

Usage Based Auto Insurance



Snapshot Marketing Launched March 14th, 2011

... after 15 years of development work



1-800-PROGRESSIVE

PROGRESSIVE.COM



Usage Based Insurance: Telematics Technology

1999



2004



2007

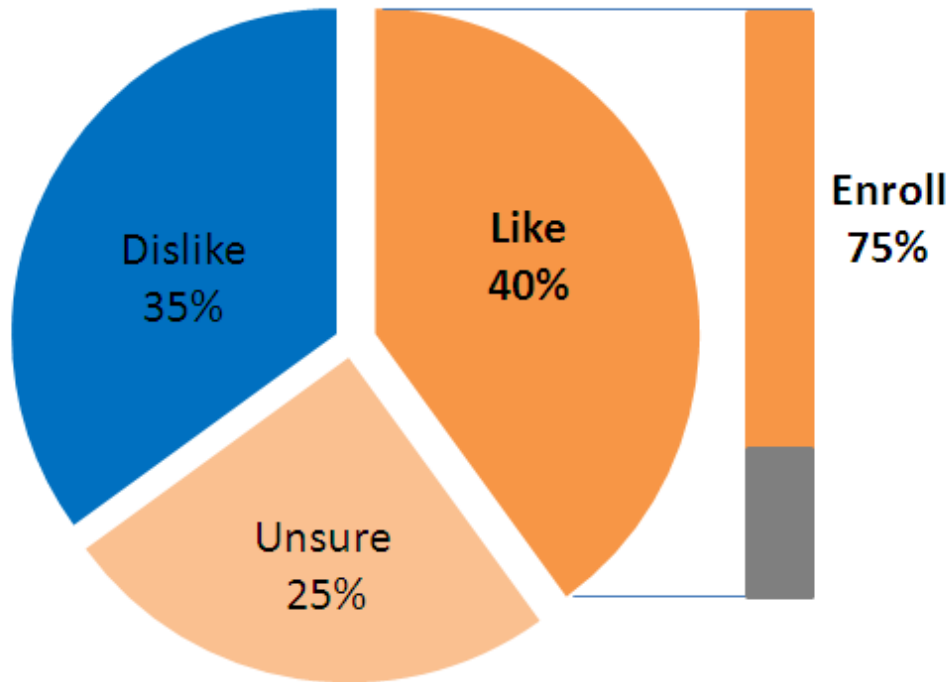


Current



Consumer Views on UBI

General Interest in UBI and Likelihood to Enroll



Key product design insights:

- No GPS
- Optional



Snapshot Product Design

- Participation is optional and free
- 0% to 30% usage based discount
- Partial monitoring model. Return device after 6 months.
- \$50 device non-return fee

- Discount based on:
 - How you drive (hard brakes)
 - How much you drive
 - When you drive



Consumers Like Snapshot

- T12 premium = \$1.8 Billion
- 1.2 million Snapshot policies in force
- One-third of direct shoppers opt in

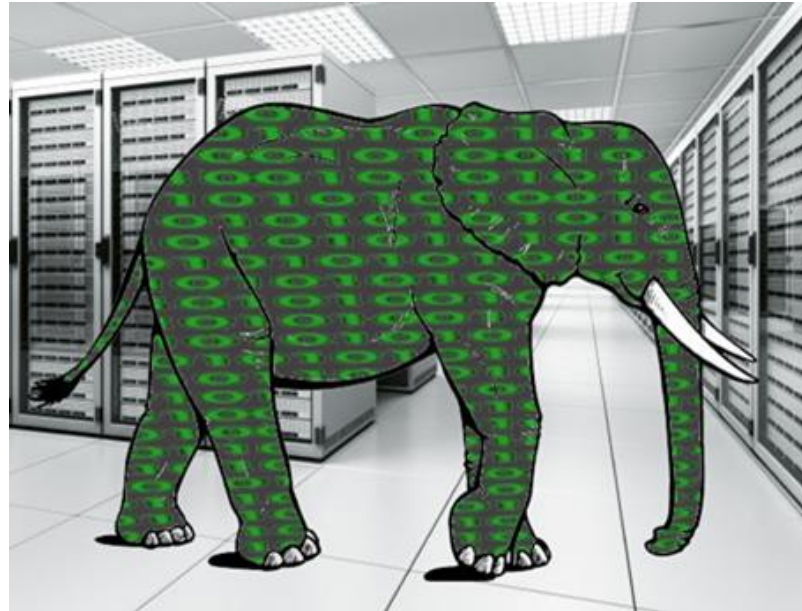


Snapshot's Big Data

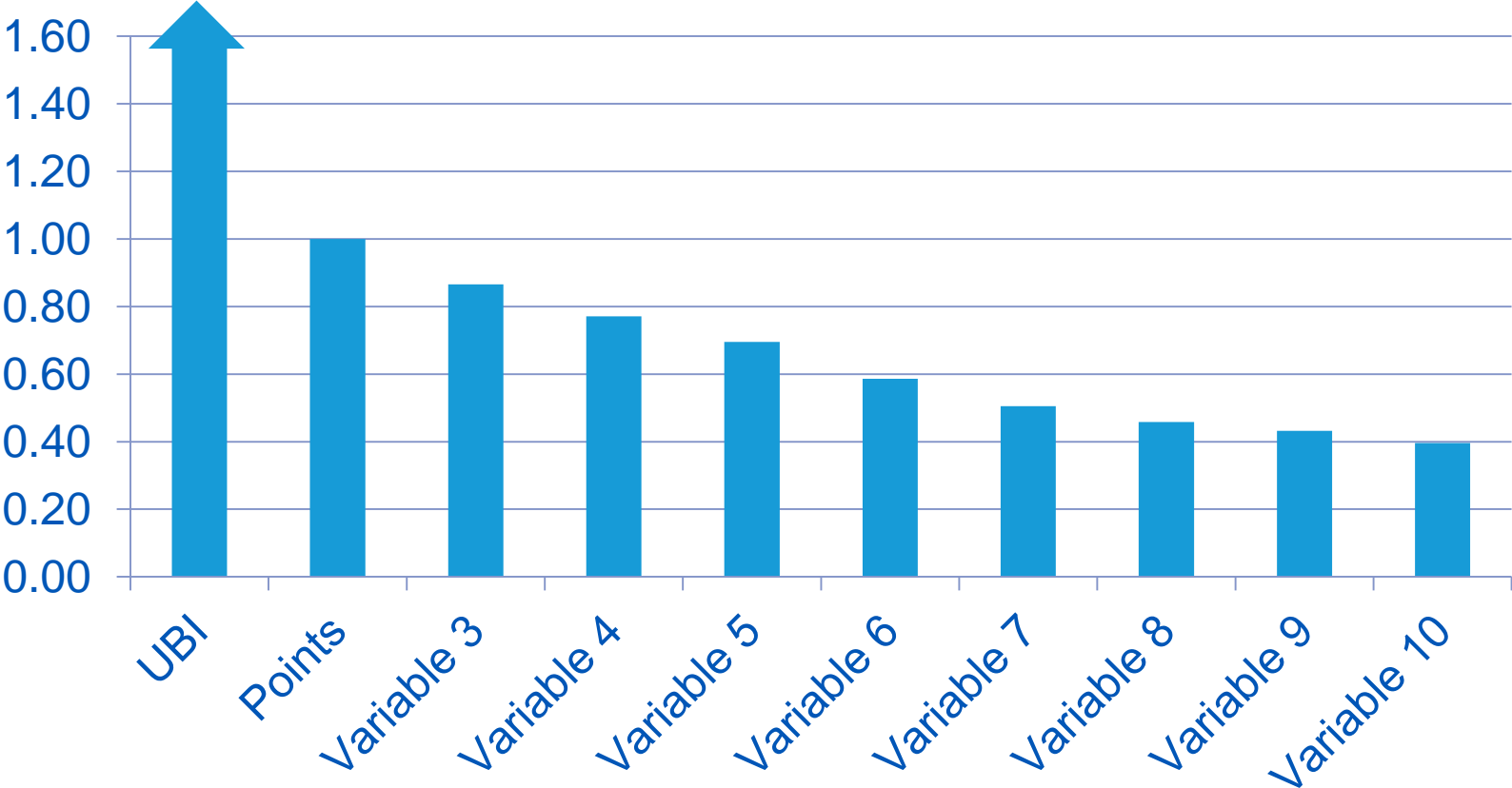
- 8 billion miles recorded
 - 1.3 billion trips
 - 6.6 miles per trip
 - 1.1 trillion one-second records

- 90 terabytes

*Snapshot*SM



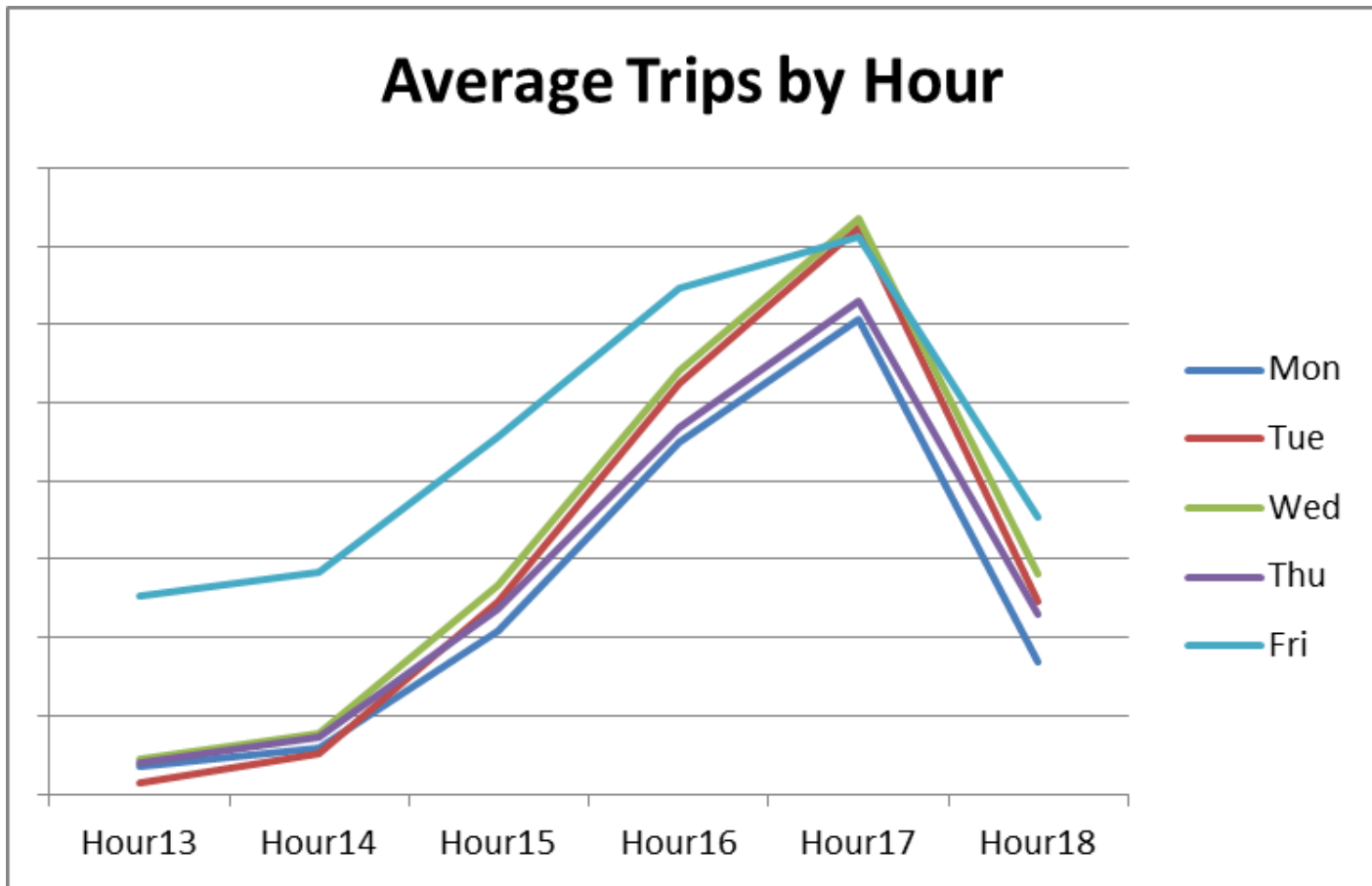
Driving Behavior Is Our Most Predictive Rating Variable



Why Is Traffic So Bad For Friday Evening Commutes?



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How Much Of Your Drive Time Is Spent Idling?



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% of time spent in each speed band				
Idle	1 to 30	31 to 50	51 to 75	>75
26%	33%	22%	17%	0%

Source: Analysis of 9.8 million trips covering 63 million miles



UBI Customer Experience: Details Matter



How Will UBI Evolve?

- Will consumers allow insurers to use location data?
- How predictive is data from mobile devices?
- What feedback is most effective to improve driving behavior?

