BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of the Rate Application of Medical Insurance Exchange of California, Applicant.

Medical Insurance Exchange of California ("Applicant"), Consumer Watchdog ("Petitioner"), and the California Department of Insurance ("Department") (collectively, the "Parties") stipulate as follows:

RECITALS

A. The Applicant is licensed by the Department to conduct insurance business in California.

B. On or about November 6, 2020, Applicant filed rate application 20-4143 ("Application") with the Department, requesting an overall rate increase of 1.4% for its medical professional liability coverage.
C. On November 27, 2020, pursuant to California Insurance Code (“CIC”) section 1861.05(c), the Department notified the public of the Application.

D. On January 11, 2021, Petitioner submitted a timely Petition for Hearing, Petition to Intervene, and Notice of Intent to Seek Compensation regarding the Applications.

E. Applicant did not submit an Answer to the Petition for Hearing.

F. On February 3, 2021, the Commissioner granted Petitioner’s Petition to Intervene.

G. The Parties have engaged in discussions regarding the Application and additional information and analysis which the Parties provided.

H. As a result of the Parties’ discussions and negotiations, Applicant updated the Application per the Parties’ agreement.

**STIPULATION**

1. This Stipulation, together with the updated Application and the Commissioner’s approval in SERFF, represents the complete and final settlement resolving all issues between the Parties regarding the Application.

2. Based upon the Application and additional information which the Parties provided, the Parties agree that an overall rate decrease of 7.2% is supportable and will be implemented for policies incepting or renewing on or after February 1, 2023 in accordance with this Stipulation, the updated Application, and the Commissioner’s approval in SERFF.

3. Additionally, the Parties agree that Applicant will distribute a special dividend to its members that is the equivalent of applying a 4.4% rate reduction to premiums paid for policy years 2021 (February 1, 2021 to January 31, 2022) and 2022 (February 1, 2022 to January 31, 2023).

4. This Stipulation does not constitute an endorsement or approval of models generally, or any specific model or rating methodology utilized by Applicant or proposed by Petitioner.

5. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding Petitioner’s compensation has been made. However, the Parties agree that the Commissioner’s approval of the Application, consistent with this Stipulation, will be a decision or order within the
meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to
the Public Advisor within 30 days after notice of the Commissioner’s approval in SERFF.

6. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the
Commissioner’s approval in SERFF.

7. This Stipulation is made solely to reach a compromise among the Parties.

Pursuant to 10 CCR § 2656.4, discussions, admissions, concessions or offers to stipulate or settle
made by any party in negotiating this stipulated settlement, are confidential and are not
discernible or admissible for any purpose in any proceeding, except to the extent permitted by
10 CCR section 2662.3(b)(3), and the Commissioner’s approval of the Application shall not
constitute approval of or precedent regarding any principle or any issue in any other proceeding.

8. The Commissioner retains jurisdiction to ensure that the Parties comply with this
Stipulation.

9. This Stipulation may be executed in counterparts.

Dated: MEDICAL INSURANCE EXCHANGE OF
CALIFORNIA

By ______________________________

Dated: CONSUMER WATCHDOG

By ______________________________

Dated: January 31, 2023
CALIFORNIA DEPARTMENT OF INSURANCE

By __________________________________
Nikki S. McKennedy
Attorneys for the California Department of Insurance
meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to
the Public Advisor within 30 days after notice of the Commissioner’s approval in SERFF.

6. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the
Commissioner’s approval in SERFF.

7. This Stipulation is made solely to reach a compromise among the Parties.

Pursuant to 10 CCR § 2656.4, discussions, admissions, concessions or offers to stipulate or settle
made by any party in negotiating this stipulated settlement, are confidential and are not
discernible or admissible for any purpose in any proceeding, except to the extent permitted by
10 CCR section 2662.3(b)(3), and the Commissioner’s approval of the Application shall not
constitute approval of or precedent regarding any principle or any issue in any other proceeding.

8. The Commissioner retains jurisdiction to ensure that the Parties comply with this
Stipulation.

9. This Stipulation may be executed in counterparts.
meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to
the Public Advisor within 30 days after notice of the Commissioner’s approval in SERFF.

6. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the
Commissioner’s approval in SERFF.

7. This Stipulation is made solely to reach a compromise among the Parties.

Pursuant to 10 CCR § 2656.4, discussions, admissions, concessions or offers to stipulate or settle
made by any party in negotiating this stipulated settlement, are confidential and are not
discernible or admissible for any purpose in any proceeding, except to the extent permitted by
10 CCR section 2662.3(b)(3), and the Commissioner’s approval of the Application shall not
constitute approval of or precedent regarding any principle or any issue in any other proceeding.

8. The Commissioner retains jurisdiction to ensure that the Parties comply with this
Stipulation.

9. This Stipulation may be executed in counterparts.

Dated: MEDICAL INSURANCE EXCHANGE OF
CALIFORNIA

By

Dated: 1-31-23 CONSUMER WATCHDOG

By

Dated: CALIFORNIA DEPARTMENT OF INSURANCE

By

Nikki S. McKennedy

Attorneys for the California Department
of Insurance
PROOF OF SERVICE

In the Matter of the Rate Application of
Medical Insurance Exchange of California, Applicant.
(Consumer Watchdog’s Petition for Hearing)
CDI File No. PA-2021-00003

I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 1901 Harrison Street, 4th Floor, Oakland, CA 94612. On February 2, 2023, I served the following document(s):

SETTLEMENT STIPULATION
RRB App. No. 20-4143

on all persons named on the attached Service List, by the method of service indicated, as follows:

If U.S. MAIL is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office’s facility for collection of outgoing items to be sent by mail, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office’s practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California.

If OVERNIGHT SERVICE is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office’s facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office’s practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment.

If FAX SERVICE is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If PERSONAL SERVICE is indicated, by hand delivery this date.

If INTRA-AGENCY MAIL is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail.

If EMAIL is indicated, by electronic mail transmission this date to the email address(es) listed.

Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

______________________________
Cecilia Padua
## SERVICE LIST

**In the Matter of the Rate Application of**
Medical Insurance Exchange of California, Applicant.
(Consumer Watchdog’s Petition for Hearing)
CDI File No. PA-2021-00003

<table>
<thead>
<tr>
<th>Name/Address</th>
<th>Phone/Fax Numbers</th>
<th>Method of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvey Rosenfield, Esq.</td>
<td>Tel: (310) 392-0522</td>
<td></td>
</tr>
<tr>
<td>Pamela Pressley, Esq.</td>
<td>Fax: (310) 392-8874</td>
<td>Via EMAIL</td>
</tr>
<tr>
<td>Daniel L. Sternberg, Esq.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attorneys for Intervenor</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CONSUMER WATCHDOG</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6330 San Vicente Blvd., Suite 250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles, CA 90048</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:harvey@consumerwatchdog.org">harvey@consumerwatchdog.org</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:pam@consumerwatchdog.org">pam@consumerwatchdog.org</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:danny@consumerwatchdog.org">danny@consumerwatchdog.org</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanessa O. Wells, Esq.</td>
<td>Tel: (650) 463-4000</td>
<td></td>
</tr>
<tr>
<td><strong>HOGAN LOVELLS US LLP</strong></td>
<td>Fax: (650) 463-4199</td>
<td></td>
</tr>
<tr>
<td>Attorney(s) for Applicant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>855 Main Street, Suite 200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redwood City, CA 94063</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:Vanessa.wells@hoganlovells.com">Vanessa.wells@hoganlovells.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON PARTIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenneth Allen</td>
<td>Tel: (213) 346-6783</td>
<td>Via EMAIL</td>
</tr>
<tr>
<td>Deputy Commissioner</td>
<td>Fax: (213) 897-9051</td>
<td></td>
</tr>
<tr>
<td>Rate Regulation Branch</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CALIFORNIA DEPARTMENT OF INSURANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>300 South Spring Street, 14th Floor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles, CA 90013</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:Ken.allen@insurance.ca.gov">Ken.allen@insurance.ca.gov</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jamie Katz, Esq.</td>
<td>Tel: (415) 538-4180</td>
<td>Via EMAIL</td>
</tr>
<tr>
<td>Staff Counsel &amp; Public Advisor</td>
<td>Fax: (415) 238-7830</td>
<td></td>
</tr>
<tr>
<td>Office of the Public Advisor</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CALIFORNIA DEPARTMENT OF INSURANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1901 Harrison Street, 4th Floor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oakland, CA 94612</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:Jamie.katz@insurance.ca.gov">Jamie.katz@insurance.ca.gov</a></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>