



The Surplus Line  
Association of California

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May 18, 2020

BULLETIN #1391

Re: Commissioner Expands Order for Repayment of Premiums, Extends Grace Period To July 14, 2020

California Insurance Commissioner Ricardo Lara has issued a bulletin and a notice extending two previous orders regarding partial repayment of premiums and a grace period for policyholders.

The commissioner issued a [bulletin](#) to all admitted and nonadmitted insurers extending his previous order for insurance companies to return partial insurance premiums to consumers and businesses in at least six different lines: private passenger automobile, commercial automobile, workers' compensation, commercial multi-peril, commercial liability, medical malpractice, and any other insurance line where the risk of loss has fallen substantially as a result of the COVID-19 pandemic. This bulletin, unlike the earlier bulletin issued in March, specifically includes nonadmitted insurers among its addressees. The bulletin extends the order through the remainder of May 2020.

The bulletin requires a premium adjustment in the form of a premium credit, reduction, return of premium or other appropriate adjustment as soon as possible and no later than August 11, 2020.

Additionally, the commissioner issued a [notice](#) to all admitted and nonadmitted insurance companies, all licensed producers, and other interested parties requesting insurance companies to work with their policyholders who may be struggling financially, effectively extending the grace period for policyholder payment of premiums until July 14, 2020.

On March 18, Commissioner Lara had issued an initial [notice](#), calling on all admitted and nonadmitted insurance companies to provide their policyholders with a 60-day grace period to pay their premiums. After July 14, 2020, insurers are encouraged to work with their individual policyholders who have been acutely impacted by COVID-19 and are still unable to pay their premiums in a timely manner.

For questions, please contact the SLA's Education and Compliance Department at [education@slacal.org](mailto:education@slacal.org).