

Esurance Property and Casualty Insurance Company (0008-30210)
California Premium Relief Support

Exhibit 1

Exhibit 1: California Premium Relief Support - January through March 2021				
Metric	Assumption	Impact	Combined Ratio Impact⁵	
Reported Frequency ¹	Year-over-Year January decline of 25.4%, February decline of 22.9%, March decline of 15.1%; adjusted based on January-February 2020 results	-20.9%	-15.4% pts	
Paid Severity ¹	Year-over-Year January increase of 20.4%, February increase of 7.9%, March increase of 23.4%; adjusted based on January-February 2020 result	16.6%	12.2% pts	
Rate Inadequacy ²	pre-COVID rate inadequacy		3.8% pts	
Premium Trends ³	Decreasing premium trends from annual mileage reduction		3.9% pts	
Other Impacts ⁴	Impacts from waiving late fees and free coverage for delivery		TBD	
Total Impact			4.5% pts	
Total Refund			0.0% pts	

¹CA EPC Auto data for calendar months January, February, and March of 2021

²Rate inadequacy pre-COVID from elevated loss costs

³Decreasing premium impact from annual mileage reduction since COVID

⁴Other accommodations with projected income impacts not being accounted for

⁵Frequency and severity impact losses and ALAE but do not impact other expenses