

PROGRESSIVE CORP/OH/
Form DEF 14A
March 07, 2008

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

The Progressive Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Progressive Corporation will hold its Annual Meeting of Shareholders on Friday, April 18, 2008, at 10:00 a.m., local time, at 6671 Beta Drive, Mayfield Village, Ohio, for the following purposes:

1. To elect four directors, each to serve for a term of three years;
 2. To approve amendments to the Company's Amended Articles of Incorporation and Code of Regulations to adopt a majority voting standard in uncontested elections of directors;
 3. To approve an amendment to the Company's Code of Regulations to modify the definition of a director's term of office ;
 4. To approve an amendment to the Company's Code of Regulations to increase the maximum number of director positions from 12 to 13 and to fix the number of directors at 13;
 5. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2008; and
6. To transact such other business as may properly come before the meeting.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. Only shareholders of record of The Progressive Corporation (NYSE:PGR) at the close of business on February 19, 2008, will be entitled to receive notice of and to vote at the meeting or any adjournment thereof.

Your vote is important. Whether or not you plan to be present at the meeting, please vote by Internet or telephone (following the instructions on the enclosed proxy card), or by completing and returning the proxy card in the enclosed postage-paid envelope. If you later choose to revoke your proxy, you may do so at any time before voting occurs at the Annual Meeting by following the procedures described in the Questions and Answers about the Annual Meeting and Voting section in the attached Proxy Statement.

By Order of the Board of Directors.

Charles E. Jarrett, *Secretary*

March 7, 2008

The Proxy Statement and the 2007 Annual Report to Shareholders are also available at progressiveproxy.com.

**The Progressive Corporation
Proxy Statement
Table of Contents**

	Page
<u>General Information Regarding Proxy Materials and the Annual Meeting of Shareholders</u>	1
<u>Questions and Answers about the Annual Meeting and Voting</u>	1
<u>Item 1: Election of Directors</u>	6
<u>Nominees for Election at the Annual Meeting</u>	7
<u>Directors Whose Terms will Continue after the Annual Meeting</u>	8
<u>Other Board of Directors Information</u>	10
<u>Board of Directors Independence Standards and Determinations</u>	10
<u>Meetings of the Board of Directors and Attendance</u>	11
<u>Meetings of the Non-Management Directors</u>	11
<u>Board Committees</u>	11
<u>Executive Committee</u>	11
<u>Audit Committee</u>	12
<u>Compensation Committee</u>	12
<u>Investment and Capital Committee</u>	13
<u>Nominating and Governance Committee</u>	13
<u>Communications with the Board of Directors</u>	14
<u>Certain Relationships and Related Transactions</u>	15
<u>Compensation Committee Interlocks and Insider Participation</u>	16
<u>Report of the Audit Committee</u>	17
<u>Security Ownership of Certain Beneficial Owners and Management</u>	19
<u>Security Ownership of Certain Beneficial Owners</u>	19
<u>Security Ownership of Management</u>	20
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	21
<u>Compensation Discussion and Analysis</u>	22
<u>Compensation Committee Report</u>	36
<u>Executive Compensation</u>	37
<u>Summary Compensation Table</u>	37
<u>Grants of Plan-Based Awards</u>	39
<u>Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table</u>	39
<u>Outstanding Equity Awards at Fiscal Year-End</u>	42
<u>Option Exercises and Stock Vested</u>	43
<u>Nonqualified Deferred Compensation</u>	44
<u>Potential Payments Upon Termination or Change in Control</u>	45
<u>Compensation of Directors</u>	48
<u>Narrative Disclosure to Director Compensation Table</u>	49
<u>Item 2: Approval of amendments to the Company's Amended Articles of Incorporation and Code of Regulations to adopt a majority voting standard in uncontested elections of directors</u>	51
<u>Item 3: Approval of an amendment to the Company's Code of Regulations to modify the definition of a director's term of office</u>	53
<u>Item 4: Proposal to approve an amendment to the Company's Code of Regulations to increase the maximum number of director positions from 12 to 13 and to fix the number of directors at 13</u>	55

<u>Item 5: Proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2008</u>	56
<u>Other Independent Registered Public Accounting Firm Information</u>	56
<u>Approval of Audit and Non-Audit Services</u>	56
<u>Independent Registered Public Accounting Firm Fees</u>	56
<u>Shareholder Proposals</u>	57
<u>Householding</u>	57
<u>Charitable Contributions</u>	57
<u>Other Matters</u>	57
<u>Available Information</u>	58
<u>Exhibit A</u>	A-1
<u>Exhibit B</u>	B-1
<u>Exhibit C</u>	C-1

Table of Contents

**THE PROGRESSIVE CORPORATION
PROXY STATEMENT**

GENERAL INFORMATION REGARDING PROXY MATERIALS AND THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 18, 2008

The Board of Directors of The Progressive Corporation provides this Proxy Statement to you to solicit your proxy to act upon the matters outlined in the accompanying Notice of Annual Meeting of Shareholders. These include the election of four directors, amendments to our Amended Articles of Incorporation and Code of Regulations, and the ratification of the appointment of Progressive's independent registered public accounting firm for 2008, each described in more detail below.

The Annual Meeting will take place on Friday, April 18, 2008 at 10:00 a.m., local time, at 6671 Beta Drive, Mayfield Village, Ohio 44143. The proxies also may be voted at any adjournment or postponement of the meeting.

The form of proxy (proxy card) and this Proxy Statement, which includes Progressive's 2007 Annual Report to Shareholders as an Appendix, are being mailed to shareholders beginning on or about March 10, 2008.

All properly executed written proxies, and all proxies that are properly completed and submitted by Internet or telephone, will be voted at the meeting in accordance with the directions given by the shareholder, unless the shareholder revokes his or her proxy before voting occurs at the meeting.

Only shareholders of record of The Progressive Corporation (NYSE:PGR) at the close of business on February 19, 2008, the record date, will be entitled to receive notice of and to vote at the meeting or any adjournment thereof. Each shareholder on the record date is entitled to one vote for each of our Common Shares, \$1.00 par value, held. On the record date, there were 677,988,816 shares of our common stock issued and outstanding.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these materials?

You received these materials because you are a shareholder of Progressive. We hold a meeting of our shareholders annually. This year's meeting will be held on Friday, April 18, 2008. At the meeting, shareholders will be asked to vote on several items of business. Since it is not practical or convenient for all shareholders to attend the meeting in person, our Board of Directors is seeking your proxy to vote on these matters.

What is a proxy?

A proxy is your legal authority for another person to vote the stock you own at our Annual Meeting. The person you designate to vote your shares is referred to as your proxy. If you designate someone as your proxy in a written document, that document is also sometimes referred to as a proxy or proxy card. When you submit a proxy card, the person(s) named as your proxy(ies) on the card are required to vote your shares at the Annual Meeting in the manner you have instructed. By voting via proxy, each shareholder is able to ensure that his or her vote is counted without having to attend the Annual Meeting in person.

Who is soliciting my proxy?

This solicitation of proxies is made by and on behalf of our Board of Directors. The Board has approved the matters to be acted upon at the Annual Meeting (described in more detail below), subject to approval by shareholders, and recommends that you vote in favor of each director nominee named in this Proxy Statement and for each of the other proposals. However, you control your vote, and the voting instructions that you provide will be followed.

What is the purpose of the Annual Meeting?

At the Annual Meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders. These include:

Election of four directors, each to serve for a term of 3 years;

Approval of amendments to our Amended Articles of Incorporation and Code of Regulations to:

Elect directors by majority vote in uncontested elections;

Table of Contents

Modify the definition of a director's term of office ;

Increase the number of director positions on our Board of Directors from 12 to 13 and fix the size of the Board at 13;

Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008; and

Any other business that properly comes before the meeting.

Also, once the business of the Annual Meeting is concluded, management will briefly comment on the company's performance and will be available to respond to appropriate questions from shareholders. The Annual Meeting will not be accessible via teleconference or webcast.

What is a proxy statement?

This document (including the exhibits, but excluding the 2007 Annual Report to Shareholders attached as an appendix) is our Proxy Statement. The proxy statement is a document that Securities and Exchange Commission (SEC) regulations require us to give shareholders when we are soliciting shareholders' proxies to vote their shares. This Proxy Statement and the Annual Report contain important information about The Progressive Corporation and its subsidiaries, and about the matters that will be voted on at the meeting. Please read these materials carefully so that you have the information you need to make informed decisions.

Who is entitled to vote at the Annual Meeting?

Anyone who holds our common stock at the close of business on February 19, 2008, the record date, is entitled to receive the Notice of Annual Meeting and this Proxy Statement and to vote his or her shares at the Annual Meeting. As of the record date, there were 677,988,816 shares of our common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

What is the difference between a shareholder of record and a shareholder who holds stock in street name ?

If you hold Progressive shares directly in your name with our transfer agent, National City Bank, you are a shareholder of record (also known as a registered shareholder). The Notice of Annual Meeting, Proxy Statement, 2007 Annual Report to Shareholders and proxy card have been sent directly to you by Progressive or our representative.

If you own your shares indirectly through a broker, bank or other financial institution, your shares are said to be held in street name. Technically, the bank or broker is the shareholder of record with respect to those shares. In this case, the Notice of Annual Meeting, Proxy Statement, Annual Report to Shareholders and a voting instruction form have been forwarded to you by your broker, bank, other financial institution or their designated representative. Through this process, your bank or broker collects the voting instructions from all of their respective customers who hold Progressive shares and then submits those votes to us.

What shares are included on the proxy card?

If you are a shareholder of record, you will receive only one proxy card for all the shares of common stock you hold as of February 19, 2008:

in certificate form (i.e., you hold paper share certificates as evidence of your ownership); and

in book-entry form (i.e., physical certificates are not issued; includes shares held in a direct registration program or shares of restricted stock held by some of our employees and former employees).

Employees and former employees who hold shares in our Retirement Security Program (RSP), our 401(k) plan, will receive separate instructions on the number of shares that are eligible to be voted and how to cast their votes on those shares.

If you hold shares in street name, the voting instruction form that you receive from your bank or broker should include a statement of the number of shares that you are entitled to vote. Any questions concerning this information should be directed to your bank or broker.

Table of Contents

What methods can I use to vote?

By Mail. All shareholders of record can vote by written proxy card. Please be sure to complete, sign and date the proxy card and return it in the enclosed, prepaid envelope. If you are a street name holder, you will receive a voting form and instructions from your bank or broker.

By Telephone or Internet. All shareholders of record also can vote by touch-tone telephone from the U.S. and Canada, using the toll-free telephone number on the proxy card, or through the Internet using the procedures and instructions described on the proxy card.

The availability of telephone and Internet voting for street name holders will depend on the voting processes of your broker, bank or other financial institution. Voting instructions will be included in the materials you receive from them.

If you vote by telephone or on the Internet, you do not have to return your proxy card or voting instruction form.

In Person. All shareholders of record may vote in person at the Annual Meeting. Street name holders may vote in person at the Annual Meeting only if they bring a legal proxy from their bank or broker. If you are a street name holder and you plan to vote in person, you must request the legal proxy from your bank or broker well in advance of the meeting date.

If you hold shares in our RSP, you will receive voting instructions from our plan administrator. If voting instructions are received by the plan administrator, they will be voted according to the instructions received. If you do not specify your voting instructions in the manner required by the plan administrator, the administrator will not vote your RSP shares. **To allow sufficient time for voting by the RSP administrator, your voting instructions must be received by 11:59 p.m., eastern time, on Tuesday, April 15, 2008.** You can change your vote at any time prior to this cut-off time; only your last vote will be counted.

Whether or not you plan to attend the Annual Meeting, the Board of Directors strongly encourages you to vote your shares by proxy prior to the meeting. Your vote is important. Please follow the voting instructions carefully to make sure that your shares are voted appropriately. You can save us the expense of a second mailing if you vote your shares promptly.

If I submit a proxy, may I later change or revoke it?

If you are a shareholder of record, you can revoke your proxy before votes are cast at the Annual Meeting by:

written notice to the Secretary of the company;

timely delivery of a valid, later-dated and signed proxy card or a later-dated vote by telephone or via the Internet; or

voting in person at the Annual Meeting.

If you are a street name holder of shares, you may submit new voting instructions by contacting your bank, broker or other financial institution. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the answer to the previous question.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting as instructed.

Who counts the votes?

Votes will be tabulated by or under the direction of the Inspectors of Election, some of whom may be regular employees of Progressive. The Inspectors of Election will certify the results of the voting at the Annual Meeting.

What are my voting choices when voting for director nominees, and what vote is needed to elect directors?

When you vote on our nominees for the Board of Directors, you will have the following choices:

vote for all nominees (by marking your proxy card **WITH** authority to vote for the election of the nominees);

withhold votes as to all nominees (by marking your proxy card **WITHOUT** authority to vote for all nominees); or

vote for certain nominees, but withhold votes as to specified nominees (by marking your proxy card **WITH** authority to vote for the nominees, in general, and identifying in the space provided individual nominees as to whom you withhold your authority to vote).

The director nominees who receive the greatest number of affirmative votes will be elected directors. Broker non-votes (discussed below) thus will not affect the results of the election. The Board recommends a vote for each of the nominees.

Table of Contents

What are my voting choices when voting on the proposals to amend our Amended Articles of Incorporation or Code of Regulations (Items 2 through 4), and what vote is needed to pass the proposals?

For each proposal, you may select from the following choices:

vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

The proposal to approve majority voting for directors in uncontested elections (Item 2 below) will be adopted if approved by the affirmative vote of a majority of the company's common shares outstanding as of the record date. As such, abstentions and broker non-votes will have the same effect as votes against the proposal.

The proposals to amend the definition of a director's term of office in our Code of Regulations (Item 3 below) and to increase the number of director positions from 12 to 13 and to fix the number of directors at 13 (Item 4 below) will be adopted if approved by the affirmative vote of seventy-five percent (75%) of the company's common shares outstanding as of the record date. Abstentions and broker non-votes will have the same effect as votes against the proposal. In addition, shareholders' approval of Item 3 will be deemed effective *only if* shareholders have also approved the proposal in Item 2 described in the immediately preceding paragraph.

The Board recommends a vote **FOR** each of the proposals.

What are my voting choices when voting on the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008 (Item 5 below), and what vote is needed to ratify their appointment?

In the vote on the approval of the appointment of PricewaterhouseCoopers LLC as the company's independent registered public accounting firm for 2008, shareholders may:

vote FOR the ratification;

vote AGAINST the ratification; or

ABSTAIN from voting on the ratification.

This proposal will be adopted if approved by the affirmative vote of a majority of the votes cast on this proposal, provided the total number of votes cast represents a majority of the outstanding common shares. Broker non-votes will not be treated as votes cast. Abstentions will be treated as votes cast and, consequently, will have the same effect as votes against the proposal.

The Board recommends a vote **FOR** the ratification.

What is a broker non-vote?

A broker non-vote occurs when a broker's or bank's customer does not provide the broker or bank with voting instructions on non-routine matters for shares owned by the customer (sometimes referred to as the beneficial owner) but held in the name of the broker or bank. For such matters, the broker or bank cannot vote on behalf of the

shareholder and reports the number of such shares as non-votes. By contrast, if a proposal is considered routine, the broker or bank, in its discretion, may vote any shares as to which it has not received specific instructions from its customer. Whether the proposal is non-routine or routine is governed by the rules of the New York Stock Exchange. Of the proposals included in this Proxy Statement, Item 4 is considered non-routine by the NYSE and, therefore, the broker or bank will not be allowed to vote shares with respect to that proposal without specific instructions from the beneficial owner.

What if I do not specify a choice for a matter when returning a proxy?

Shareholders should specify their choice for each matter on the enclosed proxy card. For shareholders of record, if no specific instructions are given, proxies that are signed and returned will be voted in accordance with the recommendations of the Board of Directors, as follows:

FOR the election of all four director nominees, each for a term of 3 years;

FOR the proposal to approve amendments to the company's Amended Articles of Incorporation and Code of Regulations to adopt a majority voting standard in uncontested elections of directors;

FOR the proposal to approve an amendment to the company's Code of Regulations to modify the definition of a director's term of office ;

Table of Contents

FOR the proposal to approve an amendment to the company's Code of Regulations to increase the maximum number of director positions from 12 to 13 and to fix the number of directors at 13; and

FOR the proposal to ratify the appointment of PricewaterhouseCoopers LLP as the company's independent registered public accounting firm for 2008.

Can I access the Notice of Annual Meeting, Proxy Statement, Annual Report on Form 10-K and the Annual Report to Shareholders on the Internet?

The Notice of Annual Meeting, Proxy Statement and 2007 Annual Report to Shareholders are available on a dedicated Web site at progressiveproxy.com. The Annual Report on Form 10-K is available at the Investor Relations section of our Web Site at progressive.com/sec. We will also provide a copy of any of these documents to any shareholder free of charge, upon request by e-mail to investor_relations@progressive.com, by calling toll-free 1-800-542-1061 or by writing to: The Progressive Corporation, Investor Relations, 6300 Wilson Mills Road, Box W33, Mayfield Village, Ohio 44143.

Street Name Holders. If you hold your shares in a bank or brokerage account, your bank or broker may also provide you copies of these documents electronically. Please check the information provided in the proxy materials mailed to you by your bank or broker regarding the availability of this service.

Table of Contents

ITEM 1: ELECTION OF DIRECTORS

Four of our directors have been nominated for re-election this year. Information about the structure of our Board of Directors and about our individual directors follows.

Progressive's Code of Regulations provides that the number of directors shall be fixed at no fewer than five and no more than 12. The number of directors has been fixed by shareholders at 12, and there are currently 11 directors on the Board and one vacancy. The Code of Regulations also provides that the directors are to be divided into three classes as nearly equal in number as possible and that the classes are to be elected for staggered terms of three years each. Directors of one class are elected annually, except as provided below. At the Annual Meeting, the shares represented by the proxies obtained hereby, unless otherwise specified, will be voted for the election as directors of the four nominees named below, each to serve for a three-year term, and until their respective successors are duly elected and qualified. If, by reason of death or other unexpected occurrence, any one or more of the nominees named below is not available for election, the proxies will be voted for such substitute nominee(s), if any, as the Board of Directors may propose.

Based upon a recommendation from the Board's Nominating and Governance Committee, the Board has nominated the four nominees named below for re-election to the Board. No shareholder nominations for the election of directors have been received within the time period specified by Section 13 of Article II of our Code of Regulations or pursuant to our Shareholder-Proposed Candidate Procedures (discussed below). Proxies cannot be voted at the Annual Meeting for a greater number of persons than the four nominees named in this Proxy Statement.

If written notice is given by any shareholder to the President, a Vice President or the Secretary not less than 48 hours before the time fixed for holding the Annual Meeting that he or she desires that the voting for election of directors shall be cumulative, and if an announcement of the giving of such notice is made at the meeting by the Chairman or Secretary or by or on behalf of the shareholder giving such notice, each shareholder shall have the right to cumulate his or her voting power in the election of directors. Under cumulative voting, each shareholder may give one nominee a number of votes equal to the number of directors to be elected multiplied by the number of shares he or she holds, or distribute such number of votes among two or more nominees, as the shareholder sees fit. If the enclosed proxy is executed and returned and voting for the election of directors is cumulative, the persons named in the enclosed proxy will have the authority to cumulate votes and to vote the shares represented by such proxy, and by other proxies held by them, so as to elect as many of the four nominees named below as possible.

Pursuant to our Corporate Governance Guidelines, if a nominee for director receives less than a majority of the votes cast in an uncontested election, although the nominee is elected as a director under Ohio law, he or she is expected to tender his or her resignation to the Board. In such an event, the Nominating and Governance Committee will consider the resignation offer and recommend to the Board whether to accept or reject it. The Board will then make the final decision whether to accept or reject the tendered resignation based on all the facts and circumstances then presented. (Note that if shareholders approve the proposals presented in this Proxy Statement as Item 2 (majority voting for directors in uncontested elections) and Item 3 (modifications to the definition of a director's term of office), the Board expects to modify the procedures summarized in this paragraph as appropriate to reflect the amendments to our Amended Articles of Incorporation and Code of Regulations that are approved under those proposals.)

The Board currently has one vacancy. Under our Code of Regulations, the Board has the right to elect a new director to fill such a vacancy, but the new director so elected would serve for a term that expires on the date of the next shareholder meeting at which directors are to be elected. No decision has been made to fill the vacancy at this time.

Table of Contents

The following information is provided for each person nominated for election as a director and for those directors whose terms will continue after the Annual Meeting. Unless otherwise indicated, each such nominee or director has held the principal occupation indicated for more than the last five years. Each nominee is currently a director of Progressive.

Nominees for Election at the Annual Meeting

Name	Age	Principal Occupation and Last Five Years Business Experience	Other Directorships	Director Since	Term Expires
Charles A. Davis	59	Chief Executive Officer, Stone Point Capital LLC, Greenwich, Connecticut (global private equity firm) since June 2005; Chairman and CEO, MMC Capital, Inc., Greenwich, Connecticut (global private equity firm) prior to June 2005; Vice Chairman, Marsh & McLennan Companies, Inc., New York, New York (financial services) prior to December 2004	AXIS Capital Holdings Limited, Media General, Inc., and The Hershey Company	1996	2011
Bernadine P. Healy, M.D.	63	Health Editor and Medical Columnist, U.S. News & World Report, Washington, D.C. (publishing)	Ashland Inc., Invacare Corporation and National City Corporation	2002	2011
Jeffrey D. Kelly	54	Chief Financial Officer, National City Corporation (NCC), Cleveland, Ohio (commercial banking); Vice Chairman of NCC since December 2004; Executive Vice President of NCC prior to December 2004	National City Corporation	2000	2011
Abby F. Kohnstamm	54	President and Chief Executive Officer, Abby F. Kohnstamm & Associates, Inc., New York, New York (marketing consulting firm) since January 2006; Senior Vice President of Marketing, IBM Corporation, Armonk, New York (information technology) prior to December 2005	Tiffany & Co.	2006	2011

Table of Contents**Directors Whose Terms will Continue after the Annual Meeting**

Name	Age	Principal Occupation and Last Five Years Business Experience	Other Directorships	Director Since	Term Expires
Stephen R. Hardis	72	Non-Executive Chairman of the Board, Marsh & McLennan Companies, Inc., New York, New York (financial services) since May 2006; Lead Director, Axcelis Technologies, Inc., Beverly, Massachusetts (semiconductor equipment manufacturing) since May 2005; Chairman of the Board, Axcelis Technologies, Inc. prior to May 2005	American Greetings Corporation, Axcelis Technologies, Inc., Lexmark International, Inc., Marsh & McLennan Companies, Inc. and Nordson Corporation	1988	2009
Norman S. Matthews	75	Consultant, New York, New York	Finlay Enterprises, Inc. and Henry Schein, Inc.	1981	2009
Bradley T. Sheares, Ph.D.	51	Formerly Chief Executive Officer, Reliant Pharmaceuticals, Inc., Liberty Corner, New Jersey (pharmaceutical products) from January 2007 to December 2007; President, U.S. Human Health Division of Merck & Co., Inc., Whitehouse Station, New Jersey (pharmaceutical products and services) prior to July 2006	Honeywell International, Inc.	2003	2009
Peter B. Lewis	74	Non-Executive Chairman of the Board of The Progressive Corporation since March 2003; Executive Chairman of the Board prior to March 2003	None	1965	2010

Table of Contents

Name	Age	Principal Occupation and Last Five Years Business Experience	Other Directorships	Director Since	Term Expires
Patrick H. Nettles, Ph.D.	64	Executive Chairman of the Board of Directors, Ciena Corporation, Linthicum, Maryland (telecommunications)	Axcelis Technologies, Inc. and Ciena Corporation	2004	2010
Glenn M. Renwick	52	President and Chief Executive Officer of The Progressive Corporation; President, Chairman of the Board and Chief Executive Officer of Progressive Casualty Insurance Company (a Progressive subsidiary) prior to April 2004; officer and director of various other subsidiaries of Progressive	Fiserv, Inc.	1999	2010
Donald B. Shackelford	75	Chairman of the Board, Fifth Third Bank, Central Ohio (successor to State Savings Bank), Columbus, Ohio (commercial banking)	Diamond Hill Investment Group, Inc.	1976	2010

Table of Contents

OTHER BOARD OF DIRECTORS INFORMATION

Board of Directors Independence Standards and Determinations

The Board of Directors has approved categorical independence standards which, if satisfied by a director, will permit a determination that such director is independent for purposes of the New York Stock Exchange (NYSE) Listing Standards. Under Progressive's standards, an individual director may be determined to be independent only if he or she satisfies each of the following requirements, or if he or she is otherwise determined to be independent by a disinterested majority of the Board as provided below:

He or she is not currently an officer or employee of The Progressive Corporation or any of its subsidiaries, and has not been an officer or employee of Progressive or any of its subsidiaries at any time during the past three years. For purposes of this requirement, officer does not include a non-executive Chairman of the Board who is otherwise independent under these standards.