

PROGRESSIVE[®]

THE PROGRESSIVE WAY
OUR CODE OF BUSINESS CONDUCT
AND ETHICS



THE PROGRESSIVE WAY

Progressive's success depends upon its people – each and every one of us who dedicates energy to the shared goal of becoming Consumers' No. 1 Choice for Auto Insurance. Working alongside each other, we are Progressive.

Our founders believed that innovation could occur, services could be delivered, lives could be bettered and profits could be earned while adhering to the highest ethical standards. As Progressive people, we are responsible for fulfilling that vision. We do so by acknowledging and meeting our fundamental responsibilities:

- to Ourselves, as keepers of our standards;
- to our Fellow Employees, with whom we are privileged to work;
- to our Customers, to whom we dedicate our service;
- to our Investors, with whom we share risk and reward;
- to our Agents and Other Business Associates, who are key to our success;
- and to our Communities, which we strive to support.

The following is our statement of how we seek to meet those responsibilities.

TO OURSELVES.

All Progressive people are guardians of Progressive's culture, brand and work environment.

We comply with and communicate our Code of Conduct and embody our Core Values
– Integrity, Golden Rule, Objectives, Excellence and Profit –
in everything we do.

We ask questions when our responsibilities under the Code are not clear
and get the answers we need before acting.

If Code violations are known or suspected, we report them.

We support anyone who speaks up in good faith and we work quickly to resolve reported issues.

We play to win. We do so by practicing and rewarding ethical, decent and fair conduct.

We seek extraordinary results, fairly earned.

TO OUR FELLOW EMPLOYEES.

We are united in service to our customers and owners.

We approach our work with open minds and doors,
valuing our differences in thoughts and experiences.

We provide clear objectives, honest evaluations,
fair opportunities for development, fair compensation for our work and accessible leaders.

We safeguard our people's private information as our own and
keep our workplaces safe and free from harassment and unlawful discrimination.

We treat each other with dignity and respect in all circumstances.

TO OUR CUSTOMERS.

We work hard to provide service that delights our customers,
fulfilling our vision of reducing the human trauma and economic costs of vehicle accidents.

We treat our customers as individuals, with respect and courtesy,
deal with them honestly and show them empathy.

We protect their private information,
make clear promises and honor our commitments.

We strive to perform at our very best to earn our customers' admiration and trust
so that they choose to stay with us in lasting relationships.

TO OUR INVESTORS.

We align our interests with those of our investors and deploy their capital wisely to enhance our business and maximize their returns.

We maintain accurate books and records,
report both our successes and failures,
and protect our corporate assets and reputation.

We report any conflicts of interest promptly and fully.

TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES.

We are committed to fair and vigorous market competition.

We recognize our agents and business associates as valued contributors to our goals, deal with them honestly and fairly, and do not grant or accept improper favor.

We support our independent agents and brokers
by continuing to provide superior products and services.

We honor all commitments and demand fulfillment of promises made to us.

We follow our Core Values and insist we receive the same fair treatment.

We provide avenues for feedback and address concerns timely and fairly.

TO OUR COMMUNITIES.

We strive to be good corporate citizens.

We respect our neighbors, are sensitive to our surroundings and comply with all applicable laws and regulations.

We contribute to the welfare of our communities
through our people, who give of themselves;
through our charity, which our people direct; and
through our services, which our people deliver.

We are mindful of the importance of the work we perform every day, meeting the needs of those in the communities we are privileged to serve.

Our responsibilities are set out in greater detail in specific policies on the pages that follow. Collectively, they comprise our Code of Business Conduct and Ethics (our "Code").

Our Code applies to all Progressive people – to each of us, our fellow employees, and our Executive Officers and Directors. Its details are important; please read them carefully. More fundamental than the details is the spirit of ethics and integrity that our policies reflect. Our expectation for ourselves is that we will embody this spirit, live by it every day in our work and demand the same of others. It is the way we do business. It is our way. It is not the easy way. **It is *The Progressive Way*.**

A MESSAGE FROM CEO GLENN RENWICK

The Code of Business Conduct and Ethics is a comprehensive document that sets behavioral standards for Progressive people, states clearly what we expect of ourselves and each other, and confirms our commitment to conduct our business in accordance with all applicable laws.

Of equal importance is this Code's message about the manner in which we conduct our business and how we interact with our customers, agents, regulators, co-workers and others. This Code emphasizes Progressive's commitment that, in all of our dealings, we will act with fairness, decency and integrity and in accordance with the highest ethical standards.

Progressive's Core Values serve as the foundation for this Code:

- **Integrity:** We revere honesty. We adhere to the highest ethical standards, provide timely, accurate and complete financial reporting, encourage disclosing bad news and welcome disagreement.
- **Golden Rule:** We respect all people, value the differences among them and deal with them in the way we want to be dealt with. This requires us to know ourselves and to try to understand others.
- **Objectives:** We strive to communicate clearly Progressive's ambitious objectives and our people's personal and team objectives. We evaluate performance against all these objectives.
- **Excellence:** We strive constantly to improve in order to meet and exceed the highest expectations of our customers, agents, shareholders and people. We teach and encourage our people to improve performance and to reduce the costs of what they do for customers. We base their rewards on results and promotion on ability.
- **Profit:** The opportunity to earn a profit is how the competitive free-enterprise system motivates investment to enhance human health and happiness. Profits reflect our customers' and claimants' increasingly positive view of Progressive.

This Code, in addition to the Core Values, is intended to provide general guidance to cover most situations. Annually, all employees, Executive Officers and Directors are required to confirm that they are aware of their responsibility to adhere to this Code. If you are ever uncertain whether or not a particular action is either prohibited by or covered by this Code, it is your responsibility to call the Chief Legal Officer or Corporate Compliance Officer to ensure you are in compliance.

I have great faith in Progressive people and am confident that we will continue to live up to the highest standards of both this Code and our Core Values.



Glenn Renwick, President and CEO



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1

WE HAVE A RESPONSIBILITY TO OURSELVES

DOING BUSINESS *THE PROGRESSIVE WAY*

ASKING QUESTIONS

**VOICING CONCERNS AND REPORTING
POSSIBLE VIOLATIONS**

COMMITMENT TO NON-RETALIATION

MANAGER RESPONSIBILITIES

RESPONDING TO CODE VIOLATIONS

INTERPRETATIONS AND PERMITTED EXCEPTIONS



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WE HAVE A RESPONSIBILITY TO OURSELVES

TO OURSELVES.

All Progressive people are guardians of Progressive's culture, brand and work environment.

We comply with and communicate our Code of Conduct and embody our Core Values

– Integrity, Golden Rule, Objectives, Excellence and Profit – in everything we do.

We ask questions when our responsibilities under the Code are not clear and get the answers we need before acting.

If Code violations are known or suspected, we report them.

We support anyone who speaks up in good faith and we work quickly to resolve reported issues.

We play to win. We do so by practicing and rewarding ethical, decent and fair conduct.

We seek extraordinary results, fairly earned.

DOING BUSINESS *THE PROGRESSIVE WAY.*

We are serious about our ethical and legal responsibilities. If you are new to Progressive, you may have noticed that we speak openly and frequently about our Core Values – Integrity, Golden Rule, Excellence, Objectives and Profit – and their importance in everything we do. If you are a longtime contributor, you undoubtedly have witnessed those Core Values in action, driving our plans and decisions. This is simply the way we do business – *The Progressive Way*.

Our Core Values summarize our principles of business conduct and are intended to guide us to “do the right thing” in any situation. Our Code is intended to provide further guidance by applying our Core Values to a variety of specific business situations. Together, our Core Values and our Code form the foundation of our legal and ethical responsibilities. They apply to, and must be followed by, every Progressive employee, Executive Officer and Director.

Ultimately, each of us is responsible for putting our Core Values and our Code into action. Only by doing so can we achieve our goal of becoming Consumers' No. 1 Choice for Auto Insurance.



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WE HAVE A RESPONSIBILITY
TO OURSELVES

ASKING QUESTIONS

If you aren't sure, ask. Keep asking until you get an answer. It's that simple.

While our Code is designed to familiarize you with many of the policies and laws that you must follow in your work, it cannot provide definitive answers to every ethical or legal question that you may encounter. When you are unsure of the right thing to do, start by asking yourself:

- Does this action comply with Progressive's policies and procedures?
- Is it consistent with our Core Values?
- Is it legal?
- How would I feel if this action were made public?
- Am I personally comfortable with the course of action?

If you remain unsure, ask someone else. You might start with your manager or your Human Resources (HR) representative, but you should feel free to consult any of Progressive's managers or business leaders. You also may call Progressive's **confidential, toll-free Alertline**, which can be accessed by telephone (**1-800-683-3604**) or online (**www.progressivealertline.com**) from any location, 24 hours a day, 365 days a year. Nothing is more important than getting answers before you act, so don't stop asking until you are confident that you have the answers you need.

The Alertline (1-800-683-3604 or www.progressivealertline.com) is Progressive's confidential, toll-free ethics and compliance hotline. The Alertline is managed by an outside vendor and allows you to ask questions or report concerns anonymously. In general, you should use the Alertline if you'd like confidential assistance on ethics and compliance issues, to anonymously report suspected violations of this Code, or if you believe that ethics and compliance issues raised through other channels have not been resolved.

VOICING CONCERNS AND REPORTING POSSIBLE VIOLATIONS

It is your responsibility under this Code to speak up whenever you know of or suspect a possible Code violation. As you consider this responsibility, keep in mind:

Speaking up is **not** optional. It is **your duty to speak up** anytime you become aware of a concern, even if you aren't sure whether the Code has been violated.

Speaking up is **not** risky. As explained in detail below, **you can speak up anonymously and are protected from retaliation** whenever you speak up in good faith.

Speaking up is not harmful to Progressive. Reporting concerns **helps keep our Company strong** by allowing us to address issues promptly and remedy problems quickly.



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WE HAVE A RESPONSIBILITY TO OURSELVES

There are **two ways** to voice a concern or report a possible Code violation. The first is to **contact one of the following Progressive people:**

- Your Human Resources representative
- Any of our Business Leaders
- Our Chief Human Resources Officer
- Our Chief Legal Officer
- Our Chief Financial Officer
- Our Corporate Compliance Officer

The second way to voice a concern or report a violation is **through our confidential, toll-free Alertline (1-800-683-3604).**

In addition, concerns about **financial or accounting fraud, internal accounting controls or auditing matters** may be reported directly to the **Chairperson of the Audit Committee of our Board of Directors.**

Progressive's HR staff generally is a good first choice for reporting a concern or suspected Code violation. Our HR representatives are accustomed to handling sensitive information and are specially trained to direct concerns to the appropriate senior Progressive manager. Of course, you are welcome to report your concerns directly to any of the senior Progressive managers listed previously or to use our Alertline to report your concerns anonymously.

COMMITMENT TO NON-RETALIATION

Retaliation is a violation of this Code. We will not tolerate retaliation against any Progressive person who speaks up in good faith to raise a concern, report a known or suspected Code violation or participate in an investigation of a possible Code violation.

We will assess prompt and appropriate discipline, up to and including termination of employment, against any Progressive person who retaliates against another Progressive person (or any person or entity doing business with Progressive) in response to a concern raised under this Code. Similarly, we will act promptly if any Progressive business associate retaliates against any Progressive person for raising a concern under our Code.

We are serious about our commitment to non-retaliation and we rely upon you to help us enforce our non-retaliation policy. **Don't hesitate to report concerns about retaliation.** Progressive – and your co-workers – are depending on you.



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WE HAVE A RESPONSIBILITY TO OURSELVES

Q: I have good reason to believe that my manager may have violated our Code, but I'm not certain and I don't want to get in trouble with my manager if I report my concerns and they turn out to be wrong. What should I do?

A: You **must** report your concerns. Under our Code, you have a duty to report any good faith concern of a Code violation. Remember that you enjoy absolute protection from retaliation – even if your concerns turn out to be incorrect – so there is no risk in reporting. Also keep in mind that you may report your concerns to HR, to one of the senior Progressive managers listed above or anonymously through the Alertline, so you can pick the resource most comfortable for you. Of course, if you feel that your manager (or any other Progressive manager) treats you differently after you report a concern, notify your HR representative immediately so that any improper conduct can be addressed.

MANAGER RESPONSIBILITIES

Our managers and business leaders have a special responsibility for communicating, promoting and preserving our Core Values and the culture they reflect. If you are a manager or business leader, you must be aware that:

- **Compliance begins with you. Your actions set the tone for the people you support, your function and your internal and external customers.**
- **Compliance is part of your job. You are responsible for ensuring that your team members read, acknowledge and understand their responsibilities under our Code. If your team members seek your guidance, you are responsible for helping them get the answers they need.**

If you are *not* a manager or business leader, you nevertheless should be aware of the expectations we set for our managers and leaders and should feel empowered to hold them to their responsibilities. Most importantly, you should use the reporting resources listed in [Voicing Concerns and Reporting Possible Violations](#) (pages 3-4) in the event that you are concerned that a Progressive manager or business leader is violating our Code or engaging in conduct that is or may be harmful to Progressive's business interests or reputation.

RESPONDING TO CODE VIOLATIONS

We will investigate promptly, thoroughly and as discreetly as possible any concern raised under our Code. We will act swiftly if we find that our Code has been violated. In addition to stopping and correcting any improper conduct, we will take appropriate disciplinary measures against any Progressive person who violates our Code, up to and including termination of the person's employment. In appropriate cases, we also will protect our business and our people through legal proceedings and/or referrals to law enforcement personnel.



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WE HAVE A RESPONSIBILITY
TO OURSELVES

INTERPRETATIONS AND PERMITTED EXCEPTIONS

In some circumstances, a strict reading of this Code may prohibit, or appear to prohibit, an activity that is not actually illegal, unethical or in conflict with Progressive's obligations or interests. In such circumstances, Progressive people may seek an advisory interpretation to determine whether the proposed activity would violate the Code. If it is determined that the activity would violate a strict reading of the Code but should be permitted, Progressive may allow the activity through a formal waiver of the applicable Code policy.

Any Progressive person may submit to the Chief Financial Officer or Chief Legal Officer a request for an advisory opinion or waiver under this Code. All such requests must be made in writing and include a complete and accurate statement of the proposed activity and all relevant facts and circumstances. The Chief Financial Officer and Chief Legal Officer each have the authority to issue advisory interpretations and to grant or deny waivers of this Code to any Progressive person except Executive Officers or Directors, whose requests must be evaluated and decided by a disinterested majority of either the Board of Directors or the Audit Committee. In addition, any waiver made for or on behalf of an Executive Officer or Director will be disclosed promptly to shareholders and others in compliance with applicable stock exchange regulations and laws.

Our Code is a statement of every Progressive person's compliance and ethics responsibilities. It is neither a complete statement of Progressive policies nor a contract affording employment or third-party rights.

In some sections, our Code refers to policies and information maintained separately and available internally to Progressive people. For ease of reference, these resources are identified by *blue italic text* in the hard copy version of this Code and are available through hypertext links to internal readers using the electronic version. Cross-references to sections within the Code appear in **blue boldface italic text** in both the hard copy and electronic versions.

**WE HAVE A
RESPONSIBILITY
TO OUR FELLOW
EMPLOYEES**

DIVERSITY

**EQUAL EMPLOYMENT OPPORTUNITY
AND NON-DISCRIMINATION**

HARASSMENT-FREE WORK ENVIRONMENT

HEALTH AND SAFETY

WEAPONS AND WORKPLACE VIOLENCE

ALCOHOL AND ILLEGAL DRUGS

WAGE AND HOUR COMPLIANCE

PROTECTING EMPLOYEE INFORMATION

DISCLOSURE OF CRIMES



2

WE HAVE A RESPONSIBILITY TO OUR FELLOW EMPLOYEES

TO OUR FELLOW EMPLOYEES.

We are united in service to our customers and owners.

We approach our work with open minds and doors, valuing our differences in thoughts and experiences.

We provide clear objectives, honest evaluations, fair opportunities for development, fair compensation for our work and accessible leaders.

We safeguard our people's private information as our own and keep our workplaces safe and free from harassment and unlawful discrimination.

We treat each other with dignity and respect in all circumstances.

DIVERSITY

Our people are our greatest asset. It is our people's ideas, hard work, enthusiasm for our business and dedication to our customers that have led us to the many successes we have enjoyed and will lead us to the great successes yet to come. Likewise, it is our people who make our workplace the special environment it is, in which each person can risk, learn and grow.

Our commitment to equality of opportunity and our adherence to the Golden Rule has helped us attract, support and advance people from a broad range of backgrounds and experiences. Our proud result is that no two Progressive people are alike. Most readily observed, our people hail from the world over and represent a rich mosaic of lifestyles, talents, beliefs and cultures. More significantly, each person brings to Progressive a unique individuality, regardless of his or her background or path to Progressive. We have found that this diversity, broadly understood, fosters new and different perspectives on our business and promotes healthy exchanges of ideas as we continue to seek new and better ways of serving our customers. We aspire to further this diversity and the underlying spirit of inclusion at every opportunity.

EQUAL EMPLOYMENT OPPORTUNITY AND NON-DISCRIMINATION

Progressive is committed to equality of opportunity for all qualified people. We prohibit discrimination by or against any person on the basis of age, race, religion, color, sex, disability, national origin, ancestry, citizenship status, marital status, sexual orientation, gender identity or expression, veteran status or any other factor that is unrelated to Progressive's legitimate business interests. In addition, we make all appropriate reasonable accommodations to allow any qualified disabled person to contribute equally to Progressive's business.



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WE HAVE A RESPONSIBILITY TO OUR FELLOW EMPLOYEES

HARASSMENT-FREE WORK ENVIRONMENT

Each of us – no matter our differences in background, experience or thought – is entitled to a harassment-free workplace.

Harassment of any person is prohibited under this Code and will not be tolerated. There are no exceptions.

Harassment is any conduct – verbal, physical or visual – that creates a hostile or offensive work environment or unreasonably interferes with another person’s ability to perform his or her work. This includes all forms of sexual harassment, i.e., conduct that creates a sexually hostile, humiliating or offensive work environment, as explained fully in our [Sexual Harassment](#) policy. Harassment directed at people outside Progressive – including customers, guests, agents, suppliers or their representatives – likewise is prohibited under our Code and will not be tolerated.

Harassment can take many forms. Too often, harassment occurs when we fail to appreciate the impact of our actions on others. Keep in mind that each of the following can be an act of harassment under our Code:

- Remarking inappropriately and/or repeatedly about a person’s appearance, race, ethnicity, sex or other trait, especially if the remarks are derogatory. A typical example is offensive jokes about a person’s culture or sex. Even well-meaning remarks – such as a compliment on a co-worker’s appearance – can be harassing if they are repeated despite being unwelcome.
- Posting images (such as drawings, cartoons or photographs) that are graphic or offensive on the basis of race, ethnicity, national origin or other traits. Examples include cartoons that negatively characterize people of a certain race or national origin or images depicting scenes of violence or pornography.
- Any threats of physical harm or unwelcome physical touching.

These are just a few examples. For examples of sexual harassment, please also see our [Sexual Harassment](#) policy. In all cases, the key is to recognize when your conduct is unwelcome, to discontinue your conduct as soon as you become aware that it is unwelcome, and to report any conduct that you feel is harassing to you.



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WE HAVE A RESPONSIBILITY TO OUR FELLOW EMPLOYEES

HEALTH AND SAFETY

Progressive is committed to ensuring the safety of all employees, customers, agents, suppliers and guests in our workplace and to providing a healthy, safe and clean work environment. You play an important role in helping us meet that commitment. First and foremost, you are responsible for following our workplace rules and for using good judgment to avoid inappropriate risks. In addition, we expect you to look out for the safety of others and to report any injuries, incidents, unsafe practices or conditions or threatening or dangerous behavior that you believe may pose a risk to your health or safety or the health or safety of other Progressive people, customers or guests in our workplace.

The following are examples of risks you should report:

- You observe a customer, supplier, guest or co-worker threatening violence or assaulting a person on Progressive premises.
- You notice that a Progressive fleet vehicle, Immediate Response Vehicle or office facility is not in sound operating condition.
- You believe that a business protocol is unnecessarily dangerous.
- You observe or suspect a violation of any Progressive safety standard or protocol, including a violation of our [Weapons and Workplace Violence](#) or [Alcohol and Illegal Drugs](#) (pages 11-12) policies.

We are our own best safety monitors. To report any health or safety concern, please follow the reporting procedures set forth in [Voicing Concerns and Reporting Possible Violations](#) (pages 3-4). **If you believe that your safety or the safety of any other person is at immediate risk, immediately contact the Emergency Hotline at 1-800-436-5505. If you believe that the circumstance poses a risk to your life or well-being, immediately dial 9-1-1 to alert local emergency response personnel and then contact the Emergency Hotline.**

WEAPONS AND WORKPLACE VIOLENCE

We have no tolerance for weapons at work. Under no circumstances may you bring into our facilities or our vehicles any weapon or ammunition, including any firearm, knife, explosive or other unlawful device. Nor, subject to state law, may you bring any such item onto our premises (including parking lots). You may, however, carry a permitted precautionary item (such as mace) for personal protection and/or a small pocket or utility-type knife to be used as a tool.



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WE HAVE A RESPONSIBILITY TO OUR FELLOW EMPLOYEES

Q: What is permitted as a “precautionary item”? What is a “utility-type” knife?

A: Precautionary items are items that serve the purpose of providing for your safety or self-defense. These items include mace, pepper spray, animal repellent and other legal chemical dispensing devices, as well as whistles, electronic noise emitters and sirens. This list is not exhaustive, so check with your HR representative to see if an item you feel you need to carry may be permitted. In all cases, however, you may not carry any item that is prohibited under local or state law.

A utility-type knife is a tool that includes a small knife blade along with other utility functions, such as a screw driver or bottle opener. The most common example is a “Swiss Army” knife. Switchblades and devices whose principal function is as a weapon or defensive device are not utility-type knives. As a general rule, any knife that cannot fit in your pocket and/or whose blade is longer than three inches (3”) is prohibited.

Our weapons prohibition reflects our broader prohibition of workplace violence. Under no circumstances may any Progressive person threaten or commit a violent act against any other person while on Progressive’s premises or performing Progressive work. Prohibited conduct includes, but is not limited to, verbal, written and physical threats; verbal and physical assaults; and damage to or destruction of Progressive property or the property of any other person on Progressive’s premises.

You are responsible for strict compliance with this policy. If you have any questions about the policy, including questions about whether a particular precautionary item or tool is permitted, you should contact your Human Resources representative before bringing the item onto Progressive’s premises or using it while at work.

ALCOHOL AND ILLEGAL DRUGS

As a vehicle insurer, Progressive is particularly aware of the hazards of substance abuse. Being under the influence of alcohol or illegal drugs hinders judgment, compromises physical capabilities and imperils the health and safety of the person abusing the substance and all others in proximity. Progressive is committed to providing a work environment that is free of these hazards associated with substance abuse.



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WE HAVE A RESPONSIBILITY TO OUR FELLOW EMPLOYEES

The use, possession, sale, purchase, solicitation, distribution or being under the influence of alcohol or any illegal drug is prohibited during working time (including meal times) and at any time on Progressive premises or inside a Progressive-supplied vehicle (including an IRV and any company-owned, company-leased or company-rented vehicle). An illegal drug under this policy includes any prescription drug that you obtain or distribute illegally. As narrow exceptions to this policy, you may consume alcohol responsibly:

- at any time when provided by Progressive for consumption at a Progressive function;
- during non-working time while on business travel; and
- during non-working time when at social functions with agents or business associates.

If you choose to consume alcohol in any such permitted circumstance, you will remain responsible for complying with this Code and all other Progressive policies, including all policies and laws relating to motor vehicle operation. Note that service of alcohol at Progressive functions during working time, and on Progressive premises at any time, must be authorized in advance by your business unit's Group President.

If you choose to consume alcohol at a Progressive function or a social function when permitted under our Code, keep in mind the following:

- You may not report to work under the influence of alcohol at any time.
- If you consume alcohol during non-working time while traveling on business, be sure to make arrangements to return to your hotel safely. Never drive a Progressive-supplied vehicle (including a rental vehicle) while under the influence of alcohol. Keep in mind that your employment will be terminated if you are found to have operated a Progressive-supplied vehicle under the influence of alcohol or illegal drugs as defined by the law of the applicable state.
- If you find yourself at an event during working time at which alcohol is offered, such as a business lunch with agents or business associates, politely decline the service. If necessary, explain to your companions Progressive's prohibition on consumption of alcohol during working hours.
- Alcohol consumption is a strictly personal choice. If you feel pressured by a co-worker or supervisor to consume alcohol, decline politely and firmly and consider elevating the issue to your Human Resources representative.

WAGE AND HOUR COMPLIANCE

Progressive complies with all applicable minimum wage, overtime wage, child labor and other wage and hour laws and regulations.

To ensure that you are paid properly for your work, you must report and record your time accurately and timely. It is your responsibility to understand how to record your time and when it must be reported. If you discover an error in your time records or compensation, you must correct the error promptly or report the



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WE HAVE A RESPONSIBILITY TO OUR FELLOW EMPLOYEES

error promptly to your supervisor or Human Resources representative so that it may be corrected for you. Intentional misrepresentation in connection with your time reporting, such as a failure to report time off, is a violation of this Code.

Any concerns about Progressive's pay practices or compliance with wage and hour laws should be reported immediately to your HR representative, our Chief Human Resources Officer or our Chief Legal Officer.

PROTECTING EMPLOYEE INFORMATION

Protecting our people's personal and confidential information is one of our highest priorities. This means that we strictly limit access to that information internally and externally. If you are entrusted with such information, you are responsible for its protection. Among other things:

- You may not disclose that information inside or outside Progressive without proper authorization.
- You may not use the information for any non-business or unauthorized purpose(s), including for any personal gain or benefit.
- You must take all reasonable steps to secure the information from inadvertent disclosure to others.

Of course, you are responsible for exercising good judgment in handling your own personal information when you are at work. The safest practice is to keep your personal information out of the workplace except as necessary for business purposes.

DISCLOSURE OF CRIMES

As an insurer, Progressive is subject to legal restrictions relating to employment of people who have been convicted of or charged with certain types of crimes. To ensure our compliance with applicable laws, you must notify your manager or Human Resources representative if you have been charged with or convicted of any crime, whether a misdemeanor or felony. Notice need not be in writing, but must be made by the end of the next business day following the charge or conviction. Failure to provide timely notification is a violation of this Code.



3

**WE HAVE A
RESPONSIBILITY
TO OUR
CUSTOMERS**

**DELIVERING SERVICE CONSISTENT WITH
OUR BRAND PROMISE**

PRIVACY OF CUSTOMER INFORMATION

ADVERTISING



3

WE HAVE A RESPONSIBILITY TO OUR CUSTOMERS

TO OUR CUSTOMERS.

We work hard to provide service that delights our customers, fulfilling our vision of reducing the human trauma and economic costs of vehicle accidents. We treat our customers as individuals, with respect and courtesy, deal with them honestly and show them empathy. We protect their private information, make clear promises and honor our commitments. We strive to perform at our very best to earn our customers' admiration and trust so that they choose to stay with us in lasting relationships.

DELIVERING SERVICE CONSISTENT WITH OUR BRAND PROMISE

Our responsibility to our customers requires us to do more than comply with our strict ethical policies and practices. We also must deliver service that is consistent with our brand promise, the underpinning of which is respect for the customer.

If you have the opportunity to serve customers directly, you are responsible for respecting each customer individually and demonstrating our Core Values of Integrity, Excellence and the Golden Rule by treating each customer as you would like to be treated.

PRIVACY OF CUSTOMER INFORMATION

Our business requires us to obtain confidential personal information from applicants for insurance, claimants and policyholders. This information includes dates of birth, Social Security numbers, Driver's License numbers, bank account numbers, license plate numbers, telephone numbers, credit card numbers, credit information and medical information. Even the fact that a person is insured by Progressive or has obtained a quote from Progressive is confidential.



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WE HAVE A RESPONSIBILITY TO OUR CUSTOMERS

We are committed to ensuring that personal information entrusted to us is kept confidential and used only for authorized and valid business purposes. **All such information, as well as any other information relating to our customers, must be maintained in strict confidence and may not be accessed, used or disclosed except as authorized and as necessary to perform your assigned job duties.** In addition to complying with applicable privacy laws, we make the following commitments:

- Access to confidential information will be limited to Progressive people with a legitimate business-related need to have access.
- Confidential information will be disclosed only as required in the course of our work, as authorized by the person to whom the information belongs, in response to a subpoena or other legal process or as otherwise required or permitted by law.
- Confidential information will not be distributed to third parties unless disclosure is made in accordance with the [Privacy Verification Matrix](#) applicable to the business unit disclosing the information and is permitted under this Code or by Progressive's Privacy Officer.
- Customer names will not be used in marketing materials without the customer's prior written consent.

Q: Can I discuss policies taken out by celebrities or politicians? They already are public figures and much of their information is reported by the media anyway.

A: No. A celebrity, politician or other public figure is afforded protection under privacy laws, just like everyone else. Disclosing a celebrity's information without a business-related need to do so would violate applicable privacy laws (exposing Progressive to potential liabilities) and violate this Code. Equally important, doing so would violate the essential trust our customers place in us, including our customers who are well known to the public.

Q: How can I help Progressive protect customer privacy?

A: Simple steps can have a big impact. For instance, be careful not to leave confidential customer information in plain view while you are away from your work area overnight or during lunch. Also be sure to password-protect your computer so that nobody can access it while you are away from your desk. If you have a laptop, be careful not to leave it unattended in public places. And make sure you follow your business unit's guidelines for transmitting confidential customer information electronically, such as by fax or e-mail.

Additional guidance, including frequently asked questions and answers, can be found on our [Privacy](#) site, available internally to all Progressive people.

If you have any questions about our policies with respect to privacy of customer information, or with respect to privacy matters more generally, contact your business unit's Privacy Team representative or our Privacy Officer.



3

WE HAVE A RESPONSIBILITY TO OUR CUSTOMERS

ADVERTISING

Effective consumer advertising is essential to our long-term success. Our most effective advertising often occurs through word-of-mouth referrals from satisfied customers and enthusiastic employees. We supplement that informal advertising with formal media placements to reach as many customers as possible. In all of our advertising, we must explain our products, services and pricing accurately and honestly, in full compliance with applicable laws. You are responsible for applying these same standards when you promote our business to customers personally – that is, be honest about our products and services, promising only what you know we can deliver.

4

WE HAVE A RESPONSIBILITY TO OUR INVESTORS

INTEGRITY OF BUSINESS RECORDS
AND FINANCIAL REPORTING

RECORDS MANAGEMENT

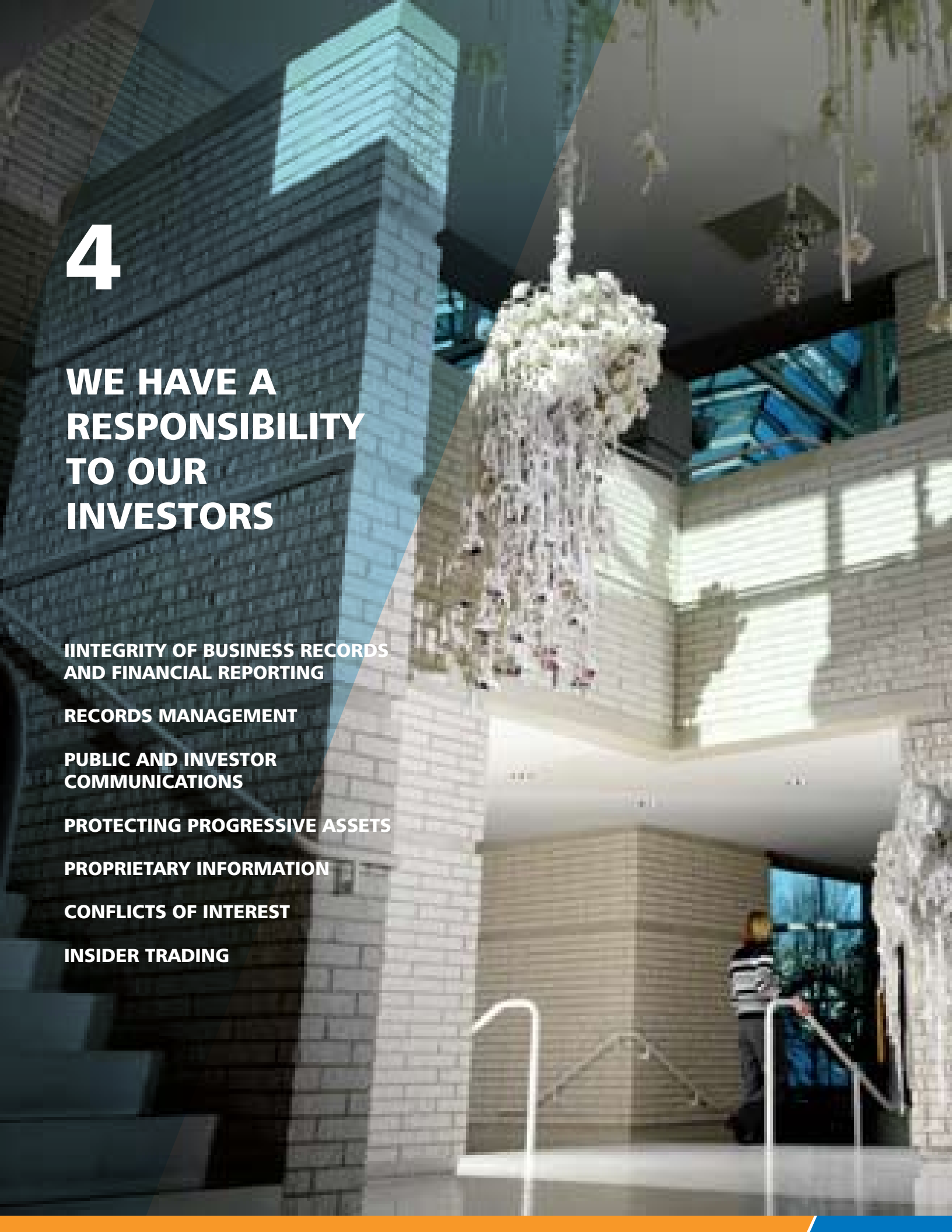
PUBLIC AND INVESTOR
COMMUNICATIONS

PROTECTING PROGRESSIVE ASSETS

PROPRIETARY INFORMATION

CONFLICTS OF INTEREST

INSIDER TRADING





4

WE HAVE A RESPONSIBILITY TO OUR INVESTORS

TO OUR INVESTORS.

We align our interests with those of our investors and deploy their capital wisely to enhance our business and maximize their returns. We maintain accurate books and records, report both our successes and failures, and protect our corporate assets and reputation. We report any conflicts of interest promptly and fully.

INTEGRITY OF BUSINESS RECORDS AND FINANCIAL REPORTING

We are committed to the integrity of our records and financial reporting. This means that our books, records and accounting must be accurate, complete and prepared in a manner that properly represents the actual transaction or event recorded. Likewise, all disclosures made in our financial reports and public documents, as well as any public comments made on Progressive's behalf, must be accurate, fair, complete, timely and understandable.

What is a record? A record is any document or electronic entry you create in connection with your work. Common examples are time reports, expense reports, accounting and financial records, face sheet notes, recorded telephone calls, claims information, employee benefits claims and enrollment records, information submitted in support of leaves of absence, e-mails, voice-mails, memoranda, reports, data entries and correspondence.

To ensure the integrity of our records and financial reporting, every Progressive person must:

- Take care to create accurate, timely and complete records that represent the true state of affairs and nature of activities. Never intentionally misrepresent facts or mislead readers.
- Never create or approve any false, misleading or fraudulent records or cause any other person to do so. Never mislead or cause any other person to mislead any accountant, auditor or other person in connection with the preparation, audit, review or examination of Progressive's financial statements or records and/or in connection with any document or report required to be filed with the U.S. Securities and Exchange Commission or any other government authority.



4

WE HAVE A RESPONSIBILITY TO OUR INVESTORS

Q: I'm traveling on business and the cost of my dinner has exceeded the *Expense Guidelines*. Can I indicate on my expense report that another person joined me for dinner so that I can be reimbursed for the full amount of the meal? If not, can I claim part of the meal for lunch and part for dinner?

A: No. Expense reports are records. Inaccurately reporting a meal expense to avoid the *Expense Guidelines* for that meal is always wrong and violates our Code. While it may seem like a "harmless" violation, claiming that you paid for an additional person when you did not actually do so, breaking a single meal into two or more parts or falsifying expenses in any other way in an attempt to bring an out-of-Guidelines expense within the Guidelines is a violation of this code.

If you become aware of an error or learn that records are missing, inaccurate or misleading, or that material information has not been disclosed in connection with a financial report or an audit, review or examination of Progressive's financial condition, inform your supervisor or another Progressive manager immediately. Even seemingly small or insignificant errors or improprieties can have serious consequences, so speak up no matter how small you think an error or inaccuracy may be or how long ago it may have been made. If you believe that your concerns have not been addressed, elevate them in accordance with the **Voicing Concerns and Reporting Possible Violations** (pages 3-4) section of this Code. If your concern relates to financial or accounting fraud, internal accounting controls or auditing records, you also may report the concern directly to the Chairperson of the Audit Committee of our Board of Directors.

Did you know? We employ internal and external auditors to review our financial records and audit our results, providing additional protection to our investors. It is a violation of this Code to attempt to coerce, manipulate, fraudulently influence or mislead any accountant, auditor or other person engaged in preparing, reviewing or auditing Progressive's financial statements or records. Prohibited conduct includes any attempt to omit or make selective disclosures of any material information regarding Progressive, our securities, financial condition, business plans or results of operations in order to mislead an accountant or auditor, including any conduct that would coerce, manipulate, mislead or fraudulently influence an accountant: (1) to issue or reissue a report on our financial statements that is not warranted in the circumstances (due to material violations of generally accepted accounting principles, statutory accounting principles, generally accepted auditing standards or other professional or regulatory standards); (2) not to perform an audit, review or other procedures required by generally accepted auditing standards or other professional standards; (3) not to withdraw an issued report; or (4) not to communicate matters to the Audit Committee of our Board of Directors.



4

WE HAVE A RESPONSIBILITY TO OUR INVESTORS

RECORDS MANAGEMENT

Maintaining the integrity of our records requires proper records management, including proper document retention and disposal. Every Progressive person is responsible for understanding and complying with our records management rules.

Our corporate [Records Retention Program](#) describes our records management rules and prescribes specific lengths of time for which records in various categories must be retained. You are responsible for complying with the Records Retention Program as it relates to the records you create or handle. More generally, the following key principles of our Records Retention Program should guide your day-to-day records management:

- Retain records as required by applicable law. Laws relating to records retention are described in our Records Retention Program, so simply follow that Program to ensure compliance.
- Retain all records relevant to litigation or an investigation. Records that could be relevant to litigation or an investigation must not be altered, destroyed or concealed – even if the records are not otherwise subject to a retention rule. If you become aware of litigation or an investigation, or believe or suspect that litigation or an investigation is likely, you must preserve any records in your control that may be relevant to the investigation or litigation.

From time to time, you may receive a **Document Destruction Hold** (also known as a Document Preservation Order) from our Corporate Law Department. A Document Destruction Hold is a formal notification that certain categories of records must be maintained indefinitely, often in connection with a suspected or pending legal matter. If you receive a Document Destruction Hold, you are responsible for ensuring that you understand it and comply with it fully.

- In the absence of a legal obligation, retain only records for which we have an ongoing business need. Disposing of records we no longer need to keep helps us make the best use of our limited data storage capacity. Before disposing of records, however, check the [Records Compliance Database](#) to be certain that you do not dispose of a record we need to retain.
- Your records management obligations apply equally to electronic and hard-copy records. There is no distinction between electronic records – such as e-mails, voice-mails and computer-based files – and hard-copy records under our Records Retention Program.

If you know of or suspect a violation of our Records Retention Program, report your concern promptly to any member of the Corporate Law Department.



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WE HAVE A RESPONSIBILITY TO
OUR INVESTORS

PUBLIC AND INVESTOR COMMUNICATIONS

Each of us must take care not to make public statements that could undermine Progressive's investor communications or otherwise influence the market for Progressive securities.

As a rule, unless you are authorized to speak on Progressive's behalf, do not represent, implicitly or explicitly, that you are authorized to speak for Progressive about any matter relating to the Company's financial condition, securities, operations or business plans, and do not speak publicly or cause public comment to be made about those matters. This includes comments made at industry events, customer meetings and social events, to the media and through electronic communications such as e-mail, "blogs" and "chat room" postings. Generally, only senior managers, Executive Officers and Directors will be authorized to speak on Progressive's behalf.

If you are contacted by a media representative seeking information or comment about Progressive, our people or our customers, the inquiry should be directed to Progressive's Integrated Marketing and Communications group in accordance with our [Media Access Policy](#).

PROTECTING PROGRESSIVE ASSETS

Protecting the integrity of our records, financial reporting and public communications is part of our broader responsibility to protect all of Progressive's assets. Each of us is responsible for protecting Progressive's assets from theft, loss, misuse and waste.

PHYSICAL ASSETS

As a Progressive person, you are entrusted with many Company assets to help you work most effectively. These include such things as computing and telecommunications equipment, office supplies, fleet vehicles and, in some cases, corporate funds. You must use good judgment at all times so that the assets entrusted to you are not misused, lost, stolen or wasted. In particular, you may not use the assets for unauthorized personal use and may not take, embezzle, loan, sell or give away any Progressive asset, regardless of its condition or value.

If you have the authority to negotiate contracts on behalf of Progressive, you are responsible for complying with the [Contract Review and Signature Authority](#) guidelines. With limited exceptions, those guidelines require that all transactions above a threshold amount are documented in a written agreement approved by the Corporate Law Department and authorized by a manager with expense authority sufficient to cover the first year of the agreement or any non-cancellable time period. Agreements may only be signed by an officer of the Progressive company that is a party to the agreement.



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WE HAVE A RESPONSIBILITY TO OUR INVESTORS

Did you know? Occasional personal use of Progressive assets is permitted in some circumstances. For example, it is not a violation of this policy to use Company-supplied vehicles for occasional personal use as permitted by Risk Management under our *Driving Handbook*. Similarly, it is not a violation of this policy to use your business telephone or e-mail for occasional personal communications, provided that the communications do not interfere with your work duties and do not otherwise violate this Code (such as with respect to content). On the other hand, it would be a violation of this policy to use a Progressive-branded vehicle for unauthorized personal use (such as for an outside business) or to use your work telephone or e-mail for lengthy personal communications that interfere with your work duties and drain Progressive resources.

Loss or theft of Progressive IT assets poses a risk of harm beyond the loss of the asset itself. For instance, a stolen laptop can lead to the unintended disclosure of confidential or proprietary information. To help us protect against such losses, call the Progressive Emergency Hotline at 1-800-436-5505 as soon as you discover a theft or loss of a laptop or personal data device.

PROPRIETARY INFORMATION AND OTHER INTANGIBLE ASSETS

Many of Progressive's most valuable assets are intangible, that is, they cannot be seen or felt. This "Proprietary Information" includes our confidential business plans, ideas, strategies, inventions, concepts and other information that we develop through our hard work and which gives us competitive advantage. You are responsible for safeguarding these valuable assets as carefully as you protect the physical assets entrusted to you.

Protecting our Proprietary Information requires that you exercise discretion in disclosing such information, both inside and outside Progressive.

Proprietary Information includes all non-public ideas, concepts, strategic plans, market analyses, business strategies, research and development, technologies and processes, rating and underwriting methods and formulae, training materials, agent, customer and employee information, financial data, investment plans and other sensitive information relating to Progressive's business. This is known legally as Proprietary Information because it is owned by Progressive and is the Company's property.

The following rules apply to your access to, use and disclosure of Proprietary Information:

- Do not access or disclose Proprietary Information unless you have a legitimate business need for the information and express authorization to access and/or disclose it. Internal disclosures should be made only to Progressive people with a legitimate, demonstrated business need to know the information. If you are not sure whether access or disclosure is authorized, check with your supervisor before accessing or disclosing any information.
- Do not disclose Proprietary Information to anyone outside Progressive without obtaining explicit authorization from the Corporate Law Department. This includes disclosures to the public via Internet forums or other means of electronic communication, including "chat rooms", "blogs", personal Web pages or electronic bulletin boards.



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WE HAVE A RESPONSIBILITY TO OUR INVESTORS

- Do not take, misappropriate, use or embezzle Proprietary Information for yourself or any other person.
- If you receive a subpoena or court order that you believe requires you to disclose Proprietary Information, you must contact the Corporate Law Department before making any disclosure.

NOTE: Your responsibilities under this section of the Code apply at all times during your employment with (or, if you are a Director, your service to) Progressive and will continue indefinitely after your employment (or service) ends until such time, if any, that Progressive gives you express authorization to use or disclose Proprietary Information. Also note that nothing in this section is intended to restrict you from discussing your terms or conditions of employment or your experiences as a Progressive customer.

Q: I prepared a detailed report on the independent agency market for my supervisor just before submitting my resignation. Can I take a copy of the report with me when I leave?

A: No. While you should be proud of your work for Progressive, any research or ideas that you develop in the course of your work belong to Progressive and cannot be taken out of Progressive, even if you don't intend to disclose them to others.

CONFLICTS OF INTEREST

It is essential for every Progressive person to avoid conflicts of interest. A “conflict of interest” arises anytime your personal, social, political or financial interests or activities, or those of your family (including your immediate family and relatives), could influence your decision-making on Progressive’s behalf or cause others to question your objectivity. To protect you and Progressive from harmful conflicts of interest, it is your responsibility under this Code to:

- **Avoid** conflicts of interest, both actual and perceived, keeping in mind that even the perception of a conflict of interest can be damaging to you and to Progressive;
- **Report** possible conflicts of interest immediately upon becoming aware that a potential conflict of interest has arisen, or may be perceived by others as having arisen, even if you are not sure that a conflict of interest exists or do not believe it will impair objectivity. Reports must be accurate, complete and directed in writing to the Chief Legal Officer or the Chief Financial Officer with a copy to your General Manager.
- **Ask** for guidance any time you are not sure whether an interest or activity poses a conflict of interest. You can seek guidance from your Human Resources representative, our Corporate Compliance Officer or our Corporate Law Department.



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WE HAVE A RESPONSIBILITY TO OUR INVESTORS

Because conflicts of interest can affect even the most well-intentioned person, they are **prohibited** at Progressive as a general rule. If Progressive determines that a conflict of interest exists and requires action on your part to resolve the conflict, you are responsible for complying with any directives that the Chief Legal Officer or Chief Financial Officer may issue to avoid or resolve the conflict of interest.

The sections below should help you identify situations in which conflicts of interest most commonly occur. In recognition of the unique conflicts of interest that can arise in claims adjusting, Claims people also are responsible for complying with the *Special Rules for Claims People, Conflicts of Interest* (page 44).

CONFLICTS ARISING THROUGH YOUR WORK FOR PROGRESSIVE

Conflicts of interest can arise whenever your work for Progressive affords you the opportunity to secure an unauthorized benefit for yourself, a relative or someone else you know personally. It is a violation of this Code for you to misuse your position at Progressive to secure such a benefit. The following are specifically prohibited:

- **Policy and Claims Activities.** You may not access, view or be involved in processing or servicing any Progressive policy for yourself, a family member, a friend or anyone else you know personally. Likewise, you may not access or view any claim file, adjust or handle any claim, or influence or attempt to influence the handling of any claim relating to you, a family member, a friend or anyone else you know personally.

If you are a Progressive policyholder, be aware that Progressive may audit your policy and any claims filed under that policy to ensure your compliance with our prohibition on policy and claims file access. We do this to protect you and our Company. If you come into contact with a policy or claim for yourself, a family member, a friend or anyone else you know personally, notify your supervisor immediately so that the policy or claim can be assigned to another Progressive person.

- **Corporate Opportunities.** You may not take for yourself, or refer to family members, friends or any other person, profit or business opportunities that you discover, or of which you become aware, through your work for Progressive, through your position at Progressive or through Progressive's resources, property or information, without prior written approval from the Chief Executive Officer (or, if you are a Director or Executive Officer, from a disinterested majority of the Board of Directors). Likewise, you may not use Progressive property, information, resources or your position for unauthorized personal gain.

Note that it is **not** a violation of this policy for you to use progressive.com to obtain a quote, purchase or make changes to your policy, check the status of a claim under your policy or pursue in good faith a claim against Progressive or a Progressive policyholder in connection with an injury or loss related to a Progressive insurance product.



4

WE HAVE A RESPONSIBILITY TO OUR INVESTORS

CONFLICTS ARISING FROM YOUR FINANCIAL INTERESTS OUTSIDE PROGRESSIVE

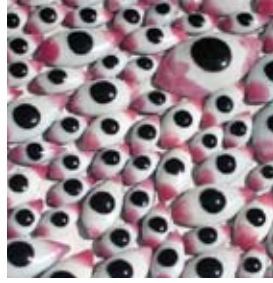
Conflicts of interest can arise, as well, through your personal outside investments and financial interests. Certain financial interests and investments are always improper; others must be approved by Progressive before being made. To ensure that your outside financial interests and investments do not present conflicts of interest, the following restrictions apply:

- **Financial Interests in Competitors, Suppliers or Insurance Agencies.** Except as specifically permitted as *Policy Exceptions* (pages 44-45), you may not have a financial interest (such as an ownership or investment stake) in any competitor, supplier (such as a body shop) or customer of Progressive, or in any insurance agency that does business with Progressive or any of Progressive's competitors.
- **Interests in Progressive Transactions.** Except as specifically permitted as *Policy Exceptions* (pages 44-45), you may not have a financial interest in any business transaction involving Progressive (such as a sale or purchase of property or other assets to or from Progressive) without full disclosure to, and prior written approval from, the Chief Legal Officer or Chief Financial Officer or, if you are an Executive Officer or Director of Progressive, from a disinterested majority of the Board of Directors.
- **Loans to Officers or Directors.** If you are an Executive Officer or Director of Progressive, neither you nor any member of your family or any entity affiliated with you or any member of your family may receive or participate in any loan made by Progressive or have any personal obligation guaranteed by Progressive unless permitted under applicable law and approved by a disinterested majority of the Board of Directors.

CONFLICTS ARISING FROM YOUR ACTIVITIES OUTSIDE PROGRESSIVE

Like outside financial interests, outside personal activities can create conflicts of interest. While Progressive respects the right of all Progressive people to pursue individual interests and activities – professional, personal, social and political – on their own time, you must take care to ensure that your outside activities conform to the following restrictions to avoid any actual or perceived conflict of interest:

- **Competition with Progressive.** You may not compete with Progressive, or participate in activities that compete with Progressive, while you are a Progressive employee, Executive Officer or Director. This includes leading, working for or contributing to any business or venture that competes with Progressive in any line of business.



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WE HAVE A RESPONSIBILITY TO OUR INVESTORS

- **Non-Competing Outside Employment and Business Activities.** You may maintain employment outside Progressive and engage in outside business activities during non-work hours, provided that the employment and other activities do not compete with Progressive. Note, however, that you may not use Progressive time, equipment (including computer, telecommunications and other office equipment), resources or facilities for any such outside employment or business activity and you may not maintain the employment or business activity if it adversely affects your job performance at Progressive or otherwise conflicts with your duties to Progressive.
- **Charitable and Civic Activities.** You are welcome to take an active part in educational, cultural, charitable and civic activities. However, you may not accept any position or responsibility in connection with such activities that is likely to require a significant amount of your time during normal business hours without securing prior approval from your supervisor.
- **Service as Officer, Director, Employee, Agent, Representative or Advisor to Any Progressive Competitor, Customer or Supplier.** Except as specifically permitted as *Policy Exceptions* (pages 44-45), you may not serve as an officer, director, employee, agent, representative or advisor of or for any competitor, customer or supplier of Progressive, or any insurance agency that does business with Progressive.

CONFLICTS ARISING FROM ACTIVITIES OF FAMILY

In some instances, financial and business interests and activities of your family also may pose conflicts of interest. Common such instances include family members who work for Progressive competitors or business associates, including suppliers, insurance agencies and vendors. These activities must be reported under this Code to allow Progressive to evaluate and address such potential conflicts.

Q: My cousin owns an insurance agency in town. I don't think he sells Progressive insurance. Do I have to report this?

A: Yes. Any family ownership of an insurance agency must be reported to the Chief Legal Officer or Chief Financial Officer. In most cases, conflicts between your work and that of your family can be avoided, but we need to know about those business activities to ensure that we establish proper safeguards for the benefit of both you and Progressive.

INSIDER TRADING

Much like the laws governing our business records and public disclosures, there are special laws designed to protect the investing public from a type of market fraud known as "insider trading". Insider trading is both unlawful and a violation of our Code.



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WE HAVE A RESPONSIBILITY TO OUR INVESTORS

Insider trading is the term used to describe the unlawful purchase or sale of securities – stocks, stock options, bonds, derivatives and other traded financial instruments – while aware of “inside” information. Inside information is information that is:

- **non-public** – i.e., information that is **not available to the general public**, either because the information is confidential or because it has not yet been disclosed in public reports or press releases issued by the company; and
- **material** – i.e., information that **a reasonable investor likely would consider important** in deciding whether to buy, sell or hold a security, as well as any information that **likely would affect the market price** of the security if it were disclosed to the general public.

It is important to recognize that you may learn inside information at any time in the course of your work for Progressive. For instance, you may learn about business plans, product innovations or financial results before they are announced to the public. You also may become aware of non-public government investigations or legal proceedings. Even the level of activity in our call centers, an unannounced new advertising campaign or a business update delivered at a Progressive staff meeting are types of inside information. While it is impossible to list every category of inside information, the test described in our policy – that the information is **non-public** and **material** – should guide you in most circumstances. Of course, if you aren't sure, you should consult the Corporate Law Department for guidance before acting.

It is unlawful under the securities laws and a violation of our Code for you, or for anyone acting on your behalf or at your direction, to engage in insider trading. This prohibition applies to the purchase, sale or trade of any security of Progressive or any other company while you have inside information. It also is unlawful and a violation of our Code for you to **tip** – that is, pass along inside information to – another person to inform a securities trade, even if you would not benefit personally from the trade. These prohibitions apply strictly, no matter how small the amount of securities traded and no matter to whom the inside information is passed.

Special rules apply to Progressive people who are involved in preparing our earnings releases, financial statements and other sensitive business documents, as well as to members of our Board of Directors, senior management and to employees who have access to sensitive and confidential information, as explained in our separate *Insider Trading* policy applicable to those Progressive people. Directors and senior executives also are prohibited from engaging in “short swing” transactions. You will be notified personally if these additional restrictions apply to you. If applicable, compliance with all such additional restrictions is part of your responsibilities under this Code.

A large, realistic portrait painting of a woman's face, framed in a simple wooden frame, is displayed on a gallery wall. The woman has a neutral expression and is looking directly at the viewer. The gallery has a dark, slatted ceiling with recessed spotlights. In the background, two people are blurred, one in a red shirt and one in a dark jacket, standing and looking at the artwork.

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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

GIFTS AND ENTERTAINMENT

ANTITRUST

COMPETITION AND FAIR DEALING

INTERNATIONAL BUSINESS PRACTICES

**PROTECTING THIRD-PARTY
PROPERTY RIGHTS**



5

WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

TO OUR OUR AGENTS AND OTHER BUSINESS ASSOCIATES.

We are committed to fair and vigorous market competition.
We recognize our business associates as valued contributors to our success, deal with them honestly and fairly, and do not grant or accept improper favor.
We support our independent agents and brokers by continuing to provide superior products and services.
We honor all commitments and demand fulfillment of promises made to us.
We follow our Core Values and insist we receive the same fair treatment.
We provide avenues for feedback and address concerns timely and fairly.

GIFTS AND ENTERTAINMENT

We believe that the reward for delivering exceptional products and services is increased customer satisfaction and business growth benefiting all Progressive people, not gifts or entertainment benefiting just a few of us. In that spirit, we are firm in our belief that Progressive people must not use their business position to solicit gifts or entertainment from anyone outside Progressive and that unsolicited gifts or entertainment generally should be declined. The following detailed policy should inform your decision-making. If you are a Claims person, you are responsible for complying with the *Special Rules for Claims People, Gifts and Entertainment* (page 44), as well.

GIVING AND RECEIVING GIFTS

As a matter of business philosophy, our policy is not to give gifts to, or accept gifts from, business associates, customers or anyone else who does business with us or wishes to do so. This means that you should not give or accept any gift in the ordinary course of business. The only exceptions to this general rule are providing Progressive logo promotional items as a gift where appropriate and accepting unsolicited items of nominal value, such as pens, calendars, coffee mugs or other promotional trinkets which might be offered by our business associates. Note that this policy does not apply to authorized Progressive promotions.

On occasion, you may receive an unsolicited gift of more than nominal value in the mail or by some other means that prevents you from declining the gift before it is received. In any such circumstance, you must report the gift promptly to your manager or Human Resources representative. If practical, the gift should be returned with a polite explanation that our policy prevents you from accepting it. If it is impractical to return the gift – either because it is a perishable or because the cost of returning the gift is likely higher than the value of the gift – then it should be shared with your co-workers, donated to a charity or otherwise distributed or put to Company use. You should communicate our policy to the business associate who sent the unsolicited gift and ask him or her not to send gifts in the future.



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

There may be rare occasions on which it is culturally inappropriate to decline a gift, even if the gift is of more than nominal value. On any such occasion, you should accept the gift on Progressive's behalf and promptly report it to your manager or HR representative so that it may be handled appropriately.

PARTICIPATING IN BUSINESS ENTERTAINMENT EVENTS

Similar to our policy on gifts, our policy with respect to entertainment is not to solicit or accept invitations to entertainment events, including cultural and sporting events, from business associates, customers or anyone else doing or seeking to do business with us. This means that you should never solicit and generally should not accept invitations to attend or participate in such entertainment events.

Depending on your position at Progressive, there may be circumstances in which it is appropriate for you to entertain agents or other business associates as an exception to our general policy. For instance, it may be appropriate to attend an occasional sporting or cultural event or to host an entertainment event on Progressive's behalf. You may participate in these events only with your manager's prior approval and only if your participation would serve a legitimate business interest for Progressive. In addition, unless you are hosting an entertainment event on Progressive's behalf for which Progressive is paying the entire amount, you are responsible for paying for your share of the entertainment whenever possible (which generally will be reimbursed by Progressive within applicable expense reimbursement guidelines).

BUSINESS MEALS

You are welcome to participate in occasional business meals with business associates. In keeping with our policy not to accept gifts or entertainment, however, you are responsible for paying for your share of the meal whenever reasonably possible. If the meal is a legitimate business expense, Progressive will reimburse you within applicable expense reimbursement guidelines. It is acceptable for you to enjoy a meal at a cost that exceeds the expense reimbursement guidelines provided that you pay for the non-reimbursed expense or obtain your manager's approval for the additional expense.

Q: A vendor has invited me to lunch to discuss business. Can I accept? Does it matter that the meal is at a very expensive restaurant?

A: Generally, yes, you may accept the invitation as long as you don't allow the vendor to pay for your meal. It is not inappropriate to participate in an occasional business meal with a vendor or other business associate, especially when business will be discussed, provided that you pay for your share of the meal whenever practical. This is true even if the meal is at a very expensive restaurant. Keep in mind, however, that if your share of the meal exceeds Progressive's expense guidelines, you are responsible for paying for that additional amount personally unless your manager approves a business-related exception to our expense reimbursement guidelines.



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

- Q:** I had lunch with a group of business associates from other companies, including some vendors. When the bill arrived, one of the vendors paid for all attendees, including me. I could not have paid for my own meal without appearing rude or disruptive. Did I violate our Business Meals policy?
- A:** No. Our policy recognizes that there are times when it is not reasonably possible to pay for your meal, either because it is impractical or impolite. Typical such circumstances include large group meals, meals arranged by a conference organizer and meals hosted by a vendor for multiple business clients. It is appropriate to accept the meal in these situations. However, these situations should be rare and should not occur frequently with any particular business associate. If you have a legitimate business need to have frequent meals with a particular business associate, you should make that business associate aware of our policy and our preference to pay for our share of business meals and you generally should pay for your share of those meals.
- Q:** A vendor has offered me two box seat tickets to the World Series – one for me and one for my son, who is a huge baseball fan. Can I accept? Can I accept if I pay for the tickets myself?
- A:** No on both accounts. While it may be appropriate to join a business associate at a local sporting event with your manager’s approval if your attendance would further a legitimate Progressive business interest and you pay for your tickets, it is not permissible to accept tickets to events that are unusually valuable and to which you would not otherwise have access. In addition, it is not appropriate to accept tickets to an event if the person offering the tickets will not be joining you, in which case there is no business purpose for your attendance and the tickets represent an impermissible personal gift. It is never appropriate to accept tickets for other members of your family.
- Q:** I understand that I cannot accept most gifts or entertainment, but why must I report an improper gift or entertainment offer to my manager or Human Resources?
- A:** There are two principal reasons why we ask you to report improper gifts or entertainment offers to your manager or Human Resources. The first is to help us educate our business associates about our Gifts and Entertainment policy and philosophy, which your manager or Human Resources representative can help you do. The second reason is simply to ensure that there is a record that you declined the improper gift or entertainment.

ANTITRUST

We are committed to free and fair competition, profiting from superior products and services rather than anti-competitive arrangements. Our commitment is reinforced by the United States’ antitrust laws, which prohibit certain business activities that restrain trade or reduce free competition. Generally, the antitrust laws prohibit activities that function to force consumers to pay artificially high prices or to buy products or services that they do not need. All such activities are prohibited under this Code, as well.

To ensure our compliance with the antitrust laws, the following agreements and activities are specifically prohibited:

- **Price-fixing.** You may not agree with a competitor to control, stabilize, or otherwise set prices on any product or service.



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

- **Market Allocation.** You may not agree with a competitor to divide or otherwise allocate geographic, product or customer markets.
- **Group Boycotts.** You may not agree with a competitor to restrict the availability of products or services by boycotting one or more agents, suppliers (including body shops) or customers.

To avoid even the appearance of impropriety, you also must **avoid any discussion of competitive matters with Progressive competitors** – including such topics as pricing, rating methodology, underwriting criteria, marketing plans, supplier agreements and internal and external costs. If you find yourself in a discussion with competitors that turns to such competitive matters, you must excuse yourself in a manner that makes clear your disapproval of the discussion and promptly contact the Corporate Law Department for further guidance.

Certain other activities may or may not raise antitrust concerns, depending on the circumstances. These activities include:

- Establishing “exclusive dealing” arrangements (i.e., agreements that require a party to buy or sell from or to only one company and none of that company’s competitors);
- Establishing “tying” or “bundling” arrangements (i.e., agreements that in order to buy a product or service, a customer also must buy a second, “tied” or “bundled”, product or service); and
- Sharing with or obtaining from competitors, or from a third party (such as a comparative rating vendor), information concerning prices, rating methodologies or underwriting criteria. However, it is permissible to obtain such information directly from the Department of Insurance or other publicly available sources.

To ensure our compliance with antitrust laws, you must obtain prior approval from the Corporate Law Department before entering into any such arrangement or sharing or obtaining any such sensitive information (other than from the DOI or other public records).

Q: Can I participate in industry association meetings?

A: Generally, yes, provided that discussion will be limited to such public topics as existing and proposed legislation affecting the industry, responses to regulatory initiatives, fraud detection and prevention, new technologies and other issues that insurers face generally. Because any meeting with competitors raises antitrust concerns, however, advance disclosure to and approval from the Corporate Law Department are required.



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

COMPETITION AND FAIR DEALING

We are committed not only to free competition, but to competition that is fair and ethical. This applies particularly to competitive intelligence gathering and to statements about our products and services and those of our competitors. The following specific restrictions apply:

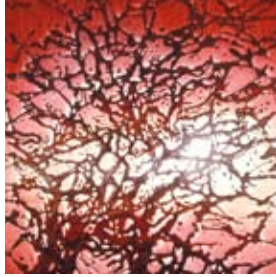
- **Competitive Intelligence.** Information about competitors must be gathered ethically and lawfully. Generally, competitive intelligence may be gathered through publicly available sources, including press releases, annual reports, investor communications, sales literature and industry surveys or data. Competitive information may not be gathered by any act of theft or espionage or by purchasing confidential competitive information that you know is not authorized for sale.
- **Marketing Progressive Products and Services.** You may not make any knowingly false, misleading, inaccurate or unsubstantiated statement about Progressive's products or services in any business-related discussion or in advertising or other public communications. This includes statements to consumers, agents, suppliers and media representatives.
- **Statements About Third Parties and Their Products.** Similarly, you may not make any knowingly false, misleading, inaccurate or unsubstantiated statement about the products or services of any Progressive competitor, agent, supplier, consumer or other third party.

More generally, all Progressive people must deal fairly with Progressive and each of our business associates, customers, suppliers, employees and competitors. It is a violation of this Code for any Progressive person to take unfair advantage of any other person or entity through manipulation, concealment, abuse of confidential or privileged information, misrepresentation of facts or any other unfair-dealing practice.

INTERNATIONAL BUSINESS PRACTICES

Our commitment to fair and ethical business practices applies with special force to engagements in foreign (i.e., non-U.S.) markets. In short, we must be mindful that doing business abroad requires knowing, understanding and adhering to the unique laws, customs and regulations that govern international trade. Our goal is not only to comply with applicable legal standards but to be a model international corporate citizen.

Among the most challenging aspects of conducting international business is knowing what is and is not permissible under the laws that govern foreign commerce. Our general policy is simple and is designed to ensure global compliance:



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

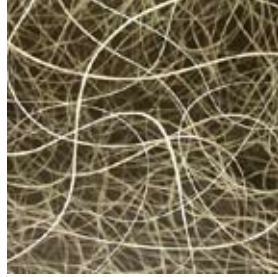
- **Do not offer, give or promise money or anything else of value to any foreign official, foreign political party or candidate for foreign political office for the purpose of influencing the recipient to use or misuse his or her official position to direct business to Progressive or to any other person.** Such payments generally appear to be “bribes”, are unlawful and violate this Code. This prohibition extends to offers, promises or payments made to any officer, employee or agent of a foreign government, to any department, agency or instrumentality of a foreign government and to anyone acting in an official capacity.
- **Do not authorize a third party to make an unlawful offer, gift or promise.** It is equally unlawful and a violation of this Code to authorize a third party, including a business associate, to make any offer, gift or promise prohibited by this policy. If you are responsible for engaging a third party or negotiating an agreement with a third party, be sure that the third party agrees to comply with the restrictions set forth in this policy.
- **Record foreign business transactions accurately, completely and timely.** To ensure and document our compliance with this policy, all foreign business transactions must be recorded accurately, completely and timely, in full accord with our [Integrity of Business Records and Financial Reporting](#) policy (page 19). Never create a false or misleading record of a foreign transaction or instruct anyone else to do so.
- **Follow the laws of the foreign jurisdiction(s) in which the transaction is conducted.** It is essential that we comply with all local laws when conducting business abroad. If you are unsure of the requirements of a specific country’s laws, be sure to check with the Corporate Law Department for guidance before acting. Also check with the Corporate Law Department before acting if a foreign law conflicts with any part of this Code or any other Progressive policy.

Did you know? The following terms used in this policy may not be familiar to you. They are based on the Foreign Corrupt Practices Act, a federal law that governs our international business practices. You might find these definitions helpful:

A **foreign official** is any officer or employee of a foreign government or any department, agency, or instrumentality of a foreign government, or of a public international organization; or any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality, or for or on behalf of any public international organization.

A **payment** includes any benefit, whether or not monetary and regardless of size, conferred on someone in a position to affect Progressive’s business dealings with a foreign government.

A **facilitating payment** must relate to the performance of routine, nondiscretionary government functions, such as the issuing routine licenses or other official documents to qualify a person to do business in a foreign country, processing official papers, clearing goods through Customs or providing police protection. Keep in mind that while such payments may be proper in some circumstances, any such payment must be approved in advance by our Chief Legal Officer.



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

Notwithstanding our general policy, there may be times when culture, custom or decorum calls for us to make a small gift or payment to a foreign official. For instance, in some countries, it is customary to present foreign officials with a small “facilitating payment”, that is, a tip or gift in exchange for performance of a routine administrative task. There may be times, as well, in which it is customary and appropriate to pay for reasonable travel and business expenditures or to make other payments that may appear to violate this policy but are permitted under local law. As narrow exceptions to this policy, you may make such an offer, gift or payment to a foreign official, political party or candidate for political office only with prior express written approval of the Chief Legal Officer.

International business transactions are inherently complex. Accordingly, be sure to consult the Corporate Law Department for guidance before conducting any international business on Progressive’s behalf and be sure to obtain all necessary approvals before authorizing any of the payments restricted by this policy.

PROTECTING THIRD-PARTY PROPERTY RIGHTS

In the course of your work, you are likely to encounter a variety of materials, ideas and information belonging to our customers, business associates or others. It is essential for you to respect the proprietary rights of the owners of all such property. In particular:

- **Copyrights.** Magazine and newspaper articles, trade publications, training materials, instruction manuals, databases, strategic plans, records and computer programs that you obtain through or use in your work generally are protected by copyright. You may not copy or reproduce any portion of these copyrighted materials without the prior written consent of the owner of the copyright or prior written clearance from the Corporate Law Department.
- **Software Licenses.** Much of the software used at Progressive is licensed from third parties and subject to use restrictions. You may not use the software for any purpose prohibited by the applicable license, which generally restricts the use to Progressive business. In addition, you may not transfer, sell, copy, disclose, modify, reverse engineer, disassemble or decode any software used in Progressive’s business without prior written approval from the licensor or prior written clearance from the Corporate Law Department.
- **Customer Property.** You may not misuse or misappropriate any physical property, credit or charge card information, other personally identifying information (such as Social Security and Driver’s License numbers), or any banking or financial information furnished by or with respect to any customer or other person.



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WE HAVE A RESPONSIBILITY TO OUR AGENTS AND OTHER BUSINESS ASSOCIATES

- **Confidentiality Agreements.** Progressive occasionally enters into agreements that identify certain information as confidential or proprietary information belonging to another party. If you are given access to such information, you must maintain its confidentiality, use it only for the purposes specified and observe all commitments made by Progressive with respect to such information.
- **Agreements with Former Employers.** If you entered into a non-competition, non-disclosure or any other type of confidentiality agreement with a former employer, you must disclose the agreement to your supervisor and the Corporate Law Department. It is your responsibility under this Code to understand and abide by any such obligations you have to a former employer.

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WE HAVE A RESPONSIBILITY TO OUR COMMUNITIES

COMPLIANCE WITH LAWS AND REGULATIONS

LEGAL INQUIRIES AND COMPLAINTS

**COOPERATING WITH INVESTIGATIONS,
EXAMINATIONS AND AUDITS**

**POLITICAL CONTRIBUTIONS, PARTICIPATION
AND ADVOCACY ACTIVITIES**

**CORPORATE RESPONSIBILITY AND
COMMUNITY COMMITMENT**



6

WE HAVE A RESPONSIBILITY TO OUR COMMUNITIES

TO OUR COMMUNITIES.

We strive to be good corporate citizens. We respect our neighbors, are sensitive to our surroundings and comply with all applicable laws and regulations. We contribute to the welfare of our communities through our people, who give of themselves; through our charity, which our people direct; and through our services, which our people deliver. We are mindful of the importance of the work we perform every day, meeting the needs of those in the communities we are privileged to serve.

COMPLIANCE WITH LAWS AND REGULATIONS

We operate in a highly regulated industry and are subject to many laws and regulations designed to protect the communities and people we serve. These include state insurance laws and federal, state and local laws of general application.

You are responsible for complying with all applicable laws and regulations in your work for Progressive. If you are unsure about the laws or regulations that apply to your particular job duties, you should seek guidance from the Corporate Law Department before acting.

LEGAL INQUIRIES AND COMPLAINTS

Progressive occasionally receives inquiries concerning our compliance with applicable laws and regulations or complaints alleging unlawful conduct by Progressive or a Progressive employee. We take all such inquiries and complaints seriously.

If you receive any government or third-party legal inquiry or complaint, or are contacted by a government representative or law enforcement officer concerning potential unlawful conduct at Progressive, you must refer the matter immediately to the Corporate Law Department. Under no circumstances should you respond to the inquiry or complaint on Progressive's behalf unless authorized to do so by the Corporate Law Department.



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WE HAVE A RESPONSIBILITY TO OUR COMMUNITIES

COOPERATING WITH INVESTIGATIONS, EXAMINATIONS AND AUDITS

From time to time, you may be asked to participate in an internal or external investigation, audit or market conduct examination. If you are asked to participate in any such matter, it is your responsibility to:

- **Cooperate fully.** Respond fully and truthfully to all questions asked and do not alter, conceal, destroy or falsify records or evidence.
- **Follow applicable procedures for communicating externally.** Communications with external investigators, auditors or examiners generally will go through a designated Progressive manager. Do not communicate with an external investigator, auditor or examiner, or release any Progressive records, except as specifically authorized by the designated Progressive manager.
- **Respect requested confidentiality.** In some cases, an investigation, audit or examination must be kept confidential. Even if the investigation is not strictly confidential, it should be discussed only with Progressive people who have a legitimate business need to know.

Do not act alone in any investigation, audit or examination, internal or external. Instead, get help from Human Resources for any internal matter or from our Corporate Law Department for any external matter.

Did you know? Market conduct and financial examinations of insurance companies are performed periodically by each state in which Progressive is licensed to sell insurance. State insurance departments and other state agencies also may conduct targeted exams to ensure our compliance with particular legal requirements. Generally, our responses to market conduct examinations are coordinated by our Market Conduct Manager or someone designated to act on his or her behalf, while our responses to financial examinations are coordinated by our Chief Accounting Officer or his or her designate.

POLITICAL CONTRIBUTIONS, PARTICIPATION AND ADVOCACY ACTIVITIES

Progressive's participation in political activity is governed by a complex set of laws. In short, the applicable laws require that Progressive avoid participating in many forms of political activity and that Progressive people separate their personal political activities from political activities conducted on Progressive's behalf. The laws are summarized below, but you should seek clarification and guidance from the Corporate Law Department if you are unsure of your responsibilities in any particular circumstance.



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WE HAVE A RESPONSIBILITY TO OUR COMMUNITIES

CORPORATE CONTRIBUTIONS AND ADVOCACY ACTIVITIES

Federal and state laws restrict and, in some cases, prohibit Progressive from contributing to political parties, candidates and campaigns. To ensure legal compliance, you may not make **any** such contribution on Progressive's behalf unless the contribution is approved in advance by the Corporate Law Department.

Federal and state laws similarly restrict advocacy activities taken on Progressive's behalf. Many such activities, including communications with government officials directed at influencing legislation or rule-making, are considered "lobbying" under applicable laws and require formal registration and disclosure. You may not engage in **any** such advocacy activities on Progressive's behalf unless your participation is approved in advance by the Corporate Law Department.

PERSONAL CONTRIBUTIONS AND ADVOCACY ACTIVITIES

Progressive respects and supports the right of all Progressive people to participate in the political process and to undertake personal political activities and make financial contributions to the parties, causes or candidates of their personal choice. However, the following restrictions necessarily apply:

- You may **not** use your status or position to require or pressure another Progressive person to make any political contribution to, or to support, any political party, political action committee (PAC), candidate, cause or issue;
- You may **not** use Progressive time, resources or equipment for your personal political activities; and
- You **must** ensure that any communication of your personal political views that you make to government representatives or the public is made, and is identified as being made, in your personal capacity and not as a Progressive representative.

In addition, if you serve or seek to serve in a government, judicial or legislative position, you must disclose your office or candidacy to your Human Resources representative and must otherwise comply with this Code, including with your responsibility to avoid and disclose conflicts of interest.



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WE HAVE A RESPONSIBILITY TO OUR COMMUNITIES

CORPORATE RESPONSIBILITY AND COMMUNITY COMMITMENT

We are committed to being good corporate citizens in the communities we serve. Our commitment is most visible in our delivery of products and services that reduce the human trauma and economic costs of vehicle accidents and other mishaps. We are proud that our work is widely recognized and valued by the people whose lives we strive to better every day.

COMMUNITY GIVING AND SUPPORT

We give to our communities in several other ways, as well. These include:

- **The Progressive Insurance Foundation.** Established in December 2001, the Progressive Insurance Foundation matches employee contributions to eligible charitable organizations. The Foundation allows Progressive people to direct our charitable giving to ensure that we support the causes and organizations that our people support. Through the Foundation, we also may make direct contributions to programs that support our corporate vision and values.
- **Other charitable giving.** In addition to our Foundation giving, we support our communities through participation in charitable activities and programs for local schools, community groups and the arts, among many others. Our contributions range from donation of financial resources to involvement of our people's time and expertise.
- **The Progressive Art Collection.** The Progressive Art Collection began in the early 1970s and has grown to be one of the largest and most significant corporate art collections in the world, with an emphasis on emerging artists. In addition to inspiring and challenging us in our daily work, the Collection provides unique support for the arts locally, nationally and internationally through commissioned pieces and acquisitions. We share our art more broadly by loaning works from our collection to museums and not-for-profit organizations and by opening our art collections to the public, providing tours to academic groups and local organizations. Whether in collecting art, contributing works to public exhibits, or inviting others to experience art in our unique corporate environment, we support the arts because we believe the critical vision and innovative spirit that are fundamental to art-making are some of the same attributes that are critical to our business success.
- **Volunteer Community Service.** Our people regularly volunteer time and energy to the communities in which we live and participate. We are proud of all Progressive people who give of themselves to better our communities and we seek to support their community service activities. At the same time, we believe that volunteerism is a matter of personal choice, not job responsibility. Accordingly, no Progressive person will be required to participate in a volunteer activity, even when organized by and for Progressive people.



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WE HAVE A RESPONSIBILITY TO OUR COMMUNITIES

ENVIRONMENTAL STEWARDSHIP

We recognize that supporting our communities includes protecting our shared environment through prudent use of scarce resources. Every Progressive person shares responsibility for forging, maintaining and strengthening our relationship with our environment. To do your part, we ask you to do everything possible to:

- **Reduce our resource consumption.** One of the most important ways to reduce our impact on the environment is to eliminate unnecessary use and consumption of our resources. Small steps can have a big impact. For instance, printing documents only when necessary can reap substantial savings, both environmental and financial.
- **Reuse and recycle the resources we consume.** Another important means of reducing our environmental impact is to reuse and recycle the resources we must use. Try to reuse office supplies and materials when appropriate and be sure to recycle paper according to your office's recycling policy. Whenever possible, also try to dispose of personal items, such as glass and plastic soft drink bottles, in marked recycling containers.

We encourage you to look for ways to make our relationship with the environment even stronger. If you believe that there is a better, more environmentally friendly way of doing your job or any other job, we want to know about it. Suggestions can be directed to our Corporate Social Responsibility Manager, to your manager or to your HR representative at any time.



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ADDENDUM

SPECIAL RULES FOR CLAIMS PEOPLE

Conflicts of Interest

As additional conflicts of interest rules, Claims people are prohibited from the following:

- Receiving a discount from a Progressive supplier or other business associate (including Network shops and rental vehicle vendors) for products or services delivered to you, a relative, a friend or anyone else you know personally, or any business entity in which you, a relative or a friend have an interest;
- Purchasing or possessing “salvage” as defined below, whether personally or through a relative, friend or anyone else you know personally, or any business entity in which you, a relative or a friend have an interest; and/or
- Becoming involved in any way in a “salvage” transaction, whether personally or on behalf of or in conjunction with a relative, friend or anyone else you know personally, or any business entity in which you, a relative or a friend have an interest. This prohibition includes any reduction in the sales price of salvage to benefit the purchaser.

For purposes of this policy, **salvage** refers to a complete vehicle (including watercraft, recreational vehicles (RVs) and motorcycles) and/or major components or equipment of a vehicle that has been processed as a total loss by, or sold as salvage by or on behalf of, any insurance company. This prohibition is not intended to prevent the occasional purchase of a used part for a personal vehicle, provided that the insurance company that handled the salvage was not reasonably apparent to any potential purchaser of the part.

To further protect against the appearance of conflicts of interest, all Claims people also must disclose to their individual managers any vehicle purchase or vehicle repair obtained from a Claims business associate, including any Claims supplier or vendor.

Gifts and Entertainment

It is the Claims business unit’s determination that any gift or entertainment received by a Claims person from a Progressive Network shop, a body shop, any other vehicle repair facility or salvage, paintless repair, rental or glass vendor, unavoidably raises an appearance of impropriety. Accordingly, Claims people may not ask for or accept any gift or entertainment from these business associates. This prohibition includes, but is not limited to, meals, gratuities, gifts, entertainment and services of any nature.

CONFLICTS OF INTEREST: POLICY EXCEPTIONS

Financial Interests in Competitors, Suppliers or Insurance Agencies – Exceptions

The restrictions set forth in *Financial Interests in Competitors, Suppliers or Insurance Agencies* do not apply to:

- an interest under an insurance policy or investment product (such as a mutual fund) offered by Progressive or any other company;

- owning securities of any publicly traded competitor or supplier, provided that you and members of your immediate family together own less than two percent (2%) of the outstanding securities of the class you hold; and/or
- an ownership interest in a supplier, whether or not publicly traded, provided that you disclose the interest fully to, and obtain prior written clearance from, the Chief Legal Officer or Chief Financial Officer or, if you are an Executive Officer or Director of Progressive, a disinterested majority of the Board of Directors.

Interests in Progressive Transactions – Exceptions

The restrictions set forth in *Interests in Progressive Transactions* do not apply to:

- an interest in an insurance policy written by Progressive, including any interest in a claim pursued in good faith under a Progressive policy or product;
- any transaction pursuant to a Progressive compensation plan, provided that the transaction is in accordance with the applicable plan or a related agreement between you and Progressive or otherwise is approved by the Compensation Committee of the Board of Directors;
- any sale by you to Progressive of Common Shares of Progressive outside of a Progressive compensation plan, provided that the sale is executed at or below the then-current market price for Progressive’s Common Shares and is approved by a disinterested majority of the Board of Directors; and
- any other transaction or interest expressly authorized under this Code.

Service as Officer, Director, Employee, Agent, Representative or Advisor to Progressive Competitor, Customer or Supplier – Exceptions

As exceptions to the restrictions set forth in *Service as Officer, Director, Employee, Agent, Representative or Advisor to Progressive Competitor, Customer or Supplier*, you may serve as follows:

- **For employees other than Executive Officers of Progressive:** You may serve as a director (but not as an officer or employee) of a supplier of Progressive, provided that your position at the supplier and all transactions between Progressive and the supplier are disclosed fully to and have been approved by our Chief Legal Officer or Chief Financial Officer.
- **For Directors and Executive Officers of Progressive:** You may serve as a director of, or a consultant or advisor to (and, if you are not an Executive Officer of Progressive, you may serve as an officer or employee of), a company with which Progressive does business, provided that (a) you disclose to Progressive’s Board of Directors both your position or status with the other company and the other company’s business relationship with Progressive; (b) the Board does not take action, by a majority vote of the disinterested directors, to object to your continued service as such director, officer, employee, consultant or advisor; and (c) the aggregate amount of all payments made or expected to be made by or to Progressive to or from such other company and/or its subsidiaries during the then-current calendar year does not exceed an amount equal to the lesser of (i) 1% of the consolidated revenues of Progressive and its subsidiaries during the prior fiscal year, or (ii) 1% of the consolidated revenues of such other company and its subsidiaries during the prior fiscal year; or, if the aggregate amount of all such payments made or expected to be made during the then-current calendar year exceeds either of such amounts, those payments and the related transaction(s) are disclosed to and approved by a majority of the disinterested directors. Relationships and transactions that fall within the parameters set forth above or are approved as provided in the immediately preceding sentence are not subject to any of the other disclosure or approval requirements set forth in this Code.

CREDITS

- Cover: James Hyde, *Rise* (installation view), 1993, fresco on Styrofoam
Progressive Way: Carlos Vega, *The Choice*, 1999, oil and collage on canvas
CEO message: Stephan Balkenhol, *Man in Blue Jacket*, 2003, painted bronze
page 1: Jon Kessler, *Hall of Birds* (installation view), 1995-96, painted aluminum
page 2: Robert ParkeHarrison, *The Navigator*, 2002, photograph with mixed media on panel
page 3: Kehinde Wiley, *Passing/Posing*, 2003, acrylic on paper
page 4: Marcelo Pombo, *El Aguacero* (detail), 2004, enamel on panel
page 5: Beth Campbell, *See Through the Changes*, 2006, pencil on vellum over gouache on paper
page 6: Bruce Yonemoto, *La Vie Secrete (After Magritte)* (detail), 2001, photograph
page 7: Sharon Louden, *The Attenders* (installation view), 2003-06, monofilament line, cage clips, electrical and floral wire
page 8: Rosemary Laing, *Groundspeed (Red Piazza)* (detail), 2001, photograph
page 9: Lucy Levene, *Untitled (#3) "Please God By You"*, 2002, photograph
page 10: David Goldes, *Five Spoons*, 1996, photograph
page 11: Aura Rosenberg, *Die Farben (The Colors)*, 1999, photograph
page 12: Larry Bell, *Sumer #12 (Watching the Watcher)*, 1996, silicon bronze
page 13: Thomas Allen, *Teeter*, 2004, photograph
page 14: Vik Muniz, *Cleveland Clouds* (installation view), 1994, fiberglass
page 15: Julie Moos, *Loyalty (Monica and Melissa)*, 2006, photograph
page 16: Julie Moos, *Loyalty (Roy and Bonnie)*, 2006, photograph
page 17: Julie Moos, *Loyalty (Terry and Kristen)*, 2006, photograph
page 18: Petah Coyne, *Untitled (#788, #790, #795, #796, #799, #800, #804)*, 2006, wax, candles, steel, wire, silk flowers, ribbons
page 19: Robert ParkeHarrison, *Passage*, 2002, photograph with mixed media on panel
page 20: Jessica Diamond, *Money as Barbed Wire: Dollar Signs #8* (detail), 1990, latex paint on paper
page 21: Brian Alfred, *Office Mac* (detail), 2001, acrylic on canvas
page 22: Stephen Dean, *Equation*, 1999, acrylic on wood
page 23: Claude Simard, *Rainbow Stack* (installation view), 1995, painted wood
page 24: Thomas Demand, *Pile* (detail), 2001, photograph
page 25: Carlos Vega, *Parade*, 2003, mixed media on collage
page 26: L.C. Armstrong, *View from 30,000*, 1999, acrylic, bomb fuse, resin on linen
page 27: Anita Dube, *Peep* (detail), 2003, wall-mounted enamel on copper Buddhist statuary eyes
page 28: Tom Friedman, *Untitled*, 2000, inkjet print on Somerset velvet
page 29: Till Freiwald, *Untitled* (installation view), 1997, watercolor on paper
page 30: Tim Davis, *Grandma's Pins* (from "My Life in Politics"), 2002, photograph
page 31: Ed Paschke, *Tangoline* (detail), 1986, oil on linen
page 32: Mark Patsfall, *Cinesketch*, 2002, woodcut and etching with hand coloring, mixed media
page 33: Benjamin Edwards, *Zone #0088*, 2004, inkjet print
page 34: Teun Hocks, *Untitled (Man Holding Empty Flower Vase)*, 1993, oil on silver print photograph
page 35: Augusto Arbizu, *Red Tree*, 2002-03, acrylic on canvas
page 36: Mark Sheinkman, *6.1.2004*, 2004, oil, alkyd, and graphite on canvas
page 37: Chris Jordan, *Sawdust, Tacoma*, 2004, photograph
page 38: Jennifer Steinkamp, *Dervish 9* (installation view), 2004, video
page 39: Frank Magnotta, *The Lattopian I*, 2003, graphite on paper
page 40: Tim Davis, *We Can Do It, FDR Library Gift Shop* (from "My Life in Politics"), 2002, photograph
page 41: Beatriz Milhazes, *Bibi*, 2003, screen print
page 42: Will Lamson, *Deer*, 2004, photograph
page 43: Suzanne Walters, *Untitled* (detail), 2000, oil on canvas
page 44: Alessandra Sanguinetti, *The Adventures of Guille and Belinda and the Enigmatic Meaning of Their Dreams*, 1998-2002, photograph