



July 30, 2021

VIA EMAIL

The Honorable Ricardo Lara
Insurance Commissioner
State of California
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

Re: *Order Insurance Companies to Refund Overcharges and File Rate Applications*

Dear Commissioner Lara:

Auto insurance companies overcharged California consumers approximately **\$5.5 billion** last year due to reduced driving and accidents during the COVID-19 pandemic when stay-at-home orders were in effect and many Californians switched to working remotely, according to Consumer Watchdog's analysis released on June 29, 2021.¹ But despite the four notices you have issued requiring auto insurance companies to return the overcharges, our investigation revealed that the top 15 auto insurers have refunded ***less than half*** the amount they overcharged.

We are writing to urge you to exercise your authority under Proposition 103 to enforce your orders mandating that auto insurance companies refund outstanding premium overcharges. The law requires your immediate action, and the devastating economic consequences of the pandemic compel it. In addition, we urge you to order all private passenger auto companies to file rate applications to determine whether further reductions to current rates are warranted. As you have stated in your prior notices, similar actions are also necessary to redress overcharges and reduce excessive rates in other lines of property casualty insurance that have experienced reductions in losses due to decreased business activity resulting from state and local restrictions.

Auto Insurers Have Been Overcharging Consumers Since March 2020

Proposition 103 places an ongoing obligation on insurers to ensure that excessive rates do not "remain in effect." (Ins. Code § 1861.05(a).) Companies are also required by law to open their books and justify their rates. Yet we know the rates in effect when Californians were ordered to stay home in March 2020 were approved well before then and were based on pre-pandemic projections. Most auto insurers did not act to lower overall rates and despite offering some premium credits, Consumer Watchdog's analysis shows they continued to overcharge consumers through at least the end of 2020, and likely to the present.²

¹ <https://www.consumerwatchdog.org/insurance/auto-insurance-companies-overcharged-california-motorists-55-billion-during-first-year>

² Insurance companies are well aware of Prop 103's requirements. When it suits them—for example, when they need rate *increases* to address projected wildfire losses—they readily submit

Data released by the Department and the NAIC demonstrate that the insurance companies have reaped a windfall as a result of their pandemic profiteering. In 2020, California private passenger auto liability and physical damage insurance loss ratios—the percentage of each premium dollar that the insurance company reported in claims—***dropped 11.8% in 2020 to an average 52.7 cents for every premium dollar charged*** from the average 64.5 cents for every dollar charged in 2019. Consumer Watchdog calculated the difference between the amount of premiums that private passenger auto insurers collected in 2020 and what they should have collected to be consistent with the industrywide average 2019 loss ratio of 64.5%, which allowed companies to earn a return on net worth of 6.3% in that year.³ ***That difference amounted to California motorists being overcharged by about \$5.5 billion last year, which equates to about 18% of the \$30.3 billion total private passenger auto written premiums.***⁴ Fifteen of the largest auto insurers⁵ account for about \$4.5 billion of this overcharge amount. (See **Exhibit A** for premium overcharge calculations.)

CDI Bulletin 2020-3, which you issued on April 13, 2020, one month after California’s lockdown began, unequivocally put auto and other property casualty insurance companies on notice that their then-current rates were excessive:

The COVID-19 pandemic has severely curtailed activities of policyholders in both personal and commercial lines. As a result, projected loss exposures of many insurance policies have become overstated or misclassified. This is especially true for policies where premiums are based partly on measures of risk such as number of miles driven, revenue, and payrolls which have all dropped significantly because of COVID-19.⁶

Accordingly, you ordered auto insurance companies and other property casualty insurers to issue premium refunds for the months of March and April 2020 within 120 days.⁷ You issued additional Bulletins in May 2020, December 2020, and March 2021 extending this order by requiring insurers to provide further premium refunds “in the affected lines of insurance where

the necessary applications to raise their rates. But when it comes to recognizing that their rates are no longer lawful and that reductions are necessary, they have failed to comply.

³ This is consistent with the current maximum permitted rate of return of 7% allowed under the Commissioner’s ratemaking regulations.

⁴ In the loss ratio methodology Consumer Watchdog used, all expenses are considered variable, so that the premium reduction would equal the loss reduction. This is consistent with the Proposition 103 ratemaking formula, which uses an efficiency standard that considers all expenses as variable. (Cal. Code Regs., tit. 10, § 2644.12.)

⁵ Based on private passenger auto liability and physical damage written premiums according to the Department’s 2020 Market Share Report, excluding companies with loss ratios above 64.5%.

⁶ See Bulletin 2020-3, Apr. 13, 2020, p. 1 (http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin_2020-3_re_covid-19_premium_reductions-2.pdf).

⁷ *Id.* at p. 2.

the projected loss exposures have become overstated or misclassified” for May through December 2020 and beyond as conditions warrant.⁸

Consumer Watchdog’s review of premium refunds reported by 15 of the largest auto insurance companies⁹ to the Department pursuant to the Commissioner’s Bulletins as of the end of June 2021, however, shows that they returned \$1.9 billion, *less than half* the \$4.5 billion amount overcharged by those companies.¹⁰ (See **Exhibit B** for refunds reported by these 15 companies through June 2021.)

For example, California’s largest auto insurance company, State Farm Mutual Auto Insurance Company, reported a loss ratio in 2020 of 44.2%, meaning that it reported just 44.2 cents in claims for every premium dollar it charged. Consumer Watchdog calculated the difference between the amount of auto premiums State Farm collected in 2020 and what it should have collected to achieve the 2019 industrywide average loss ratio of 64.5%. Under this calculation, State Farm’s California policyholders were overcharged for their auto insurance by about \$1.2 billion in 2020. (See Exh. A.) According to a review of reports it filed with the Department, however, State Farm has returned just *half* that amount, \$613.4 million, in refunds to policyholders. (See Exh. B.) A similar analysis of the Interinsurance Exchange of Auto Club’s data showed that the company overcharged consumers by about \$713 million in 2020 (see Exh. A) and yet has only returned about \$265 million for March through December 2020 (see Exh. B).

Consumer Watchdog’s analysis, based on industry data through December 2020, is consistent with the Department’s March 2021 analysis finding that companies had only returned about half of what they owed for the period of March through September 2020, approximately 9% of auto premiums over that time, rather than 17% of premiums as the Department determined.¹¹ In your March 11, 2021 Bulletin 2021-03, you stated that “based on extensive analysis of data received, the Department’s review of this loss data demonstrates the premium relief that insurance companies provided to their policyholders was insufficient, leaving

⁸ See Bulletin 2020-4, May 15, 2020 (<http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2020-4-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic.pdf>); Bulletin 2020-8, Dec. 3, 2020 (http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2020-8-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic-Amended-12_3_2020.pdf); and Bulletin 2021-3, March 11, 2021 (<http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin-2021-03-Premium-Refunds-Credits-and-Reductions-in-Response-to-COVID-19-Pandemic.pdf>). The Bulletins directed insurance companies to report to the Department how much premium they returned, whether it was a partial refund, dividend, credit, or other form of payment.

⁹ See fn. 5 *supra*.

¹⁰ Individual companies’ Covid-19 refund reports are available at <http://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/rsb-forms/2020/2020-3-submissions/index.cfm>.

¹¹ See <http://www.insurance.ca.gov/0400-news/0100-press-releases/2021/release030-2021.cfm>.

consumers paying inflated premiums while they continue to experience reduced risk of loss.”¹² Accordingly, you ordered companies to report by April 30, 2021 the additional premium amounts that were overcollected in 2020 and any additional refunds provided for the period of March 20 through December 2020.¹³ You further ordered that for 2021, “as conditions persist that warrant additional premium relief, insurance companies shall continue to provide premium relief information to the Department on a quarterly basis as of the last day of each subsequent calendar quarter.”¹⁴ Consumer Watchdog’s analysis shows that despite your directives, as of July 23, 2021, auto insurers still have not paid back the full amount of 2020 overcharges they owe consumers.

As a result of companies’ failure to return sufficient premium overcharges, they have reaped excessive profits, in violation of Proposition 103. An actuarial analysis by AIS Risk Consultants, Inc. reviewed California auto insurers’ return on net worth, which is a measure of insurance company profitability that includes premium and investment income, between 2010 and 2019. That analysis estimates that in 2020, the average return for all insurance companies doing business in California was **16.6%** for personal automobile insurance. This amount is more than **double** the maximum permitted rate of return of 7% set under Proposition 103 regulations that determine whether a rate is excessive. This 16.6% return is also approximately **four times** the insurance companies’ average return on net worth over the prior decade. (See **Exhibit C** for return on net worth calculations.)

Consumer Watchdog’s analysis was based on industry data through year-end 2020. However, many pandemic restrictions and remote working arrangements have continued into this year—and there is no reason to believe that existing rates, based on pre-pandemic losses, are lawful at this time. In fact, a preliminary review of Fast Track personal auto liability claims and loss data for the first quarter of 2021 shows that losses were still generally lower than the same quarter in 2020. Yet few companies have complied with their legal obligation to lower their rates.

Proposition 103 Authorizes and Requires You to Enforce Your Refund Orders and Require Companies to Lower Rates

Given this data, it is clear that insurers have not and will not voluntarily return the full amount of overcharges owed Californians and will not lower their rates prospectively as warranted, ***unless you force them to do so***. We urge you to move forward swiftly by taking the following independent actions:

- 1) Issue uniform individual enforcement orders pursuant to Insurance Code section 1861.05(a) to each private passenger auto insurance company that had 2020 loss ratios lower than 64.5% to refund remaining premium amounts owed due to reduced losses during the pandemic.¹⁵ At minimum, these section 1861.05 enforcement orders

¹² Bulletin 2021-3, March 11, 2021, p. 1.

¹³ *Id.*, p. 4.

¹⁴ *Ibid.*

¹⁵ Approximately 111 out of 147 personal auto insurance companies had loss ratios lower than 64.5%. For efficiency, the Department could prioritize its review of the applications of the top 30

should specify a uniform methodology for calculating refunds owed, taking into account any refunds already paid if not already reflected in their 2020 loss ratios, and the relevant time period over which refunds should be calculated. To comply with the California Supreme Court's two unanimous decisions upholding your power to order refunds under Proposition 103, any insurer that doesn't agree with the amount owed as determined by the methodology specified in your enforcement order should be offered the opportunity for a hearing to prove that a different amount or no refund is owed.

- 2) Order all private passenger auto insurance companies (or those who have not had a rate decrease approved in the last 18 months) to file a rate application with the Department no later than October 1, 2021. When we wrote you in April 2020, a month into the pandemic, we urged you to place a moratorium on any rate hike requests based on pre-pandemic data. Subsequently, many auto insurance and other property casualty companies withdrew their pending rate increase applications at the urging of the Department, but they have not made new filings based on more recent data that would allow more accurate projections of future claims and losses.¹⁶

While Consumer Watchdog's analysis focused on private passenger auto insurance, this same combination of actions—refund enforcement and requiring the filing of prospective rate applications—should be taken with respect to other property casualty lines, such as commercial liability and medical malpractice insurance, as conditions warrant.

These regulatory actions are well within your statutory authority under Proposition 103, which grants you broad power to protect the public's health and safety. The voter's directive is clear: "No rate shall be approved or *remain in effect* which is excessive, inadequate, unfairly discriminatory or otherwise in violation of this chapter." (Ins. Code § 1861.05(a).) That law and its enabling regulations have twice been unanimously upheld by the California Supreme Court, including the legal mandate that returned over \$2 billion in refunds after the measure passed in 1988. (*Calfarm Ins. Co. v. Deukmejian* (1989) 48 Cal.3d 805; *20th Century Ins. Co. v. Garamendi* (1994) 8 Cal.4th 216.) More specifically, the state's high court in *Calfarm* held that Proposition 103's "remain in effect" requirement (Ins. Code, § 1861.05(a)) authorized the Commissioner to require that "the insurer must refund excessive premiums collected with interest." (48 Cal.3d at 825.) Under Proposition 103 and the rate regulations that implement it, any insurance company that insists it owes less than what the Commissioner determines, or no refunds, will be entitled to a public hearing, at which it can seek to prove its need.

companies, which cumulatively make up about 89.5% of personal auto liability and physical damage market share, and work down from there. (See **Exhibit D** for a listing of personal auto companies by written premium showing loss ratios above and below the 64.5% target loss ratio.)

¹⁶ Again, the Department could prioritize its review of the top 30 private passenger auto insurance companies first. This review could also be done in conjunction with rate and class plan filings that will be required when the currently pending group plan insurance regulations are adopted.

Prompt Agency Action Will Assist the Courts in Addressing Consumer and Small Business Lawsuits Challenging Existing Rates

At least three civil lawsuits have been filed in federal court that seek refunds for the excessive rates that insurance companies have charged during the pandemic: two suits challenge Geico's failure to refund auto insurance overcharges (*Day v. GEICO Cas. Co.*, Case No. 5:21-cv-02103-BLF [N.D. California]; *Abdalla v. GEICO, et al.*, Case No. 3:20-cv-00621-MMA-DEB [S.D. California]), and one challenges Hartford's overcharging of small businesses for liability insurance during the pandemic (*Rejoice! Coffee Co. v. The Hartford Fin. Servs.*, Case No. 3:20-cv-06789-EMC [N.D. California]).

When insurance companies break the law by charging excessive rates, Proposition 103 expressly authorizes consumers to challenge such violations of its consumer protections in the courts. (Section 1861.10(a).) However, given the unique circumstances of the pandemic and the industrywide breadth of the failure to comply with Proposition 103, we believe it would be most efficient for the Department to take action first, as we have proposed above, rather than leave it to multiple courts to adjudicate each challenge without the benefit of the agency's expertise. This was certainly the California Supreme Court's intention in *Farmers Ins. Exch. v. Super. Ct.* (1992) 2 Cal.4th 377, where it confirmed that Proposition 103 established "'alternative' or 'cumulative' administrative and civil remedies" to redress violations of the initiative's provisions (*id.* at 393–94), but applied the "primary jurisdiction doctrine" to permit courts to stay civil proceedings pending action by the Insurance Commissioner. We believe the courts would welcome the Department's technical expertise on this matter.

As the economy reopens and many Californians are struggling to recover financially from the pandemic, we urge you to seize the opportunity to exercise your broad authority to take decisive action to restore to California's consumers the additional overcharges they are owed. Insurers should not be allowed to walk away with half the money on the table. Nor should they be permitted to continue charging excessive rates. Consumer Watchdog's legal staff and experts have over thirty years of experience in the implementation and enforcement of Proposition 103, and we are ready and willing to work with you and the Department staff to protect consumers.

Sincerely,



Harvey Rosenfield
Author of Prop. 103 and Counsel



Pamela Pressley
Senior Staff Attorney

cc: Kenneth B. Schnoll, General Counsel and Deputy Commissioner
Lucy Wang, Deputy General Counsel, Litigation
Daniel Goodell, Assistant Chief Counsel, Rate Enforcement Bureau
Nikki McKennedy, Attorney IV, Legal Division, Rate Enforcement Bureau
Alec Stone, Attorney III, Legal Division, Rate Enforcement Bureau
Jon Phenix, Staff Counsel, Rate Enforcement Bureau

EXHIBIT A

CALIFORNIA

Line of Business:

19.2 & 21.1 - PRIVATE PASSENGER AUTO LIABILITY & PHYSICAL DAMAGE

<u>Company</u>	2020 Experience					2019	Change
	<u>Written Premium</u>	<u>Market Share</u>	<u>Earned Premium</u>	<u>Incurred Loss</u>	<u>Loss Ratio</u>	<u>Loss Ratio</u>	<u>in Loss Ratio 2019 to 2020</u>
All Companies	\$ 30,320,350,578		\$ 30,384,680,940	\$ 16,007,572,280	52.7%	64.5%	-11.8%
State Farm Mut Auto Ins Co - 25178	\$ 3,875,362,475	12.8%	\$ 3,924,703,568	\$ 1,736,665,073	44.2%	66.3%	-22.1%
Interins Exch Of The Automobile Club - 15598	\$ 2,780,648,052	9.2%	\$ 2,767,963,704	\$ 1,325,503,781	47.9%	63.4%	-15.5%
Allstate Northbrook Ind Co - 36455	\$ 2,125,737,910	7.0%	\$ 2,119,547,338	\$ 1,077,408,293	50.8%	56.8%	-6.0%
CSAA Ins Exch - 15539	\$ 2,018,326,912	6.7%	\$ 2,030,470,554	\$ 978,505,655	48.2%	58.3%	-10.1%
Geico Gen Ins Co - 35882	\$ 1,969,706,654	6.5%	\$ 1,949,107,541	\$ 1,086,279,680	55.7%	68.8%	-13.1%
Farmers Ins Exch - 21652	\$ 1,864,671,782	6.1%	\$ 1,856,010,832	\$ 1,073,629,418	57.8%	67.5%	-9.7%
Mercury Ins Co - 27553	\$ 1,855,056,567	6.1%	\$ 1,859,369,143	\$ 901,163,504	48.5%	60.5%	-12.0%
Alliance United Ins Co - 10920	\$ 886,820,293	2.9%	\$ 894,658,215	\$ 525,955,767	58.8%	71.3%	-12.5%
Infinity Ins Co - 22268	\$ 872,628,464	2.9%	\$ 861,580,546	\$ 505,451,992	58.7%	56.8%	1.9%
United Financial Cas Co - 11770	\$ 694,072,112	2.3%	\$ 674,378,693	\$ 334,334,687	49.6%	68.4%	-18.8%
USAA Cas Ins Co - 25968	\$ 543,982,087	1.8%	\$ 542,722,756	\$ 286,633,570	52.8%	72.8%	-20.0%
Progressive Select Ins Co - 10192	\$ 519,859,238	1.7%	\$ 515,602,539	\$ 279,405,713	54.2%	66.0%	-11.8%
Nationwide Ins Co Of Amer - 25453	\$ 510,841,536	1.7%	\$ 521,475,408	\$ 276,872,270	53.1%	61.9%	-8.8%
Mid Century Ins Co - 21687	\$ 449,432,730	1.5%	\$ 462,147,295	\$ 231,645,001	50.1%	52.2%	-2.1%
21st Century Ins Co - 12963	\$ 438,901,250	1.4%	\$ 454,123,043	\$ 259,811,857	57.2%	60.8%	-3.6%
15 Large Companies	\$ 21,406,048,062	70.6%	\$ 21,433,861,175	\$ 10,879,266,261	50.8%	63.5%	-12.7%

Source: California Department of Insurance Market Share Reports

Premium Overcharges in 2020 (Amounts in Millions) *

All Companies	\$5,567
State Farm Mut Auto Ins Co - 25178	\$1,232
Interins Exch Of The Automobile Club - 15598	\$713
15 Large Companies	\$4,567

* Premium Overcharge is the amount by which the actual earned premium in 2020 exceeded a premium amount consistent with the loss ratio of 64.5% in 2019.
(e.g., \$5,567 = \$30,384 - \$16,007 / 0.645)

EXHIBIT B

Company/NAIC#/Bulletin Submission	Time Period	2020-premium return/credit	2020-dividend	2020 (paid in 2021)-credit	2020 (paid in 2021)-dividend	2021-credit	2021-dividend
Allstate Northbrook - NAIC 36455							
Allstate-Northbrook-Ind-Co-NAIC-36455-Bulletin-2020-3-Workbook	March, Apr, May 2020	\$86,920,556					
Allstate-Northbrook-Ind-Co-NAIC-36455-Bulletin-2020-8-Resubmission-2	June, July, Aug 2020	\$40,674,044					
Allstate-Northbrook-Ind-Co-NAIC-36455-Bulletin-2020-8-P3-Workbook	Sept, Oct, Nov, Dec 2020	\$42,629,323					
Allstate-Northbrook-Ind-Co-NAIC-36455-Bulletin-2021-03-Q1-Resubmission-2	Jan, Feb, March 2021					\$20,349,886	
State Farm Mutual - NAIC 25178							
State-Farm-Mut-Auto-Ins-Co-NAIC-25178-Bulletin-2020-3-Workbook	March, April, May 2020			\$218,440,750			
State-Farm-Mutual-Auto-Ins-Co-NAIC-25178-Bulletin-2020-8-Workbook-1	new rate takes effect Sept 14, 2020						
State-Farm-Mutual-Auto-Ins-Co-NAIC-25178-Bulletin-2021-03-Supp-Workbook	July, July, Aug, Sept, Oct, Nov, Dec 2020				\$395,969,323.08		premium reduction -6.5%
Interinsurance Exchange of the Auto Club - NAIC 15598							
Interins-Exch-Of-The-Auto-Club-NAIC-15598-Bulletin-2020-3-Workbook	March, Apr, May 2020	\$91,617,396					
Interinsurance-Exch-Auto-Club-NAIC-15598-Bulletin-2020-8-Workbook	June, July 2020	\$58,048,496					
Interinsurance-Exch-Auto-Club-NAIC-15598-Bulletin-2020-8-P3-Workbook	Aug, Sept, Oct, Nov, Dec 2020	\$116,061,203					
Interinsurance-Exch-Auto-Club-NAIC-15598-Bulletin-2021-03-Q1-Workbook	Jan, Feb, March 2021						\$70,199,068
Farmers Ins Exch - NAIC 21652							
Farmers-Ins-Exch-NAIC-21652-Bulletin-2020-3-PPA-Resubmission-2-Workbook	Apr, May 2020	\$63,314,324					
Mercury Ins Co - NAIC 27553							
Mercury-Ins-Co-NAIC-27553-Bulletin-2020-3-Workbook	Mar, Apr, May 2020	\$59,306,580.56					
Mercury-Ins-Co-NAIC-27553-Bulletin-2020-8-Workbook	June, July 2020	\$32,403,318					
Mercury-Ins-Co-NAIC-27553-Bulletin-2020-8-P3-Resubmission	catchup only	\$6,573					
GEICO Gen Ins Co - NAIC 35882							
GEICO-Gen-Ins-Co-NAIC-35882-Bulletin-2020-3-Workbook	March, April, May 2020	\$74,775,895					
GEICO-Gen-Ins-Co-NAIC-35882-Bulletin-2020-8-Workbook	June, July, Aug 2020	\$165,086,899					
GEICO-Gen-Ins-Co-NAIC-35882-Bulletin-2020-8-P3-Workbook	Sept, Oct, Nov 2020	\$168,785,422					
CSAA Ins Exch - NAIC 15539							
CSAA-Ins-Exch-NAIC-15539-Bulletin-2020-3-Resubmission	Mar, Apr, May 2020	\$78,893,795					
CSAA-Ins-Exch-NAIC-15539-Bulletin-2020-8-Workbook	June	\$17,299,462					
Alliance United Ins Co - NAIC 10920							
Alliance-United-Ins-Co-NAIC-10920-Bulletin-2020-3-Workbook	Apr, May 2020	\$21,272,928					
Alliance-United-Ins-Co-NAIC-10920-Bulletin-2020-8-Workbook	June	\$3,583,254					
Infinity Ins Co - NAIC 22268							
Infinity-Ins-Co-NAIC-22268-Bulletin-2020-3-Workbook	Apr, May 2020 RSVP program	\$11,347,414					
	Apr, May 2020 Special program	\$10,663,637					
Infinity-Ins-Co-NAIC-22268-Bulletin-2020-8-Workbook	June 2020 RSVP program	\$1,861,337					
	June 2020 Special program	\$1,759,088					
United Financial Cas Co - NAIC 11770							
United-Financial-Cas-Co-NAIC-11770-Bulletin-2020-3-PPA-Workbook	Apr, May 2020	\$22,108,580					
United-Financial-Cas-Co-NAIC-11770-Bulletin-2020-8-PPA-Workbook	June, July, Aug 2020	\$19,787,140					
United-Financial-Cas-Co-NAIC-11770-Bulletin-2020-8-P3-Resubmission	Oct, Nov, Dec 2020	\$2,877,764			\$4,422,846		
USAA Cas Ins Co - NAIC 25968							
USAA-Group-200-Bulletin-2020-3-Workbook	March		\$18,392,690				
	April		\$9,143,682				
USAA-Group-200-Bulletin-2020-3-Resubmission-3	May	\$81,958					
USAA-Group-200-Bulletin-2020-8-Workbook	June		\$4,593,258				
	July		\$4,593,258				
USAA-Group-200-Bulletin-2020-8-Resubmission	August	\$4,568,483					
USAA-Cas-Ins-NAIC-25968-Bulletin-2020-8-P3-Workbook	Sept	\$2,280,636					
	Oct	\$2,282,693					
	Nov	\$2,282,924					
	Dec	\$2,282,741					
USAA - NAIC# 25941 - Bulletin in 2021-03 Resubmission	Jan					\$1,034,518	
	Feb					\$1,034,586	
	March					\$1,035,850	
Mid Century - NAIC 21687							
Mid-Century-Ins-Co-NAIC-21687-Bulletin-2020-3-PPA-Workbook	April	\$10,123,750					

EXHIBIT B

	May	\$6,063,536					
21st Century - NAIC 12963							
21st-Century-Ins-Co-NAIC-12963-Bulletin-2020-3-Workbook	April	\$10,202,590					
	May	\$5,958,569					
Progressive Select - NAIC 10192							
Progressive-Select-Co-NAIC-10192-Bulletin-2020-3-Workbook	April	\$8,445,409					
	May	\$8,465,315					
Progressive-Select-Ins-Co-NAIC-10192-Bulletin-2020-8-PPA-Workbook	June	\$6,382,160					
	July	\$4,276,725					
	Aug	\$4,277,142					
Progressive-Select-Ins-Co-NAIC-10192-Bulletin-2020-8-P3-Workbook	Sept	\$2,145,402					
	Oct	\$1,063,056					
	Nov	\$1,072,815					
	Dec	\$1,075,048					
Nationwide Ins Co Of Amer - NAIC 25453							
Nationwide-Ins-Co-Of-America-NAIC-25453-Bulletin-2020-3-Resubmission-Worl	March	\$2,601,950					
	Apr	\$5,203,900					
	May	\$2,601,950					
Nationwide-Ins-Co-Of-America-NAIC-25453-Bulletin-2021-03-PPA-Q1-Workboo	N/A						
*Nationwide-Ins-Co-Of-America-NAIC-25453-Bulletin-2021-03-PPA-Q1-Memo [4-30-21]							
states: We directly communicated an ability to continue to allow customers to reclassify Annual Mileage and Vehicle Use (from Work and Business to Pleasure), as appropriate under case-by-case circumstances, based on their individual situations. This has resulted in additional relief being extended to personal auto customers beyond the refund. This has reduced our annual DWP by an additional \$14.44 million as of the end of March for all in-force private passenger auto policies within the Nationwide group. [NOTE THIS IS AN ANNUAL AMOUNT FOR THE PERIOD 4/1/20-3/31/21 FOR NATIONWIDE GROUP SO WE DON'T KNOW WHAT PORTION IS FOR NATIONWIDE INS CO OF AMERICA AND HOW TO ALLOCATE BETWEEN 2020 AND 2021]							
	Totals	\$1,015,885,166	\$524,101,653	\$4,422,846	\$395,969,323	\$23,454,840.26	\$70,199,068.00
				Total 2020		Total 2021	
				Refunds/Credits/Div	\$1,940,378,988	Refunds/Credits/Div	\$93,653,908

EXHIBIT C

California Private Passenger Automobile Insurance Experience

Projection of Return on Net Worth for 2020

<u>Year</u>	<u>Loss Ratio</u>	<u>Return on Net Worth</u>
2010	59.2%	9.1%
2011	61.4%	5.5%
2012	62.9%	4.8%
2013	63.1%	4.5%
2014	63.2%	5.1%
2015	67.6%	1.7%
2016	72.9%	-1.7%
2017	70.1%	1.5%
2018	65.7%	5.1%
2019	64.5%	6.3%
Average	65.1%	4.2%
2020	52.7%	16.6%

Return on Net Worth Regression : Time and Loss Ratio

<u>Regression Statistics</u>	
Multiple R	97.1%
R Square	94.4%
Adjusted R Square	92.8%
Standard Error	0.008051233
Observations	10

<u>ANOVA</u>					
	<u>df</u>	<u>SS</u>	<u>MS</u>	<u>F</u>	<u>Significance F</u>
Regression	2	0.007599143	0.003799572	58.61514059	4.2467E-05
Residual	7	0.000453757	6.48224E-05		
Total	9	0.0080529			

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t Stat</u>	<u>P-value</u>	<u>Lower 95%</u>	<u>Upper 95%</u>
Intercept	-6.511064	2.328	-2.797	0.027	-12.015	-1.007
X Variable 1	0.003526	0.001	3.005	0.020	0.001	0.006
X Variable 2	-0.844674	0.086	-9.826	0.000	-1.048	-0.641

Source:

Loss Ratio and Return on Net Worth Values for 2010 to 2019 from

National Association of Insurance Commissioners Profitability Reports

Loss Ratio for 2020 from California Department of Insurance Market Share Report

Return on Net Worth for 2020 estimated from regression analysis with independent variables of time and loss ratio

$16.6\% = 0.166 = -6.511064 + 0.003526 \times 2020 - 0.844674 \times 0.527$

EXHIBIT D

2020 CA Property & Casualty Market Share

Private Passenger Auto by Company Written Premium (WP)

Source: NAIC Database, Licensed Companies Only

Company	Written Premium	Market Share	Earned Premium	Losses Incurred	Loss Ratio	Less Than Target = 1	Cum Mar Share	Cum Rank
[19.2+21.1] - Private Passenger Auto	30,320,350,578	100.00%	30,384,680,940	16,007,572,280	52.68%			
State Farm Mut Auto Ins Co - 25178	3,875,362,475	12.78%	3,924,703,568	1,736,665,073	44.25%	1	12.78%	1
Interins Exch Of The Automobile Club - 15598	2,780,648,052	9.17%	2,767,963,704	1,325,503,781	47.89%	1	21.95%	2
Allstate Northbrook Ind Co - 36455	2,125,737,910	7.01%	2,119,547,338	1,077,408,293	50.83%	1	28.96%	3
CSAA Ins Exch - 15539	2,018,326,912	6.66%	2,030,470,554	978,505,655	48.19%	1	35.62%	4
Geico Gen Ins Co - 35882	1,969,706,654	6.50%	1,949,107,541	1,086,279,680	55.73%	1	42.12%	5
Farmers Ins Exch - 21652	1,864,671,782	6.15%	1,856,010,832	1,073,629,418	57.85%	1	48.27%	6
Mercury Ins Co - 27553	1,855,056,567	6.12%	1,859,369,143	901,163,504	48.47%	1	54.38%	7
Alliance United Ins Co - 10920	886,820,293	2.92%	894,658,215	525,955,767	58.79%	1	57.31%	8
Infinity Ins Co - 22268	872,628,464	2.88%	861,580,546	505,451,992	58.67%	1	60.19%	9
United Financial Cas Co - 11770	694,072,112	2.29%	674,378,693	334,334,687	49.58%	1	62.48%	10
USAA Cas Ins Co - 25968	543,982,087	1.79%	542,722,756	286,633,570	52.81%	1	64.27%	11
Geico Ind Co - 22055	529,337,714	1.75%	530,659,139	374,290,898	70.53%	0	66.02%	12
Progressive Select Ins Co - 10192	519,859,238	1.71%	515,602,539	279,405,713	54.19%	1	67.73%	13
Nationwide Ins Co Of Amer - 25453	510,841,536	1.68%	521,475,408	276,872,270	53.09%	1	69.42%	14
Wawanesa Gen Ins Co - 10683	476,697,349	1.57%	475,960,474	315,850,520	66.36%	0	70.99%	15
Geico Cas Co - 41491	475,801,112	1.57%	469,045,519	322,766,817	68.81%	0	72.56%	16
Safeco Ins Co Of Amer - 24740	465,188,198	1.53%	476,989,870	256,514,177	53.78%	1	74.09%	17
Mid Century Ins Co - 21687	449,432,730	1.48%	462,147,295	231,645,001	50.12%	1	75.57%	18
Progressive West Ins Co - 27804	441,332,500	1.46%	419,698,020	226,954,897	54.08%	1	77.03%	19
21st Century Ins Co - 12963	438,901,250	1.45%	454,123,043	259,811,857	57.21%	1	78.48%	20
United Serv Automobile Assn - 25941	410,717,845	1.35%	411,280,193	217,353,189	52.85%	1	79.83%	21
American Family Connect Prop & Cas I - 29068	393,464,175	1.30%	389,636,297	265,314,458	68.09%	0	81.13%	22
Liberty Mut Fire Ins Co - 23035	392,227,048	1.29%	410,054,261	209,523,161	51.10%	1	82.42%	23
California Automobile Ins Co - 38342	358,798,679	1.18%	369,384,196	170,891,528	46.26%	1	83.61%	24
Esurance Prop & Cas Ins Co - 30210	315,895,091	1.04%	324,379,272	187,466,430	57.79%	1	84.65%	25
Travelers Commercial Ins Co - 36137	315,795,959	1.04%	298,195,301	150,647,942	50.52%	1	85.69%	26
USAA Gen Ind Co - 18600	313,175,699	1.03%	310,591,293	173,290,195	55.79%	1	86.72%	27
Government Employees Ins Co - 22063	294,731,572	0.97%	305,139,904	147,630,647	48.38%	1	87.69%	28
Integon Natl Ins Co - 29742	294,643,882	0.97%	266,491,083	160,129,245	60.09%	1	88.67%	29
Garrison Prop & Cas Ins Co - 21253	249,053,172	0.82%	244,225,052	127,783,907	52.32%	1	89.49%	30
Financial Ind Co - 19852	243,542,512	0.80%	241,332,094	132,771,935	55.02%	1	90.29%	31
Coast Natl Ins Co - 25089	200,246,950	0.66%	209,050,044	114,802,879	54.92%	1	90.95%	32
Loya Cas Ins Co - 12589	160,815,000	0.53%	160,757,336	81,587,770	50.75%	1	91.48%	33
California Cas Ind Exch - 20117	154,328,863	0.51%	153,375,591	79,360,447	51.74%	1	91.99%	34
Viking Ins Co Of WI - 13137	133,664,730	0.44%	134,949,558	67,806,891	50.25%	1	92.43%	35
Hartford Underwriters Ins Co - 30104	133,330,034	0.44%	138,597,616	75,673,603	54.60%	1	92.87%	36
Metropolitan Drt Prop & Cas Ins Co - 25321	132,715,305	0.44%	135,205,512	72,485,736	53.61%	1	93.31%	37
Amica Mut Ins Co - 19976	105,614,622	0.35%	107,618,510	50,415,246	46.85%	1	93.66%	38
Anchor Gen Ins Co - 40010	91,109,849	0.30%	85,120,003	51,325,406	60.30%	1	93.96%	39

EXHIBIT D

Aspire Gen Ins Co - 15290	77,432,866	0.26%	66,836,530	33,696,959	50.42%	1	94.21%	40
Farmers Specialty Ins Co - 43699	73,698,273	0.24%	78,621,660	38,867,227	49.44%	1	94.46%	41
Permanent Gen Assur Corp - 37648	67,947,760	0.22%	64,491,013	33,662,989	52.20%	1	94.68%	42
Western Gen Ins Co - 27502	67,320,530	0.22%	75,552,481	50,947,471	67.43%	0	94.90%	43
National Gen Premier Ins Co - 12832	66,493,375	0.22%	99,119,281	65,323,770	65.90%	0	95.12%	44
Kemper Independence Ins Co - 10914	60,836,678	0.20%	62,874,152	32,994,662	52.48%	1	95.32%	45
California Capital Ins Co - 13544	59,173,651	0.20%	60,819,723	33,308,568	54.77%	1	95.52%	46
Metromile Ins Co - 16187	58,735,752	0.19%	58,275,380	32,054,304	55.00%	1	95.71%	47
Essentia Ins Co - 37915	58,660,672	0.19%	54,234,704	26,988,337	49.76%	1	95.90%	48
State Natl Ins Co Inc - 12831	55,279,376	0.18%	48,011,969	43,413,600	90.42%	0	96.09%	49
Foremost Ins Co Grand Rapids MI - 11185	52,631,689	0.17%	52,202,952	35,045,227	67.13%	0	96.26%	50
Encompass Ins Co - 10358	51,804,053	0.17%	49,668,440	26,355,560	53.06%	1	96.43%	51
Progressive Direct Ins Co - 16322	50,929,474	0.17%	48,101,745	24,787,975	51.53%	1	96.60%	52
Trumbull Ins Co - 27120	44,321,374	0.15%	47,295,559	26,727,217	56.51%	1	96.75%	53
CSAA Gen Ins Co - 37770	42,211,108	0.14%	43,169,718	25,936,251	60.08%	1	96.88%	54
AIG Prop Cas Co - 19402	40,881,571	0.13%	43,462,040	31,189,374	71.76%	0	97.02%	55
Horace Mann Ins Co - 22578	40,307,943	0.13%	40,959,969	14,642,146	35.75%	1	97.15%	56
Pacific Prop & Cas Co - 11048	40,030,520	0.13%	39,618,919	22,740,465	57.40%	1	97.28%	57
Commerce W Ins Co - 13161	39,963,850	0.13%	41,686,852	20,511,703	49.20%	1	97.42%	58
Federal Ins Co - 20281	39,507,018	0.13%	44,416,485	21,849,841	49.19%	1	97.55%	59
Integon Preferred Ins Co - 31488	39,321,284	0.13%	37,662,812	23,153,681	61.48%	1	97.68%	60
American States Preferred Ins Co - 37214	35,856,300	0.12%	37,411,467	22,025,765	58.87%	1	97.79%	61
Response Ind Co Of Ca - 10970	34,910,412	0.12%	33,085,008	28,652,448	86.60%	0	97.91%	62
National Gen Ins Co - 23728	34,539,326	0.11%	34,906,300	13,148,772	37.67%	1	98.02%	63
Progressive Cas Ins Co - 24260	29,174,525	0.10%	28,446,854	12,718,143	44.71%	1	98.12%	64
Nations Ins Co - 13127	28,316,515	0.09%	29,118,292	15,900,698	54.61%	1	98.21%	65
Privilege Underwriters Recp Exch - 12873	26,617,333	0.09%	24,041,252	15,845,454	65.91%	0	98.30%	66
Orion Ind Co - 13250	26,486,172	0.09%	29,569,542	18,016,510	60.93%	1	98.39%	67
Crestbrook Ins Co - 18961	26,388,471	0.09%	27,770,658	13,107,855	47.20%	1	98.48%	68
Grange Ins Assn - 22101	25,180,528	0.08%	24,720,785	14,240,891	57.61%	1	98.56%	69
Safeway Ins Co - 12521	24,733,444	0.08%	25,339,971	13,407,119	52.91%	1	98.64%	70
CSE Safeguard Ins Co - 18953	22,914,028	0.08%	27,663,999	16,165,489	58.44%	1	98.72%	71
Travelers Prop Cas Ins Co - 36161	22,647,565	0.07%	22,618,040	12,719,432	56.24%	1	98.79%	72
Allstate Ins Co - 19232	22,644,549	0.07%	22,104,224	13,873,159	62.76%	1	98.86%	73
Bankers Standard Ins Co - 18279	21,763,656	0.07%	24,819,396	14,212,731	57.26%	1	98.94%	74
National Gen Assur Co - 42447	20,651,157	0.07%	19,101,478	12,316,830	64.48%	1	99.00%	75
Knightbrook Ins Co - 13722	19,868,007	0.07%	20,391,079	12,391,285	60.77%	1	99.07%	76
Ocean Harbor Cas Ins Co - 12360	18,872,840	0.06%	19,824,304	12,057,628	60.82%	1	99.13%	77
Hartford Cas Ins Co - 29424	17,975,404	0.06%	19,749,053	11,059,172	56.00%	1	99.19%	78
Mapfre Ins Co - 23876	17,317,730	0.06%	19,189,590	10,124,435	52.76%	1	99.25%	79
Sterling Cas Ins Co - 12878	17,139,223	0.06%	17,801,578	9,936,946	55.82%	1	99.31%	80
Tokio Marine Amer Ins Co - 10945	16,137,729	0.05%	16,202,345	8,682,359	53.59%	1	99.36%	81
The Cincinnati Ins Co - 10677	12,471,810	0.04%	11,962,974	5,831,991	48.75%	1	99.40%	82
American Modern Prop & Cas Ins Co - 42722	11,264,460	0.04%	9,385,798	8,246,597	87.86%	0	99.44%	83
Civil Serv Employees Ins Co - 10693	11,184,801	0.04%	11,612,139	7,494,232	64.54%	0	99.47%	84
Amco Ins Co - 19100	10,145,234	0.03%	13,314,025	8,103,240	60.86%	1	99.51%	85
Horace Mann Prop & Cas Ins Co - 22756	9,922,718	0.03%	10,036,973	6,841,899	68.17%	0	99.54%	86
Safeco Ins Co Of IL - 39012	9,069,401	0.03%	9,371,686	5,853,415	62.46%	1	99.57%	87
Unitrin Direct Ins Co - 10226	8,505,068	0.03%	8,755,801	6,723,833	76.79%	0	99.60%	88
Century Natl Ins Co - 26905	8,382,874	0.03%	8,546,681	6,737,993	78.84%	0	99.63%	89
Harco Natl Ins Co - 26433	7,932,795	0.03%	8,188,636	5,705,607	69.68%	0	99.65%	90

EXHIBIT D

Safe Auto Ins Co - 25405	7,232,788	0.02%	4,339,040	4,699,072	108.30%	0	99.68%	91
Philadelphia Ind Ins Co - 18058	6,451,798	0.02%	6,269,756	3,157,344	50.36%	1	99.70%	92
Explorer Ins Co - 40029	6,344,621	0.02%	9,213,421	3,744,582	40.64%	1	99.72%	93
American Bankers Ins Co Of FL - 10111	6,016,726	0.02%	5,610,229	3,015,632	53.75%	1	99.74%	94
Pacific Specialty Ins Co - 37850	6,008,820	0.02%	6,413,154	2,887,042	45.02%	1	99.76%	95
MIC Gen Ins Corp - 38660	5,783,132	0.02%	5,999,460	2,696,554	44.95%	1	99.78%	96
Stillwater Ins Co - 25180	5,716,511	0.02%	5,452,581	2,526,095	46.33%	1	99.80%	97
First Amer Prop & Cas Ins Co - 37710	5,346,234	0.02%	5,464,629	3,037,044	55.58%	1	99.81%	98
Oregon Mut Ins Co - 14907	4,917,095	0.02%	4,246,439	2,344,266	55.21%	1	99.83%	99
Pacific Star Ins Co - 29793	4,695,835	0.02%	5,023,700	2,536,235	50.49%	1	99.84%	100
Topa Ins Co - 18031	4,500,961	0.01%	4,634,599	2,970,127	64.09%	1	99.86%	101
First Acceptance Ins Co Inc - 10336	3,985,273	0.01%	4,207,351	2,880,202	68.46%	0	99.87%	102
National Specialty Ins Co - 22608	3,820,780	0.01%	3,878,868	1,966,969	50.71%	1	99.89%	103
21st Century Centennial Ins Co - 34789	3,568,851	0.01%	3,837,152	2,977,165	77.59%	0	99.90%	104
Eagle W Ins Co - 12890	3,310,739	0.01%	3,450,065	2,989,057	86.64%	0	99.91%	105
Electric Ins Co - 21261	3,174,677	0.01%	3,323,878	3,182,357	95.74%	0	99.92%	106
Root Ins Co - 10974	3,156,998	0.01%	2,631,115	2,351,070	89.36%	0	99.93%	107
Accredited Surety & Cas Co Inc - 26379	2,736,453	0.01%	2,628,825	1,862,026	70.83%	0	99.94%	108
Occidental Fire & Cas Co Of NC - 23248	1,793,062	0.01%	3,136,017	1,487,926	47.45%	1	99.94%	109
Ironshore Ind Inc - 23647	1,652,130	0.01%	1,957,885	1,191,308	60.85%	1	99.95%	110
Everest Natl Ins Co - 10120	1,644,703	0.01%	1,974,387	2,030,561	102.85%	0	99.95%	111
Aegis Security Ins Co - 33898	1,595,063	0.01%	1,724,430	811,795	47.08%	1	99.96%	112
ASI Select Auto Ins Corp - 16140	1,378,652	0.00%	3,488,229	1,394,952	39.99%	1	99.96%	113
Equity Ins Co - 28746	1,315,686	0.00%	1,228,050	287,455	23.41%	1	99.97%	114
Infinity Select Ins Co - 20260	1,231,022	0.00%	1,599,526	1,057,571	66.12%	0	99.97%	115
First Natl Ins Co Of Amer - 24724	1,090,624	0.00%	1,125,729	865,335	76.87%	0	99.98%	116
Qualitas Ins Co - 14133	1,027,437	0.00%	1,107,867	153,283	13.84%	1	99.98%	117
Markel Amer Ins Co - 28932	999,395	0.00%	1,221,707	325,318	26.63%	1	99.98%	118
Nationwide Mut Ins Co - 23787	741,092	0.00%	771,325	2,653,199	343.98%	0	99.99%	119
Foremost Prop & Cas Ins Co - 11800	633,565	0.00%	621,425	306,361	49.30%	1	99.99%	120
Twin City Fire Ins Co Co - 29459	579,076	0.00%	635,358	532,912	83.88%	0	99.99%	121
National Unity Ins Co - 19119	510,455	0.00%	515,516	106,911	20.74%	1	99.99%	122
QBE Ins Corp - 39217	444,890	0.00%	464,247	(970,229)	-208.99%	1	99.99%	123
Transguard Ins Co Of Amer Inc - 28886	331,169	0.00%	940,700	421,046	44.76%	1	99.99%	124
AXA Ins Co - 33022	283,781	0.00%	450,528	203,489	45.17%	1	99.99%	125
American Alt Ins Corp - 19720	276,471	0.00%	40,684	3,093	7.60%	1	100.00%	126
Americas Ins Co - 27898	233,751	0.00%	265,436	(246,334)	-92.80%	1	100.00%	127
American Reliable Ins Co - 19615	212,762	0.00%	303,468	395,172	130.22%	0	100.00%	128
XL Specialty Ins Co - 37885	194,048	0.00%	77,278	12,376	16.01%	1	100.00%	129
Midvale Ind Co - 27138	177,581	0.00%	211,062	193,011	91.45%	0	100.00%	130
Pharmacists Mut Ins Co - 13714	144,245	0.00%	116,482	57,308	49.20%	1	100.00%	131
DB Ins Co Ltd (US Branch) - 12502	115,869	0.00%	123,403	73,578	59.62%	1	100.00%	132
Starr Ind & Liab Co - 38318	89,037	0.00%	117,622	52,706	44.81%	1	100.00%	133
Clarendon Natl Ins Co - 20532	22,993	0.00%	24,015	5,307	22.10%	1	100.00%	134
Incline Natl Ins Co - 19269	22,530	0.00%	3,390	(2,691)	-79.38%	1	100.00%	135
Seaview Ins Co - 10004	20,823	0.00%	10,394	6,334	60.94%	1	100.00%	136
Cornerstone Natl Ins Co - 10783	14,909	0.00%	18,698	7,948	42.51%	1	100.00%	137
Plaza Ins Co - 30945	14,435	0.00%	35,774	118,731	331.89%	0	100.00%	138
Liberty Mut Ins Co - 23043	6,731	0.00%	6,584	11,221,784	170440.22%	0	100.00%	139
Doctors Co An Interins Exch - 34495	1,959	0.00%	1,959	4,320	220.52%	0	100.00%	140
National Interstate Ins Co - 32620	1,022	0.00%	1,063	35,741	3362.28%	0	100.00%	141

EXHIBIT D

GuideOne Ins Co - 15032	786	0.00%	786	(30)	-3.82%	1	100.00%	142
Allied World Ins Co - 22730	728	0.00%	1,266	17,172	1356.40%	0	100.00%	143
PartnerRe Amer Ins Co - 11835	713	0.00%	713	-	0.00%	1	100.00%	144
Depositors Ins Co - 42587	154	0.00%	3,927	(7,498)	-190.93%	1	100.00%	145
Unitrin Auto & Home Ins Co - 16063	79	0.00%	79	(1,330)	-1683.54%	1	100.00%	146
Allstate Ind Co - 19240	44	0.00%	44	(7,299,890)	-16590659.09%	1	100.00%	147
Total	30,320,350,578	100.0%	30,384,680,940	16,007,572,280	52.7%	111		
Check	-		-	-	-			
Total Count	147							
Loss Ratio Target					0.645			
Total < Loss Ratio Target	28,010,855,712	92.4%	28,056,293,573	14,377,115,624	51.2%			
Count < Target	111	75.5%						