

**GOVERNMENT EMPLOYEES INSURANCE COMPANY  
EXPLANATORY MEMO SECTION I  
COMMERCIAL AUTOMOBILE INSURANCE**

**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.**

While the COVID-19 pandemic has impacted the Commercial Auto line of business, we have been evaluating those impacts in the context of our overall loss results prior to the COVID-19 outbreak. GEICO's Commercial Auto product has not been profitable in California over the last three years, with calendar year loss ratios of 91.8% in 2018, 102.4% in 2019, and 82.8% in 2020. We do not expect 2021 results to be better than the 2020 pandemic level, so given the continued poor loss results, refunds are not warranted.