

Privilege Underwriters Reciprocal Exchange
Private Fleet Automobile
State of Mississippi

Filing Memorandum

On behalf of Privilege Underwriters Reciprocal Exchange (referred to hereafter as "PURE" and the "Company"), we are filing a premium adjustment to its Private Fleet Automobile program in Mississippi. PURE recognizes the extraordinary circumstances surrounding the COVID-19 pandemic resulting in reduced miles driven. As a result, PURE is proposing a Reduced Mileage Premium Credit equal to 15% of automobile premiums earned during the period between April 3, 2020 and May 3, 2020, hereinafter referred to as the "Premium Credit Period". PURE estimates total premium credits of \$20,185 impacting 516 policyholders in the state of Mississippi. The Company's inforce premium was \$1,596,222 as of April 30, 2020.

PURE is providing this premium credit to address immediate needs related to usage changes, understanding that the long-term impacts of the pandemic are not yet understood. The Company is leveraging judgement and industry responses in making the selection of the 15% credit. The credit is not tied to any actuarial ratemaking methodologies, which are prospective in nature; rather, it is an acknowledgment of the impact on miles driven and the estimated reduction of accidents resulting from the pandemic.

Given that the experience period used within the Company's indications can be comprised of multiple years of claims data, the Company will also evaluate whether this unprecedented short-term impact from COVID-19 is reflective of the long-term prospective trends that would impact its rates.

No action is required from the insured in order to receive the credit. Any policy inforce during the Premium Credit Period will receive the premium credit for the entirety of the period or the portion thereof for which the policy was inforce. The credit is not contingent upon an insured renewing their automobile policy with PURE, and policies that were inforce during the Premium Credit Period that have since been canceled will also receive the credit.

Because the Company's premiums for Classic Collector Vehicles, Antique Collector Vehicles, and Exotic Collector Vehicles already reflect the low-to-no mileage of these vehicles, credits will not be applied to these types of vehicles.

The credits will be paid by the same method an insured uses for bill payment or will be applied to reduce any outstanding balance due to PURE.

PURE will send a communication to each insured receiving a premium credit detailing the amount of the credit and the way in which the credit was determined. Insureds will

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be able to review the premium credit transaction immediately by logging into their Member Portal where insureds have 24/7 access to billing and coverage information.

PURE has already communicated its intention to provide the Reduced Mileage Premium Credit, subject to regulatory approval, to insureds via email and content published on its website.

PURE writes business through licensed independent broker partners, who provide guidance to our insureds. In partnership with its independent brokers, PURE is available to review usage rating and coverage options to reflect any changes that may be appropriate due to the circumstances surrounding the pandemic. PURE has communicated with insureds via email, providing links to resources on its website that remind them of the various ways they may engage with the company to address any account-related concerns. These include making policy changes should the insured feel that their policy is not reflective of their coverage needs or vehicle usage. Insureds can request a change to their policy immediately by contacting either their licensed broker or one of PURE's Member Service Associates.

In conclusion, the Company believes that it is fair and appropriate to return 15% of premium earned during the Premium Credit Period back to insureds in the short term while it monitors the longer-term impacts of the pandemic.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information, we will forward the request immediately to the Company's contact. We will submit the Company's response to your attention as soon as we receive the response.

Please do not hesitate to contact us with any comments or concerns.