

CALIFORNIA  
COVID-19 PREMIUM REFUNDS, CREDITS  
AND REDUCTIONS REPORT

**GREAT DIVIDE INSURANCE COMPANY**

Attachment to Explanatory Memorandum

**[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. Responses for question #: 2a.**

RESPONSE:

The Company writes commercial lines insurance in California focused on specialized markets and industries. Due to the varied nature of its insureds, the Company is taking a case-by case approach to addressing the effects of COVID-19 on measures of exposure. Several of the Company's programs are not eligible for premium adjustment as premiums are not over-stated, including:

- The Company does not expect property coverages to be impacted, as property values have remained constant, and business that are non-operational can present increased hazards.
- Measures of risk in directors' and officers' liability, employment practices liability, and similar programs have increased.
- Professional liability insurance for lawyers and accountants have not been substantially impacted, as operations generally have continued and measures of risk have not been significantly affected.
- Many of the Company's professional liability and medical malpractice programs are written on a claims-made basis, and therefore, COVID-19 has not impacted claims activity during the relevant period.
- Certain entertainment-related programs are written on a minimum premium basis and are therefore not eligible for relief.

**[II] If your company writes in one of the lines specified in Bulletin 2020-3 and has issued refunds for your policyholders, please explain all actions taken to date to refund premium in response to or consistent with this Bulletin.**

**Please include California-specific information and an explanation and justification for the amount, effective date, and duration of any premium refund, and how those measures reflect the actual or expected reduction of exposure to loss.**

**Please provide any relevant documents.**

**Responses for question #: 2b, 4, and 5.**

RESPONSE:

The Company's general approach throughout the pandemic has been to reduce policy exposures on an as-needed basis, and as a result our premiums are not over-stated.

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The Company's commercial liability and commercial automobile business in California varies significantly by industry focus, as well as in potential impact of COVID-19 on specific classes of insureds. The Company is taking a case-by-case approach to assessment of any reductions in exposure and risk of loss, and has not provided any premium relief in 2021 for these lines of business.

The Company's workers' compensation business varies in terms of insured employers' size, business, risk profile and numerous other factors. The primary measure of exposure is employee payroll. The Company is utilizing a case-by-case approach to address reduced operations and classification changes resulting from COVID-19, and has not provided any premium relief in 2021 for this line of business.

The Company offers a medical malpractice program focusing on optometrists. While COVID-19 has restricted the ability of policyholders to practice, many have continued to perform emergency services and telemedicine. A uniform 50% reduction in premium was applied for this program during the initial March-May shutdown. We have determined that extended reductions are not warranted as optometrists have generally been able to return to regular office hours.