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KATHLEEN A. BIRRANE
Commissioner

JAY COON
Deputy Commissioner

BULLETIN 20-38

Date: September 17, 2020
To: All Private Passenger Automobile Insurers
Re: Private Passenger Automobile Rate Filings

On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. Governor Hogan most recently extended the State of Emergency on September 8, 2020 (<https://governor.maryland.gov/wp-content/uploads/2020/09/2020-09-08-13-53.pdf>). As a result of COVID-19, insurers writing private passenger automobile (“PPA”) insurance in the State began experiencing reduced loss costs due to significant reductions in the number of vehicles on the roads and the number of miles driven. On March 23, 2020, the Administration issued Bulletin #20-12 encouraging insurers to provide temporary rate relief to policyholders responsibly based on these reduced loss costs. The Administration is appreciative of the response to Bulletin #20-12 by our licensees, which included direct relief to Maryland policyholders exceeding \$415,000,000 in the form of premium credits, refunds and dividends.

While great progress has been made in Maryland in managing the adverse effects of COVID-19, our ongoing monitoring of the marketplace indicates that PPA insurers are still benefitting from the reduced loss costs mentioned above. As a result, current in-force filed rates could be excessive in light of the market conditions present at this time. As such, the Administration again encourages all PPA insurers to review their most recent data, including frequency of accident reports and miles driven captured by telematics programs or other sources, to ascertain if it is appropriate at this time to provide additional immediate premium relief to Maryland policyholders. Insurers that choose to provide relief at this time should make a rate/ rule filing in SERFF on or before November 1, 2020 that provides the details.

In addition to evaluating the need for, and if appropriate implementing, a second round of temporary premium relief measures by PPA insurers, the Administration expects insurers will take the necessary steps to analyze current market conditions, project future loss costs, and make a rate filing on or before January 1, 2021 to incorporate post-COVID-19 onset data.

Filings made on or before November 1, 2020 that provide immediate premium relief to Maryland policyholders in response to this Bulletin should be submitted in SERFF as a rate / rule filing. There will be no filing fees associated with these filings. Rate filings made on or before January 1, 2021 in response to this Bulletin should be made in SERFF and should include the filing fee. Any insurer that determines it is challenged to meet the filing timelines described within this Bulletin should contact Associate Commissioner for Property & Casualty, Robert Baron (Robert.Baron@Maryland.gov / 410.468.2353) to discuss. All questions concerning this Bulletin should also be directed to Associate Commissioner Baron.

KATHLEEN A. BIRrane
Commissioner

By: **SIGNATURE ON ORIGINAL**

Robert Baron
Associate Commissioner
Property and Casualty