

TDC National Assurance Company

Explanatory Memorandum

TDC National Assurance Company (TDCNA) (#41050) withdrew its Certificate of Authority in California effective September 12, 2017 and is no longer an admitted insurer. Although non-admitted insurers are not subject to the Bulletins, TDCNA responds as follows to the CDI on a voluntary basis.

TDCNA's California commercial liability insurance includes these lines of insurance:

- Hospitals, Medical Facilities and Long-Term Care Facilities Professional Liability
- Cyber Liability
- Managed Care Errors and Omissions and Management Liability
- Life Sciences Liability
- Excess Liability

For the months of September, October, November and December of 2020, the risk exposures for these coverages identified have not been reduced due to curtailing of activities during the coronavirus public emergency. As described below, these commercial policyholders are not adversely impacted in a way that would result in excessive rates. Consequently, TDCNA has determined that no refunds are necessary for these lines of insurance.

The exposure profile of commercial policyholders such as hospitals, medical facilities and long-term care organizations is unchanged and likely increased as a result of the difficult operating environment presented by the COVID-19 pandemic. With regard to cyber liability, it is understood that cyber exposures during this pandemic are increasing as a result of multiple factors. These factors include increased use of telemedicine by health care providers under modified arrangements, work-force personnel operating from multiple remote and potentially less secure locations, and an increase in phishing attempts and social engineering attacks. With regard to managed care organizations and life sciences companies, these insureds are operating during the pandemic with little, if any, disruption to their business. As such, these commercial insureds present unchanged exposures during the COVID-19 pandemic.

For these reasons, TDCNA continues to believe no premium adjustments are applicable or needed for the segments identified above. Based on this assessment, TDCNA is not issuing premium refunds for these segments and will continue to monitor this information. TDCNA continues to work with its insureds on an individual basis voluntarily to make available premium accommodations, including payment grace periods and suspension of policy cancellations if requested.