

FORBES

Car Insurance Refunds Gain Momentum

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Work commute? Nope. Road trip? No way. Most of the country is staying home and driving less during the COVID-19 pandemic in a nationwide effort to flatten the curve.

With less traffic on the road, there have been fewer accidents and fewer car insurance claims. And the prospect of paying claims is what auto insurance base their rates on. Several car insurance companies have now stepped up to offer their customers refunds. More will likely follow.

Car Insurance Refunds at a Glance

- American Family Insurance: \$50
- Allstate: 15% for April and May
- Erie Insurance: Varies by individual and state
- Farmers: 25% for April
- Farm Bureau Insurance of Tennessee: Special payments will equal 24.75% of two months premium
- Geico: 15% on the entire six-month policy
- Liberty Mutual: 15% on two months' of premiums

- Nationwide: \$50
- Progressive: 20% for April and May
- Travelers: 15% for April and May
- USAA: 20% on two months' of premium

Some car insurance companies are issuing premium refunds and credits.

Allstate Payback

Allstate Insurance announced “Shelter-in-Place Payback,” which translates into a 15% refund of monthly premiums for April and May. This refund applies to Allstate, Esurance and Encompass policyholders. Customers will receive the money back via a credit to their bank account, credit card or Allstate account.

The fastest way to get the payback is through the [Allstate Mobile app](#), according to the company.

In addition to the payback, Allstate is also offering:

- **Free identity protection** through the end of the year for U.S. residents, whether they are an Allstate customer or not.
- **Payment relief** such as special payment plans and extended grace periods without penalties.
- **Extended auto coverage for delivery drivers.** Typically, using your personal vehicle for deliveries, such as takeout food, groceries and other items, is not covered by personal car insurance policies. Allstate has temporarily extended coverage to personal auto policies for customers who are delivering food,

medicine and other essential items during the COVID-19 pandemic.

Allstate says it will payback more than \$600 million to its customers in the next two months.

American Family Insurance Refunds

American Family Insurance will give a one-time \$50 payment for each vehicle insured with them in response to the COVID-19 pandemic. The company says that customers who have a private passenger policy in force as of March 20, 2020, will be eligible for the refund. Customers who have Classic and Advance policies are also eligible.

The following vehicles are not eligible for the one-time payment from American Family Insurance

- Cycles
- Campers
- Personal trailers
- Motor homes
- Specialty vehicles, such as golf carts, mini-trucks, personal mobility devices, snowmobiles, tractors and farm machinery
- Vehicles not owned by the customer but covered under a non-owner car insurance policy

American Family Insurance customers will receive refunds by check.

Customers in Wisconsin can expect checks to be issued during the week of

April 6, 2020, and customers in other states can expect checks pending regulatory approval.

If you're having financial difficulty making your premium payments, American Family recommends you contact them directly at 1-800-MYAMFAM.

Farm Bureau Insurance of Tennessee Special Payments

Farm Bureau Insurance of Tennessee will issue \$30 million in "special payments" to auto policyholders based on a percentage of premium paid for each vehicle covered.

The insurer says it covers about 1.2 million vehicles, the most in Tennessee. The payments are from reserve funds set aside to protect customers from catastrophes such as tornados and hail storms.

Farmers Insurance Reduction in Premium

Farmers Insurance and 21st Century personal auto insurance policyholders will receive a 25% reduction for their April premium. The reduction will be applied automatically and customers do not need to take any action.

Farmers has also implemented flexible payment plans and a temporary pause on cancellations for non-payment until May 1, 2020.

In addition, Farmers has temporarily expanded coverage for customers who use their personal cars or motorcycles to make deliveries of food, groceries, pharmacy and medical supplies.

Erie Insurance Reduced Rates

Erie Insurance says it will reduce rates for personal and commercial auto insurance customers in 12 states and D.C., where it operates. The actual rate reduction will vary by individual and the state they reside in. The premium adjustment will take effect at the time a new policy starts or at renewal time for existing customers.

Erie also offers individualized payment flexibility and can assist with setting up payment plans, delaying payment dates, and waiving late fees and penalties.

Geico Policy Credits

Geico has announced it will provide a 15% credit to its auto and motorcycle insurance customers who renew their policies between April 8 and Oct. 7, 2020. This credit also applies to any new policies purchased during this period.

Geico customers who renew their policies during this time frame will automatically receive the credit and do not need to take any action.

Geico says the average semi-annual premium for its customers is about \$1,000. It expects credits to average about \$150 per auto insurance policy and \$30 per motorcycle policy.

Geico has also paused cancellation of coverage for non-payment through at least April 30, 2020, and offers special payment options for customers.

Liberty Mutual Personal Auto Customer Relief Refund

Liberty Mutual announced it will refund 15% of two months of annual premium for personal auto insurance. This refund also applies to Safeco customers. Here's how it works:

- Personal auto insurance customers will receive a 15% refund on two months of their annual premium, effective April 7, 2020, pending regulatory approval.
- The refunds will begin in April and will be by check or the method of the most recent payment (such as debit or credit card).
- The payments will happen automatically and customers do not need to take any action.

Liberty Mutual has also stopped late fees and cancellations due to non-payment for personal auto and home customers from March 23 through at least May 22, 2020. Liberty Mutual has also offered to extend payment due dates and provide personalized support for customers in need.

Liberty Mutual has also expanded coverage for customers who use their personal car to deliver food and medicine. This coverage also applies to Safeco customers. Expanded coverage for delivery drivers is effective from March 16 to May 22, 2020 and any claims must be reported by July 1, 2020.

Mercury Insurance Giveback Program

Mercury Insurance says it will give back 15% of monthly auto insurance premiums to customers in April and May. The refund will automatically be credited and customers will not need to take any action.

Mercury says customers who are facing financial difficulties should contact the company.

Nationwide Refunds

Nationwide says it will give a one-time premium refund of \$50 per policy to personal auto insurance policyholders. The company says the refund is equivalent to an average savings of 15% for two months. The refund will go to customers in the last form of payment they used and will arrive within 30 days, subject to each state's regulatory approval.

Customers do not need to take any action to receive the refund.

Nationwide also extended coverage for customers who are using their personal vehicles to make food and prescription deliveries.

Nationwide encourages customers to contact them to discuss financial hardships and payment options.

Progressive's Apron Relief Program

Progressive's personal auto insurance customers with a policy in force as of April 30, 2020, will be credited 20% of their April premiums in May.

Customers with a policy in force as of May 31, 2020, will be credited 20% of their premiums in June.

The credits will be applied automatically and customers do not need to take any action. Customers who paid their policies in full will receive a refund for the credited amounts.

Progressive has also suspended cancellations and non-renewals on personal and commercial auto insurance policies for non-payment through May 15, 2020. The company has also waived late fees and paused collections.

Progressive expanded coverage for personal auto insurance customers who are temporarily delivering food or medicine.

Progressive says it has deferred deductibles to help customers who cannot pay out-of-pocket to have their cars repaired.

Travelers Stay-at-Home Auto Premium Credit Program

Travelers says personal auto insurance customers will receive a 15% credit on their April and May premiums. The credit will be automatically applied and customers do not need to take any action. Travelers will continue to assess its Stay-at-Home Premium Credit Program as the COVID-19 pandemic evolves.

Travelers previously announced that it will not cancel or non-renew coverage due to non-payment through May 15, 2020. Nor will the company charge interest, late fees or penalties during this time.

Travelers will also provide coverage to customers who use their personal vehicle to make food, grocery, pharmacy and medical supply deliveries.

USAA Return of Premiums

USAA says every member with an auto insurance policy effective as of March 31, 2020, will receive a 20% credit on two months of premiums. Members will automatically receive a credit applied to their bills and will not need to take any action.

USAA also says they will not cancel members' auto or property insurance policies or charge late fees on late payments through June 17, 2020.

USAA will also expand auto insurance coverage for members who are using their personal vehicles to deliver food, medicine and other goods for commercial purposes.

Consumer Groups Called For Financial Relief

In recent weeks, consumer groups [urged insurance companies to issue refunds](#) to policyholders. Allstate and American Family Insurance are the first companies to do so.

Many insurance companies have responded to the COVID-19 pandemic with options to help reduce customers' financial burdens, such as extended grace periods for missed payments, payment plans, and waiving late fees and penalties.

Read more about [insurance grace periods and other relief](#).

Read more on [deliveries and car insurance](#).

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Jason Metz is a writer who has worked in the insurance industry since 2007. As a former claims handler and fraud investigator, he's seen a lot, and enjoys helping others