



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

BULLETIN 2020-8

TO: All Admitted and Nonadmitted Property & Casualty and Workers' Compensation Insurers

FROM: Insurance Commissioner Ricardo Lara

DATE: June 25, 2020

RE: Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic

The purpose of this Bulletin 2020-8 is to extend the directives and reporting requirements set forth in Bulletins [2020-3](#) and [2020-4](#) to include premium relief for the month of June commensurate with any reduced exposure to risk. Further, this Bulletin also extends the directives and reporting requirements set forth in Bulletins 2020-3 and 2020-4 to include premium relief for any months subsequent to June as conditions warrant.

On April 13, 2020, Insurance Commissioner Ricardo Lara issued Bulletin 2020-3 acknowledging that the COVID-19 pandemic caused an unprecedented challenge for California's businesses and residents. Bulletin 2020-3 also recognized that the COVID-19 pandemic and the statewide and local "stay at home" orders have severely curtailed activities of policyholders in both personal and commercial lines and that projected loss exposures of many insurance policies have become overstated or misclassified. Bulletin 2020-3 ordered all insurers engaged in the business of insurance in this state to make an initial partial premium adjustment for the months of March and April to all adversely impacted California policyholders in the lines of insurance identified in Bulletin 2020-3, as quickly as practicable, but in any event no later than 120 days after the date of that Bulletin, or August 11, 2020.

Bulletin 2020-3 also required every insurer writing any line of insurance in California where the measures of risk have become substantially overstated as a result of the COVID-19 pandemic to report to the California Department of Insurance (Department) within 60 days of the date of Bulletin 2020-3, all actions taken and contemplated future actions to adjust premiums in response to or consistent with Bulletin 2020-3.

On May 15, 2020, Commissioner Lara issued Bulletin 2020-4 extending the directives in Bulletin 2020-3 through May 31, 2020. As required by Bulletin 2020-3 and Bulletin 2020-

4, the notice to affected policyholders regarding any premium adjustments, and the report by insurers to the Department must include information with respect to any premium adjustments for the months of March, April, and May 2020. The deadline for submission to the Department of the March, April, and May information required by Bulletin 2020-3 and 2020-4 was June 12, 2020.

Bulletin 2020-4 also notified insurers and other interested persons that if the Governor's "stay at home" order continues into June and beyond, Commissioner Lara would provide additional directives to ensure that the premium charged at the time accurately reflects the exposure to loss.

Although California recently began to ease stay at home restrictions, depending on the type of insurance product and the claims experience of each insurer, current circumstances justify continuing premium relief to certain policyholders to reflect accurately the current risk of loss. Based on the current circumstances with respect to the COVID-19 pandemic, this Bulletin 2020-8 hereby extends the previous directives of Bulletin 2020-3 and Bulletin 2020-4 through June. Further, this Bulletin hereby extends the previous directives of Bulletin 2020-3 and Bulletin 2020-4 to any months subsequent to June if the COVID-19 pandemic continues to result in projected loss exposures remaining overstated or misclassified.

Information regarding premium relief provided to policyholders for the month of June, and information regarding any premium relief provided to policyholders for the months of July, and August as conditions warrant, shall be submitted to the Department no later than October 1, 2020. Insurers shall continue to provide premium relief information to the Department on a quarterly basis for any future months in which a premium adjustment is provided. If conditions warrant that any premium relief is to be provided for the months of September, October or November, that information shall be submitted to the Department no later than January 1, 2021. To aid in the submission of insurer reports for the three-month period of June through August, and to ensure timely receipt of insurer submissions, the Department has provided an Excel workbook that can be downloaded at the following link: <http://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/rsb-forms/2020/COVID-19-Premium-Refund-Reporting.cfm>. If conditions warrant, the Department will provide additional workbooks for subsequent three-month periods beyond June through August.

Reports shall be submitted to the Rate Specialist Bureau at the following email address: RSBCovid19PR@insurance.ca.gov. All information provided to Commissioner Lara pursuant to this Bulletin shall be available for public inspection pursuant to Insurance Code section 1861.07.

The extension of reporting required by this Bulletin 2020-8 does not change the previous deadline for insurers to provide direct relief to policyholders for March, April, and May premiums by no later than August 11, 2020.