

FLASH BULLETIN from MAIA

MAIA Bulletin #2008-8

May 6, 2008

MAIA Cautions Consumers About Progressive Quotes;

Files Formal Complaint With DOI

Today, MAIA issued a press release to every daily newspaper in the state cautioning consumers about serious issues with quotes received from the Progressive Direct website. After initial reports of "dirt cheap" rates, MAIA took a long, hard look at the quotes produced by the site.

According to MAIA President and CEO Frank Mancini, "Our review of the quotes provided by Progressive reminds us of the old saying, '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."

Since many of MAIA's issues with the website are believed to be serious violations of the managed competition regulation, MAIA has also filed a formal complaint with Commissioner Nonnie Burnes and notified Attorney General Martha Coakley and Undersecretary of the Office of Consumer Affairs & Business Regulation Daniel Crane of the violations.

The most flagrant violations include:

- Progressive requires anyone requesting a quote to provide their social security number, gender, recent military service and marital status. The quote process also informs applicants that Progressive obtains credit reports and credit scoring information, which is prohibited in Massachusetts for both rating and underwriting purposes.
- Progressive acknowledges that Massachusetts law requires that every insurer offer twelve-month term private passenger motor vehicle insurance policies at the consumer'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.



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We have posted the complete text of the MAIA press release on our website, and you may access it at massagent.com/info/progressive.pdf.

It is imperative that the information in this press release be seen by as many consumers as possible, and we need your help with this. If you have contacts with your local daily and weekly newspapers, please walk the press release into your contact as soon as possible. Offer to answer any questions your contact or consumer reporters have, or refer them to us if you're not comfortable in that role.

We have also posted a copy of our complaint letter to the Commissioner on massagent.com. You may access it at massagent.com/info/procomplaint.pdf.

Please feel free to contact [Frank Mancini](#) or [Donna McKenna](#) or by phone at 800.972.9312 or 508.628.5452 if you have questions or need additional information.



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