



Bulletin No. B-5.39

Property and Casualty Discounts during Coronavirus (COVID-19)

I. Background and Purpose

The novel coronavirus (COVID-19) pandemic and emergency public health measures by state and local leaders have led to widespread business interruptions, unemployment and disruption of daily activities for consumers, including but not limited to self-quarantine and isolation to protect their and the public's health. Due to the unprecedented and extraordinary impact of the COVID-19 emergency, the Colorado Department of Public Health and Environment has issued multiple Public Health Orders including 20-20, 20-22, 20-23 and 20-24 (collectively "Orders"), which have limited otherwise normal business and personal interactions and activities.

II. Applicability and Scope

This bulletin is intended to provide guidance to all insurers issuing property and casualty policy forms and offering discounts or premium relief during the coronavirus (COVID-19) pandemic.

III. Division Position

Due to the coronavirus (COVID-19) pandemic and emergency public health measures, insurers have inquired about discounts and premium relief to be offered to their policyholders. This includes short term as well as longer term discounts and premium relief.

Where an insurer chooses to implement any discounts or premium relief actions during the coronavirus (COVID-19) pandemic, a filing shall be submitted to the Property & Casualty Rates & Forms Section.

Such filings are file and use and may be implemented the day it is filed. An explanatory memorandum is sufficient to address the information requested below. A Form A is not required nor is it a requirement to complete the Company Rate Information under the Rate/Rule Schedule tab.

As statistical/actuarial justification may not be immediately available, sufficient explanation detailing the actuarial assumptions and underwriting judgment the insurer utilized and relied upon to determine the amount, recipients, and duration of the discount or premium relief action, and any other relevant criteria and considerations should be included. The filing should address the list below:

- Support/justification for any such discounts or premium relief actions, including:

- Thorough explanation of the actuarial judgment, underwriting judgment, and any assumptions used to support/justify each such discount or premium relief
 - Definition and explanation of those to receive each discount or premium relief action
 - The amount of each discount or premium relief action
 - Definition or explanation of the duration of each discount or premium relief action, including the length of the policy term and the number of policy terms each discount or premium relief action applies
- Explanation of how the insurer will ensure that the discounts or premium relief action do not result in dissimilar treatment or unfair subsidization

In addition to the above, if there are any filed discounts or premium relief actions that change during the course of the coronavirus (COVID-19) pandemic, the insurer shall file a thorough explanation of any such change and at what interval the change will occur. The insurer shall include an explanation of the methodology used to verify policyholders receiving such discounts or premium relief actions are treated the same with regard to how the change is applied, and at what interval it is applied.

For discounts or premium relief extending beyond a policy period, the Division may request periodic reporting and/or periodic filings relative to the discounts or premium relief under this bulletin.

For More Information or questions about your current coverage, please contact:

Colorado Division of Insurance
Rates and Forms, Property & Casualty Section
1560 Broadway, Suite 850
Denver, CO 80202
Tel. 303-894-7499 Toll-free (in state): 800-930-3745
Internet: <http://www.dora.colorado.gov/insurance>

IV. History

Issued April 6, 2020