

PROGRESSIVE CORP/OH/
Form 8-K
January 06, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 6, 2010 (December 31, 2009)

THE PROGRESSIVE CORPORATION

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

1-9518
(Commission
File Number)

34-0963169
(IRS Employer
Identification No.)

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6300 Wilson Mills Road, Mayfield Village, Ohio 44143

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 440-461-5000

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Effective December 31, 2009, The Progressive Corporation (the "Company") entered into Amendment No. 1 ("Amendment No. 1") to its 364-Day Secured Liquidity Credit Facility Agreement dated as of December 31, 2009 (the "Credit Agreement") with National City Bank ("NCB"). The Credit Agreement provides the Company with a line of credit in the principal amount of \$125 million (which amount may be increased at the Company's request, but subject to NCB's discretion, up to a maximum aggregate principal amount of \$150 million) (the "Line of Credit"), secured by certain assets of the Company.

The Line of Credit has been established to provide the Company with access to funds in the event of a disruption in the Company's normal cash management or treasury operations, or in any of the systems or facilities that support such operations, including a disruption in the country's or the world's financial markets. No borrowings have been made on the line of credit since its inception on December 31, 2008.

Pursuant to Amendment No. 1 to the Credit Agreement, among other matters:

The term of the Credit Agreement was extended from December 31, 2009 to December 31, 2010;

PNC Bank, National Association ("PNC"), successor to NCB, was substituted as the Lender;

The spread on Eurodollar Loans will be 50 basis points over the one, two, three or six month LIBOR Rate (as selected by the Company).

The Company will pay a one-time facility fee in the amount of \$12,500.

All capitalized terms used but not defined herein have the same meaning as in the Credit Agreement and Amendment No.1. Other material terms and conditions of the Credit Agreement remain unchanged.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

See exhibit index on page 4.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 6, 2010

THE PROGRESSIVE CORPORATION

By: /s/ Jeffrey W. Basch
Name: Jeffrey W. Basch
Title: Vice President and
Chief Accounting Officer

EXHIBIT INDEX

Exhibit No. Under Reg. S-K Item 601 (4)	Form 8-K Exhibit No.	Description
	4.1	Amendment No. 1, dated as of December 31, 2009, to 364-Day Secured Liquidity Credit Facility Agreement, dated as of December 31, 2008, between The Progressive Corporation and PNC Bank, National Association