

May 18, 2020

**Filing Memorandum**

We are pleased to announce that Esurance will be providing customers with a third Shelter in Place Payback. In accordance with the previously approved endorsement, private passenger auto customers will receive a payback equal to 15% of the customer's monthly premium, excluding fees, calculated as of May 31, 2020 and subject to a \$10 minimum. This follows the two prior payback payments which were calculated as of the end of March and April.

This payback will be distributed to customers as a credit which will be applied to their next bill, with those credits starting in June. Customers who have paid in full or who have terminated coverage will receive a credit to their credit card or banking account through which they made their last payment, or they will be mailed a check. As a reminder, we have a robust communication plan for this third payment including e-mail communication to customers; updated information on a dedicated page on [esurance.com](https://www.esurance.com) and the customer's online account; and in-app notification.

The payment and other forms of relief being provided recognize the shelter orders continued to impact miles driven and the number of auto accidents although we are starting to see driving activity trend in the direction of a return to normal. Although customers are driving less and in fewer accidents, the full impact of the pandemic remains uncertain and this payment represents our best estimate of what we are seeing. We continue to monitor the impact on repair costs, premiums being received, customer retention, coverage levels, and investment returns.

Because this filing is being made in response to the Covid-19 pandemic and is intended to provide policyholders with relief, we ask for your prompt attention and approval. Thank you for your assistance with this filing.