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**BULLETIN NO. 2020-06**

TO: All Insurers Writing Automobile Insurance

FROM: Jim L. Ridling  
Commissioner of Insurance 

DATE: April 8, 2020

RE: Return of Automobile Insurance Premium due to COVID-19

EFFECTIVE: Immediate

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As a result of the COVID-19 pandemic and the Governor's Emergency Orders, consumers have been directed to shelter in place and avoid non-essential driving. The Alabama Department of Insurance believes it is generally understood that consumers are driving less during the pandemic and, as a consequence, being less exposed to motor vehicle accidents causing injuries and property damage. Many automobile insurance policies calculate premiums based on exposure estimates made at the time the policy is issued. Miles driven is just one example of a common exposure.

In order to provide some relief to Alabama drivers who are suffering financially from the consequences of the COVID-19 pandemic, the Insurance Commissioner is urging all Alabama automobile insurers to consider offering an immediate reduction in premium to reflect the reduced exposure. This can be accomplished through premium credit or return of premium and may be implemented immediately.

An informational rate filing should be submitted via SERFF to include the timeframe, individual premium impact, and whether the action applies to new business and/or renewal. The SERFF filing fee will be waived.

Prospective reductions in premium or retroactive return of premium made in accordance with this Bulletin to accommodate COVID-19-related changes in exposure or risk profile will not be considered a rebate or unfair discrimination to the extent they are reasonable and consistently applied. Reasonable and consistently applied premium adjustments will likewise not be pursued by the Department of Insurance as violations of statutes governing returning premiums to policyholders or the frequency of premium changes, nor will they be considered out of compliance with approved rating plans, rules, or policy language.

JLR/JW/RN/ct