Progressive Changes Policy on Partial Paint/Full Clear

EXHIBIT 3 BUH
DATE 2-3-09
286

BEDFORD, TEXAS, *May 8, 2008* – Members of the Automotive Service Association's (ASA) Collision Division Operations Committee met with Chris Andreoli, corporate PD process manager of Progressive Insurance, May 1 during ASA's Annual Convention in Santa Clara, Calif.

Following an overview of current Progressive programs and practices, committee members welcomed the opportunity to discuss the relationship between Progressive and collision repair shops, and address issues repairers are experiencing.

During the discussions, Andreoli told the operations committee that as part of Progressive Insurance's regular overall guideline reviews, it has revisited the topic of partial paint/full clear. Management reconsidered its position, in part, due to industry feedback. Progressive has also expressed a strong interest in improving repairer relationships.

Andreoli said, "As part of this process, we reviewed our refinish guidelines and made changes to better address the refinish procedures that are being performed in the industry today; and to clarify operations so that they can be better understood and applied in the appropriate situations."

"Although we strongly believe that reducing refinish times on a more widespread basis is an acceptable practice and reflects operations that allow the shop to restore the vehicle to its pre-loss condition, the decision to limit the use of partial refinish was made in large part to improve our working relationships with shops, and thereby improve the customer's experience. Situations that would include a minimal color coat application, such as a chip on the edge of a panel, will be adjusted accordingly based upon evaluation of the damage. Progressive is expected to implement this change in the weeks to come.

Darrell Amberson, of Lehman's Garage, said: "The spot paint/full clear position of Progressive, as well as that of other insurers, has been a source of controversy and frustration for repairers for some time. Most repairers and paint manufacturers argue that the logic is flawed based on estimating database procedures and refinish guidelines. ASA hopes that other insurers will recognize the leadership position Progressive has taken on this issue and reconsider their positions on the issue as well."

Mitchell Service: 910438

Description: 2008 Toyota Tacoma
Body Style: 4D PkupCrw 5' Bed 128" WB
VIN: 5TELU42N78Z562300
Mileage: 2,546
OEM/ALT: A
Color: BLACK
Options: ALUM/ALLOY WHEELS, AIR CONDITIONING, POWER WINDOWS, POWER DOOR LOCKS AUTOMATIC TRANSMISSION

Vehicle Production Date: 3/08
Drive Train: 4.0L Inj 6 Cyl 4WD

Search Code: MISSOULA3

	Line Item	Entry Number	Labor Type	Operation	Line Item Description	Part Type/ Part Number	Dollar Amount	Labor Units
					FRONT BUMPER			
	1		BDY	OVERHAUL	FRT BUMPER ASSY			1.8 #
S1	2	000016	BDY	REMOVE/REPLACE	FRT BUMPER COVER	New	224.85 *	INC #
	3		REF	REFINISH	FRT BUMPER COVER		C	2.6
S1	4	000021	BDY	REPAIR	FRT CTR BUMPER COVER RETAINER	Existing		0.5*
S1	5	000022	BDY	REMOVE/REPLACE	FRT UPR BUMPER CLIP 5@2.03	52161-02020	10.15	INC
S1	6	003422	BDY	REMOVE/REPLACE	FRT BUMPER REINFORCEMENT	52131-04010	173.20	0.2 #
S1	7	002827	BDY	REMOVE/REPLACE	R FRT BUMPER REINFORCEMENT EXTENSION	52025-04010	124.69	0.2 #
S1	8	002828	BDY	REMOVE/REPLACE	L FRT BUMPER REINFORCEMENT EXTENSION	52026-04010	124.69	0.2 #
					FRONT LAMPS			
S1	9	000077	BDY	REMOVE/REPLACE	L FRONT COMBINATION LAMP ASSEMBLY	New	257.49 *	0.4 #
	10		BDY	CHECK/ADJUST	HEADLAMPS			0.4
S1	11	002812	BDY	REMOVE/REPLACE	L H/LAMP FILLER	52513-04020-C0	29.75	INC #
					FRONT FENDER			
S1	12	000213	BDY	REPAIR	L FENDER PANEL	Existing		3.0* #
	13		REF	REFINISH	L FENDER OUTSIDE		C	2.0
S1	14	000231	BDY	REMOVE/REPLACE	L FENDER LINER	53876-04160	90.37	0.3
	15	002554	BDY	REMOVE/INSTALL	L WHEEL OPENING FLARE			0.3
	16	003471	BDY	REMOVE/INSTALL	L FENDER MUDGUARD			0.3
S1	17	000266	BDY	REMOVE/REPLACE	L FENDER CLIP 3@2.74	75395-35070	8.22	
S1	18	002923	BDY	REMOVE/REPLACE	L FENDER CLIP 6@0.86	75396-35020	5.16	
					CAB			
S1	19	001866	BDY	REPAIR	L CAB CORNER PANEL	Existing		1.5* #
S1	20		REF	REFINISH/REPAIR	L CAB CORNER PANEL		C	1.0*
	21				MODIFIED REFINISH WITH FULL CLEAR COAT			

This estimate has been re-calculated with a modified profile.

ESTIMATE RECALL NUMBER: 12/09/2008 16:07:05 [redacted]
Mitchell Data Version: OEM: DEC_08_V0127
MAPP:DEC_08_V0125
UltraMate Version: 6.5.023

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Date: 01/29/2009 10:22 AM
Estimate ID: [redacted]
Estimate Version: 1
Supplement: 1 (P) 01/29/2009 09:22:59 AM
Profile ID: CUSTOMIZED

				PICKUP BED				
S1 22	002760	BDY	REMOVE/INSTALL	BED ASSEMBLY				INC
S1 23	003477	BDY	REMOVE/INSTALL	R BED SIDE PANEL				1.5* #
24				**** SYSTEM GIVES 5 TO RI ENTIRE SIDE				
S1 25	003463	BDY	REPAIR	PICKUP BED FLOOR	Existing			1.0* #
S1 26	002101	BDY	REMOVE/REPLACE	PICKUP BED SILL PANEL	65240-04161	506.14		2.5
S1 27	002109	BDY	REMOVE/REPLACE	L PICKUP BED SIDE PANEL ASSY	65600-04904	531.61		6.0 #
S1 28		REF	REFINISH	L BED SIDE PANEL OUTSIDE			C	2.5
29	002121	BDY	REMOVE/INSTALL	L PICKUP BED PROTECTOR	Existing			INC #
30				R&R Time Used in R&I Operation				
31	002135	BDY	REMOVE/REPLACE	L PICKUP BED CLIP 2@1.29	90467-09118	2.58		
32	002729	BDY	REMOVE/INSTALL	L REAR WHEEL OPENING FLARE				0.3
S1 33	002166	BDY	REMOVE/REPLACE	L PICKUP BED WHEEL OPENING FLARE	New	213.20	*	0.4 #
S1 34	003570	BDY	REMOVE/REPLACE	L PICKUP BED PROTECTOR	58742-04110	24.78		
S1 35	002184	BDY	REMOVE/REPLACE	L PICKUP BED FLARE PAD	75659-04050	13.32		
S1 36	002186	BDY	REMOVE/REPLACE	L PICKUP BED RETAINER 3@0.86	75396-35020	2.58		
S1 37	002188	BDY	REMOVE/REPLACE	L PICKUP BED RETAINER 6@2.74	75395-35070	16.44		
S1 38	002211	BDY	REMOVE/REPLACE	L PICKUP BED MUDGUARD	76626-04171	87.34		INC
S1 39	003079	BDY	REMOVE/REPLACE	L PICKUP BED DECAL	New	66.93	*	0.2
				TAILGATE				
S1 40	002740	REF	REFINISH	TAILGATE COMPLETE			C	1.9
41	000616	BDY	REPAIR	TAILGATE SHELL	Existing			1.0*
42		REF	REFINISH/REPAIR	TAILGATE SHELL			C	1.0*
43				MODIFIED REFINISH WITH FULL CLEAR COAT				
S1 44	000617	BDY	REMOVE/REPLACE	TAILGATE INNER PANEL	65759-04060	87.31		0.3
45	000618	BDY	REMOVE/INSTALL	TAILGATE HANDLE	Existing			0.2 #
46				R&R Time Used in R&I Operation				
47	000623	BDY	REMOVE/INSTALL	TAILGATE PROTECTOR	Existing			0.1*
S1 48	000625	BDY	REMOVE/REPLACE	L TAILGATE HINGE	66120-04011	27.87		0.2 #
S1 49		REF	REFINISH	L TAILGATE HINGE			C	0.5
S1 50	000631	BDY	REMOVE/REPLACE	TAILGATE ADHESIVE NAMEPLATE	New	23.61	*	0.2
S1 51	000632	BDY	REMOVE/REPLACE	TAILGATE ADHESIVE NAMEPLATE	New	34.67	*	0.2
S1 52	000633	BDY	REMOVE/REPLACE	TAILGATE ADHESIVE NAMEPLATE	New	21.26	*	0.2
S1 53	000637	BDY	REMOVE/REPLACE	TAILGATE ADHESIVE NAMEPLATE	New	23.61	*	0.2
				REAR LAMPS				
S1 54	000277	BDY	REMOVE/REPLACE	L REAR COMBINATION LAMP ASSEMBLY	New	142.43	*	INC
				REAR BUMPER				
S1 55	000336	BDY	REMOVE/REPLACE	REAR BUMPER PLATE	New	137.24	*	0.3
S1 56	003063	BDY	REMOVE/REPLACE	REAR BUMPER FACE BAR	New	436.87	*	0.6
S1 57	000347	BDY	REMOVE/REPLACE	L REAR BUMPER PLATE	New	47.59	*	
S1 58	000351	BDY	REMOVE/REPLACE	L REAR BUMPER REINFORCEMENT	New	33.98	*	
				ADDITIONAL OPERATIONS				
59		REF	ADD'L OPR	CLEAR COAT				3.1
				ADDITIONAL COSTS & MATERIALS				
60			ADD'L COST	PAINT/MATERIALS		470.46	*	
S1 61	900500	BDY *	REMOVE/REPLACE	L REINFORCEMENT BRACKET	52137-04020	20.41	*	0.0*
S1 62	900500	BDY *	REPAIR	SET UP AND MEASURE	Existing			2.0*
				MANUAL ENTRIES				
S1 63	900500	FRM *	REPAIR	UNIBODY FRAME TIME 2 CONTROL POINTS	Existing			3.0*
S1 64	900500	BDY *	REPAIR	BED BOX LINER	Existing			1.0*
S1 65	900500	BDY *	ADD'L LABOR OP	ROPE BACK GLASS	Existing			0.5*
S1 66	900500	BDY *	REMOVE/REPLACE	ROCK GUARD PROTECTOR (CAB)	New	11.17	*	0.2*

* - Judgment Item
\# - Labor Note Applies
C - Included in Clear Coat Calc

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Date: 01/29/2009 10:22 AM
Estimate ID: [redacted]
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Supplement: 1 (P) 01/29/2009 09:22:59 AM
Profile ID: CUSTOMIZED

Estimate Totals

I. Labor Subtotals	Units	Rate	Add'l Labor Amount	Sublet Amount	Totals
Body	28.2	55.00	0.00	0.00	1,551.00
Refinish	14.6	55.00	0.00	0.00	803.00
Frame	3.0	62.00	0.00	0.00	186.00
Non-Taxable Labor					2,540.00
Labor Summary	45.8				2,540.00

II. Part Replacement Summary	Amount
Non-Taxable Parts	3,561.51
Total Replacement Parts Amount	3,561.51

III. Additional Costs	Amount
Non-Taxable Costs	470.46
Total Additional Costs	470.46

IV. Adjustments	Amount
Insurance Deductible	500.00-
Customer Responsibility	500.00-

I.	Total Labor:	2,540.00
II.	Total Replacement Parts:	3,561.51
III.	Total Additional Costs:	470.46
	Gross Total:	6,571.97
IV.	Total Adjustments:	500.00-
	Net Total:	6,071.97
	Less Original Net Total:	2,868.20
	Net Supplement Amount:	3,203.77
	[redacted]	3,203.77

Point(s) of Impact
0 Unknown (P)

Body Shop: Hank's

This estimate has been re-calculated with a modified profile.

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Inspect Location: Hank's Body Shop
1845 Lampman Drive
Billings, MT 59102

Business: (406)652-1440
REPAIR_SHOP

Repair Facility: HANK'S BODY SHOP
1845 Lampman Drive
Billings, MT 59102

Business: (406)652-1440
15 Days to Repair
License #

1999 FORD EXPEDITION 4X4 EDDIE BAUER 8-5.4L-FI 4D UTV white Int:Grey
VIN: 1FMPU18L5XLA42207 **Lic:** 3C97473 MT **Prod Date:** 10/1998 **Odometer:** 80442

Air Conditioning	Rear Defogger	Tilt Wheel
Cruise Control	Intermittent Wipers	Climate Control
Keyless Entry	Dual Air Condition	Rear Window Wiper
Body Side Moldings	Dual Mirrors	Privacy Glass
Console/Storage	Overhead Console	Luggage/Roof Rack
Fog Lamps	Clear Coat Paint	Power Steering
Power Brakes	Power Windows	Power Locks
Power Driver Seat	Power Mirrors	AM Radio
FM Radio	Stereo	Cassette
Search/Seek	CD Changer/Stacker	Anti-Lock Brakes (4)
Driver Air Bag	Passenger Air Bag	4 Wheel Disc Brakes
Leather Seats	3rd Row Seat	Rear Step Bumper
Running Boards/Side Steps	Automatic Transmission	4 Wheel Drive
Overdrive	Styled Steel Wheels	

NO.	OP.	DESCRIPTION	QTY	EXT. PRICE	LABOR	PAINT
1		FRONT BUMPER				
2	S01	O/H Front Bumper			1.5	
3	S01	Repl Pad assy primed	1	149.00	Incl.	1.5
4	S01	Repl Valance w/fog lamps & tow hooks Arizona beige	1	189.06	Incl. .3	
5*	S01	Repl RT Bumper mount plate	1	13.68		
6*	S01	Repl LT Bumper mount plate	1	13.68		

09/24/2008 at 04:32 PM
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SUPPLEMENT OF RECORD 1 WITH SUMMARY

1999 FORD EXPEDITION 4X4 EDDIE BAUER 8-5.4L-FI 4D UTV white Int:Grey

NO.	OP.	DESCRIPTION	QTY	EXT. PRICE		LABOR	PAINT
7*	S01	Repl RT Bumper filler	1	15.22		Incl.	
8	S01	Repl Bumper chrome	1	321.61		Incl.	
9*	S01	Repl LT Bumper filler	1	17.97		Incl.	
10		GRILLE					
11	S01	Repl Grille Eddie Bauer White	1	304.00		Incl.	1.5
12	S01	Repl Mount panel	1	134.46		Incl.	1.2
13*	S01	Repl Panel cover	1	34.22		0.2	
14		RADIATOR SUPPORT					
15		Repl Air deflector upper	1	43.98		Incl.	
16	S01	Repl Radiator support	1	273.37	s	7.5	1.5
17	S01	Add for AC service			m	1.4	
18	S01	Refrigerant recovery			m	0.4	
19	S01	Add for trans cooler			m	0.4	2.9 @ 62.00
20	S01	Add for AC option			m	0.5	
21	S01	Add for auto trans			m	0.2	
22	S01	Repl Vertical support	1	49.83	s	Incl.	0.3
23	S01	Overlap Minor Panel					-0.2
24	S01	Repl Air deflector lower	1	40.97		Incl.	
25		FRONT LAMPS					
26	S01	Repl LT Headlamp assy	1	145.08		Incl.	
27	S01	Aim headlamps				0.5	
28	S01	Repl LT Park lamp	1	37.21		Incl.	
29		HOOD					
30	S01	Repl Hood	1	357.57		1.0	3.0
31	S01	Add for Clear Coat					1.2
32	S01	Add for Underside(Complete)					1.5
33	S01	Repl RT Hinge	1	55.42		0.3	0.3
34	S01	Repl LT Hinge	1	33.43		0.3	0.3
35	S01	Repl Latch	1	20.32		Incl.	
36	S01	Repl Striker	1	15.87		Incl.	
37		STRIPE TAPE					
38		Repl RT Stripe tape Arizona beige	1	82.27		1.0	
39		Repl LT Stripe tape Arizona beige	1	82.27		1.0	
40		FENDER					
41*		Rpr RT Fender w/o wheel lip				0.5	2.2
42	S01	Overlap Major Adj. Panel					-0.4
43		Add for Clear Coat					0.4
44#		Refn Base Coat Reduction					-1.0
45*		Rpr LT Fender w/o wheel lip				0.5	2.2
46		Overlap Major Adj. Panel					-0.4
47		Add for Clear Coat					0.4
48#		Refn Base Coat Reduction					-1.0
49		R&I RT Wheel opng mldg Eddie Bauer prairie tan				0.3	
50		R&I LT Wheel opng mldg Eddie Bauer prairie tan				0.3	
51*		R&I RT Nameplate "EXPEDITION EDDIE BAUER/TRITON V8"				0.4	

/9/24/2008 at 04:32 PM
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[redacted]

SUPPLEMENT OF RECORD 1 WITH SUMMARY

1999 FORD EXPEDITION 4X4 EDDIE BAUER 8-5.4L-FI 4D UTV white Int:Grey

	NO.	OP.	DESCRIPTION	QTY	EXT. PRICE	LABOR	PAINT
	52*	R&I	LT Nameplate "EXPEDITION EDDIE BAUER/TRITON V8"			0.4	
	53		ELECTRICAL				
	54	R&I	Antenna mast				
	55		FRONT DOOR			0.1	
	56	Blnd	LT Outer panel				
	57	R&I	LT Belt w'strip				1.2
	58*	R&I	LT Body side mldg Eddie Bauer			0.3	
			White			0.3	
	59	R&I	LT Mirror w/o signal non-heated			0.4	
	60	R&I	LT Handle, outside oxford white			0.4	
	61	R&I	LT R&I trim panel			0.5	
	62#	R&I	Keyless Entry Pad			0.8	
	63#		Set up and Measure - Rack	1		2.0 F	
	64#	Rpr	Body Pull			2.0 F	
N	65**	Repl	Qual Repl Parts Bug Shield	1	79.95	0.5	
	66#	Subl	Hazardous Waste	1	3.00 X		
	67#		Cover Car	1	10.00 X		
	68# S01		Additional Paint Materials over Threshold	1	98.27		
			Subtotals ==>		2621.71	25.9	15.7

Line 65 : Called Northland Auto Parts and got price quote for parts and labor from Shannon.

Parts		2608.71
Body Labor	21.9 hrs @ $ 55.00/hr	1204.50
Paint Labor	15.7 hrs @ $ 55.00/hr	863.50
Frame Labor	4.0 hrs @ $ 62.00/hr	248.00
Paint Supplies		450.00
Sublet/Misc.		13.00
SUBTOTAL		$ 5387.71
TOTAL COST OF REPAIRS		$ 5387.71
ADJUSTMENTS:		
Deductible		500.00
TOTAL ADJUSTMENTS		$ 500.00
NET COST OF REPAIRS		$ 4887.71