

**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. Given the continued poor loss results, refunds are not warranted.