Patriot Insurance Announces Personal Auto Premium Relief for Policyholders

We have been closely monitoring the industry responses related to the expectation of lower loss frequency due to state executive orders to stay in place. Today we are pleased to announce a **premium refund of 15% to Patriot Insurance personal auto policyholders for April and May**.

We have carefully modeled the anticipated impact these orders will have on our personal auto performance. We have also consulted with our Agency Council to consider the agents' perspectives on the approaches other companies are taking.

While every method can be both lauded and criticized, what can be agreed upon is that these are times like we've never experienced before.

There is no question the stay-in-place orders, increased telecommuting, and unemployment have reduced the number of drivers on the roads, which will have a favorable impact on loss experience. And while the typical approach for insurance ratemaking is to "look back" at experience and "project forward" the expected impact on rates, for now we are in unique times. With millions losing their jobs or having their working hours or pay cut back, it is difficult for many to make ends meet. As an agent, you have most certainly been hearing from policyholders who are facing these challenges.

In recognition of all these varied but related economic and financial impacts, we will do what is right and appropriate. We will refund 15% of personal auto premium for April and May. Upon regulatory approval, refund checks will be issued **for policies in force as of April 30**. Vehicles included are automobiles, vans, and pickup trucks. The refund does not apply to automobiles in storage, antique vehicles, motorhomes, motorcycles, trailers, and campers.

Agent commissions will not be impacted. Additional details will be communicated once finalized. There is no action that you or your policyholders need to take to receive the refund checks.

Should these stay-in-place orders be extended and/or additional savings be realized, we plan to incorporate them into future rate indications.

This premium relief plan is in addition to other measures we have already put in place to help our mutual customers, which include:

- Suspending late fees and policy cancellations for nonpayment through May 31, 2020.
- Extending the number of days we will reimburse for a rental car if an insured's vehicle is at a repair shop that is closed and/or cannot be repaired or returned due to COVID-19.
- Waiving the limit on additional living expenses for homeowners who are unable to live in their homes following a covered loss due to delays in repair because of COVID-19.
- Lifting vacancy clauses due to mandatory closures related to COVID-19.
- Providing temporary coverage for restaurants or establishments now providing delivery as a result of COVID-19:
    - o To personal auto policyholders, at no cost, for using their vehicles to provide delivery services.
    - o To businesses, on request, for hired and non-owned commercial auto liability coverage for employees using their vehicles for delivery services.
- Extending premium audit timelines as well as phone and virtual audit accommodations.

While some carriers are beginning to extend premium relief to commercial auto policies, we are working closely with each of you and your customers to reduce premiums through vehicle layup requests. For those businesses with vehicles still on the roads, we are seeing, in some cases, increased usage. As you are all aware, the commercial auto market has been a significant challenge, and we are being flexible and accommodating to reduce exposures and premiums.

As always, our approach at Patriot Insurance is to do what is right and reasonable. We’re not trying to outdo the competition and we’re not trying to resist doing our part to help mitigate the effect this pandemic is having on our communities, our states of operation, our nation, and the world. We are fully committed, prepared and able to continue servicing your agency and our mutual customers, and to bringing peace of mind to those who may be facing financial challenges due to COVID-19.

Please continue to make the health and safety of your employees, families and yourself the highest priority. And, together, we will get through these trying times.

To learn more about our response to COVID-19, please visit our website for more information.

In Partnership,

Lincoln J. Merrill, Jr.

President & CEO