



PENNSYLVANIA LUMBERMENS MUTUAL
INSURANCE COMPANY

June 9, 2020

Mr. Ricardo Lara
California Insurance Commissioner
300 Capital Mall, 17th floor
Sacramento, CA 95814

RE: Bulletin 2020-3

Dear Commissioner Lara;

The purpose of this letter is to respond to your request of all California licensed property & casualty insurers to evaluate the impact that Governor Newsom closing of California non-essential businesses has had on the premiums charged to these insureds.

Pennsylvania Lumbermens Mutual Insurance Company (PLM) was formed in Philadelphia, PA in 1895 to serve the regional wood industry. We have since expanded to all fifty states while maintaining our wood industry focus. We expanded our wood niche into California in 2008 and secured our California license. However, due to the nature of our wood niche, we do not deal with “loss frequency” but rather “loss severity” since wood fires typically lead to total losses.

Our wood niche serves a vital part of the California economy and according to the covid19.ca.gov website, the State of California has designated the majority of our three hundred and eighty two (382) insureds businesses as essential and they have continued to operate throughout this current pandemic.

This fact was confirmed when our field staff contacted our insureds and Lumber Associations who represents our California businesses that our niche is in full operation during this pandemic and even have seen an uptick in sales in many cases.

If some insureds do experience a reduction in exposures, the premium will be adjusted by the annual audits conducted, or sooner if requested by the insureds.

Therefore, at this time, we will not be issuing any premium adjustments based on the COVID-19 environment in California. We trust you understand our position.

Sincerely,

Dave Gartland, CPCU, ARC, ACP
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