

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

Exhibit 2

Exhibit 2: California Premium Relief Support - March through December 2020			
Metric	Assumption	Impact	Combined Ratio Impact⁶
Reported Frequency ¹	Year-over-Year decline for March through December; adjusted based on January-February 2020 results	-28.8%	-21.2% pts
Paid Severity ¹	Year-over-Year increase for March through December; adjusted based on January-February 2020 result	8.4%	6.2% pts
Bad Debt ²	Suspension of non-pay cancellations 3/16 - 7/20 and 60-day grace period for Special Payment Plan		0.3% pts
Rate Inadequacy ³	pre-COVID rate inadequacy		3.8% pts
Premium Trends ⁴	Decreasing premium trends from annual mileage reduction		2.8% pts
Other Impacts ⁵	Impacts from waiving late fees and free coverage for delivery		TBD
Total Impact			-8.1% pts
Provided Refund			-8.7% pts
Additional Refund			0.0% pts

¹CA EPC Auto data for calendar months March 2020-December 2020

²Estimated bad debt from non-payment cancellation moratorium and special payment plan as of 04/09/21

³Rate inadequacy pre-COVID from elevated loss costs

⁴Decreasing premium impact from annual mileage reduction since COVID

⁵Other accommodations with projected income impacts not being accounted for

⁶Frequency and severity impact losses and ALAE but do not impact other expenses