classified in "other liabilities."

Monthly Commentary

- The Company has no additional commentary regarding November's results.

Events

We plan to release December results on Wednesday, January 24, 2024, before the market opens.

About Progressive

Progressive Insurance® makes it easy to understand, buy and use car insurance, home insurance, and other protection needs.

Progressive offers choices so consumers can reach us however it's most convenient for them — online at progressive.com, by phone at 1-800-PROGRESSIVE, via the Progressive mobile app, or in-person with a local agent.

Progressive provides insurance for personal and commercial autos and trucks, motorcycles, boats, recreational vehicles, and homes; it is the second largest auto insurer in the country, a leading seller of commercial auto, motorcycle, and boat insurance, and one of the top 15 homeowners insurance carriers.

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 HomeQuote Explorer®.

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

Regulation FD Disclosure Outlets

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

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Investors are cautioned that certain statements in this report not based upon historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements often use words such as “estimate,” “expect,” “intend,” “plan,” “believe,” “goal,” “target,” “anticipate,” “will,” “could,” “likely,” “may,” “should,” and other words and terms of similar meaning, or are tied to future periods, in connection with a discussion of future operating or financial performance. Forward-looking statements are not guarantees of future performance, are based on current expectations and projections about future events, and are subject to certain risks, assumptions and uncertainties that could cause actual events and results to differ materially from those discussed herein. These risks and uncertainties include, without limitation, uncertainties related to:

- our ability to underwrite and price risks accurately and to charge adequate rates to policyholders;
- our ability to establish accurate loss reserves;
- the impact of severe weather, other catastrophe events and climate change;
- the effectiveness of our reinsurance programs and the continued availability of reinsurance and performance by reinsurers;
- the secure and uninterrupted operation of the systems, facilities and business functions and the operation of various third-party systems that are critical to our business;
- the impacts of a security breach or other attack involving our technology systems or the systems of one or more of our vendors;
- our ability to maintain a recognized and trusted brand and reputation;
- whether we innovate effectively and respond to our competitors’ initiatives;
- whether we effectively manage complexity as we develop and deliver products and customer experiences;
- our ability to attract, develop and retain talent and maintain appropriate staffing levels;
- the impact of misconduct or fraudulent acts by employees, agents, and third parties to our business and/or exposure to regulatory assessments;
- the highly competitive nature of property-casualty insurance markets;
- whether we adjust claims accurately;
- compliance with complex and changing laws and regulations;
- litigation challenging our business practices, and those of our competitors and other companies;
- the success of our business strategy and efforts to acquire or develop new products or enter into new areas of business and navigate related risks;
- how intellectual property rights affect our competitiveness and our business operations;
- the performance of our fixed-income and equity investment portfolios;
- the impact on our investment returns and strategies from regulations and societal pressures relating to environmental, social, governance and other public policy matters;
- the elimination of the London Interbank Offered Rate;
- 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;
- limitations on our ability to pay dividends on our common shares under the terms of our outstanding preferred shares;
- our ability to obtain capital when necessary to support our business and potential growth;
- evaluations by credit rating and other rating agencies;
- the variable nature of our common share dividend policy;
- whether our investments in certain tax-advantaged projects generate the anticipated returns;
- the impact from not managing to short-term earnings expectations in light of our goal to maximize the long-term value of the enterprise;
- 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, 2022.

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.