

COVID-19 Rate Filing Questionnaire

The “COVID-19 Period” begins with Governor Newsom’s March 19, 2020 COVID-19 shelter-in-place order through current. Note that adjustments or restatements of data underlying the Rate Templates may require a variance request.

1. General Questions:

- a. How has the COVID-19 Period (and the corresponding reduced economic activity) impacted the program’s rate needs?
- b. How did the Governor’s “stay-at-home” or “shelter-in-place” orders impact the underlying premiums, losses, and expenses in the program?
- c. Did the COVID-19 Period uniformly impact all coverage(s)/form(s)/program(s) or did it impact only certain coverage(s)/form(s)/program(s) in the line of business? If the entire line of business was not uniformly impacted, please list all the coverage(s)/form(s)/program(s) in the line of business that were impacted.
- d. Did the insurer pay COVID-19 premium refunds to policyholders for the filed coverage(s)/form(s)/program(s)? If so, provide an explanation and justification for the amount and duration of any premium refunds paid.
- e. Does the insurer expect a return to pre COVID-19 experience in terms of loss costs or its components, or does the insurer expect to experience a “new normal”? If the latter, discuss the insurer’s expectation of the “new normal” and explain the rationale for this expectation.

2. Questions on Premiums and Premium Trends:

- a. If COVID-19 premium refunds (in any form, including dividends) were paid to policyholders, have the premium refunds been reflected in the premium data (either written and/or earned) included in the Rate Template and Exhibit 5? Has the premium data been restated in any way to remove the COVID-19 refunds? If so, explain how the premium data was re-stated. Insurers must submit details of any COVID-19 premium refunds in the Supplemental COVID-19 Exposure and Premium Template.
- b. Do the premiums reflect any other adjustments (such as changes in annual mileage or type of vehicle use for the Private Passenger Automobile line or changes in revenue for Commercial business owners policies for restaurants) related to experience since March 19, 2020 and COVID-19? Has the premium data been restated in any way to remove any other COVID-19 adjustments? If so, explain how the premium data was re-stated.
- c. Does the Rate Template for the program reflect any changes in premium levels and/or premium trends during the rating period as a result of the continuing impact of COVID-19?
- d. In the calculation of your rate needs for the coverage(s)/form(s)/program(s) underlying this filing, how do you anticipate premium levels and/or trends will change over the next year and beyond? What is the insurer’s target date (including the quarter and year) for when

premium levels are expected to return to pre-COVID-19 levels or to “new normal” levels?

3. Questions on Losses and Loss Trends:

- a. Explain the impact COVID-19 has had on the loss costs pertaining to the coverage(s)/form(s)/program(s) underlying this filing, by coverage(s)/form(s)/program(s). Include a description of how these loss costs by coverage(s)/form(s)/program(s) have changed during the COVID-19 Period compared to the loss costs prior to the onset of COVID-19 (2019 and prior).
- b. Explain the impact COVID-19 has had on the reported and closed claims with payment frequency for coverage(s)/form(s)/program(s) underlying this filing. Include a description of how various measures of frequency have changed during the COVID-19 Period compared to the same measure prior to the onset of COVID-19 (2019 and prior), separately by coverage(s)/form(s)/program(s).
- c. Explain the impact COVID-19 has had on the severity of claims pertaining to the coverage(s)/form(s)/program(s) underlying this filing, by coverage(s)/form(s)/program(s). Include a description of how claim severity has changed during the COVID-19 Period compared to the severity prior to the onset of COVID-19 (2019 and prior), separately by coverage(s)/form(s)/program(s).
- d. Have the losses and DCCE in the Rate Template’s experience period and/or in Exhibit 8 been restated to reflect the impact of COVID-19? If so, explain how the loss and DCCE data has been re-stated.
- e. Does the insurer anticipate further changes in loss and DCCE levels and/or loss and DCCE trends during the rating period as a result of the continuing impact of COVID-19 for the coverage(s)/form(s)/program(s) underlying this filing? If so, how have these anticipated changes been reflected in the Rate Template? What assumptions underlie the insurer’s selections of frequency and severity trends used in the insurer’s Rate Template?
- f. In the calculation of rate needs in the program, does the insurer anticipate a gradual return to pre-COVID-19 loss and DCCE levels and/or trends? If so, at what date (including the quarter and year) does the insurer expect to return to pre-COVID-19 levels?
- g. During the COVID-19 Period, has the insurer attempted to identify separate historical and future loss trends? If so, how did the insurer determine the separate loss trends?
- h. Historically, have the losses or loss frequency in the program exhibited any seasonality? If so, what impact, if any, has COVID-19 had on that seasonality? Have the losses in the Rate Template been adjusted to remove the impact of that seasonality?

4. Questions on Loss and DCCE Development:

- a. How has the development of losses and DCCE for the coverage(s)/form(s)/program(s) underlying this filing been impacted during the COVID-19 Period?
- b. Are claims for the coverage(s)/form(s)/program(s) underlying this filing being entered into your systems at a different pace than prior to the COVID-19 Period? If so, describe the change and its impact on the development of losses and DCCE for the

coverage(s)/form(s)/program(s) underlying this filing and how these anticipated changes have been reflected in the Rate Template.

- c. Have there been any changes in either the payment or closing rates of claims during the COVID-19 Period? If so, describe the changes and their impact on the development of losses and DCCE for the coverage(s)/form(s)/program(s) underlying this filing and how these anticipated changes have been reflected in the Rate Template.
- d. Have there been any changes in the insurer's claims handling or case reserving practices during the COVID-19 Period? If so, describe the changes and their impact on the development of losses and DCCE for the coverage(s)/form(s)/program(s) underlying this filing and how these anticipated changes have been reflected in the Rate Template.
- e. Has there been any acceleration in subrogation recoveries during the COVID-19 Period? If so, describe the change and its impact on the development of losses and DCCE for the coverage(s)/form(s)/program(s) underlying this filing and how these anticipated changes have been reflected in the Rate Template.