

RUSTY LUCAS
P.O. Box 422
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The Progressive Corporation
6300 Wilson Mills Road
Mayfield Village, Ohio 44143
ATTN: Flo

Dear Flo,

My name is Rusty and I am a man of ideas. I have a new idea that I believe will revolutionize the insurance industry. Since you always seem to be in the cutting edge of the insurance industry, I decided to write to you before I write to the gecko lizard and the guy from State Farm who is always a walking calamity.

I was recently looking at some of the new technological features showing up in all of the luxury vehicles -- things like blind spot sensors, back view cameras, lane drift warnings, parallel parking assistants, and adaptable cruise control. It is amazing how far we've come from the days of Henry Ford's Model T!

Then a tremendous idea just came to me a few weeks ago while driving on the Interstate highway. I encountered an extremely rude driver who would not let me back over into the slow lane after I moved into the passing lane to allow that driver access from an on ramp. I think that drivers who drive courteously should be rewarded and drivers who drive without any consideration for others should be punished.

On the rare occasion that a police officer or patrolman is nearby and witnesses road rage or a failure to yield, the offending driver may get a traffic ticket, but if there are no officers to see the infraction, there is no punishment. Meanwhile, I have yet to see an officer pull over a thoughtful and courteous driver for doing a driving good deed to give him a coupon for a free cone at the local DQ.

So my idea is this. Why not develop the existing camera/sensor technology already fitted on new cutting edge vehicles? The cameras and sensors on my car can interact with the sensors on other cars around me. Sensors can also be placed in traffic control devices or embedded in the pavement. Using different algorithm equations, based upon the speed/distance/positioning changes, those sensors would be able to detect courteous driver actions (such as leaving room for a motorist attempting to make a left turn across stopped traffic, or a highway motorist in the right lane moving over to the left to allow an oncoming vehicle to get onto the highway) and give merit points for those actions. The more selfless the act, the more merit points received.

On the other hand, a selfish driver could be assigned demerits for pulling out in front of someone else or for swerving in and out of lanes without proper clearance. All of those merits and

demerits would be stored in a central database and then, depending on the driver's insurance policy, their premium rates would be adjusted up or down based upon the number of merit points in that driver's file.

Stop short of a busy crosswalk and allow a dozen pedestrians cross the street unimpeded = get 25 points! Hit an old man riding a bicycle at a crosswalk = lose 50 points! Merge into one lane on the highway when first notified by a road sign of a lane closure = get 10 points! Speed by traffic in the lane that is supposed to be merging in effort to cut in further up the line = lose 100 points! If you are reckless, even if you are wreck-less, your insurance should be affected.

If drivers were literally financially accountable for all of their driving decisions, I think there would be a lot more courteous drivers out there and a lot less aggressive drivers. Now I'm sure there will be a few rich jerks who think they can afford a higher insurance premium and will use that as an excuse to be selfish on the roadway. But I believe, in general, people will be more aware of how their driving affects others. If it means a lower insurance premium, I think people will make the dedicated effort to drive more courteously. What happens when people drive less aggressively? Less traffic accidents! And what happens if there are less traffic accidents? A smaller number of auto claims that Progressive will have to pay.

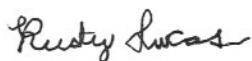
I know that this idea will take years to implement and initially there will be some infrastructure costs. But in 20 or 30 years, this could be the standard for setting auto insurance premiums.

Flo, I know that you are the one who could really make this happen because you are a doer not a watcher. Please write back and let me know if we should join together to pitch this to one or more of the automaker corporations. I'm sure it would only take getting one of them on board and soon the others would follow. They could certainly charge more for their cars once the sensor devices are implemented into the design so it shouldn't take much convincing.

My only request is that I be compensated for my idea in the amount of 0.01% of all demerit dollars obtained by Progressive from aggressive drivers insured by Progressive. That is an extremely small portion of your profit margin and I would not be entitled to take a single penny of your base premium profits from any drivers who end up with zero or positive merit points. I would only get royalties on Progressive aggressive demerit dollars.

Please think over my idea and let me know if we can work out a deal.

Sincerely,



Rusty Lucas

p.s. Do you have any Progressive baseball caps? If so, Flo, I wonder if you could send one to me for free. Maybe even with an autograph, but even without an autograph would be nice.