



Insurance Company

1501 W. Fountainhead Pkwy, Suite 200
Tempe, AZ 85282

May 15, 2020

California Department of Insurance

Rate Specialist Bureau
1901 Harrison Street, 6th Floor
Oakland, CA 94612

VIA E-mail Delivery to: RSBCovid19PR@insurance.ca.gov.

Cc: See Exhibit A

Re: Response to Bulletin 2020-3 (Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic)

Dear Rate Specialist Bureau,

Metromile Insurance Company (NAIC 16187, "Metromile") hereby responds to Bulletin 2020-3 issued by California Department of Insurance ("Department") dated April 13, 2020 regarding Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic ("Bulletin").

In the Bulletin, in relevant part, the Department ordered all private passenger automobile insurance carriers to (1) distribute premium refunds and (2) report to the Department certain information regarding its refund. Metromile addresses both orders separately below.

Premium Refund

The Bulletin requires insurers to issue premium refunds for March and April 2020 to all adversely impacted California policyholders. The Bulletin lists two re-approved responses to the order:

1. Reclassification of exposures to comport with current exposure, or
2. Reduction of the exposure base (miles driven, payroll, receipts, etc.) to reflect actual or anticipated exposure.



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Metromile is a private passenger automobile insurance carrier that provides policyholders a pay-per-mile policy that calculates premium based on a fixed rate and a variable rate. The fixed, base portion of the premium rate is related to Metromile's overhead expenses and exposures unrelated to miles driven. The variable portion of the premium is directly related to the exposure to actual miles driven. Accordingly, Metromile believes that its currently filed rate plan complies with the Bulletin's second pre-approved response listed above and that no further premium refund is necessary or appropriate.

Due to the ongoing pandemic, Metromile has seen a 58% decline in miles driven between March 19, 2020 and April 20, 2020 resulting in savings to its policyholders of approximately 30%.

Metromile's savings are significantly more than the 15% to 20% refunds offered by traditional carriers. Moreover, while other carriers' premium refunds are limited to March, April, and/or May 2020, the savings offered by Metromile are ongoing, so long as the policyholder's actual miles remain low during this time, the policyholder continues to see savings.

Further, the premium refund offered by other carriers generally appears to be in the form of a premium credit and not a refund of current monies to the policyholder. The "refund" is more a reallocation of monies kept by the carrier that will be applied toward future bills. Metromile, on the other hand, only bills the policyholder for the actual miles after they are driven. Therefore, any decline in miles driven due to the shelter-in-place rules represents an actual decline in billing and current savings of monies that stay with the policyholder, not Metromile, and that can be used for current basic needs of the policyholder.

In short, Metromile's pay-per-mile rate plan and real-time savings are already consistent with the Department's intent of returning capital to policyholders and the pre-approved response of "[r]eduction of the exposure base (miles driven, payroll, receipts, etc.) to reflect actual or anticipated exposure[.]" Accordingly, Metromile believes no premium refunds are required.

Refund Information

Second, the Bulletin also requires Metromile to report to the Department all actions taken and contemplated future actions to refund premium in response to or consistent with the Bulletin and the following additional information:

- Percentage of refund applied,



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- Aggregate premium prior to, and subject to, application of refund,
- Aggregate premium refund,
- Average premium before and after refund,
- Average percentage of refund, applied to each policyholder,
- Number of in-force policies, and
- Number of policyholders receiving refund.

As discussed above, Metromile believes that no refunds are required because Metromile's pay-per-mile policies already provide for automatic savings based on the reduction in actual miles driven. Accordingly, none of the additional information requests are applicable except for the number of in-force policies, which is 49,796 as of April 31, 2020.

Sincerely,

Metromile Insurance Company

/s/ Jason Altieri

Jason Altieri, Secretary



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EXHIBIT A

CARBON COPIES TO:

Oregon Department of Consumer and Business Services
Insurance Division
350 Winter St. NE
P.O. Box 14480
Salem, OR 97309
Via email delivery to: dfr.policyteam@oregon.gov

Washington State Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504
Via email delivery to: Policy@oic.wa.gov

Arizona Department of Insurance
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007
Via email deliver to: erin.klug@difi.az.gov

Virginia Bureau of Insurance
P.O. Box 1157
Richmond, VA 23218
Via email delivery to: BureauOfInsurance@scc.virginia.gov

New Jersey Department of Banking and Insurance
Office of the Commissioner
P.O. Box 325
Trenton, NJ 08625
Via email delivery to: Carl.Sornson@dobi.nj.gov

Illinois Department of Insurance
122 S. Michigan Ave., 19th Floor
Chicago, IL 60603
Via email delivery to: Robert.Rapp@illinois.gov

Pennsylvania Insurance Department
1321 Strawberry Square
Harrisburg, PA 17120
Via email delivery to: jlacek@pa.gov