
Massachusetts Association of Insurance Agents

Professionalism Through Independence

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**MAIA Cautions Consumers About Progressive Quotes;
Gaps in Coverage Likely**

Framingham, MA—Progressive Insurance Direct went live with its private passenger auto insurance website on May 1st. Initial reports of “dirt cheap” rates led the Massachusetts Association of Insurance Agents (MAIA) to look deeper at the actual quotes.

According to MAIA President and Chief Executive Officer, Francis A. Mancini, “Our review of the quotes provided by Progressive reminds us of the old saying, ‘if it looks too good to be true, it probably is.’ Consumers should use extreme caution when requesting online quotes because a computer doesn’t ask the questions a live person would ask to be sure you are adequately protected.”

The Progressive website asks a number of questions, some of which are prohibited by insurance regulations, to determine the quote. The prohibited information includes your social security number, gender, recent military service and marital status. The quote process also informs you that Progressive obtains credit reports and credit scoring information, which is prohibited in Massachusetts for both rating and underwriting purposes.

The “Basic Coverage” quote provided by Progressive includes just enough coverage to put a vehicle on the road, but fails to warn you that this option would not cover a guest passenger in your vehicle and would not provide coverage anywhere other than on a public road within Massachusetts (no out-of-state coverage).

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In each quote, if you indicate that all members of your household have health insurance, the quote will include an \$8,000 Personal Injury Protection (PIP) deductible for the you and all your household members despite the fact that PIP provides benefits for costs not covered by health insurance, like the cost of replacement services, lost wages, dental services, professional nursing and funeral services.

Another important issue is that all quotes include a \$500 deductible for glass coverage, which means that you will pay the first \$500 when your windshield is damaged each time a vehicle throws up road debris. Virtually all Massachusetts policies with comprehensive coverage provide first dollar coverage for glass damage, primarily because damaged or cracked glass is a safety issue.

In a consumer disclosure at the start of a quote, Progressive acknowledges that “Massachusetts law requires that every insurer offer twelve-month term private passenger motor vehicle insurance policies at the customer’s option,” yet there is nowhere on the Progressive site where a consumer may exercise that option. When questioned on the phone about a twelve-month policy, a Progressive representative admitted that twelve-month policies are not available.

Comparative quotes of Progressive rates with the rates of other companies writing auto insurance in Massachusetts are inaccurate and use a policy term of six months which is not available from any other insurance company in Massachusetts. While other insurance company quotes include an indication of the impact of your driving record in terms of surcharges for at-fault accidents and conviction of traffic violations and credits for good driving, the Progressive quote does not appear to include merit rating information.

Other important issues to consider when requesting a Progressive quote include:

- Progressive does not offer the Waiver of Deductible endorsement which is offered by other companies. This endorsement allows your company to pay your entire claim without the deductible in certain situations where you are not at-fault (i.e. your vehicle was legally parked, you were hit in the rear, or the driver of the other car was convicted of certain serious

violations). Without this endorsement, the determination of fault will be made by the other insurance company and recovery of your deductible from the other company will be your responsibility.

- The difference between the Progressive "Economy" and "Recommended" quotes reviewed by MAIA was \$1 in premium. The \$1 was the difference between \$50,000 and \$100,000 in property damage coverage. The Progressive website offered no explanation or even a caution notice to consumers. A live person would certainly point this out and recommend paying \$1 more for twice the coverage.

Mancini also noted that while the Progressive website gives you every impression that you will receive an actual quote, a notice displayed at the end the process explains: "Your rate may vary, or you may not be offered a quote, due to eligibility requirements (you may not qualify for that program), credit history, recent military service, or driving record (if your actual record is different than what you told us)."

"That's odd," said Mancini, "The notice appears after the website has invited you to purchase a policy."

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MAIA is a statewide trade association representing 1600 independent insurance agencies and their more than 10,000 employees. Independent insurance agents write and service over 80% of the personal lines insurance and over 90% of the commercial lines insurance in the Commonwealth.