

April 28th, 2021

California Department of Insurance
Attn: Rate Specialist Bureau, 11th Floor
300 South Spring Street, South Tower
Los Angeles, CA 90013-1230

Re: BULLETIN 2021-3 Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic

Dear Rate Specialist Bureau:

Progressive West Insurance Company (PWIC) has continued to monitor loss and expense results and offered premium credits through the end of 2020 to provide relief for our policyholders, where appropriate. While stay-at-home orders reduced driving in some months, miles driven is just one of several drivers of costs for an Auto Insurer.

Our data indicates that driving for Progressive West Insurance Company's customers in California is back to pre-pandemic levels as economic activity has picked up and many consumers are choosing not to use public transport or air travel. Change in frequency of claims is inconsistent across coverages, and we have observed significant increases in Comprehensive and Uninsured motorist frequency and their respective loss ratios. Theft of vehicles and catalytic converters in California is at unprecedented levels along with cost of rental cars and these have no direct correlation with miles driven. Additionally, the coverages that have observed a drop in frequency continue to see significant increases in severity of accidents due to a combination of higher speeds, inflation in part prices, labor rates and injury costs among other factors. Issuance of broad credits is not supported at this time.

We continue to offer customers the option to lower their miles driven on vehicles allowing us to provide a prospective relief for customers who are driving less and since March 2020 we have reduced miles on over 13,000 existing policies and over 18,000 vehicles. This is in addition to payment accommodations offered to our customers.

Additional considerations:

- Driving levels increased following the easing of "Stay at Home" orders throughout the state and recent data indicates vehicle usage is at or above pre-COVID levels:
 - o CARFAX Vehicle Usage Index: <https://www.carfaxforinsurers.com/vehicle-usage-index/>
 - o Apple's Mobility Trends Report: <https://www.apple.com/covid19/mobility>
- Comprehensive claims have been increasing along with some trends unaffected by driving levels such as vehicle theft and vandalism
 - o Catalytic converter thefts skyrocket:
[Catalytic Converter Theft Skyrocketing Nationwide | National Insurance Crime Bureau \(nicb.org\)](https://www.nicb.org)

<https://www.latimes.com/california/story/2021-03-13/catalytic-converter-thefts-skyrocket-during-pandemic>

Please note that there are currently no active customers in Progressive Advanced Insurance Company and it is included in this questionnaire for completeness only.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Maas". The signature is fluid and cursive, with the first name "Michael" and last name "Maas" clearly distinguishable.

Michael Maas
Product Analyst
Drive Insurance