



Consumer Federation of America

CENTER for
ECONOMIC
JUSTICE | FAIR ACCESS
FAIR TREATMENT

AUTO INSURANCE COVID CHRONOLOGY

March 18, 2020

Consumer Federation of America (CFA) and the Center for Economic Justice (CEJ) sent a letter to all insurance commissioners and issued a press release asking state insurance commissioners to “direct insurance companies to offer customers premium offset payments to reflect the immediate reduction in expected insurance claims as a result of COVID-19 restrictions keeping drivers off the road.”

The release, with a link to the letter is at https://consumerfed.org/press_release/social-distancing-and-less-commuting-fewer-drivers-and-miles-driven-fewer-auto-accidents-lower-auto-insurance-premiums/

March 30, 2020

CFA and CEJ again wrote to all state insurance commissioners reiterating the call for “immediate action that will protect consumers and business from excessive and unfair premiums charged by insurance companies.” In this letter CFA and the Center for Economic Justice reiterated the call for lower auto insurance premiums for people who have stopped driving due to the pandemic.

The letter can be found at: <https://consumerfed.org/testimonial/consumer-groups-urge-insurance-commissioners-to-immediately-direct-insurers-to-provide-premium-offset-payments-to-policyholders-affected-by-covid-19/>

April 6, 2020

CFA and CEJ issued a release praising Allstate and American Family for being the first insurers to offer shelter-in-place paybacks to their consumers. The groups criticized state regulators for taking “no action to date other than suggestions to insurers by the insurance commissioners in Alaska and Pennsylvania.”

The release can be found at: https://consumerfed.org/press_release/consumer-groups-applaud-allstates-and-american-familys-shelter-in-place-paybacks-urge-other-auto-insurers-to-follow/

April 13, 2020

CFA and CEJ issued a report card grading individual insurer performances after most of the larger insurers offered some relief for April and May. The groups noted that only two insurers offered any relief for the last weeks of March and it appeared that the relief offered was insufficient for April and May. The groups also again criticized the state insurance department

response to the crisis, saying “Given that hundreds of millions of Americans pay for auto insurance and spend more on auto insurance than any other type of insurance other than health insurance – \$250 billion in 2019 – we are puzzled by the lack of activity to date by insurance commissioners. There is still a need for the regulators to step up, as critical guidance for current and future relief is needed.”

The release can be found at: https://consumerfed.org/press_release/report-card-to-date-on-the-6-5-billion-promised-to-auto-insurance-customers-as-people-drive-less-due-to-covid-19/

May 7, 2020

CFA sent a letter to all state insurance commissioners “laying out the steps state insurance commissioners should take to ensure immediate and on-going relief to auto insurance consumers to reflect the dramatic drop in insurance claims from empty roads due to COVID-19 restrictions (including) a guide path for how to determine and provide the needed relief today through the permanent changes in consumer driving following the pandemic.”

The letter can be accessed at <https://consumerfed.org/testimonial/cfas-director-of-insurance-offers-guidance-to-state-insurance-regulators-for-coivd-19-related-auto-premium-relief/>

May 7, 2020

On the same day CFA and CEA issued a report “detailing the need for more auto increase premium relief for consumers due to the decline in miles driven and crashes due to the COVID-19 pandemic. In this report CFA and the CEJ showed that data indicate a minimum 30% premium relief payment is needed from March to May 2020.”

The report is at <https://consumerfed.org/reports/consumer-groups-issue-report-showing-need-for-greater-auto-insurance-premium-relief-urge-insurance-commissioners-to-ensure-30-paybacks/>

May 21, 2020

CFA sent a letter to state insurance commissioners calling on them to ensure that pandemic-related auto insurance relief is sufficient for consumers. The letter shows that existing relief payments are not enough compared to the drop in crashes and miles driven.

The letter is at <https://consumerfed.org/testimonial/cfa-highlights-that-most-drivers-will-be-paying-too-much-for-auto-insurance-this-summer-unless-regulators-take-action/>

May 26, 2020

CFA and CEJ congratulated Allstate and USAA “for their actions to provide ongoing auto insurance premium relief in the face of fewer cars on the road, fewer miles driven, and fewer car crashes resulting from changes in driving due to COVID-19.” Both insurers had extended their monthly relief for April and May into June. The groups again chastised the state regulators for their “silence and inaction.”

The release can be found at https://consumerfed.org/press_release/allstate-and-usaa-show-how-insurers-should-provide-ongoing-covid-19-premium-relief/

June 19, 2020

CEJ made a presentation to the regulators stating that “While a number of regulators encouraged insurers to provide relief, only three states have ordered relief to date. Further, regulators have not provided any guidance on the amount or method of relief.”

The presentation can be found at https://consumerfed.org/wp-content/uploads/2020/06/cej_presentation_naic_200619.pdf

June 25, 2020

CFA and CEJ wrote again to all state insurance commissioners stating that “Our review of company announcements indicates that many insurers who offered premium relief for April and May are not continuing to offer relief for June and beyond – despite the reduction in miles driven and crashes from the levels assumed for rates in effect on March 1. It is no less urgent for you to take action now as it was in mid-March to meet your statutory requirements to ensure consumers do not pay excessive premiums.”

The letter is at <https://consumerfed.org/testimonial/consumer-groups-urge-insurance-commissioners-to-follow-californias-lead-on-insurance-premium-refunds/>

July 15, 2020

CFA urged newly Arizona’s newly appointed insurance commissioner to require auto insurance companies to give premium refunds to consumers throughout the summer, due to recent re-closures of businesses and the pandemic’s growing impact. They wrote, “The conditions that led to auto insurance companies providing voluntary refunds and credits in the spring persist and will continue for the foreseeable future.”

The letter is available at https://consumerfed.org/press_release/consumer-advocates-urge-arizona-insurance-commissioner-daniels-to-require-auto-insurance-premium-refunds-throughout-summer/