

## MISSISSIPPI

### Amica Mutual Insurance Company Private Passenger Automobile

#### Explanatory Memo

The attached Amica Covid-19 Auto Premium Relief Program endorsement is being filed for immediate inclusion with all private passenger auto policies for all Amica companies. The Premium Relief Program is associated with less driving and fewer accidents due to sheltering initiatives that have resulted in improved loss ratios in March and April. The purpose of the endorsement is to enable the company to apply a credit to our policyholder's auto premium in response to the COVID-19 pandemic.

While the aggregate impact of the pandemic is yet to be realized, our intention is to provide relief to our policyholders as quickly as possible. Through the use of this newly introduced endorsement, Amica's private passenger auto customers will receive relief funds via a credit applied to their premium. The credit will apply to automobiles, motorcycles, and miscellaneous type vehicles covered under our private passenger automobile policy. The frequency, amount, and method of distribution are described in the following paragraphs. The endorsement will go into effect immediately, being applied to policies mid-term as needed, and will remain in effect until the conclusion of the COVID-19 pandemic.

The credit will be equal to 20% of the policyholder's monthly auto premium for a two-month period. The credit will be calculated on a per policy basis and be issued in two installments, one in May and one in June. In order to be eligible for the credit, the policyholder must have an auto policy in force on April 1, 2020 and at each of the credit payment dates. Specifically, the May premium relief payment will be provided to eligible policyholders and be calculated as 20% of the premium covering the period April 1, 2020 through April 30, 2020. The June premium relief payment will be provided to eligible policyholders and be calculated as 20% of the premium covering the period May 1, 2020 through May 31, 2020.

The credit will be applied to the balance of auto policy premium owed on the policy in force at the time of credit issuance. If there is a balance owed on an expired policy, the credit will first be applied to the owed balance and the remainder allocated to the existing policy. Policyholders who have no outstanding balance on their auto policy in force will receive the credit in the form of a check. Policyholders who have an outstanding balance on their auto policy in force that is less than the credit amount will receive a credit for the outstanding balance as well as a check for the remainder of the credit. Calculated credits that are less than \$1.00 will not be applied.

For accounting and financial reporting purposes, the credit will be reflected as an underwriting expense. The company's rates and rating plan is not impacted and does not require modification as a result of this filing.

For Mississippi, the Amica COVID-19 Auto Premium Relief Program will result in 405 policyholders receiving an estimated **\$29,157** in relief credits. Amica will continue to monitor the impact of this extraordinary event and re-evaluate the parameters of our relief program as necessary.