

Re: Liberty Mutual Coronavirus (COVID-19) Premium Relief Action

In response to Bulletin 2021-03, the Liberty Mutual Fire Insurance Company will be providing the following additional refunds to its Private Passenger Auto policyholders:

Liberty Mutual will provide an additional premium refund of 5% applied to twelve months of annual automobile premium. This refund will account for the reduced driving behavior during the timeframe June 2020 through May 2021. This is in addition to the previous refund provided to policyholders of 15% for two months of annual auto premium that were in-force on April 7, 2020. The following table displays the number of policyholders receiving refunds and the overall impact.

Aggregate premium prior to and subject to application of refunds or adjustments	\$346,988,708
Aggregate premium refunds and adjustments	\$17,349,434
# of policyholders receiving refunds/adjustments	159,764

These refunds will occur automatically, and customers will not need to call to receive the refund. In the refund communication to our customers, we will explain the amount of the refund via the check or credit and advise of the basis for the refund as listed above. The refund communication will also include an invitation for the customer to contact Liberty Mutual if they have any questions or want to make any updates to their policy information, including mileage estimates. Additionally, a Liberty Mutual Covid-19 specific website is provided in the refund communication and includes a link for customers to contact us to review coverage, deductible, and other policy changes, including options to update mileage.

Summary:

Previously, refunds totaling approximately \$10.6 million were provided to our Liberty California Private Passenger Auto customers. With this new round of refunds, Liberty Mutual will provide an additional \$17.3 million of premium relief. Liberty has initiated a number of additional efforts to help our CA insureds during these unprecedented times, including pausing cancellations, waiving late fees, extending billing options, extending coverage and proactively providing customers opportunities on ways to make exposure changes such as reducing mileage based on their actual driving experience. In future rate filings, COVID-19 related impacts will be carefully considered. We feel the combination of refunds provided and the additional options made available to customers continues to provide relief on an individual customer basis where appropriate.