

**GOVERNMENT EMPLOYEES INSURANCE COMPANY  
GEICO GENERAL INSURANCE COMPANY  
GEICO INDEMNITY COMPANY  
GEICO CASUALTY COMPANY  
EXPLANATORY MEMO SECTION I  
Private Passenger Automobile Insurance  
Private Passenger Motorcycle Insurance (GEICO Indemnity)**

**I: If your company writes in any lines of insurance specified in Bulletin 2020-3 and has determined no refunds are necessary, please explain and provide any relevant documents.**

As previously outlined in detail with the original Bulletin 2020-3 reporting submission, GEICO has provided a uniform 15% credit of the full policy term premium for voluntary automobile and motorcycle policies under the GEICO Giveback Program. The Giveback applies to both new and existing business to ensure that similarly situated policyholders are treated fairly and equitably. To date, GEICO has provided in excess of \$285 million in premium relief to California policyholders.

GEICO was among the first insurers in the state to implement a moratorium on policy cancellations. Even after the July 14 premium payment grace period expiration, GEICO continues to work with its policyholders to assist them during these challenging times, such as offering flexible payment plans, as well as making policy adjustments to annual mileage rating for a vehicle based on individual customer situations. As always, GEICO will not charge late payment fees to its policyholders.

GEICO has not provided any additional premium relief in the first quarter of 2021.

- Miles driven continue to increase in 1Q, especially in March, causing frequencies to rebound ([Metromile](#) – CA miles driven up 19% year-over-year in March)
- Severity concerns persist with increases in the number of high-speed crashes and traffic fatalities ([National Safety Council](#) – estimated CA total fatalities up 5% for 2020 over 2019)
- We have worked with customers to adjust the annual mileage for more than 600,000 vehicles since April 2020. These adjustments have reduced term premiums by over 50 million dollars, which will perpetuate throughout the rest of 2021 and beyond.

GEICO prices policies prospectively. Given the projected frequency increases in 2021 with the vaccine rollout and businesses and schools re-opening, continued high severities, and the reduction of policy premiums going forward due to mileage endorsements, additional relief is not warranted at this time. GEICO will continue to monitor claim metrics throughout 2021 to determine if any premium relief is necessary.