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DFR Approves Allstate's Plan to Refund Auto Insurance Premiums during Stay-Home Stay-Safe Order

Press Release

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Montpelier, VT – Commissioner Michael Pieciak today announced the approval of a plan submitted by Allstate and its affiliate insurance companies to reduce their auto insurance premiums for Vermont policyholders by approximately 15% due to reduced driving during the COVID-19 pandemic. This plan will amount to over \$500,000 in savings for Vermonters.

As Vermonters do their part to stay home to protect their families, friends, colleagues, and others from the virus, and to comply with the Governor's Stay Home, Stay Safe order, the frequency of auto accidents has declined significantly.

With claims dropping, the Department quickly approved Allstate's plan to return money to their policyholders. "I am pleased to see auto insurers like Allstate move quickly to acknowledge their reduced risk and to ensure their premiums are not excessive and Vermont consumers are treated fairly," said Commissioner Pieciak.

The payback will equal 15% of each customer's March and April premiums. For Vermont, this means that Allstate policyholders will receive a total of over \$500,000.

The Commissioner is encouraging other insurers to follow suit. "This is a good first step, however, almost every auto insurer is benefiting from a similar reduction in claims as a result of the significant reduction in driving during the COVID-19 pandemic," said Commissioner Pieciak. "Every insurer should begin developing plans to make certain that Vermonters are not overpaying when it comes to their auto insurance."

The Department's approval also provides flexibility if the Stay Home, Stay Safe order is extended, providing the option to continue reducing premiums.

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