

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2020-18-INS

In the matter of

Auto Insurance Refunds Due to COVID-19

**Issued and entered
this 13th day of April 2020
by Anita G. Fox
Director**

This bulletin applies to automobile insurers that plan to issue refunds or premium waivers to their customers as a result of the COVID-19 pandemic and advises them of the filing requirements for these plans. In light of the COVID-19 emergency, DIFS will expedite its review and urges insurers to submit the following information as soon as possible.

DIFS has created a special filing type of "COVID-19 Refund/Premium Waiver" in SERFF. Filing requirements are detailed on the Supporting Documentation tab and include the following:

Filing Memorandum COVID-19

Insurers must attach a filing memorandum that outlines the changes requested in this filing. The filing memorandum must include the following:

- The amount of the refund or premium waiver by policyholder.
- The summary of the method for determining the amount of refund or premium waiver.
- Parameters on which policyholders will receive the refund or premium waiver.
- Timeframe during which the refund or premium waiver applies.
- How payments will be issued (e.g., checks, direct deposit, policy credits, etc.).
- A communication plan for customers.
- Communication plan for customers with long term changes in driving habits (e.g., layoff or telecommuting that extends beyond the proposed timeframe).
- Communication plan for customers option to change the vehicle usage on their policy immediately.

Section 2236 of the Insurance Code, MCL 500.2236, requires that filings must be submitted 30 days prior to the effective date. Section 2408 of the Insurance Code, MCL 500.2408, allows insurers to include a written request in the filing memorandum for an effective date prior to the expiration of the 30-day period. These requests must be submitted in the filing memorandum. DIFS will review all filings as quickly as possible and will advise insurers of the earliest possible effective date.

Actuarial Support

Insurers must attach the actuarial support that they relied on to determine the amount of the refund or premium waiver. Proposed premium adjustments that vary by policyholder must not be unfairly discriminatory per MCL 500.2109 and 500.2403.

Policyholder Notices

Insurers must attach copies of any notices that will to be sent to policyholders, whether in hard copy or electronically.

Policy Form(s)

This filing must include a policy form that advises the customer at a minimum of the following:

- Whether the amount of premium owed has been modified by the refund or premium waiver.
- All other terms and conditions of the policy apply.

This form and the readability score must be included on the Form Schedule tab.

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services
Office of Insurance Rates and Forms
530 West Allegan Street, 7th Floor
Lansing, Michigan 48933
Toll Free: (877) 999-6442

/s/

Anita G. Fox
Director