

Explanatory Memorandum
Private Passenger Automobile
Stay At Home Auto Premium Credit Program

The notification below is being filed for immediate implementation for all Travelers Private Passenger Automobile business.

We are utilizing this notification to facilitate discretionary payments to our policyholders as a result of the COVID-19 pandemic.

The issuance of emergency orders related to COVID-19 has resulted in a change in driving behavior, specifically reducing the miles customers are driving and the number of automobile accidents that are occurring. Travelers would like to recognize these changes and provide money back to our customers at a time when they need it most through our Stay At Home Auto Premium Credit Program.

Eligible customers will receive a premium credit equal to 15% of the policy's earned premium for the months of April and May. In total, Travelers will be providing approximately \$141 M. in refunds to our policyholders across the United States.

Like other carriers, we will continue to monitor the impact to new business, repair costs, customer retention, coverage limits, miles driven, bad debt, the expense impact of waiving penalties and fees and investment returns. The premium credit allows us to give money back to consumers quickly as we continue to further evaluate the impact of the pandemic. Travelers reserves the right to modify or extend the program as needed to adjust to the changing circumstances brought on by this unprecedented pandemic.

As a result of these extraordinary circumstances and the desire to provide our customers timely relief, it is our intention that this initiative will not impact the company's rating plan and therefore will not require any future modifications or filings.

We respectfully request your immediate attention and approval of this filing so that Travelers can provide relief to our policyholders as quickly as possible.

Travelers will notify customers of our Stay At Home Auto Premium Credit Program and any additional actions we take as a result of the pandemic.