Florida Office of Insurance Regulation
I-File Workflow System

Filing Number: 26-049156

Request Type: Entire Filing

Lemonade

LEMONADE INSURANCE COMPANY
Private Passenger Automobile
Cover Letter

November 6, 2026

Florida Office of Insurance Regulation
Bureau of Property & Casualty Forms and Rates
PO Box 7700
Tallahassee, FL 32314-7700

Lemonade Insurance Company is pleased to submit the attached revisions to its Private Passenger Automobile insurance program for use in Florida.

We request this filing to be effective October 8, 2026 for new business and renewal business.

Lemonade Insurance Company
Private Passenger Automobile
Actuarial Memorandum
Florida

Overview

Lemonade Insurance Company is proposing a revision to its Base Rate Factor Table for Private Passenger Automobile in Florida. The overall rate decrease is 10.0% and applies to new and renewal business written on or after **October 8, 2026**. No other rating factors or rules change. These proposed rates are designed to be reasonable and not excessive, inadequate or unfairly discriminatory, and are developed in accordance with applicable actuarial standards of practice.

This revision follows the Company's prior Florida revision effective September 23, 2026 FCP 26-046121, which was implemented under the use and file provisions and is pending review. The prior revision updated the Multi-Policy Discount and decreased base rates by 8.0% for an overall decrease of 10%.

All proposed changes will result in a rate decrease for all customers. No policyholder will experience a rate increase as a result of this change.

What Has Changed Since the Prior Filing

The prior filing compared the Company's average vehicle premium with the average premium in each competitor's latest Florida rate filing. On that basis the revision projected a quoted average premium of $975, about 10% above the filed competitor average of $889. The Company selected this position to allow for the lower average premium of customers who bind compared with customers who quote. Because written policy volume is limited, the Company relies on quoted premium and continues to monitor written policy experience.

After the revision, the Company continued to monitor quote activity, conversion rates and overall premium level. While average quoted premium declined broadly in line with the projection, quote conversion did not improve toward the level the Company observes in its other states. The Company treated this as a signal that its rates might remain above market for the risks it was quoting, and therefore extended its competitive review to test that possibility. The review examined two areas more closely.

Coverage adoption. The prior comparison used each competitor's filed average premium, which reflects the coverage mix of that competitor's book. As quote volume grew, the data showed that Lemonade customers select materially lighter coverage than those books. The filed competitor averages are therefore not directly comparable to the Company's average premium without adjustment.

Competitor rates on Lemonade quotes. To compare identical risks and coverages, the Company rated its own quotes through each competitor's filed rates in LexisNexis InsurQuote. This comparison is new to this filing and removes the effect of differences in coverage and risk mix.

These analyses indicate that the Company's rates remain above market for the risks it is quoting. The results are presented in the Rate Level Analysis section.

Data Basis

Through October 7, 2026, the Company had written Florida business for approximately six weeks and did not yet have credible in-force experience. The Company therefore relies on bindable quotes (i.e., quotes eligible to be written), which provide a larger and more stable sample than bound policies. It reran its analysis using 6,787 bindable quotes (8,750 vehicles) created from August 26 through October 7, 2026 and re-rated at the rates effective September 23, 2026. The resulting average semi-annual vehicle premium is $1,010.

The Company also reviewed its bound policies. The sample is small and volatile and results vary materially by method, so it is not credible and the Company has not relied on it. For the same reason the Company has not relied on loss experience, since less than two months of Florida experience is not credible. This analysis instead assesses whether the Company's rate level is reasonable relative to the industry given the Company's mix of business and target market. The Company will incorporate bound and loss experience as it becomes credible.

The Company also ran the same bindable quotes through each competitor's filed rates in LexisNexis IQ to illustrate how each competitor would rate the same risk profiles and coverage selections.

Competitor premiums are taken from the Results Summary page of the PPA Standardized Rate Indications Workbook in each competitor's recent Florida private passenger auto rate filing. The filings are:

- Allstate North American: 26-014478
- GEICO General: 26-020533
- Progressive Select: 26-026770
- USAA-CIC: 26-001748

Supporting Exhibit - Competitor Premium by Coverage shows each competitor's earned car-years, adjusted on-level earned premium and average semi-annual premium per vehicle by coverage. For each coverage and each separately reported expense item, the on-level earned premium from the latest annual profile was multiplied by one plus the competitor's selected rate change, then divided by earned car-years and by 2 to obtain a semi-annual premium per vehicle. Coverage adoption, shown in the same exhibit, is discussed in the Rate Level Analysis below.

Rate Level Analysis

After assembling its quote data, the Company analyzed its own coverage adoption and compared it with the competitors'. Coverage adoption is the number of exposures (earned car-years for the competitors) with each coverage relative to property damage exposures. The Company measured its adoption on the bindable quotes described above, which are now sufficiently stable to support the comparison.

The prior filing did not adjust for coverage adoption because the Company expected adoption similar to the competitors'. Upon further review, the Company found that Lemonade customers have a different coverage adoption than the competitors' customers. The table below summarizes the three coverages that drive most of the difference, and *Supporting Exhibit - Competitor Premium by Coverage* shows the rest.

Coverage Adoption	Lemonade	Competitor Average
Comprehensive	44.9%	84.2%
Collision	42.3%	82.1%
Uninsured Motorist	32.6%	49.7%

The competitor averages in the prior filing reflect the competitors' own coverage adoption, so they overstate what the competitors' rates would produce on the Company's coverage mix. The Company therefore compared its current average vehicle premium of $1,010 with the competitors in three ways. The results are summarized below and shown in *Supporting Exhibit - Rate Level Comparison:*

Comparison	Competitor Average	Indicated Change
Filed	$889	-12.0%
Adjusted for Lemonade's Coverage Adoption	$727	-28.0%
Competitor Rates on Lemonade Risks	$890	-11.9%

The first comparison uses the competitors' filed averages, as in the prior filing. The competitor average is $889, which indicates a decrease of 12.0%. This comparison is shown for reference, because the prior filing intentionally positioned the Company above the filed average to allow for the difference between quoted and bound premium.

The second comparison applies Lemonade's coverage adoption to each competitor's per-coverage premium. This reflects how the competitors' rates apply to a book with the Company's coverage mix and is a more like-for-like comparison. The competitor average becomes $727, which indicates a decrease of 28.0%. The adjustment controls for coverage selection but not for differences in drivers, vehicles or policy characteristics. It also compares Lemonade quotes with competitor in-force premium, and quoted premium is higher than bound premium, which overstates the indicated decrease. The Company therefore treats this result as directional evidence and not as a point estimate.

The third comparison runs the Company's quotes through the competitors' filed rates in IQ, which controls for coverage and every other rating characteristic. Because Lemonade and the competitors are rated on identical quotes, this comparison does not depend on the difference between quoted and bound premium. The competitor average on the Company's own risks is $890, which indicates a decrease of 11.9%. Progressive's filings do not disclose all rating variables, so its result is directional. Excluding Progressive, the average is $834 and the indicated decrease is 17.5%.

Selected Rate Level

Based on the comparisons above, the Company selected a decrease of 10.0%, resulting in an average semi-annual vehicle premium of $909. This is in line with the InsurQuote indicated % change of 11.9% which controls for risk mix (though slightly more moderate) and leaves the proposed premium above the competitor average in each of the three comparisons. The Company did not select the larger coverage-adjusted indication because that comparison is directional and does not control for risk mix.

The decrease is achieved through a 12.0% reduction in the base rates for all coverages, shown in *Supporting Exhibit - Base Rate*. Because several coverages carry an additive fixed expense fee that is not affected by base rate changes, a change in base rates is not one-to-one with the change in overall premium. *Supporting Exhibit - Base Rate Impact* shows how the required base rate change was determined and considers the fixed expense fee.

The Company expects the resulting rate level to be sound and in line with competitors and does not expect further changes to its rate level in the near future. It will continue to monitor conversion, quoted and bound premium, coverage adoption and emerging loss experience, and will update its analysis as Florida experience becomes available.

Date: 11/06/2026
Filing Id: 1501927
File Log Number: 26-049156
Entity Name: LEMONADE INSURANCE COMPANY
Interrogatory Component Name: Interrogatories
Interrogatory: PPA/Private Passenger Types Rates

Question #	Question	Answer
1	Are you someone other than an employee of the company who is making this filing on behalf of the company?	No
2	Is this filing being made to comply with a change in Florida law?	No
3	Does this filing propose changes in the level of coverage you are providing to your insureds?	Yes
4	Is this filing being made to adjust rates for an existing program with business AND has the company experienced at least 100 claims in any one coverage over the last three years, or as many years as are available for analysis?	No
5	Does your company use credit information, credit scoring methodologies or models in underwriting or rating (including any categorization that would affect the premium charged to the insured)?	Yes
6	If Yes, is this filing revising any aspect of the credit scoring methodology/model or its rating use? Examples of revisions include: change of credit information source, credit report source, change of credit scoring methodologies or models, change of credit score rating, etc.	No
7	Does this filing propose changes in any rating factor other than base rates (or relativities) by territory?	No

8	Does this filing include rates or rating factors that result in a rate change to the Office's RCS rating examples?	No
9	If the overall rate change is a zero, are there individual policyholders receiving a rate impact that is not zero?	No
10	Does this filing include the introduction of a new program?	No
11	Does this filing include the use of any model in ratemaking and/or underwriting?	No
12	Does this filing contain updated reinsurance contract(s)?	No
13	Is this filing a refile of a previously filed filing? If Yes, list the FL OIR file log number(s).	No
14	Are there any related filings? If Yes, list the FL OIR file log number(s) (currently pending or recently approved, the immediate prior filing, and the last approved annual rate filing.)	No

Edition 2026-10-08

Lemonade Insurance Company

Private Passenger Automobile Program - Florida

Base Rate Table

BI	PD	COMP	COLL	MED	PIP	UM	RENT	ACQ-EXP
241.86	189.32	148.43	359.29	39.60	315.22	254.54	34.17	340.01

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Private Passenger Automobile
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Edition 2026-10-08

Lemonade Insurance Company

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