

# Liberty Mutual Businessowners Policy (BOP) Refund FAQ



To continue to take care of our customers, employees and agents, Liberty Mutual launched the Liberty Mutual Businessowners Policy (BOP) Refund, issuing a 15% refund of two months of premium for all BOP policies, including those that are written as part of a [specialty program](#). Please use this resource to answer any potential questions about the BOP Refund from customers.

How it works:

- Small commercial customers will receive a 15% refund of two months of their annual BOP premium for policies in-force, based on their premium amount as April 1, 2020, pending regulatory approval.
- The refunds will begin in the upcoming weeks and will be issued by check to all customers.
- The payments will happen automatically. Customers and agents do not need to contact us to receive the refund.
- Agent commissions will not be impacted.

## Q: Why is Liberty Mutual offering the Liberty Mutual Businessowners Policy (BOP) Refund

We recognize the uncertainty and financial challenges many of our mutual customers are facing due to COVID-19. We created the Businessowners Policy (BOP) Refund to help with these challenges during this time.

## Q: What will Liberty Mutual be refunding for Liberty Mutual small commercial customers?

Liberty Mutual Businessowners Policy (BOP) Refund will provide small commercial customers a 15% refund of two months of premium for all BOP policies in-force as of April 1, 2020, including those that are written as part of a [specialty program](#). If 15% of two months of annual BOP premium is less than \$10, customers will be refunded \$10.

## Q: Are there any exclusions to the Businessowners Policy (BOP) Refund?

The refund applies to all policyholders with a Businessowners Policy in effect on 4/1/2020. This includes our traditional BOP and BOP written on eCLIQ Simple.

## Q: How will customers receive their refund? Do they have to do anything to receive the refund?

To issue the refunds as quickly as possible, we are planning to mail checks to all BOP customers. The refunds will be processed automatically, and customers do not need to call to receive the refund.

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**Q. Can customers choose how to receive a refund, or opt to instead have it applied as a credit to their balance due?**

We are issuing refunds automatically to provide the fastest outcome. Unfortunately, we are not able to accommodate special requests.

**Q. How is Liberty Mutual telling customers about the refund?**

We are posting information on <https://www.libertymutual.com/covid-19> where customers can see information on the Liberty Mutual Businessowners Policy (BOP) Refund and how to contact our service representatives if needed. We also encourage you to tell your customers directly. Click here for an easy-to-use email template. <coming soon: insert link to agent email template on HYS COVID page – “info you can share with customers” section>

**Q. How will agents and customers know when the refund has been issued?**

We plan to begin issuing check refunds via the United States Postal Service over the coming weeks. Receipt of the refund is final notification.

**Q. Does this refund affect a customer’s coverage?**

No, the refund has no impact to coverage.

**Q. Will this impact a customer’s future rates?**

No, the refund will not impact future rates.

**Q. The refund is for two months, so will the customer get two separate refunds?**

No, customers will receive one refund that includes the full amount.

**Q. How much exactly will a customer be refunded?**

The refund is for 15% of two months of a customer’s annual BOP premium amount as of April 1, 2020. Customers can calculate an estimate for the refund based on one month’s premium: Monthly premium x 2 months x 15%. If the refund calculates to less than \$10, we will automatically increase the refund to \$10.

**Q. If a customer is behind in payments, will they get the refund?**

Yes, the customer will still receive the refund.

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**Q. If a customer pays for their insurance through their agency (Agency Billing), how will that customer get the refund?**

Agency billed customers will receive a refund check in the mail.

**Q. Do new customers get the refund?**

Yes, any customer whose BOP policy was in effect on or before April 1, 2020 will receive the refund.

**Q. What does “pending regulatory approval” mean? Is there a chance that the regulators will not approve this refund?**

We are required by law to receive approval by states in order to issue this refund. We are working very closely with each state regulatory agency for approval as soon as possible. We expect most departments will be very receptive to this refund; however, until this is filed and reviewed by state regulatory departments, we cannot guarantee this will be approved in every state. If a state does not approve this refund, we will be unable to provide the refund to customers in those states.

**Q. How did Liberty Mutual decide on a refund of 15%? Some competitors are giving 20% back.**

We recognize the hardship created on our small business customers due to the spread of COVID-19 related to mandatory closures and slow down on business traffic. Our BOP line is heavily weighted towards property where we do not anticipate loss cost reductions due to COVID-19. We are seeing some reduction in BOP liability claims and the 15% refund for two months aligns with the anticipated improvement.

**Q. Will Liberty Mutual provide refund relief for other commercial lines of business?**

We have been and will continue to work with you on a case-by-case basis to reflect the exposure changes your customers are experiencing for Custom Protector, Comprehensive Business Package, general liability and workers compensation policies. We can also work with you to suspend vehicle coverage. Please contact your underwriter to discuss these adjustments.

Please continue to check our COVID-19 agent resource pages on [Helping You Succeed](#) for additional information.