



Update and Advocacy on Commissioner's Premium Refund Order

04-17-2020

On April 14, California Insurance Commissioner, Ricardo Lara issued a notice ordering insurers doing business in the state to refund premium to policyholders for certain commercial insurance policies as well as personal auto insurance policies due to the reduced risk of claims in light of the COVID-19 outbreak and shelter-at-home orders.

The lines affected include:

- i Commercial automobile
- i Workers Compensation
- i Commercial multi-peril
- i Commercial liability
- i Medical malpractice
- i Private Passenger automobile
- i Any other insurance line where the risk of loss has fallen substantially as a result of the COVID-19 pandemic

Lara advised that this was just the first announcement on the issue.

Your VANTREO team has been fielding inquiries and checking in with the insurance carriers all week. Right now, it looks like the insurance companies are positioning to respond by different types of policies starting with personal auto policies. Of course, the responses differ by insurance company.

As for commercial policies, up until this week, our focus has been on asking insurers to postpone payments for 60 days which is what most companies were offering until this was released.

That said, we are now looking into each policy type with each insurer to determine their direction. The plan is to clearly identify each savings opportunity.

We'll be in touch with an update soon. If you have a specific question, please let us know.

In the meantime, we hope you are staying healthy!