

Liberty Mutual Group Coronavirus (COVID-19) Premium Relief Action

As part of Liberty Mutual Group's response to the unprecedented coronavirus (COVID-19) pandemic, we recently announced our planned Businessowners Policy (BOP) Refund. We intend to provide relief in the amount of 15% on two months of annual premium, with a minimum payment of \$10, for all BOPs in-force as of April 1, 2020, which will be calculated as follows:

- refund payment = maximum (annual premium x 15% x 2/12, \$10)

Emergency orders and social distancing have led to financial challenges for small business owners. The majority of BOP business is written in classes that have temporarily closed or reduced business and as a result we reasonably expect claims frequency will be lower. Even though the specific impacts are currently unknown, we propose acting quickly to give customers immediate premium relief. Our 15% premium relief refund will be issued by check and will be similarly applied to each businessowners policy in-force as of April 1, 2020. This ensures that there is no dissimilar treatment of policyholders.

As a result of these extraordinary circumstances, and the urgent need of policyholders to receive these funds, it is our intention that this initiative will not impact the company's rating plans and therefore will not require any future modifications or filings.

We respectfully ask for your prompt attention. Please let us know if you have any questions or concerns.