

June 14, 2021

To: RSBCovid19PR@insurance.ca.gov

From: Oregon Mutual Insurance Company

We wrote in our previous response of our decision not to issue refunds. We continue to believe this is appropriate.

Overall, we lost money in California in 2020, including in personal auto. For a small company like ours, a reduction in frequency can be easily be offset by increased severity related to less safe driving among the drivers who still are on the road – this happened to us. In addition, having lost money in California for a number of years in personal auto prior to 2020, our actuarial indications continue to indicate rate increases. However, we have elected not to file for a personal auto increase this year.

We have continued to work with our agents and individual auto policyholders who have asked to have their rates decreased as a result of fewer miles driven. In addition, we have worked with commercial insureds to reduce their premiums to the extent that their exposure was reduced by shelter-in-place orders. We have experienced additional legal costs and uncertainty surrounding business interruption lawsuits related to the same orders.

Sincerely,

Andrew Davies

Andrew Davies
Vice President
Finance and Actuary
Corporate Treasurer