



# Illinois Department of Insurance

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JB Pritzker  
Governor

Dana Popish Severinghaus  
Director

June 23, 2022

Mr. Scott W. Ziegler, President  
Progressive Casualty Group  
301 S. Bedford Street, Suite 1  
Madison, WI. 53708

**Re: Progressive Direct Insurance Company, NAIC 16322**  
**Progressive Northern Insurance Company, NAIC 38628**  
**Progressive Universal Insurance Company, NAIC 21727**  
***Market Conduct Examination Verified Report***

Dear Mr. Ziegler,

A Market Conduct Examination of your companies was conducted by an authorized examiner designated by the Director of the Illinois Department of Insurance (“Department”) pursuant to Illinois Insurance Code (“Code”) Sections 132, 132.5(f), 404(1)(a) and 404(1)(c). This examination covered the period of January 1, 2019, through March 31, 2022. Enclosed with this letter is a copy of the verified examination report.

The examination report is a public document under the Freedom of Information Act (“FOIA”) [5 ILCS 140/1 *et seq.*] and will be posted on the Department’s website. To the extent that the examination report contains information that your Company deems private, personal, or trade secret pursuant to Sections 7(1)(b), (c), or (g) of FOIA [5 ILCS 140/7(b), (c), and (g)], your Company may request that the Department redact such information from the report prior to making it public. In making a request for confidentiality, your Company must provide a factual basis for its assertion of confidentiality. The Department will consider the request and determine whether such information is exempt from disclosure under Section 7 of FOIA.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer  
Chief Market Conduct Examiner  
Illinois Department of Insurance  
320 West Washington St., 5th Floor  
Springfield, IL 62767  
Phone: 217-782-1790  
Erica.Weyhenmeyer@Illinois.gov

Company Name: Progressive Direct Insurance	CoCode:	16322	Group Code:	155								
<b>Private Passenger Auto Liability</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 -2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	188,968	178,619	168,985	176,144	169,306	160,413	125,715	126,309	120,242	131,070	129,671	135,600
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	1,974,220	1,945,811	1,884,910	2,007,793	1,864,274	1,823,055	1,727,515	1,685,640	1,631,563	1,567,607	1,532,697	1,515,739
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense						229,366						
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	891,781	623,568	651,758	1,429,156	823,084	457,799	839,704	713,709	447,959	503,567	456,468	548,335
(7) Net Ultimate Adjusting & Other	131,769	159,418	116,974	151,673	180,762	106,515	110,884	118,768	127,342	95,519	124,429	85,887
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	170	136	145	185	115	73	112	109	90	103	80	114
(9) Open Claim Counts	224	194	191	203	166	140	147	154	141	161	148	157
Post-refund combined ratio (6+7+2+5)/(3-4)	61.4%	49.4%	49.7%	87.5%	62.9%	52.3%	62.3%	56.9%	42.6%	46.6%	46.4%	50.8%
Pre-refund combined ratio (6+7+2)/(3)	61.4%	49.4%	49.7%	87.5%	62.9%	39.8%	62.3%	56.9%	42.6%	46.6%	46.4%	50.8%
Claims severity (6)/(8)	5,246	4,585	4,495	7,725	7,157	6,271	7,497	6,548	4,977	4,889	5,706	4,810

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Progressive Direct Insurance	CoCode:	16322	Group Code:	155								
<b>Private Passenger Auto Physical Damage</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 -2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	62,542	58,251	54,537	60,101	56,628	54,223	36,224	38,624	34,635	42,734	40,685	41,187
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	1,368,396	1,345,848	1,300,410	1,355,090	1,223,624	1,200,749	1,175,292	1,136,207	1,115,283	1,089,719	1,079,448	1,110,291
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense						151,071						
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	865,975	871,473	701,095	934,154	732,943	537,786	762,565	640,740	550,473	631,161	722,395	630,962
(7) Net Ultimate Adjusting & Other	121,050	115,808	101,504	117,791	104,504	84,378	83,736	70,672	85,727	82,527	84,448	66,608
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	687	611	557	606	459	386	497	396	469	398	445	318
(9) Open Claim Counts	88	114	86	94	50	61	91	73	82	85	104	108
Post-refund combined ratio (6+7+2+5)/(3-4)	76.7%	77.7%	65.9%	82.1%	73.1%	68.9%	75.1%	66.0%	60.1%	69.4%	78.5%	66.5%
Pre-refund combined ratio (6+7+2)/(3)	76.7%	77.7%	65.9%	82.1%	73.1%	56.3%	75.1%	66.0%	60.1%	69.4%	78.5%	66.5%
Claims severity (6)/(8)	1,261	1,426	1,259	1,542	1,597	1,393	1,534	1,618	1,174	1,586	1,623	1,984

Notes:

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All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Progressive Northern Insurance	CoCode:	38628	Group Code:	155								
<b>Private Passenger Auto Liability</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	6,518,301	6,966,151	6,875,217	7,393,801	7,240,411	7,732,661	6,568,055	7,154,446	7,183,926	7,276,658	7,294,650	7,273,052
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	36,372,367	38,105,526	38,784,303	42,510,570	40,315,746	41,238,171	41,442,364	41,282,301	41,490,768	42,319,404	42,751,757	42,962,746
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense						5,171,724						
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	19,904,736	23,464,002	25,707,916	25,644,058	19,593,510	16,832,604	24,927,245	22,516,434	24,468,489	29,925,140	30,549,831	29,659,891
(7) Net Ultimate Adjusting & Other	2,503,311	2,874,256	2,623,433	3,043,784	3,229,044	2,895,074	3,228,524	2,842,519	3,061,676	3,029,025	2,782,575	2,955,193
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	3,382	3,777	3,998	4,433	3,020	2,559	3,745	3,374	3,424	4,048	4,201	3,949
(9) Open Claim Counts	3,935	4,240	4,570	4,753	3,806	3,585	4,123	4,280	4,290	4,875	5,369	5,519
Post-refund combined ratio (6+7+2+5)/(3-4)	79.5%	87.4%	90.8%	84.9%	74.6%	79.1%	83.8%	78.8%	83.7%	95.1%	95.0%	92.8%
Pre-refund combined ratio (6+7+2)/(3)	79.5%	87.4%	90.8%	84.9%	74.6%	66.6%	83.8%	78.8%	83.7%	95.1%	95.0%	92.8%
Claims severity (6)/(8)	5,885	6,212	6,430	5,785	6,488	6,578	6,656	6,674	7,146	7,393	7,272	7,511

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Progressive Northern Insurance	CoCode:	38628	Group Code:	155								
<b>Private Passenger Auto Physical Damage</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	4,422,200	4,697,293	4,647,519	5,011,744	4,906,983	5,343,176	4,813,424	5,477,722	5,677,929	5,881,071	5,975,731	6,063,873
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	24,676,048	25,694,651	26,217,467	28,814,963	27,322,853	28,495,081	30,371,191	31,607,336	32,792,881	34,202,987	35,021,964	35,819,986
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense						3,573,599						
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	14,796,976	17,088,872	17,505,504	19,556,876	14,595,293	15,205,222	21,370,910	20,305,232	20,671,769	21,319,185	27,556,163	28,739,193
(7) Net Ultimate Adjusting & Other	2,032,304	2,330,721	2,282,935	2,350,212	2,446,637	1,996,293	2,813,469	2,484,601	2,781,038	2,901,738	2,783,066	2,721,060
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	10,652	10,756	10,591	11,396	9,251	8,885	11,332	10,329	12,162	11,975	12,581	11,757
(9) Open Claim Counts	1,562	2,077	1,607	1,908	1,128	1,766	1,961	2,001	2,040	2,624	2,819	2,815
Post-refund combined ratio (6+7+2+5)/(3-4)	86.1%	93.9%	93.2%	93.4%	80.3%	91.7%	95.5%	89.4%	88.8%	88.0%	103.7%	104.8%
Pre-refund combined ratio (6+7+2)/(3)	86.1%	93.9%	93.2%	93.4%	80.3%	79.1%	95.5%	89.4%	88.8%	88.0%	103.7%	104.8%
Claims severity (6)/(8)	1,389	1,589	1,653	1,716	1,578	1,711	1,886	1,966	1,700	1,780	2,190	2,444

Notes:

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All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Progressive Universal Insurance	CoCode:	21727	Group Code:	155								
<b>Private Passenger Auto Liability</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	16,952,745	17,749,529	17,358,025	18,027,252	18,798,732	19,167,257	19,767,340	18,859,134	20,003,908	19,516,422	17,752,832	15,708,149
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	45,547,388	48,249,459	49,526,880	55,119,310	53,048,709	55,746,956	57,388,964	57,362,718	57,734,900	60,058,719	60,447,507	59,965,299
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense						7,187,048						
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	21,911,510	26,912,189	28,990,100	33,513,164	23,905,319	18,876,568	28,605,772	24,006,219	26,624,338	32,551,998	32,894,431	32,829,105
(7) Net Ultimate Adjusting & Other	3,562,026	4,000,353	3,889,883	4,523,630	4,685,900	4,152,011	4,759,294	4,153,239	4,713,411	5,207,011	4,478,230	4,647,649
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	4,367	5,003	5,351	5,822	3,936	3,058	4,590	3,814	4,408	5,144	5,265	5,125
(9) Open Claim Counts	4,504	5,100	5,548	5,884	4,792	4,537	5,158	5,215	5,415	6,272	6,834	7,083
Post-refund combined ratio (6+7+2+5)/(3-4)	93.1%	100.9%	101.4%	101.7%	89.3%	88.6%	92.6%	82.0%	88.9%	95.4%	91.2%	88.7%
Pre-refund combined ratio (6+7+2)/(3)	93.1%	100.9%	101.4%	101.7%	89.3%	75.7%	92.6%	82.0%	88.9%	95.4%	91.2%	88.7%
Claims severity (6)/(8)	5,018	5,379	5,418	5,756	6,074	6,173	6,232	6,294	6,040	6,328	6,248	6,406

Notes:

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"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: Progressive Universal Insurance	CoCode:	21727	Group Code:	155								
<b>Private Passenger Auto Physical Damage</b>	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	1,280,047	1,134,688	1,342,713	1,533,189	1,624,185	1,322,103	1,146,534	1,228,249	1,078,485	1,352,210	1,374,646	1,573,734
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	28,409,820	30,006,491	30,822,927	33,903,454	32,094,402	33,861,645	35,682,749	35,894,545	36,756,912	38,400,512	39,106,486	40,247,176
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium												
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense						4,365,535						
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	22,335,195	23,515,641	22,545,883	27,612,448	19,506,761	20,771,394	28,908,844	27,983,166	29,262,103	33,496,936	35,654,312	42,073,292
(7) Net Ultimate Adjusting & Other	2,418,653	2,793,138	2,791,381	3,201,157	3,291,563	2,543,656	3,366,708	2,781,056	3,237,846	3,514,576	3,347,069	3,332,335
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	15,801	14,826	14,191	15,635	12,591	12,058	15,401	13,742	17,048	16,268	16,478	15,667
(9) Open Claim Counts	2,358	3,104	2,427	2,712	1,496	2,483	2,767	2,580	2,795	3,857	3,974	4,074
Post-refund combined ratio (6+7+2+5)/(3-4)	91.6%	91.5%	86.6%	95.4%	76.1%	85.7%	93.7%	89.1%	91.4%	99.9%	103.2%	116.7%
Pre-refund combined ratio (6+7+2)/(3)	91.6%	91.5%	86.6%	95.4%	76.1%	72.8%	93.7%	89.1%	91.4%	99.9%	103.2%	116.7%
Claims severity (6)/(8)	1,414	1,586	1,589	1,766	1,549	1,723	1,877	2,036	1,716	2,059	2,164	2,685

Notes:

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Claim counts should be reported net of quota share reinsurance.