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BEFORE THE INSURANCE COMMISSIONER

OF THE STATE OF CALIFORNIA

In the Matter of the New Program Applications of Farmers Insurance Exchange and Fire Insurance Exchange, Applicants.	File No.: PA-2020-00004 **CONSUMER WATCHDOG'S REQUEST FOR COMPENSATION**

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I. INTRODUCTION

Consumer Watchdog, Intervenor in the above-entitled proceeding, submits this Request for Compensation ("Request") pursuant to Insurance Code section 1861.10, subdivision (b), and the intervenor regulations, California Code of Regulations, title 10 ("10 CCR"), § 2661.1 et seq.

Invoking the authority the voters accorded themselves to enforce the provisions of Proposition 103, Consumer Watchdog initiated the proceeding when it filed a Petition for Hearing, Petition to Intervene, and Notice of Intent to Seek Compensation ("Petition") on March 30, 2020, challenging the new program applications of Farmers Insurance Exchange and Fire Insurance Exchange ("Applicants" or "Farmers") for their condo and renters policies. (Consumer Watchdog, the Department of Insurance, and Applicants will be collectively referred to as the "Parties.")

Consumer Watchdog represented the interests of consumers and policyholders by presenting issues, evidence, and arguments in its Petition and subsequent requests for information and correspondence and communications with the Parties that were separate and distinct from those raised by the Department of Insurance (the "Department"). Ultimately, the Parties were able enter into a Stipulation resolving the issues raised by Consumer Watchdog. Consequently, the Insurance Commissioner ("Commissioner") had all of this information available to him when making his decision that would not have been available had Consumer Watchdog not participated. As a result, Consumer Watchdog substantially contributed to the Commissioner's decision to approve the Applications.

This Request seeks compensation in the total amount of $42,428.50[1] for Consumer Watchdog's substantial contribution to the Commissioner's decision to approve Farmers' applications (File Nos.: 20-444 and 20-444-B) ["the Applications"]). This Request includes time spent working on this matter, including preparing this Request, through August 23, 2021. This

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[1] Consumer Watchdog seeks advocacy fees and expenses in the amount of $27,776.50 for the work of Consumer Watchdog's counsel and seeks $14,652.00 in fees billed by its consulting actuary and expert witness, Allan I. Schwartz. (See Exh. A (attached) for a summary of the fees and expenses requested.)

Request is based on the facts and circumstances of this matter as summarized below and in the supporting exhibits, the record in this matter, and the accompanying Declaration of Pamela Pressley ("Pressley Decl.") and Declaration of Allan I. Schwartz ("Schwartz Decl."). In light of the substantial contribution Consumer Watchdog made to the Commissioner's decision in this proceeding, as discussed further below, the compensation sought for its attorneys and actuarial expert fees is abundantly reasonable.

II. CONSUMER WATCHDOG IS ELIGIBLE TO SEEK COMPENSATION IN THIS PROCEEDING, AND ITS REQUEST IS TIMELY

The intervenor regulations provide, in part:

> A petitioner, intervenor or participant whose Petition to Intervene or Participate has been granted and who has been found eligible to seek compensation may submit to the Public Advisor, within 30 days after the service of the order, decision, regulation or other action of the Commissioner in the proceeding for which intervention was sought, or at the requesting petitioner's, intervenor's or participant's option, within 30 days after the conclusion of the entire proceeding, a request for an award of compensation.

(10 CCR § 2662.3(a).) Consumer Watchdog is a longtime participant and intervenor in Department proceedings and a nationally recognized consumer advocacy organization. The Commissioner issued a Finding of Eligibility on August 25, 2020, effective as of July 12, 2020, in which he found Consumer Watchdog eligible for compensation "for its representation of consumers' interests[.]"[2] The Commissioner granted Consumer Watchdog's Petition to Intervene in this proceeding on or about May 4, 2020. (Ruling Granting Consumer Watchdog's Petition to Intervene, May 4, 2020, at 3.) Thus, Consumer Watchdog is eligible to seek compensation in this matter.

Pursuant to 10 CCR § 2662.3(a), a request for compensation is due 30 days after service of the Commissioner's decision in the proceeding in which intervention was sought or 30 days after conclusion of the entire proceeding. Pursuant to a settlement stipulation signed by all Parties on July 14, 2021, the Applications were approved on July 30, 2021. Accordingly,

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[2] Consumer Watchdog's current Finding of Eligibility succeeded prior determinations issued on July 12, 2018; July 14, 2016; July 24, 2014; July 24, 2012; July 2, 2010; August 25, 2008; July 14, 2006; July 2, 2004; June 20, 2002; October 1, 1997; September 26, 1995; September 27, 1994; and September 13, 1993.

Consumer Watchdog's Request is timely pursuant to 10 CCR § 2662.3(a) by being filed within 30 days of July 30.

III. SUMMARY OF THE PROCEEDING

To demonstrate Consumer Watchdog's substantial contribution to the Commissioner's decision in this proceeding and to demonstrate the reasonableness of the advocacy and witness fees requested, set forth below is a summary of Consumer Watchdog's participation in this matter.

A. Consumer Watchdog Petitioned for Hearing, Identifying Several Issues with the Applications.

On or about January 24, 2020, Farmers filed the Applications with the Department, seeking approval of two new products called Farmers Smart Plan Renters Policy (SPR) and Farmers Smart Plan Condominium Policy (SPC) (File Nos. 20-444 and 20-444-B), which were product updates to Applicants' Legacy Renter and Condo programs with updated forms and rates. (Pressley Decl., ¶ 27.) The Department notified the public of the Applications on or about February 14, 2020. (*Ibid.*)

Consumer Watchdog and its actuarial expert, Allan I. Schwartz, reviewed the Applications and determined Applicants' use of unsupported FireLine Score Factors potentially violated Insurance Code section 1861.05(a). (Pressley Decl., ¶ 28.)

On March 30, 2020, pursuant to Insurance Code section 1861.10(a), Consumer Watchdog filed its Petition identifying the issues on which it would provide evidence to show why the Applications were unsupported and potentially resulted in rates that were excessive and/or unfairly discriminatory. (Petition, at 3–4; Pressley Decl., ¶ 29.)

Consumer Watchdog's Petition alleged that Applicants had failed to sufficiently justify the selected FireLine Score Factors as set forth in Exhibit C-13 of the SPC Rate Manual and Exhibit R-11 in the SPR Rate Manual. Applicants' failure to provide sufficient support or justification for these factors potentially resulted in unfairly discriminatory rates and premiums in violation of Insurance Code section 1861.05. (Petition, ¶ 77; Pressley Decl., ¶ 30.)

Additionally, the Rate Revision Filing Memorandum stated as follows:

> **Exhibit R-1 Selected Base Rates**
>
> Base rates were set based on the current Renters rate level with adjustments to address the current rate need, coverage difference, and expense difference in the SPR policy compared to the existing Renters policy.
>
> …
>
> **Exhibit C-1 Selected Base Rates**
>
> Base rates were set based on the current Condo rate level with adjustments to address the current rate need, coverage difference, and expense difference in the SPC policy compared to the existing Condo policy.

Given these adjustments, Farmers had not shown that the rates would not be excessive or unfairly discriminatory. (Petition, ¶ 8; Pressley Decl., ¶ 31.)

The Commissioner granted Consumer Watchdog's Petition to Intervene in the proceeding on the Applications on May 4, 2020, finding that "the specific issues that CW seeks to address . . . are relevant to the ratemaking process." (Ruling Granting Consumer Watchdog's Petition to Intervene, May 4, 2020, at 3:23–24; Pressley Decl., ¶ 32.) Specifically, the Commissioner noted Consumer Watchdog would present and seek evidence regarding unsupported use of Fireline Score factors as shown in exhibit C-13 and R-11 of the applications. (*Id.* at 3:4–5; Pressley Decl., ¶ 33.)

On May 21, 2021, Farmers submitted a separate filing in conjunction with the Applications to withdraw its prior Legacy renters and condo programs. (Pressley Decl., ¶ 34.)

B. Consumer Watchdog Requested Additional Information from Farmers and Participated in Discussions with the Parties Regarding the Issues Identified in the Petition and Additional Submissions.

On June 1, 2021, the Parties held a teleconference to discuss the issues raised by Consumer Watchdog's Petition. (Pressley Decl., ¶ 35.) During the call, Consumer Watchdog requested documentation from Farmers to provide support for its FireLine Score factors and for the overall rate changes being revenue neutral. (*Ibid.*)

On June 4, 2021, Farmers responded to Consumer Watchdog's requests. (Pressley Decl., ¶ 36.)

On June 9, 2021, Consumer Watchdog and its actuary, Allan I. Schwartz, held a call with the Parties to ask follow-up questions about the information provided by Farmers. (Pressley Decl., ¶ 37.)

On June 10, 2021, Farmers provided via email further information about its FireLine factors and rate capping in response to questions from Mr. Schwartz. (Pressley Decl., ¶ 38; Exh. B.) With regard to its FireLine score factors, Farmers indicated that the factors were determined based on wildfire modeled losses produced from AIR Touchstone version 6 software and were based on pure premium relativities using modeled wildfire losses and exposures. Farmers also indicated that additional adjustments were made to reflect the wildfire peril weight to total property and rebased the factors to 0 FireLine score. Farmers further explained that the input into the model consisted of identical policies whose characteristics reflect Farmers' expectation for the program. Regarding uncapped versus capped rate impacts, Farmers explained that it targeted a revenue neutral impact of 0 on an uncapped basis, and that any shifts in distribution between uncapped and capped is in fact due to differences in minimum premiums and some optional coverages and fees not subject to capping. (*Ibid.*)

On June 11, 2021, Mr. Schwartz emailed further questions to Farmers. (Pressley Decl., ¶ 39; Exh. C.) Mr. Schwartz asked that with regard to the 2.6% wildfire peril weight, since it is a projected value, Farmers supply the underlying data and calculations used to derive that value. Mr. Schwartz also pointed out that with respect to capping, in the absence of some optional coverages and fees not subject to capping, every change would either be 25% or less or exactly 50%. Therefore, Mr. Schwartz requested a listing or explanation of these optional coverages and fees not subject to capping. Finally, Mr. Schwartz requested some specific examples of what changes would result in the increases between 25% to 49.9% and above 50%, as shown in Farmers' revised Exhibit 20. (*Ibid.*)

On June 14, 2021, Mr. Schwartz followed up with four additional requests via email, including for an explanation about how the policies input into the wildfire model "reflect [Farmers'] expectation" for the program, clarification about how Farmers used "address matching" using actual property locations to operate the model, and clarification about what procedure Farmers used to determine that the difference in average annual losses (AALs) by FireLine score from the AIR model is not measuring the impact of differences in loss costs by zip code, so that the same geographic characteristics are not being included in both the zip code and FireLine rating factors. (Pressley Decl., ¶ 40; Exh. D.)

On June 15, 2021, Farmers provided responses to Mr. Schwartz's June 11 and June 14 questions and requests. (Pressley Decl., ¶ 41; Exh. E.) Specifically, Farmers provided the requested loss data underlying the wildfire peril weight and explanations regarding capping of individual premium increases above 25%, including an updated customer dislocation Exhibit 20 correcting for an error, a list of optional coverages and fees not subject to capping, and a spreadsheet including three examples of the changes described by Farmers that would result in the increases between 25% to 49.9% and above 50%. (*Ibid.*) Farmers also provided the requested information regarding the wildfire model input assumptions as compared to characteristics of Farmers' actual policies, and an updated FireLine score factors exhibit. (*Ibid.*)

On June 16, 2021, Mr. Schwartz emailed further follow-up questions to Farmers. (Pressley Decl., ¶ 42; Exh. F.) Farmers responded that day. (Pressley Decl., ¶ 42; Exh. G.) The Parties held a final teleconference on June 17, 2021, and subsequently on June 21, Consumer Watchdog requested further documentation regarding the AIR Touchstone wildfire model and its components, which Farmers provided on June 23.[3] (Pressley Decl., ¶ 43.)

C. The Parties Entered into a Stipulation Resolving All Issues Between the Parties Regarding the Applications.

After review of all additional information provided, the parties reached an agreement and on July 14, 2021, the Parties executed a settlement stipulation ("Stipulation") resolving all issues between them regarding the Applications, including the FireLine Score factors and rate impact issues raised by Consumer Watchdog. (Pressley Decl., ¶ 44.) Specifically, the Parties agreed to the following:

[3] This document was provided to Consumer Watchdog, but has not been attached to this Request as an exhibit due to its excessive length.

- An overall revenue neutral rate change (before capping) of 0%[4] is supportable and should be implemented in accordance with the Stipulation and the Commissioner's approval letter;
- The Stipulation does not constitute an endorsement or approval of models generally, or any specific model or rating methodology;
- Petitioner will withdraw its Petition for Hearing within 10 days after notice of the Commissioner's approval letter;
- The Commissioner retains jurisdiction to ensure that the Parties comply with the Stipulation.

(Stipulation, July 14, 2021, at 2–3; Pressley Decl., ¶ 45.)

On July 30, 2021, the Commissioner approved the Applications. (Pressley Decl., ¶ 46.)

On August 9, 2021, pursuant to the terms of the Stipulation, Consumer Watchdog withdrew its Petition for Hearing. (Pressley Decl., ¶ 47.)

IV. CONSUMER WATCHDOG IS ENTITLED TO AN AWARD OF ITS REASONABLE ADVOCACY AND WITNESS FEES

A. Consumer Watchdog Made a Substantial Contribution to the Commissioner's Final Decision.

Proposition 103 requires awards of reasonable advocacy and witness fees and expenses for persons who represent the interests of consumers and who make a "substantial contribution" to decisions or orders by the Commissioner or a court. Insurance Code section 1861.10(b), states:

> The commissioner or a court ***shall award*** reasonable advocacy and witness fees and expenses to any person who demonstrates that (1) the person represents the interests of consumers, and, (2) that he or she has made a substantial contribution to the adoption of any order, regulation or decision by the commissioner or a court.

(Emphasis added.) As the emphasized language makes clear, when the statutory criteria are met, an award of reasonable advocacy fees and expenses is mandatory. This provision affords insurance consumers the ability to have their interests represented on an equal basis with the

[4] The rate change after capping as shown in Farmers' revised Exhibit 20 is –2.1% for Renters (savings of $750,000) and –2.0% for Condos (savings of $1,728,000). (Pressley Decl., ¶ 45.)

interests of insurers and promotes consumer participation in the enforcement of Proposition 103. (See *Econ. Empowerment Found. v. Quackenbush* (“*EEF*”) (1997) 57 Cal.App.4th 677, 686 [the purpose of intervenor fees is to encourage consumer participation].) Per the voters’ instruction, the mandate of section 1861.10(b), like all of the provisions of Proposition 103, must be “liberally construed and applied in order to fully promote its underlying purposes.” (Prop. 103, § 8.) Thus, the courts have held that section 1861.10(b) should be applied in a manner “which best facilitates compensation.” (*EEF*, *supra*, 57 Cal.App.4th at 686.)

When they established Proposition 103’s public participation system, the voters were well aware that the Department (as distinct from the Commissioner) would become a party to a proceeding such as this. However, the voters recognized that Department staff might be subject to budgetary or other considerations in their role as regulators that might cause them to take different positions or emphasize different issues than consumer participants in a particular proceeding. The voters therefore created a system in which consumers would have their own advocates, able to as zealously protect consumers’ interests before any tribunal as lawyers for the insurance industry protect their clients’ interests—and be compensated accordingly. As the Ballot Argument in Favor of Proposition 103 explained, the initiative sought to establish “a permanent, *independent* consumer watchdog system [that] will champion the interests of insurance consumers.” (Emphasis added.) The broad substantial contribution standard enacted by section 1861.10(b) ensures that consumers will be able to participate in proceedings *independently of the Department staff*.

Regulations promulgated by the Commissioner provide guidance for the determination of whether consumer representatives made a “substantial contribution” in departmental proceedings. The regulations provide as follows:

> “Substantial Contribution” means that the intervenor substantially contributed, as a whole, to a decision, order, regulation, or other action of the Commissioner by presenting relevant issues, evidence, or arguments which were separate and distinct from those emphasized by the Department of Insurance staff or any other party, such that ***the intervenor’s participation resulted in more relevant, credible, and non-frivolous information being available for the Commissioner to make his or her decision than would have been available to a Commissioner had the intervenor not participated.*** A substantial contribution may be

> demonstrated without regard to whether a petition for hearing is granted or denied.

(10 CCR § 2661.1(k), emphasis added.)

The detailed summary of this proceeding presented in section III above, the accompanying Pressley and Schwartz Declarations, and the record in this proceeding make clear that Consumer Watchdog has met the substantial contribution requirement. CWD's counsel are veterans of over a hundred administrative proceedings concerning Proposition 103 since the law's passage. They have also litigated challenges to Proposition 103 in the civil courts and participated in all of the cases that led to landmark judicial decisions. Consumer Watchdog counsel were able to provide an effective professional balance to Farmers' highly qualified team of in-house counsel. (See Pressley Decl., ¶¶ 9–19.)

Consumer Watchdog's substantial contribution in this proceeding, as detailed in section III above and in the accompanying Pressley Declaration and further evidenced by the record in this matter, is demonstrated by at least the following:

- Consumer Watchdog's Petition initiated the proceeding and first raised issues with the Applications regarding Farmers' failure to sufficiently justify the selected FireLine Score Factors, potentially resulting in unfairly discriminatory rates and premiums in violation of Insurance Code section 1861.05.
- Consumer Watchdog requested additional information from Farmers about the issues raised in its Petition on at least five occasions via teleconferences and emails. Specifically, Consumer Watchdog requested further data and documentation regarding justification for the FireLine Score factors, rate impacts on uncapped and capped bases, the underlying data used to calculate wildfire weight values in Farmers' filing, and the AIR Touchstone wildfire model used by Farmers as discussed *supra*, pp. 4–6.
- Farmers provided responses to each of Consumer Watchdog's requests, including Excel spreadsheets containing details regarding the indicated and selected FireLine factors, documents supporting its claim of rate neutrality, details about how it uses its AIR Touchstone modeling software, and explanations for the discrepancies between uncapped and capped rate impacts, spreadsheets containing explanatory examples of policies fed

into Farmers' modeling software, as well as additional documentation and data. (See *supra*, pp. 4–6.)

- Consumer Watchdog successfully stipulated to a settlement agreement with the Parties, ensuring an overall revenue neutral rate change (before capping) of 0% given the data provided by Farmers in its filing.

In sum, Consumer Watchdog's separate and distinct presentation of relevant issues, evidence, and arguments provided in its Petition, requests for information, and communications with the Parties, as well as the additional information, documents, and data it elicited from Applicants in response to the distinct issues raised by Consumer Watchdog, resulted in more relevant, credible, and non-frivolous information being available to the Commissioner in making his final decision approving the Applications than if Consumer Watchdog had not participated. Thus, Consumer Watchdog clearly meets the "substantial contribution" requirement of the Insurance Code and the regulations.

B. Consumer Watchdog's Requested Fees Are Reasonable.

When a consumer representative makes a "substantial contribution," as here, Insurance Code section 1861.10(b), requires payment of all of a consumer representative's "reasonable advocacy and witness fees and expenses." (Emphasis added.) This is consistent with the general rule, under California law, that once a decisionmaker determines that a party is entitled to attorneys' fees, "absent circumstances rendering the award unjust, fees should ordinarily include compensation for *all hours reasonably spent*." (See *Serrano v. Unruh* (1982) 32 Cal.3d 621, 624, emphasis added.)

For its substantial contribution, Consumer Watchdog requests reasonable advocacy fees in the amount of $27,776.50 for the work of its counsel and paralegal. The requested fees, including the total hours of work performed, and the hourly rates of each Consumer Watchdog attorney are summarized in the attached Exhibit A, "Summary of Fees." Insurance Code section 1861.10(b), requires an award of all "reasonable advocacy and witness fees" once the requirements of the statute are met, including making a substantial contribution. The procedural history of this matter, set forth in section III above and supported by the Pressley Declaration, demonstrates the reasonableness of the compensation requested in light of the amount of work performed. The procedural history and Consumer Watchdog's time records (Pressley Decl., Exh. 1a) also demonstrate the work Consumer Watchdog performed in this proceeding.

As required by the regulations, the specific tasks performed by Consumer Watchdog's attorneys are set forth in its detailed time records attached as Exhibit 1a to the Pressley Declaration. (See Pressley Decl., ¶ 3 & Exh. 1a.) These time records were maintained contemporaneously and reflect the actual time spent and actual work performed, billed to the tenth of an hour, by all Consumer Watchdog legal staff who worked on this matter. (Pressley Decl., ¶ 6.) In preparing their respective time records for this request, Consumer Watchdog's legal staff exercised billing judgment and eliminated time entries where appropriate. (Pressley Decl., ¶ 5.) Consumer Watchdog submits that the time expended and work performed in the proceeding, as reflected in the time records, was reasonable and appropriate, and the minimum required to make a substantial contribution in this proceeding and to achieve the result obtained. (*Ibid.*)

The 2021 hourly rates of Consumer Watchdog's counsel and paralegal set forth in Exhibit A are also reasonable and consistent with prevailing market rates. The intervenor regulations specify, "[t]he compensation awarded ***shall equal*** the market rate of the services provided." (10 CCR § 2662.6(b), emphasis added.) "Market rate" is defined as the "prevailing rate for comparable services in the private sector in the Los Angeles and San Francisco Bay Areas ***at the time of the Commissioner's decision awarding compensation for attorney advocates***, non-attorney advocates, or experts with similar experience, skill and ability." (10 CCR § 2661.1(c)(1), emphasis added.)

The qualifications and experience of Consumer Watchdog's attorneys and paralegal who performed work in this matter, Pamela Pressley, Harvey Rosenfield, Benjamin Powell, and Kaitlyn Gentile, are summarized in the Pressley Declaration. (Pressley Decl., ¶¶ 9–23.) The Declaration of Richard M. Pearl ("Pearl Decl."), attached as Exhibit 2 to the Pressley Declaration, confirms that the requested rates for Consumer Watchdog's counsel are consistent with prevailing market rates.[5] Mr. Pearl is a recognized expert on attorneys' fees issues under California law. (See Pressley Decl., Exh. 2 [Pearl Decl.], ¶¶ 3–10.) The Pearl Declaration shows that Consumer Watchdog counsel's and paralegal's 2021 rates are well within, if not below, the range of non-contingent rates charged by California attorneys in the Los Angeles area of equivalent experience, skill, and expertise for comparable services. (See *id.*, ¶¶ 8–11.) The Commissioner has also approved fee awards for Consumer Watchdog based on the same hourly rates Consumer Watchdog's legal staff is currently using in 2021 for work done in 2017–2020. (Pressley Decl., ¶ 7.)

Finally, this Request also includes the time expended preparing the instant Request for Compensation. This is also reasonable because the regulations permit reimbursement for preparation of a request for an award of compensation. (10 CCR § 2661.1(d).) Preparing such a request requires the intervenor to perform a comprehensive review of the record, review the regulations, cite to the record in this proceeding, review billing and expense records, and prepare the Request and supporting documents.

C. Consumer Watchdog's Expert Fees Are Reasonable.

Consumer Watchdog incurred reasonable expert fees of $14,652.00 for the actuarial consulting services of Allan I. Schwartz at AIS Risk Consultants, Inc. (See Schwartz Decl., Exh. 7.) The specific tasks performed by Mr. Schwartz are set forth in the detailed billing records of AIS Risk Consultants, Inc. (*Ibid.*) These time records were maintained contemporaneously and reflect the actual time spent and actual work performed by Mr. Schwartz. (Schwartz Decl., ¶ 14; Pressley Decl., ¶ 26.) Pursuant to 10 CCR sections 2662.6(b) and 2661.1(c)(1), the expert fees billed for the actuarial consulting services of Mr. Schwartz reflect his current 2021 market rate for such services (Schwartz Decl., ¶¶ 3–10; Pressley Decl., ¶ 26.) and amount to less than the total expert fees projected in Consumer Watchdog's Petition. (*Ibid.*; see Petition, Exh. A.)

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[5] The Pearl Declaration was filed on October 8, 2019 in connection with a Mercury writ matter arising out of a noncompliance proceeding and is equally applicable to this proceeding, given that Consumer Watchdog's 2021 rates are within the range of rates considered reasonable for attorneys with comparable experience at that time.

The Commissioner has awarded Consumer Watchdog compensation for Mr. Schwartz's services based on his 2020 hourly rate of $805 in eight prior proceedings, including *In the Matter of the Rate Applications of Pacific Specialty Insurance Company*, File No. PA-2019-00001; *In the Matter of the Rate Applications of Farmers Insurance Exchange, Mid-Century Insurance Company, and Truck Insurance Exchange*, File No. PA-2019-00004; *In the Matter of the Rate Application of Esurance Property and Casualty Insurance Company*, File No. PA-2020-00001; *In the Matter of the Rate Application of NORCAL Mutual Insurance Company*, File No.: PA-2020-00002; *In the Matter of the Rate Application of Pacific Specialty Insurance Company*, File No.: PA-2019-00003; *In the Matter of the Rate Application of American Casualty Company of Reading, Pennsylvania*, File No. PA-2020-00007; *In the Matter of the Rating Practices of Farmers Insurance Exchange and Mid-Century Insurance Company*, File No. NC-2017-00003; and *In the Matter of the Rate Applications of Farmers Insurance Exchange, Fire Insurance Exchange, and Mid-Century Insurance Company*, File No. PA-2019-00008. (Schwartz Decl., ¶ 8.) Mr. Schwartz's 2021 rate of $835 per hour is an increase of 3.7% from his 2020 rate of $805 per hour. (*Ibid*.)

Mr. Schwartz's over 40 years of professional actuarial experience includes being President of AIS Risk Consultants, Assistant Commissioner of the New Jersey Department of Insurance, and chief actuary of the North Carolina Department of Insurance. His resume is attached to the accompanying Declaration of Allan I. Schwartz, filed in support of this Request for Compensation. (Schwartz Decl., ¶ 10, Exh. 5.) Consumer Watchdog submits that the time expended and work performed by Mr. Schwartz in this proceeding, as reflected in his time records, was reasonable and appropriate and the minimum required to achieve the result obtained. (Pressley Decl., ¶ 26; Schwartz Decl., ¶ 14, Exh. 7.)

V. CONCLUSION

In sum, Consumer Watchdog made a substantial contribution to the Commissioner's final decision approving Farmers' Applications by identifying relevant issues as set forth in Consumer Watchdog's Petition and expanded upon in Consumer Watchdog's requests for information, correspondence, and discussions with the Parties. In addition, during the course of the proceeding, Applicants submitted additional relevant information and evidence in response to the each of the issues raised and requests for information by Consumer Watchdog that would not have otherwise been available had Consumer Watchdog not participated. Accordingly, Consumer Watchdog made a substantial contribution to the Commissioner's decision and is thus entitled to its reasonable advocacy and witness fees as requested in the total amount of $42,428.50.

DATED: August 27, 2021

Respectfully submitted,
Harvey Rosenfield
Pamela Pressley
Benjamin Powell

CONSUMER WATCHDOG

By: Pamela Pressley
Pamela Pressley
Attorneys for CONSUMER WATCHDOG

VERIFICATION OF PAMELA PRESSLEY

1. I am a senior staff attorney for Consumer Watchdog. If called as a witness, I could and would testify competently to the facts stated in this verification.

2. I personally oversaw the preparation of the attached pleading entitled "Consumer Watchdog's Request for Compensation" filed in this matter.

3. All of the factual matters alleged therein are true of my own personal knowledge, or I believe them to be true based upon the information available to me from Consumer Watchdog's files regarding this matter.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on August 27, 2021, at Los Angeles, California.

Pamela Pressley

Pamela Pressley

EXHIBIT A

EXHIBIT A

SUMMARY OF FEES AND EXPENSES

File No. PA-2020-00004

ITEMS	**COST**
1. **Consumer Watchdog's Fees**	
(Detailed in Billing Records attached as Exhibit 1a to Pressley Decl.)	
Harvey Rosenfield @ $695 per hour, .9 hours	$625.50
Pamela Pressley @ $595 per hour, 37.7 hours	$22,631.00
Benjamin Powell @ $350 per hour, 9.2 hours	$3,220.00
Kaitlyn Gentile @ $200 per hour, 6.5 hours	$1,300.00
Subtotal of Consumer Watchdog Fees	**$27,776.50**
2. **Expert Witness Fees – AIS Risk Consultants, Inc.**	
(Detailed in Billing Records attached as Exhibit 5 to Schwartz Decl.)	
Allan Schwartz @ $835 per hour, 16.0 hours	$13,360.00
Katherine Tollar @ $380 per hour, 3.4 hours	$1,292.00
Subtotal of AIS Risk Consultants, Inc. Fees	**$14,652.00**
TOTAL ADVOCACY FEES AND WITNESS FEES:	**$42,428.50**

EXHIBIT B

Subject: RE: Re: Farmers Renters/Condo #20-444; PA-2020-00004
Date: Thursday, June 10, 2021 at 1:19:53 PM Pacific Daylight Time
From: Alissa Vreman
To: Victoria McCarthy, Allan Schwartz, Pam Pressley, Alec.Stone@insurance.ca.gov, Ben Powell, Annie.Chao@insurance.ca.gov, Darjen.Kuo@insurance.ca.gov, Adam.Gammell@insurance.ca.gov, Beverly.Bautista@insurance.ca.gov, Carolyn.Yap@insurance.ca.gov, Ken Allen, Lisbeth Landsman-Smith
CC: Julie Erickson, Richard De La Mora, Adam Morris

Hi Allan,

Please see below for the information you requested as follow-ups on yesterday's call. Let us know if you have any additional questions.

Follow-up inquiries for FireLine:
FireLine factors were determined based on wildfire modeled losses produced from AIR Touchstone v6 software. See checklist "CDI Model Checklist AIRWF model CA 20210321.pdf" for more detail on the model. Factors were based on pure premium relativities by FireLine using modeled wildfire losses and exposures. Additional adjustments were made to reflect the wildfire peril weight to total property and rebased the factors to 0 FireLine score. The selected factors are the indicated wildfire relativities smoothed and extrapolated before adjustment. (From the Filing memorandum exhibit R-11 and C-13 description)

The input into the model consisted of identical policies whose characteristics reflect our expectation for this program. For example, we used $25,000 contents limit with a $1,000 all-peril deductible as a base. We also added Additional Living Expenses ($5,000 for Renters or $10,000 for Condos and Townhouses) as well as Additional Building and Loss Assessment coverages for Condos and Townhouses. We then combined these identical risks with actual property locations from Farmers Condos, Townhouses, and Renter policies inforce as of March 31, 2019. Using actual addresses from similar programs allowed us to pair the resulting output with realistic FireLine scores from the same address. (From Objection dated 10/3/2020 item #2e response).

Smoothing and extrapolation was done using Excel solver to minimize the exposure weighted squared error of the fitted factors from the model WF relativities. Additional constraints were included to ensure increasing factors and minimum increasing factor of 0.1. (From Objection dated 11/4/2020 item #6 response)

Concerning wildfire weights used, the 2.6% is based on Renter/Condo projected wildfire loss data as % of total property peril for total losses.

Follow-up inquiries for overall impacts uncapped vs capped:
We targeted a revenue neutral impact of 0 on an uncapped basis. Any shifts in distribution between uncapped and capped is due to the following:
1. Minimum premium (130 for Renters, 175 for Condo)
2. Caps based on following per memorandum:

Cap	Uncapped Increase
25.0%	< 50%
50.0%	>=50%

3. Some optional coverages and fees are not subject to capping

Thank you,

Alissa Vreman, FCAS, MAAA
Territory Product Lead - West
Personal Lines Product Management
alissa.vreman@farmersinsurance.com

EXHIBIT C

Subject: Re: Farmers Renters/Condo #20-444; PA-2020-00004
Date: Friday, June 11, 2021 at 2:08:56 PM Pacific Daylight Time
From: actuary999@aol.com
To: alissa.vreman@farmersinsurance.com, victoria.mccarthy@farmersinsurance.com, Pam Pressley, Alec.Stone@insurance.ca.gov, Ben Powell, Annie.Chao@insurance.ca.gov, Darjen.Kuo@insurance.ca.gov, Adam.Gammell@insurance.ca.gov, Beverly.Bautista@insurance.ca.gov, Carolyn.Yap@insurance.ca.gov, Ken Allen, Lisbeth Landsman-Smith
CC: julie.erickson@farmersinsurance.com, richard.delamora@farmersinsurance.com, adam.morris@farmersinsurance.com

Alissa

Thanks for your response

I have a couple of questions now, and may have some more early next week

With regard to the 2.6% wildfire weight, since that is a projected value, can you supply the underlying data and calculations that were used to derive that projected value.

With respect to capping, if I understand correctly, in the absence of some optional coverages and fees not subject to capping, every change would either be 25% or less (those with uncapped increase < 50%) or exactly 50% (with uncapped increase >=50%). So the only way to get capped increases from 25% to 49.9% or above 50% is from the additional of uncapped optional coverages and fees.

Can you provide a listing / explanation of the optional coverages and fees not subject to capping.

Can you also give some specific examples of what changes would result in the increases between 25% to 49.9% and above 50% shown in the file "CA SPRC Objection 20210422 - Exhibit 20 revised"

Thanks

Allan I. Schwartz
FCAS,MAAA
ARE,AIC,APA,AU,AIAF,ARM,API,ACS,CRRA
AIS Risk Consultants
4400 Route 9 South
Suite 1000
Freehold, New Jersey 07728
732 - 780 - 0330
848 - 207 - 7280 (Cell)

-----Original Message-----
From: Alissa Vreman <alissa.vreman@farmersinsurance.com>

EXHIBIT D

Subject: Re: Farmers Renters/Condo #20-444; PA-2020-00004
Date: Monday, June 14, 2021 at 4:30:04 PM Pacific Daylight Time
From: actuary999@aol.com
To: alissa.vreman@farmersinsurance.com, victoria.mccarthy@farmersinsurance.com, Pam Pressley, Alec.Stone@insurance.ca.gov, Ben Powell, Annie.Chao@insurance.ca.gov, Darjen.Kuo@insurance.ca.gov, Adam.Gammell@insurance.ca.gov, Beverly.Bautista@insurance.ca.gov, Carolyn.Yap@insurance.ca.gov, Ken Allen, Lisbeth Landsman-Smith
CC: julie.erickson@farmersinsurance.com, richard.delamora@farmersinsurance.com, adam.morris@farmersinsurance.com

Alissa

Some additional items below

thanks

You stated "The input into the model consisted of identical policies whose characteristics reflect our expectation for this program. For example, we used $25,000 contents limit with a $1,000 all-peril deductible as a base. We also added Additional Living Expenses ($5,000 for Renters or $10,000 for Condos and Townhouses) as well as Additional Building and Loss Assessment coverages for Condos and Townhouses." Please explain how these characteristics "reflect our expectation". Provide data comparing these characteristics to the characteristics of policies actually written by Farmers.

You stated "We then combined these identical risks with actual property locations from Farmers Condos, Townhouses, and Renter policies inforce as of March 31, 2019. Using actual addresses from similar programs allowed us to pair the resulting output with realistic Fireline scores from the same address." Please describe those "similar programs". Since these were different programs, was Farmers able to match addresses exactly? If not, how did Farmers match address from this program to those of similar programs?

What procedure, if any, did Farmers use to determine that the difference in AAL's by Fireline score from the AIR model is not measuring the impact of differences in loss costs by zip code, so that the same geographic characteristics are not being included in both the zip code and Fireline rating factors.

The file "CA SPRC Fireline Factors ExhibitsV2" had #REF errors in Solver. Provide an EXCEL file with correct cell references in Solver.

Allan I. Schwartz
FCAS,MAAA
ARE,AIC,APA,AU,AIAF,ARM,API,ACS,CRRA
AIS Risk Consultants
4400 Route 9 South
Suite 1000
Freehold, New Jersey 07728
732 - 780 - 0330
848 - 207 - 7280 (Cell)

-----Original Message-----
From: actuary999@aol.com
To: alissa.vreman@farmersinsurance.com <alissa.vreman@farmersinsurance.com>; victoria.mccarthy@farmersinsurance.com <victoria.mccarthy@farmersinsurance.com>; pam@consumerwatchdog.org <pam@consumerwatchdog.org>; Alec.Stone@insurance.ca.gov <Alec.Stone@insurance.ca.gov>; ben@consumerwatchdog.org <ben@consumerwatchdog.org>; Annie.Chao@insurance.ca.gov <Annie.Chao@insurance.ca.gov>; Darjen.Kuo@insurance.ca.gov <Darjen.Kuo@insurance.ca.gov>; Adam.Gammell@insurance.ca.gov <Adam.Gammell@insurance.ca.gov>; Beverly.Bautista@insurance.ca.gov

EXHIBIT E

Subject: FW: More attachments constituting Exh. E
Date: Friday, August 20, 2021 at 4:17:39 PM Pacific Daylight Time
From: Ben Powell
To: Kaitlyn Gentile
Attachments: CA SPRC Fireline - Peril Weights support.xlsx, CA SPRC Objection 20210422 - Exhibit 20 V3.xlsx, email 20210611 response.docx, CA SPRC disruption - examples.xlsx

---

From: Alissa Vreman <alissa.vreman@farmersinsurance.com>
Date: Tuesday, June 15, 2021 at 4:22 PM
To: Allan Schwartz <actuary999@aol.com>, Victoria McCarthy <victoria.mccarthy@farmersinsurance.com>, Pam Pressley <pam@consumerwatchdog.org>, Alec.Stone@insurance.ca.gov <Alec.Stone@insurance.ca.gov>, Ben Powell <ben@consumerwatchdog.org>, Annie.Chao@insurance.ca.gov <Annie.Chao@insurance.ca.gov>, Darjen.Kuo@insurance.ca.gov <Darjen.Kuo@insurance.ca.gov>, Adam.Gammell@insurance.ca.gov <Adam.Gammell@insurance.ca.gov>, Beverly.Bautista@insurance.ca.gov <Beverly.Bautista@insurance.ca.gov>, Carolyn.Yap@insurance.ca.gov <Carolyn.Yap@insurance.ca.gov>, Ken Allen <Ken.Allen@insurance.ca.gov>, Lisbeth Landsman-Smith <Lisbeth.Landsman@insurance.ca.gov>
Cc: Julie Erickson <julie.erickson@farmersinsurance.com>, Richard De La Mora <richard.delamora@farmersinsurance.com>, Adam Morris <adam.morris@farmersinsurance.com>
Subject: RE: Re: Farmers Renters/Condo #20-444; PA-2020-00004

Hi Allan,

Thank you for sending your questions through e-mail, we appreciate you reviewing this quickly. I have attached our responses to the questions that you posed in this e-mail.

Thank you,

Alissa Vreman, FCAS, MAAA
Territory Product Lead - West
Personal Lines Product Management
alissa.vreman@farmersinsurance.com

From: actuary999@aol.com [mailto:actuary999@aol.com]
Sent: Friday, June 11, 2021 2:09 PM
To: Alissa Vreman <alissa.vreman@farmersinsurance.com>; Victoria McCarthy <victoria.mccarthy@farmersinsurance.com>; pam@consumerwatchdog.org; Alec.Stone@insurance.ca.gov; ben@consumerwatchdog.org; Annie.Chao@insurance.ca.gov; Darjen.Kuo@insurance.ca.gov; Adam.Gammell@insurance.ca.gov; Beverly.Bautista@insurance.ca.gov; Carolyn.Yap@insurance.ca.gov; Ken.Allen@insurance.ca.gov; Lisbeth.Landsman@insurance.ca.gov
Cc: Julie Erickson <julie.erickson@farmersinsurance.com>; Richard De La Mora <richard.delamora@farmersinsurance.com>; Adam Morris <adam.morris@farmersinsurance.com>
Subject: [EXTERNAL] Re: Farmers Renters/Condo #20-444; PA-2020-00004

Alissa

Thanks for your response

With regard to the 2.6% wildfire weight, since that is a projected value, can you supply the underlying data and calculations that were used to derive that projected value.

Please see attached file “CA SPRC Fireline - Peril Weights support.xlsx”.

With respect to capping, if I understand correctly, in the absence of some optional coverages and fees not subject to capping, every change would either be 25% or less (those with uncapped increase < 50%) or exactly 50% (with uncapped increase >=50%). So the only way to get capped increases from 25% to 49.9% or above 50% is from the additional of uncapped optional coverages and fees.

Yes, that is correct. However, upon review of the disruption exhibit (Exhibit 20), we noticed a minor error in display that only impacts this exhibit. Attached is a revised exhibit. Please note for the capped exhibit the exposures stop at the 50-55% range.

Can you provide a listing / explanation of the optional coverages and fees not subject to capping.

Policy fees / Membership dues are not subject to capping. Optional coverages are not subject to capping. The optional coverages can be found in our proposed rate manuals. The optional coverages include:
Association Loss Assessment Coverage
Business Pursuits Coverages
Home Child Care Services
Extending Liability for Farmland Leased to Others
Limited Mold Coverage
Optional Personal Injury Coverage
Residence Glass – Waiver of Deductible
Personal Article Endorsements (Scheduled and Unscheduled)
Increased or Special limits on certain personal property
Sewer and Drain Coverage
Identity Management Services Endorsement
Watercraft Liability
Workers' Compensation Coverage for Private Residence Employees

Can you also give some specific examples of what changes would result in the increases between 25% to 49.9% and above 50% shown in the file "CA SPRC Objection 20210422 - Exhibit 20 revised"

Please see attached file “CA SPRC disruption – examples.xlsx”. The attached file shows 3 examples and the uncapped and capped impacts.

California
Fire Insurance Exchange & Farmers Insurance Exchange
Smart Plan Renters and Condo
Peril Weight Selection

	(1)	(2)	(3)	(4)=(3)/(1)
Accident Year/Quarter	**Exposures**	**AQ Weights**	**Property Ultimate Losses**	**Property Pure Premium**
2014Q2	70,343	0.050	12,410,877	176.43
2014Q3	69,967	0.050	12,912,450	184.55
2014Q4	69,836	0.050	11,928,798	170.81
2015Q1	69,989	0.050	12,292,813	175.64
2015Q2	70,279	0.050	12,213,726	173.79
2015Q3	70,307	0.050	13,195,887	187.69
2015Q4	70,148	0.050	12,712,162	181.22
2016Q1	70,043	0.050	12,560,890	179.33
2016Q2	69,682	0.050	11,812,047	169.51
2016Q3	69,115	0.050	13,832,156	200.13
2016Q4	68,606	0.050	12,297,479	179.25
2017Q1	68,130	0.050	13,296,626	195.16
2017Q2	68,489	0.050	11,451,101	167.20
2017Q3	69,462	0.050	14,038,762	202.11
2017Q4	70,692	0.050	10,748,706	152.05
2018Q1	72,736	0.050	12,438,449	171.01
2018Q2	74,398	0.050	11,211,471	150.70
2018Q3	75,417	0.050	13,132,652	174.13
2018Q4	75,965	0.050	11,118,374	146.36
2019Q1	76,362	0.050	11,863,931	155.36
Total				Total = sum((2)*(4)) **174.62**

FFEQ 2019 Pure Premium:	**2.89**
Wildfire 2019 Pure Premium:	**5.21**
Indicated WF peril Weight	**2.9%**
Selected WF peril Weight	**2.6%**

model loss info:

	FFEQ	Wildfire
Inforce as of 1Q2019	304,775	304,775
Gross Model Loss	882,054	1,587,744
Est. Pure Premium	2.89	5.21

Notes:
1. Property losses do not include Wildfire or Fire Following Earthquake (FFEQ), model losses were used for those perils
2. Modeled Loss information from Wildfire/Fireline support
 See files "CA SPRC Fireline Factors ExhibitV2.xlsx" provided in response to Objection Letter dated 11/04/2020
3. For FFEQ model loss, please see HO rate filing SERFF FARM-132064418 Exhibit 9 for renter/condo

Fire Insurance Exchange & Farmers Insurance Exchange
California
Smart Plan Renters

Customer Dislocation - Uncapped

Rate Impact	Number of Policies	% of Policies	Total Rate Change	Current Total Premium	Proposed Total Premium	Current Average Premium	Proposed Average Premium	Average Premium Change	Max Premium Increase
-65% to -60%	14	0.0%	-61.5%	$ 5,609	$ 2,161	$ 401	$ 154	$ (246)	$ (203)
-60% to -55%	35	0.0%	-57.1%	$ 12,575	$ 5,398	$ 359	$ 154	$ (205)	$ (167)
-55% to -50%	122	0.1%	-51.9%	$ 40,456	$ 19,443	$ 332	$ 159	$ (172)	$ (130)
-50% to -45%	383	0.2%	-47.1%	$ 114,689	$ 60,648	$ 299	$ 158	$ (141)	$ (107)
-45% to -40%	923	0.5%	-42.1%	$ 260,756	$ 150,939	$ 283	$ 164	$ (119)	$ (87)
-40% to -35%	2,316	1.3%	-37.1%	$ 618,171	$ 388,585	$ 267	$ 168	$ (99)	$ (70)
-35% to -30%	4,371	2.5%	-32.3%	$ 1,103,003	$ 747,205	$ 252	$ 171	$ (81)	$ (56)
-30% to -25%	7,211	4.2%	-27.4%	$ 1,744,650	$ 1,267,270	$ 242	$ 176	$ (66)	$ (43)
-25% to -20%	10,003	5.8%	-22.4%	$ 2,322,702	$ 1,802,419	$ 232	$ 180	$ (52)	$ (33)
-20% to -15%	13,229	7.6%	-17.4%	$ 2,956,921	$ 2,441,293	$ 224	$ 185	$ (39)	$ (23)
-15% to -10%	14,946	8.6%	-12.5%	$ 3,288,031	$ 2,877,113	$ 220	$ 193	$ (27)	$ (14)
-10% to -5%	15,192	8.8%	-7.5%	$ 3,350,612	$ 3,099,397	$ 221	$ 204	$ (17)	$ (7)
-5% to 0%	18,846	10.9%	-2.8%	$ 3,881,796	$ 3,771,211	$ 206	$ 200	$ (6)	$ (0)
0% to 5%	34,497	19.9%	1.4%	$ 5,917,353	$ 6,000,188	$ 172	$ 174	$ 2	$ 177
5% to 10%	12,849	7.4%	7.4%	$ 2,890,985	$ 3,105,030	$ 225	$ 242	$ 17	$ 319
10% to 15%	10,099	5.8%	12.4%	$ 2,257,142	$ 2,536,671	$ 224	$ 251	$ 28	$ 409
15% to 20%	7,306	4.2%	17.4%	$ 1,650,604	$ 1,937,620	$ 226	$ 265	$ 39	$ 315
20% to 25%	5,495	3.2%	22.4%	$ 1,279,917	$ 1,566,753	$ 233	$ 285	$ 52	$ 767
25% to 30%	3,896	2.2%	27.4%	$ 922,741	$ 1,175,525	$ 237	$ 302	$ 65	$ 584
30% to 35%	2,815	1.6%	32.3%	$ 686,985	$ 909,049	$ 244	$ 323	$ 79	$ 643
35% to 40%	2,047	1.2%	37.4%	$ 524,661	$ 721,090	$ 256	$ 352	$ 96	$ 1,184
40% to 45%	1,464	0.8%	42.4%	$ 375,738	$ 535,049	$ 257	$ 365	$ 109	$ 781
45% to 50%	1,102	0.6%	47.3%	$ 294,194	$ 433,446	$ 267	$ 393	$ 126	$ 758
50% to 55%	814	0.5%	52.4%	$ 223,800	$ 341,002	$ 275	$ 419	$ 144	$ 1,574
55% to 60%	666	0.4%	57.3%	$ 184,988	$ 291,064	$ 278	$ 437	$ 159	$ 1,110
60% to 65%	477	0.3%	62.4%	$ 137,393	$ 223,176	$ 288	$ 468	$ 180	$ 1,064
65% to 70%	394	0.2%	67.5%	$ 115,468	$ 193,431	$ 293	$ 491	$ 198	$ 1,269
70% to 75%	297	0.2%	72.3%	$ 87,408	$ 150,620	$ 294	$ 507	$ 213	$ 1,490
75% to 80%	234	0.1%	77.5%	$ 71,311	$ 126,543	$ 305	$ 541	$ 236	$ 1,586
80% to 85%	215	0.1%	82.5%	$ 60,071	$ 109,609	$ 279	$ 510	$ 230	$ 1,276
85% to 90%	164	0.1%	87.5%	$ 49,379	$ 92,607	$ 301	$ 565	$ 264	$ 850
90% to 95%	138	0.1%	92.2%	$ 45,311	$ 87,099	$ 328	$ 631	$ 303	$ 2,820
95% to 100%	94	0.1%	97.4%	$ 33,396	$ 65,925	$ 355	$ 701	$ 346	$ 3,101
100% to 105%	93	0.1%	102.5%	$ 31,221	$ 63,209	$ 336	$ 680	$ 344	$ 1,176
105% to 110%	66	0.0%	107.3%	$ 26,000	$ 53,894	$ 394	$ 817	$ 423	$ 1,540
110% to 115%	50	0.0%	112.4%	$ 22,167	$ 47,085	$ 443	$ 942	$ 498	$ 2,360
115% to 120%	41	0.0%	117.4%	$ 13,987	$ 30,401	$ 341	$ 741	$ 400	$ 927
120% to 125%	41	0.0%	122.9%	$ 15,930	$ 35,502	$ 389	$ 866	$ 477	$ 3,557
125% to 130%	34	0.0%	127.3%	$ 9,300	$ 21,138	$ 274	$ 622	$ 348	$ 1,210
130% to 135%	31	0.0%	132.5%	$ 13,251	$ 30,809	$ 427	$ 994	$ 566	$ 2,126
135% to 140%	23	0.0%	137.4%	$ 9,020	$ 21,409	$ 392	$ 931	$ 539	$ 1,388
140% to 145%	19	0.0%	143.1%	$ 6,566	$ 15,962	$ 346	$ 840	$ 495	$ 1,378
145% to 150%	16	0.0%	147.4%	$ 5,151	$ 12,745	$ 322	$ 797	$ 475	$ 1,077
150% to 155%	13	0.0%	151.4%	$ 6,976	$ 17,539	$ 537	$ 1,349	$ 813	$ 2,961
155% to 160%	13	0.0%	157.1%	$ 4,488	$ 11,538	$ 345	$ 888	$ 542	$ 1,396
160% to 165%	11	0.0%	162.5%	$ 6,410	$ 16,826	$ 583	$ 1,530	$ 947	$ 2,175
165% to 170%	13	0.0%	168.1%	$ 11,388	$ 30,535	$ 876	$ 2,349	$ 1,473	$ 7,939
170% to 175%	6	0.0%	172.3%	$ 1,751	$ 4,769	$ 292	$ 795	$ 503	$ 797
175% to 180%	5	0.0%	177.3%	$ 1,097	$ 3,040	$ 219	$ 608	$ 389	$ 630
180% to 185%	9	0.0%	183.5%	$ 2,103	$ 5,960	$ 234	$ 662	$ 429	$ 707
185% to 190%	3	0.0%	188.4%	$ 592	$ 1,707	$ 197	$ 569	$ 372	$ 425
190% to 195%	4	0.0%	192.4%	$ 1,258	$ 3,677	$ 314	$ 919	$ 605	$ 1,263
195% to 200%	4	0.0%	196.3%	$ 900	$ 2,668	$ 225	$ 667	$ 442	$ 849
200% to 205%	1	0.0%	200.5%	$ 282	$ 849	$ 282	$ 849	$ 566	$ 566
205% to 210%	2	0.0%	206.4%	$ 658	$ 2,015	$ 329	$ 1,008	$ 679	$ 714
210% to 215%	1	0.0%	212.7%	$ 142	$ 444	$ 142	$ 444	$ 302	$ 302
215% to 220%	3	0.0%	216.9%	$ 911	$ 2,887	$ 304	$ 962	$ 659	$ 1,009
220% to 225%	1	0.0%	222.7%	$ 221	$ 714	$ 221	$ 714	$ 493	$ 493
225% to 230%	1	0.0%	227.4%	$ 431	$ 1,412	$ 431	$ 1,412	$ 981	$ 981
230% to 235%	1	0.0%	232.6%	$ 336	$ 1,118	$ 336	$ 1,118	$ 782	$ 782
235% to 240%	1	0.0%	238.1%	$ 143	$ 484	$ 143	$ 484	$ 341	$ 341
240% to 245%	1	0.0%	242.2%	$ 498	$ 1,704	$ 498	$ 1,704	$ 1,206	$ 1,206
245% to 250%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
250% to 255%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
255% to 260%	1	0.0%	257.0%	$ 240	$ 857	$ 240	$ 857	$ 617	$ 617
260% to 265%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
265% to 270%	1	0.0%	267.3%	$ 1,123	$ 4,124	$ 1,123	$ 4,124	$ 3,001	$ 3,001
270% to 275%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
275% to 280%	2	0.0%	276.8%	$ 1,531	$ 5,769	$ 765	$ 2,885	$ 2,119	$ 3,272
280% to 285%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
285% to 290%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
290% to 295%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
295% to 300%	2	0.0%	299.0%	$ 476	$ 1,901	$ 238	$ 951	$ 712	$ 918
300% to 305%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
305% to 310%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
310% to 315%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
315% to 320%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
320% to 325%	1	0.0%	324.0%	$ 239	$ 1,012	$ 239	$ 1,012	$ 773	$ 773
325% to 330%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
330% to 335%	1	0.0%	332.8%	$ 2,118	$ 9,165	$ 2,118	$ 9,165	$ 7,047	$ 7,047
335% to 340%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
340% to 345%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
345% to 350%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
350% to 355%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
355% to 360%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -

Fire Insurance Exchange & Farmers Insurance Exchange
California
Smart Plan Renters

Customer Dislocation - Uncapped

Rate Impact	Number of Policies	% of Policies	Total Rate Change	Current Total Premium	Proposed Total Premium	Current Average Premium	Proposed Average Premium	Average Premium Change	Max Premium Increase
360% to 365%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
365% to 370%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
370% to 375%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
375% to 380%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
380% to 385%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
385% to 390%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
390% to 395%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
395% to 400%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
400% to 405%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
405% to 410%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
410% to 415%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
415% to 420%	1	0.0%	419.4%	$ 332	$ 1,723	$ 332	$ 1,723	$ 1,391	$ 1,391
420% to 425%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
	173,170	**100.0%**	**0.0%**	**$ 37,708,052**	**$ 37,701,172**	**$ 218**	**$ 218**	**$ (0)**	**$ 7,939**

* Please note that the premiums and rate impacts above excludes temporary caps

**** Risk Profile for Customers >= 25%**

Tend to have higher Personal Property Content Coverage and higher Liability Coverage
Average Personal Property Content Coverage of 70K vs 26K
Average Liability Coverage of 257K vs 168K

Fire Insurance Exchange
California
Smart Plan Condo

Customer Dislocation - Uncapped

Rate Impact	Number of Policies	% of Policies	Total Rate Change	Current Total Premium	Proposed Total Premium	Current Average Premium	Proposed Average Premium	Average Premium Change	Max Premium Increase
-75% to -70%	1	0.0%	-71.0%	$ 682	$ 198	$ 682	$ 198	$ (484)	$ (484)
-70% to -65%	4	0.0%	-66.0%	$ 3,437	$ 1,167	$ 859	$ 292	$ (568)	$ (413)
-65% to -60%	35	0.0%	-62.1%	$ 28,201	$ 10,692	$ 806	$ 305	$ (500)	$ (273)
-60% to -55%	96	0.1%	-57.0%	$ 76,125	$ 32,741	$ 793	$ 341	$ (452)	$ (226)
-55% to -50%	243	0.2%	-52.2%	$ 189,588	$ 90,701	$ 780	$ 373	$ (407)	$ (176)
-50% to -45%	521	0.4%	-47.1%	$ 398,579	$ 210,689	$ 765	$ 404	$ (361)	$ (149)
-45% to -40%	1,154	0.9%	-42.3%	$ 854,886	$ 493,581	$ 741	$ 428	$ (313)	$ (121)
-40% to -35%	2,085	1.6%	-37.3%	$ 1,499,303	$ 940,484	$ 719	$ 451	$ (268)	$ (96)
-35% to -30%	3,531	2.7%	-32.3%	$ 2,485,355	$ 1,681,989	$ 704	$ 476	$ (228)	$ (75)
-30% to -25%	5,552	4.2%	-27.3%	$ 3,849,413	$ 2,797,926	$ 693	$ 504	$ (189)	$ (62)
-25% to -20%	8,165	6.2%	-22.4%	$ 5,517,919	$ 4,282,424	$ 676	$ 524	$ (151)	$ (44)
-20% to -15%	10,878	8.3%	-17.4%	$ 7,199,043	$ 5,946,544	$ 662	$ 547	$ (115)	$ (32)
-15% to -10%	12,847	9.8%	-12.4%	$ 8,487,232	$ 7,432,383	$ 661	$ 579	$ (82)	$ (20)
-10% to -5%	14,293	10.9%	-7.5%	$ 9,407,875	$ 8,706,028	$ 658	$ 609	$ (49)	$ (10)
-5% to 0%	14,554	11.1%	-2.5%	$ 9,592,055	$ 9,351,401	$ 659	$ 643	$ (17)	$ (0)
0% to 5%	13,065	10.0%	2.4%	$ 8,648,379	$ 8,859,339	$ 662	$ 678	$ 16	$ 163
5% to 10%	10,991	8.4%	7.4%	$ 7,329,706	$ 7,872,632	$ 667	$ 716	$ 49	$ 357
10% to 15%	8,307	6.3%	12.4%	$ 5,606,059	$ 6,301,088	$ 675	$ 759	$ 84	$ 1,038
15% to 20%	6,192	4.7%	17.4%	$ 4,214,849	$ 4,948,748	$ 681	$ 799	$ 119	$ 748
20% to 25%	4,793	3.7%	22.4%	$ 3,324,751	$ 4,068,276	$ 694	$ 849	$ 155	$ 688
25% to 30%	3,382	2.6%	27.4%	$ 2,334,791	$ 2,974,010	$ 690	$ 879	$ 189	$ 919
30% to 35%	2,492	1.9%	32.4%	$ 1,705,424	$ 2,257,506	$ 684	$ 906	$ 222	$ 1,472
35% to 40%	1,722	1.3%	37.4%	$ 1,208,581	$ 1,660,610	$ 702	$ 964	$ 263	$ 1,438
40% to 45%	1,246	1.0%	42.4%	$ 879,676	$ 1,252,355	$ 706	$ 1,005	$ 299	$ 1,394
45% to 50%	1,002	0.8%	47.4%	$ 753,034	$ 1,109,609	$ 752	$ 1,107	$ 356	$ 1,410
50% to 55%	766	0.6%	52.4%	$ 576,273	$ 878,108	$ 752	$ 1,146	$ 394	$ 1,746
55% to 60%	553	0.4%	57.3%	$ 414,325	$ 651,843	$ 749	$ 1,179	$ 430	$ 1,846
60% to 65%	407	0.3%	62.3%	$ 305,890	$ 496,487	$ 752	$ 1,220	$ 468	$ 1,495
65% to 70%	315	0.2%	67.5%	$ 236,694	$ 396,389	$ 751	$ 1,258	$ 507	$ 1,324
70% to 75%	287	0.2%	72.5%	$ 225,816	$ 389,462	$ 787	$ 1,357	$ 570	$ 2,905
75% to 80%	223	0.2%	77.2%	$ 173,820	$ 308,039	$ 779	$ 1,381	$ 602	$ 1,923
80% to 85%	156	0.1%	82.5%	$ 126,572	$ 231,001	$ 811	$ 1,481	$ 669	$ 2,110
85% to 90%	146	0.1%	87.3%	$ 120,142	$ 225,080	$ 823	$ 1,542	$ 719	$ 1,739
90% to 95%	106	0.1%	92.2%	$ 93,052	$ 178,856	$ 878	$ 1,687	$ 809	$ 2,508
95% to 100%	104	0.1%	97.6%	$ 85,210	$ 168,381	$ 819	$ 1,619	$ 800	$ 2,223
100% to 105%	83	0.1%	102.4%	$ 62,753	$ 126,991	$ 756	$ 1,530	$ 774	$ 1,741
105% to 110%	65	0.0%	107.7%	$ 50,306	$ 104,486	$ 774	$ 1,607	$ 834	$ 2,153
110% to 115%	68	0.1%	112.3%	$ 52,828	$ 112,160	$ 777	$ 1,649	$ 873	$ 2,385
115% to 120%	36	0.0%	117.2%	$ 33,987	$ 73,804	$ 944	$ 2,050	$ 1,106	$ 3,512
120% to 125%	42	0.0%	122.4%	$ 36,647	$ 81,499	$ 873	$ 1,940	$ 1,068	$ 2,031
125% to 130%	32	0.0%	127.9%	$ 28,570	$ 65,122	$ 893	$ 2,035	$ 1,142	$ 3,350
130% to 135%	27	0.0%	132.7%	$ 23,307	$ 54,229	$ 863	$ 2,008	$ 1,145	$ 2,767
135% to 140%	21	0.0%	137.0%	$ 18,669	$ 44,236	$ 889	$ 2,106	$ 1,217	$ 2,798
140% to 145%	22	0.0%	142.7%	$ 20,153	$ 48,921	$ 916	$ 2,224	$ 1,308	$ 4,048
145% to 150%	17	0.0%	147.2%	$ 16,858	$ 41,671	$ 992	$ 2,451	$ 1,460	$ 4,694
150% to 155%	17	0.0%	152.7%	$ 15,823	$ 39,986	$ 931	$ 2,352	$ 1,421	$ 2,159
155% to 160%	21	0.0%	157.1%	$ 18,050	$ 46,413	$ 860	$ 2,210	$ 1,351	$ 2,441
160% to 165%	14	0.0%	162.3%	$ 15,039	$ 39,453	$ 1,074	$ 2,818	$ 1,744	$ 4,814
165% to 170%	11	0.0%	167.3%	$ 7,815	$ 20,890	$ 710	$ 1,899	$ 1,189	$ 2,397
170% to 175%	14	0.0%	173.3%	$ 13,482	$ 36,844	$ 963	$ 2,632	$ 1,669	$ 4,026
175% to 180%	16	0.0%	177.2%	$ 14,307	$ 39,664	$ 894	$ 2,479	$ 1,585	$ 2,989
180% to 185%	8	0.0%	183.1%	$ 6,424	$ 18,186	$ 803	$ 2,273	$ 1,470	$ 2,565
185% to 190%	10	0.0%	187.6%	$ 7,654	$ 22,014	$ 765	$ 2,201	$ 1,436	$ 3,199
190% to 195%	12	0.0%	192.1%	$ 10,374	$ 30,304	$ 865	$ 2,525	$ 1,661	$ 2,559
195% to 200%	4	0.0%	197.7%	$ 4,765	$ 14,185	$ 1,191	$ 3,546	$ 2,355	$ 3,874
200% to 205%	4	0.0%	203.8%	$ 3,224	$ 9,794	$ 806	$ 2,449	$ 1,643	$ 1,952
205% to 210%	5	0.0%	208.3%	$ 4,510	$ 13,906	$ 902	$ 2,781	$ 1,879	$ 2,354
210% to 215%	3	0.0%	210.7%	$ 2,761	$ 8,577	$ 920	$ 2,859	$ 1,939	$ 2,483
215% to 220%	8	0.0%	216.7%	$ 5,744	$ 18,193	$ 718	$ 2,274	$ 1,556	$ 3,899
220% to 225%	3	0.0%	223.3%	$ 2,437	$ 7,878	$ 812	$ 2,626	$ 1,814	$ 2,171
225% to 230%	3	0.0%	228.5%	$ 2,100	$ 6,899	$ 700	$ 2,300	$ 1,600	$ 2,122
230% to 235%	3	0.0%	232.0%	$ 1,674	$ 5,559	$ 558	$ 1,853	$ 1,295	$ 1,464
235% to 240%	3	0.0%	239.1%	$ 3,374	$ 11,439	$ 1,125	$ 3,813	$ 2,689	$ 3,138
240% to 245%	5	0.0%	242.4%	$ 5,605	$ 19,189	$ 1,121	$ 3,838	$ 2,717	$ 6,928
245% to 250%	1	0.0%	247.0%	$ 662	$ 2,297	$ 662	$ 2,297	$ 1,635	$ 1,635
250% to 255%	1	0.0%	253.4%	$ 1,726	$ 6,099	$ 1,726	$ 6,099	$ 4,373	$ 4,373
255% to 260%	3	0.0%	256.3%	$ 2,667	$ 9,503	$ 889	$ 3,168	$ 2,279	$ 2,827
260% to 265%	1	0.0%	261.8%	$ 1,044	$ 3,776	$ 1,044	$ 3,776	$ 2,732	$ 2,732
265% to 270%	1	0.0%	267.9%	$ 724	$ 2,664	$ 724	$ 2,664	$ 1,940	$ 1,940
270% to 275%	3	0.0%	270.8%	$ 1,959	$ 7,264	$ 653	$ 2,421	$ 1,768	$ 1,985
275% to 280%	3	0.0%	278.0%	$ 2,942	$ 11,122	$ 981	$ 3,707	$ 2,726	$ 3,217
280% to 285%	2	0.0%	282.8%	$ 2,010	$ 7,693	$ 1,005	$ 3,847	$ 2,842	$ 3,362
285% to 290%	3	0.0%	286.9%	$ 1,629	$ 6,303	$ 543	$ 2,101	$ 1,558	$ 2,163
290% to 295%	1	0.0%	290.1%	$ 739	$ 2,881	$ 739	$ 2,881	$ 2,143	$ 2,143
295% to 300%	1	0.0%	297.2%	$ 541	$ 2,149	$ 541	$ 2,149	$ 1,608	$ 1,608
300% to 305%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
305% to 310%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
310% to 315%	1	0.0%	311.8%	$ 577	$ 2,376	$ 577	$ 2,376	$ 1,799	$ 1,799
315% to 320%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
320% to 325%	1	0.0%	324.9%	$ 1,222	$ 5,192	$ 1,222	$ 5,192	$ 3,970	$ 3,970
325% to 330%	1	0.0%	326.3%	$ 942	$ 4,018	$ 942	$ 4,018	$ 3,075	$ 3,075
330% to 335%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
335% to 340%	1	0.0%	337.7%	$ 369	$ 1,613	$ 369	$ 1,613	$ 1,245	$ 1,245
340% to 345%	1	0.0%	344.2%	$ 536	$ 2,380	$ 536	$ 2,380	$ 1,844	$ 1,844
345% to 350%	1	0.0%	346.0%	$ 908	$ 4,052	$ 908	$ 4,052	$ 3,143	$ 3,143

Fire Insurance Exchange
California
Smart Plan Condo

Customer Dislocation - Uncapped

Rate Impact	Number of Policies	% of Policies	Total Rate Change	Current Total Premium	Proposed Total Premium	Current Average Premium	Proposed Average Premium	Average Premium Change	Max Premium Increase
350% to 355%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
355% to 360%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
360% to 365%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
365% to 370%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
370% to 375%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
375% to 380%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
380% to 385%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
385% to 390%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
390% to 395%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
395% to 400%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
400% to 405%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
405% to 410%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
410% to 415%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
415% to 420%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
420% to 425%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
425% to 430%	1	0.0%	429.0%	$ 588	$ 3,110	$ 588	$ 3,110	$ 2,522	$ 2,522
430% to 435%	1	0.0%	431.9%	$ 835	$ 4,440	$ 835	$ 4,440	$ 3,605	$ 3,605
435% to 440%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
	130,819	**100.0%**	**0.0%**	**$ 88,464,593**	**$ 88,458,193**	**$ 676**	**$ 676**	**$ (0)**	**$ 6,928**

* Please note that the premiums and rate impacts above excludes temporary caps

**** Risk Profile for Customers >= 25%**
Tend to have similiar Personal Property Content Coverage but higher Liability Coverage
Average Personal Property Content Coverage of 35K vs 32K
Average Liability Coverage of 418K vs 381K

Fire Insurance Exchange & Farmers Insurance Exchange
California
Smart Plan Renters

Customer Dislocation - Capped

Rate Impact	Number of Policies	% of Policies	Total Rate Change	Current Total Premium	Proposed Total Premium	Current Average Premium	Proposed Average Premium	Average Premium Change	Max Premium Increase
-65% to -60%	14	0.0%	-61.5%	$ 5,609	$ 2,161	$ 401	$ 154	$ (246)	$ (203)
-60% to -55%	35	0.0%	-57.1%	$ 12,575	$ 5,398	$ 359	$ 154	$ (205)	$ (167)
-55% to -50%	122	0.1%	-51.9%	$ 40,456	$ 19,443	$ 332	$ 159	$ (172)	$ (130)
-50% to -45%	383	0.2%	-47.1%	$ 114,689	$ 60,648	$ 299	$ 158	$ (141)	$ (107)
-45% to -40%	923	0.5%	-42.1%	$ 260,756	$ 150,939	$ 283	$ 164	$ (119)	$ (87)
-40% to -35%	2,316	1.3%	-37.1%	$ 618,171	$ 388,585	$ 267	$ 168	$ (99)	$ (70)
-35% to -30%	4,371	2.5%	-32.3%	$ 1,103,003	$ 747,205	$ 252	$ 171	$ (81)	$ (56)
-30% to -25%	7,211	4.2%	-27.4%	$ 1,744,650	$ 1,267,270	$ 242	$ 176	$ (66)	$ (43)
-25% to -20%	10,003	5.8%	-22.4%	$ 2,322,702	$ 1,802,419	$ 232	$ 180	$ (52)	$ (33)
-20% to -15%	13,229	7.6%	-17.4%	$ 2,956,921	$ 2,441,293	$ 224	$ 185	$ (39)	$ (23)
-15% to -10%	14,946	8.6%	-12.5%	$ 3,288,031	$ 2,877,113	$ 220	$ 193	$ (27)	$ (14)
-10% to -5%	15,193	8.8%	-7.5%	$ 3,350,787	$ 3,099,559	$ 221	$ 204	$ (17)	$ (7)
-5% to 0%	18,846	10.9%	-2.8%	$ 3,881,796	$ 3,771,211	$ 206	$ 200	$ (6)	$ (0)
0% to 5%	34,516	19.9%	1.4%	$ 5,946,676	$ 6,030,608	$ 172	$ 175	$ 2	$ 177
5% to 10%	13,009	7.5%	7.4%	$ 3,011,703	$ 3,234,533	$ 232	$ 249	$ 17	$ 272
10% to 15%	10,536	6.1%	12.4%	$ 2,383,158	$ 2,679,434	$ 226	$ 254	$ 28	$ 385
15% to 20%	10,664	6.2%	17.6%	$ 2,405,428	$ 2,828,000	$ 226	$ 265	$ 40	$ 583
20% to 25%	9,277	5.4%	22.3%	$ 2,284,115	$ 2,793,462	$ 246	$ 301	$ 55	$ 783
25% to 30%	2,311	1.3%	25.4%	$ 445,983	$ 559,331	$ 193	$ 242	$ 49	$ 578
30% to 35%	297	0.2%	32.9%	$ 105,236	$ 139,845	$ 354	$ 471	$ 117	$ 463
35% to 40%	717	0.4%	37.8%	$ 217,989	$ 300,429	$ 304	$ 419	$ 115	$ 1,721
40% to 45%	2,019	1.2%	42.8%	$ 564,257	$ 805,904	$ 279	$ 399	$ 120	$ 1,223
45% to 50%	1,425	0.8%	47.6%	$ 488,344	$ 720,617	$ 343	$ 506	$ 163	$ 1,035
50% to 55%	807	0.5%	50.0%	$ 155,018	$ 232,533	$ 192	$ 288	$ 96	$ 607
55% to 60%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
Total	**173,170**	**100.0%**	**-2.0%**	**$ 37,708,052**	**$ 36,957,940**	**$ 218**	**$ 213**	**$ (4)**	**$ 1,721**

* Please note that the premiums and rate impacts above reflect the use of our temporary caps as this accurately reflects what the customer would experience. Our overall rate impact of 0% is targeted using uncapped premium numbers.

**** Risk Profile for Customers >= 25%**

Tend to have higher Personal Property Content Coverage and higher Liability Coverage
Average Personal Property Content Coverage of 76K vs 27K
Average Liability Coverage of 249K vs 173K

Fire Insurance Exchange
California
Smart Plan Condo

Customer Dislocation - Capped

Rate Impact	Number of Policies	% of Policies	Total Rate Change	Current Total Premium	Proposed Total Premium	Current Average Premium	Proposed Average Premium	Average Premium Change	Max Premium Increase
-75% to -70%	1	0.0%	-71.0%	$ 682	$ 198	$ 682	$ 198	$ (484)	$ (484)
-70% to -65%	4	0.0%	-66.0%	$ 3,437	$ 1,167	$ 859	$ 292	$ (568)	$ (413)
-65% to -60%	35	0.0%	-62.1%	$ 28,201	$ 10,692	$ 806	$ 305	$ (500)	$ (273)
-60% to -55%	96	0.1%	-57.0%	$ 76,125	$ 32,741	$ 793	$ 341	$ (452)	$ (226)
-55% to -50%	243	0.2%	-52.2%	$ 189,588	$ 90,701	$ 780	$ 373	$ (407)	$ (176)
-50% to -45%	521	0.4%	-47.1%	$ 398,579	$ 210,689	$ 765	$ 404	$ (361)	$ (149)
-45% to -40%	1,154	0.9%	-42.3%	$ 854,886	$ 493,581	$ 741	$ 428	$ (313)	$ (121)
-40% to -35%	2,085	1.6%	-37.3%	$ 1,499,303	$ 940,484	$ 719	$ 451	$ (268)	$ (96)
-35% to -30%	3,531	2.7%	-32.3%	$ 2,485,355	$ 1,681,989	$ 704	$ 476	$ (228)	$ (75)
-30% to -25%	5,552	4.2%	-27.3%	$ 3,849,413	$ 2,797,926	$ 693	$ 504	$ (189)	$ (62)
-25% to -20%	8,165	6.2%	-22.4%	$ 5,517,919	$ 4,282,424	$ 676	$ 524	$ (151)	$ (44)
-20% to -15%	10,878	8.3%	-17.4%	$ 7,199,043	$ 5,946,544	$ 662	$ 547	$ (115)	$ (32)
-15% to -10%	12,847	9.8%	-12.4%	$ 8,487,232	$ 7,432,383	$ 661	$ 579	$ (82)	$ (20)
-10% to -5%	14,293	10.9%	-7.5%	$ 9,407,875	$ 8,706,028	$ 658	$ 609	$ (49)	$ (10)
-5% to 0%	14,554	11.1%	-2.5%	$ 9,592,055	$ 9,351,401	$ 659	$ 643	$ (17)	$ (0)
0% to 5%	13,066	10.0%	2.4%	$ 8,650,413	$ 8,861,475	$ 662	$ 678	$ 16	$ 163
5% to 10%	11,016	8.4%	7.4%	$ 7,380,287	$ 7,927,656	$ 670	$ 720	$ 50	$ 731
10% to 15%	8,564	6.5%	12.4%	$ 5,850,231	$ 6,577,337	$ 683	$ 768	$ 85	$ 849
15% to 20%	7,539	5.8%	17.5%	$ 5,169,657	$ 6,074,575	$ 686	$ 806	$ 120	$ 626
20% to 25%	11,326	8.7%	22.8%	$ 7,923,988	$ 9,728,660	$ 700	$ 859	$ 159	$ 1,068
25% to 30%	679	0.5%	25.8%	$ 346,107	$ 435,274	$ 510	$ 641	$ 131	$ 933
30% to 35%	304	0.2%	33.0%	$ 190,227	$ 252,931	$ 626	$ 832	$ 206	$ 1,312
35% to 40%	376	0.3%	37.8%	$ 327,327	$ 450,957	$ 871	$ 1,199	$ 329	$ 1,347
40% to 45%	993	0.8%	43.1%	$ 760,079	$ 1,087,440	$ 765	$ 1,095	$ 330	$ 1,368
45% to 50%	2,755	2.1%	47.5%	$ 2,162,176	$ 3,190,082	$ 785	$ 1,158	$ 373	$ 1,626
50% to 55%	242	0.2%	50.0%	$ 114,410	$ 171,663	$ 473	$ 709	$ 237	$ 961
55% to 60%	0	0.0%	0.0%	$ -	$ -	$ -	$ -	$ -	$ -
Total	**130,819**	**100.0%**	**-2.0%**	**$ 88,464,593**	**$ 86,736,995**	**$ 676**	**$ 663**	**$ (13)**	**$ 1,626**

* Please note that the premiums and rate impacts above reflect the use of our temporary caps as this accurately reflects what the customer would experience. Our overall rate impact of 0% is targeted using uncapped premium numbers.

**** Risk Profile for Customers >= 25%**

Tend to have similiar Personal Property Content Coverage but higher Liability Coverage
Average Personal Property Content Coverage of 36K vs 32K
Average Liability Coverage of 381K vs 385K

California
Fire Insurance Exchange & Farmers Insurance Exchange
Smart Plan Renters and Condo
Sample Policy Calculations

Policy 1

Form type Condo

	Current Premium	Proposed Premium	Impact
Total Base premium	1,492	2,025	
Minimum	175	175	
Base Prem after min	1,492	2,025	35.7%
Other Opt. Cov.	829	829	
Fees	12	5	
›tal Premium - uncapped	2,333	2,859	22.5%
Total Premium - capped	NA	2,699	15.7%

Policy 2

Form type Renter

	Current Premium	Proposed Premium	Impact
Total Base premium	686	1,139	
Minimum	130	130	
Base Prem after min	686	1,139	66.0%
Other Opt. Cov.	286	286	
Fees	12	5	
›tal Premium - uncapped	984	1,430	45.3%
Total Premium - capped	NA	1,320	34.1%

Policy 3

Form type Condo

	Current Premium	Proposed Premium	Impact
Total Base premium	713	1,288	
Minimum	175	175	
Base Prem after min	713	1,288	80.6%
Other Opt. Cov.	51	51	
Fees	12	5	
›tal Premium - uncapped	776	1,344	73.2%
Total Premium - capped	NA	1,126	45.0%

Subject: FW: Farmers Exchange containing Exh. E
Date: Friday, August 20, 2021 at 4:16:33 PM Pacific Daylight Time
From: Ben Powell
To: Kaitlyn Gentile
Attachments: CDI Model Checklist AIRWF model CA 20210609 V2.pdf, CA SPRC Fireline Factors ExhibitsV3.xlsx, email 20210614 response.docx

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From: Alissa Vreman <alissa.vreman@farmersinsurance.com>
Date: Tuesday, June 15, 2021 at 4:30 PM
To: Allan Schwartz <actuary999@aol.com>, Victoria McCarthy <victoria.mccarthy@farmersinsurance.com>, Pam Pressley <pam@consumerwatchdog.org>, Alec.Stone@insurance.ca.gov <Alec.Stone@insurance.ca.gov>, Ben Powell <ben@consumerwatchdog.org>, Annie.Chao@insurance.ca.gov <Annie.Chao@insurance.ca.gov>, Darjen.Kuo@insurance.ca.gov <Darjen.Kuo@insurance.ca.gov>, Adam.Gammell@insurance.ca.gov <Adam.Gammell@insurance.ca.gov>, Beverly.Bautista@insurance.ca.gov <Beverly.Bautista@insurance.ca.gov>, Carolyn.Yap@insurance.ca.gov <Carolyn.Yap@insurance.ca.gov>, Ken Allen <Ken.Allen@insurance.ca.gov>, Lisbeth Landsman-Smith <Lisbeth.Landsman@insurance.ca.gov>
Cc: Julie Erickson <julie.erickson@farmersinsurance.com>, Richard De La Mora <richard.delamora@farmersinsurance.com>, Adam Morris <adam.morris@farmersinsurance.com>
Subject: RE: Re: Farmers Renters/Condo #20-444; PA-2020-00004

Hi Allan,

Attaching the remaining responses.

Thank you,

Alissa Vreman, FCAS, MAAA
Territory Product Lead - West
Personal Lines Product Management
alissa.vreman@farmersinsurance.com

From: actuary999@aol.com [mailto:actuary999@aol.com]
Sent: Monday, June 14, 2021 4:30 PM
To: Alissa Vreman <alissa.vreman@farmersinsurance.com>; Victoria McCarthy <victoria.mccarthy@farmersinsurance.com>; pam@consumerwatchdog.org; Alec.Stone@insurance.ca.gov; ben@consumerwatchdog.org; Annie.Chao@insurance.ca.gov; Darjen.Kuo@insurance.ca.gov; Adam.Gammell@insurance.ca.gov; Beverly.Bautista@insurance.ca.gov; Carolyn.Yap@insurance.ca.gov; Ken.Allen@insurance.ca.gov; Lisbeth.Landsman@insurance.ca.gov
Cc: Julie Erickson <julie.erickson@farmersinsurance.com>; Richard De La Mora <richard.delamora@farmersinsurance.com>; Adam Morris <adam.morris@farmersinsurance.com>
Subject: [EXTERNAL] Re: Farmers Renters/Condo #20-444; PA-2020-00004

Alissa

Some additional items below

- You stated “The input into the model consisted of identical policies whose characteristics reflect our expectation for this program. For example, we used $25,000 contents limit with a $1,000 all-peril deductible as a base. We also added Additional Living Expenses ($5,000 for Renters or $10,000 for Condos and Townhouses) as well as Additional Building and Loss Assessment coverages for Condos and Townhouses.” Please explain how these characteristics “reflect our expectation”. Provide data comparing these characteristics to the characteristics of policies actually written by Farmers.

  Below are tables showing the average and median of the inforce renter/condo data inforce as of 1Q2019 and the model assumptions. Also attached is a revised Fireline model checklist correcting the deductible assumption ($500 for all).

  Inforce policies as of 1Q2019 for Renter/Condo program

  Condo

PIF = 131,930	CovA	CovC	CovD	Ded
Average	69,030	32,372	15,337	1,167
Median	55,000	25,000	10,000	1,000

  Renter

PIF = 172,845	CovA	CovC	CovD	Ded
Average	30	29,695	6,523	694
Median	-	25,000	5,000	500

  Combined

PIF = 304,775	CovA	CovC	CovD	Ded
Average	30,300	30,870	10,390	902
Median	-	25,000	6,000	500

  Fireline Model Assumptions

	CovA	CovC	CovD	Ded
Renter	NA	25,000	5,000	500
Condo	23,000	25,000	10,000	500

- You stated “We then combined these identical risks with actual property locations from Farmers Condos, Townhouses, and Renter policies inforce as of March 31, 2019. Using actual addresses from similar programs allowed us to pair the resulting output with realistic Fireline scores from the same address." Please describe those "similar programs". Since these were different programs, was Farmers able to match addresses exactly? If not, how did Farmers match address from this program to those of similar programs?

The similar program is our existing/legacy renter and condo products and we are able to match the addresses exactly to our current inforce book.

- What procedure, if any, did Farmers use to determine that the difference in AAL's by Fireline score from the AIR model is not measuring the impact of differences in loss costs by zip code, so that the same geographic characteristics are not being included in both the zip code and Fireline rating factors.

  Zip Code indications were determined by analyzing pure premium residuals from the GLM model. As discussed in our prior responses, the GLM was built on data excluding catastrophes. The non-CAT wildfire experience remaining in the modeling data is a very small percentage of the overall loss.
  On the other hand, the FireLine Factors were determined using AALs from the AIR model which only captures expected wildfire loss experience.
  Given the differences in loss perils captured in the two models, we believe there would be very little overlap in the geographic signal captured in our zip code and FireLine rating factors.

- The file "CA SPRC Fireline Factors ExhibitsV2" had #REF errors in Solver. Provide an EXCEL file with correct cell references in Solver.

  See attached file "CA SPRC Fireline Factors ExhibitsV3.xlsx". The file includes the solver parameters and additional calculations needed for the output shown in col L on the tab Model – Selected_v2. Solver was run to minimize the ASE (col Q). Solver ensures that there is separation between the smoothed factors/Solver solution (col L). This is represented in Displacement (col R, difference in Col L).

California Department of Insurance (CDI)
Model Review Checklist Instructions

1. Scope of the analysis
Explain the scope and intended use of the analysis being performed. Include explanation of the following items:
a. Intended application of the model;
b. General operation of the model;
c. Major sensitivities and dependences within the model; and
d. Key strengths and limitations of the model.

Answer: The Wildfire (WF) losses were modeled in AIR Touchstone v6. The primary purpose of using such modeling software is to calculate price deviations where our claims data from past catastrophes may lack segmentation details proposed for the newly introduced programs. The key strength of using catastrophe modeling software is an ability to estimate losses for a wide range of policy contracts and properties. The limitations include proprietary nature of the modeling software.

2. Data
a. Provide documentation regarding the data source(s) used and the scope of the data (years, companies, geographies, etc.).

b. Identify reliance on data, models, and/or other information supplied by others. If using catastrophe model output, identify the vendor and the model settings/assumptions used. If using output of scoring algorithms, provide a list of the variables used in the score and the source of the data used to calculate the score.

c. Document the process for reviewing the appropriateness, reasonableness, consistency, and comprehensiveness of the data.

d. Document the findings of the data review and identify potential material limitations, defects, or unresolved concerns found or believed to exist in the data.

e. Describe any limitations of the analysis resulting from data limitations.

Answer: We used AIR Touchstone v6 model in this filing. The input into the model consisted of identical policies whose characteristics reflect our expectation for this program. For example, we used $25,000 contents limit with a $500 all-peril deductible as a base. We also added Additional Living Expenses ($5,000 for Renters or $10,000 for Condos and Townhouses) as well as Additional Building and Loss Assessment coverages for Condos and Townhouses. We then combined these identical risks with actual property locations from Farmers Condos, Townhouses, and Renter policies inforce as of March 31, 2019. Using actual addresses from similar programs allowed us to pair the resulting output with realistic Fireline scores from the same address.

3. Variables and Adjustments
a. Please describe the target variables used in the analysis, provide the formulae for computing the target variables, and show how the calculations were checked.

b. Provide definitions of each predictor variable used in the analysis, and describe the process for identifying questionable data values and improving the quality of the data.

c. Please describe the calculation of any offset, weight, or other variable used in the model (other than the predictor and target variables)

d. Describe any adjustments of modifications made to the data (for example, trending, development, exclusion of catastrophe losses, capping), and the rationale for the adjustments and modifications. Show the effect of the adjustments on the target variables and how the adjustments were checked.

e. Provide a report reconciling of raw data to modeling data.

Answer: The output from the model represented expected average annual losses calculated with a 10K Stochastic catalogue. The losses also included demand surge for all applicable coverages. We did not apply any modifications to the output from the model other than our standard expense loads.

4. **Assumptions and Modeling** a. Describe the type of model (GLM, decision tree, GBM, etc.) and the general framework for model selection (e.g. selection of predictor variables, selection of parameters). Identify the software used to fit the model (e.g. SAS, R, Emblem, etc).
b. List the assumptions made and provide support demonstrating that assumptions are appropriate (for example in GLM, the choice of error distribution, link function, predictor variables are linear, etc.).

c. Describe any filters applied to exclude observations from the model fitting process.

d. Provide the model coefficients and p-values (if applicable) and describe any "reversals" or other results that were not expected a priori. Identify any adjustments/selections that were made to the indicated model to derive the final proposed model.

e. Describe the methods used to validate the assumptions used and assess the statistical significance/goodness of the fit of the model, such as lift charts, statistical tests, and holdout samples. Ensure that it includes model projection results compared to historical actual results to verify that modeled results bear a reasonable relationship to actual results. Discuss the results.

Answer: We did not use GLM, decision tree or similar algorithms for modeling wildfire. As noted in #1-3 we used AIR Touchstone software.

5. Regulatory Compliance a. Verify whether credit was used or considered.
b. For auto, please confirm that: i. mandatory variables were included
ii. optional variables are allowable
iii. frequency and severity bands are compliant, and last in sequential
iv. variable factor weights are compliant

c. Verify that no form of price optimization (as defined by the CDI[1]) was applied in the models.
d. Please confirm that CDI checklists were adhered to.

Answer: AIR model does not consider credit nor any form of price optimization. All CDI checklist were adhered to for this filing.

6. Changes from Prior Analysis (if applicable)
a. Describe any material changes to the model.
b. Provide reconciliation of the results to the prior model given the changes in assumptions, parameters and data.

Answer: This is used for a new program so there is no prior model.

1 2/18/15 notice regarding unfair discrimination in rating: price optimization, from the CDI defines price optimization as "any method of taking into account an individual's or class's willingness to pay a higher premium relative to other individuals or classes. Price optimization does not seek to arrive at an actuarially sound estimate of the risk of loss and other future costs of a risk transfer."

Fire Insurance Exchange & Farmers Insurance Exchange
California
Farmers Smart Plan Renters and Condo
Fireline Factors

	From the AIR WF Model					Indicated			Selected				Solver	
Fireline	AIR Model AAL	Policy count	% exposure (WF)	AAL/policy	WF Relativities	Rebased to Fireline 0	Wildfire weight	Indicated Factor	Smoothed / Extrapolated WF Relativities	Rebased to Fireline 0	Wildfire weight	Selected Factor	ASE	Displacement
0	753,391	272,718	89.5%	2.763	0.530	1.000	2.6%	1.000	0.530	1.000	2.6%	1.000	0.00	
1	118,034	9,205	3.0%	12.823	2.461	4.642	2.6%	1.096	2.461	4.642	2.6%	1.096	0.00	1.931
2	210,248	11,333	3.7%	18.552	3.561	6.716	2.6%	1.151	3.561	6.716	2.6%	1.151	0.00	1.100
3	66,962	2,263	0.7%	29.590	5.680	10.711	2.6%	1.257	5.680	10.711	2.6%	1.257	0.00	2.119
4	111,624	3,497	1.1%	31.920	6.127	11.555	2.6%	1.279	6.127	11.554	2.6%	1.279	0.00	0.447
5	11,780	318	0.1%	37.043	7.111	13.409	2.6%	1.328	7.111	13.409	2.6%	1.328	0.00	0.984
6	152,245	2,897	1.0%	52.553	10.088	19.023	2.6%	1.476	9.990	18.839	2.6%	1.471	0.00	2.879
7	16,771	347	0.1%	48.332	9.278	17.496	2.6%	1.436	10.090	19.028	2.6%	1.476	0.00	0.100
8	38,061	424	0.1%	89.766	17.231	32.494	2.6%	1.832	12.356	23.302	2.6%	1.589	0.03	2.266
9	50,977	940	0.3%	54.231	10.410	19.631	2.6%	1.492	12.456	23.490	2.6%	1.594	0.01	0.100
10	3,675	45	0.0%	81.675	15.678	29.565	2.6%	1.755	12.556	23.679	2.6%	1.599	0.00	0.100
11	15,403	256	0.1%	60.168	11.550	21.780	2.6%	1.549	12.656	23.867	2.6%	1.604	0.00	0.100
12	16,901	184	0.1%	91.855	17.632	33.250	2.6%	1.852	13.757	25.943	2.6%	1.659	0.01	1.101
13	9,211	138	0.0%	66.744	12.812	24.160	2.6%	1.612	13.857	26.132	2.6%	1.664	0.00	0.100
14	1,614	39	0.0%	41.387	7.944	14.981	2.6%	1.369	13.957	26.320	2.6%	1.669	0.00	0.100
15	7,271	98	0.0%	74.197	14.242	26.858	2.6%	1.683	14.057	26.509	2.6%	1.674	0.00	0.100
16	28	1	0.0%	27.892	5.354	10.097	2.6%	1.240	14.157	26.697	2.6%	1.679	0.00	0.100
17	2,312	39	0.0%	59.283	11.380	21.460	2.6%	1.541	14.257	26.886	2.6%	1.684	0.00	0.100
18	55	4	0.0%	13.698	2.629	4.958	2.6%	1.105	14.357	27.074	2.6%	1.689	0.00	0.100
19	0	0	0.0%	-	-	0.000	2.6%	0.000	14.457	27.263	2.6%	1.694	-	0.100
20	965	21	0.0%	45.945	8.819	16.632	2.6%	1.413	14.557	27.452	2.6%	1.699	0.00	0.100
21	0	0	0.0%	-	-	0.000	2.6%	0.000	14.657	27.640	2.6%	1.704	-	0.100
22	0	0	0.0%	-	-	0.000	2.6%	0.000	14.757	27.829	2.6%	1.709	-	0.100
23	0	0	0.0%	-	-	0.000	2.6%	0.000	14.857	28.017	2.6%	1.714	-	0.100
24	0	0	0.0%	-	-	0.000	2.6%	0.000	14.957	28.206	2.6%	1.719	-	0.100
25	216	7	0.0%	30.789	5.910	11.145	2.6%	1.268	15.057	28.394	2.6%	1.724	0.00	0.100
26	0	0	0.0%	-	-	0.000	2.6%	0.000	15.157	28.583	2.6%	1.729	-	0.100
27	0	0	0.0%	-	-	0.000	2.6%	0.000	15.257	28.772	2.6%	1.734	-	0.100
28	0	0	0.0%	-	-	0.000	2.6%	0.000	15.357	28.960	2.6%	1.739	-	0.100
29	0	0	0.0%	-	-	0.000	2.6%	0.000	15.457	29.149	2.6%	1.744	-	0.100
30	0	0	0.0%	-	-	0.000	2.6%	0.000	15.557	29.337	2.6%	1.749	-	0.100
NS	0	1	0.0%	-	-	0.000	2.6%	0.000			2.6%	1.749		
Total	1,587,744	304,775		5.210	1.000								0.07	

Notes - Wildfire weights based on Renter/Condo projected loss data 5yrs ending 1Q2019 as % of total property peril
- Smoothed/extrapolated WF relativities based on solver estimate to minimize weighted squared error

Fire Insurance Exchange & Farmers Insurance Exchange
California
Farmers Smart Plan Renters and Condo
Fireline Factors - Indicated on Random Samples

Random Sample#	# policies	Sample %	AAL / policy
1	136,868	44.9%	5.239
2	152,324	50.0%	5.236
3	91,611	30.1%	5.095
4	76,190	25.0%	5.212
5	110,055	36.1%	5.227
6	122,027	40.0%	5.317
7	134,180	44.0%	5.136
8	72,983	23.9%	5.072
9	146,594	48.1%	5.156
10	88,326	29.0%	5.176
Total	304,775		5.210

Indicated Factors

Fireline	Total	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Sample 8	Sample 9	Sample 10	Avg Sample
0	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1	1.096	1.091	1.097	1.100	1.097	1.098	1.091	1.101	1.095	1.095	1.092	1.096
2	1.151	1.146	1.159	1.153	1.155	1.158	1.144	1.151	1.153	1.150	1.148	1.152
3	1.257	1.266	1.263	1.234	1.262	1.250	1.274	1.262	1.266	1.273	1.254	1.260
4	1.279	1.267	1.271	1.269	1.285	1.274	1.278	1.296	1.263	1.298	1.267	1.277
5	1.328	1.287	1.358	1.294	1.382	1.398	1.317	1.290	1.306	1.327	1.343	1.330
6	1.476	1.469	1.464	1.458	1.452	1.444	1.495	1.478	1.484	1.489	1.465	1.470
7	1.436	1.426	1.441	1.429	1.412	1.446	1.389	1.463	1.468	1.483	1.423	1.438
8	1.832	1.810	1.832	1.793	1.865	1.755	1.860	1.898	1.916	1.769	1.823	1.832
9	1.492	1.516	1.504	1.482	1.464	1.519	1.485	1.485	1.631	1.532	1.404	1.502
10	1.755	1.640	1.800	1.842	2.101	1.560	1.724	1.732	1.737	1.709	2.006	1.785
11	1.549	1.515	1.553	1.600	1.436	1.616	1.630	1.536	1.467	1.494	1.654	1.550
12	1.852	1.779	1.895	1.979	2.018	2.048	2.003	2.141	1.460	1.600	2.066	1.899
13	1.612	1.622	1.612	1.540	1.653	1.621	1.702	1.605	1.606	1.666	1.480	1.611
14	1.369	1.307	1.217	1.298	1.479	1.387	1.536	1.360	1.418	1.197	1.339	1.354
15	1.683	1.713	1.733	1.691	1.491	1.585	1.697	1.545	1.760	1.536	1.616	1.637

Fire Insurance Exchange & Farmers Insurance Exchange
California
Farmers Smart Plan Renters and Condo
Fireline Factors - Indicated on Random Samples

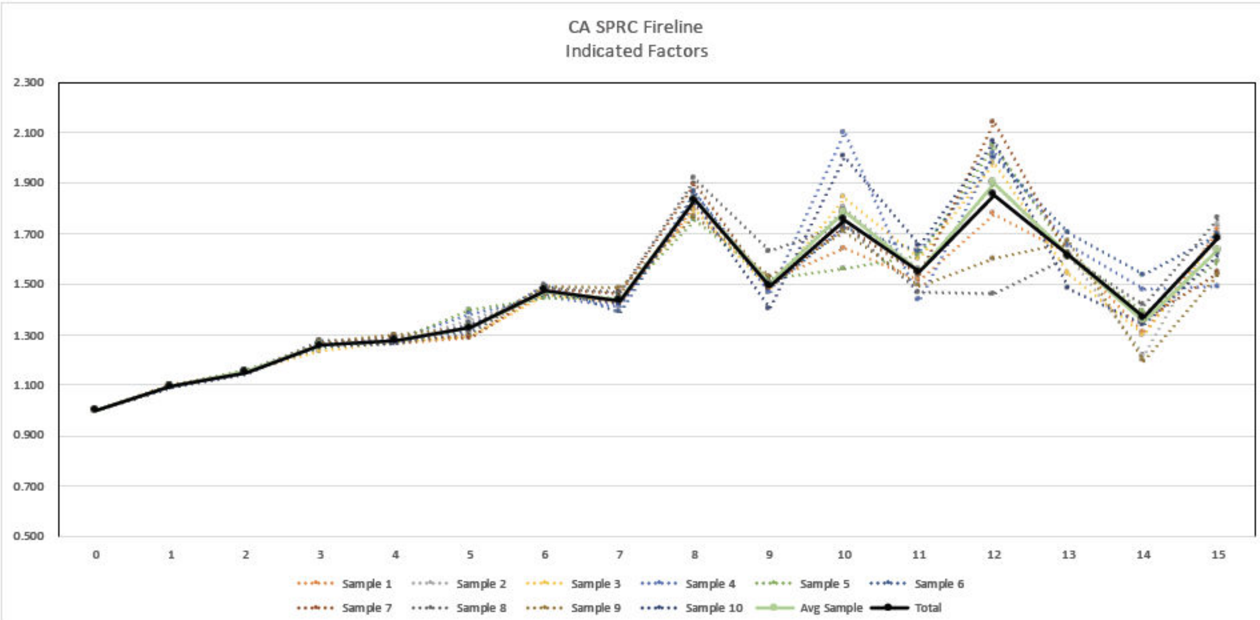

EXHIBIT F

Subject: Re: Farmers Renters/Condo #20-444; PA-2020-00004
Date: Wednesday, June 16, 2021 at 11:21:05 AM Pacific Daylight Time
From: actuary999@aol.com
To: alissa.vreman@farmersinsurance.com, victoria.mccarthy@farmersinsurance.com, Pam Pressley, Alec.Stone@insurance.ca.gov, Ben Powell, Annie.Chao@insurance.ca.gov, Darjen.Kuo@insurance.ca.gov, Adam.Gammell@insurance.ca.gov, Beverly.Bautista@insurance.ca.gov, Carolyn.Yap@insurance.ca.gov, Ken Allen, Lisbeth Landsman-Smith
CC: julie.erickson@farmersinsurance.com, richard.delamora@farmersinsurance.com, adam.morris@farmersinsurance.com

Alissa

I was looking over the exhibits and I have a question about how the capped changes can be over 50%.

The most the total base premium can increase is 50%. So it would seem that for the total premium - capped to increase more than 50% is for the other options coverages and / or fees to increase more than 50%.

In the examples you sent, the other optional coverages had no change and the fees decreased.

Can you give an example of how the total premium - capped would increase more than 50%.

Thanks

Allan I. Schwartz
FCAS,MAAA
ARE,AIC,APA,AU,AIAF,ARM,API,ACS,CRRA
AIS Risk Consultants
4400 Route 9 South
Suite 1000
Freehold, New Jersey 07728
732 - 780 - 0330
848 - 207 - 7280 (Cell)

-----Original Message-----
From: Alissa Vreman <alissa.vreman@farmersinsurance.com>
To: actuary999@aol.com <actuary999@aol.com>; Victoria McCarthy <victoria.mccarthy@farmersinsurance.com>; pam@consumerwatchdog.org <pam@consumerwatchdog.org>; Alec.Stone@insurance.ca.gov <Alec.Stone@insurance.ca.gov>; ben@consumerwatchdog.org <ben@consumerwatchdog.org>; Annie.Chao@insurance.ca.gov <Annie.Chao@insurance.ca.gov>; Darjen.Kuo@insurance.ca.gov <Darjen.Kuo@insurance.ca.gov>; Adam.Gammell@insurance.ca.gov <Adam.Gammell@insurance.ca.gov>; Beverly.Bautista@insurance.ca.gov <Beverly.Bautista@insurance.ca.gov>; Carolyn.Yap@insurance.ca.gov <Carolyn.Yap@insurance.ca.gov>; Ken.Allen@insurance.ca.gov <Ken.Allen@insurance.ca.gov>; Lisbeth.Landsman@insurance.ca.gov <Lisbeth.Landsman@insurance.ca.gov>
Cc: Julie Erickson <julie.erickson@farmersinsurance.com>; Richard De La Mora <richard.delamora@farmersinsurance.com>; Adam Morris <adam.morris@farmersinsurance.com>

EXHIBIT G

Subject: RE: Re: Farmers Renters/Condo #20-444; PA-2020-00004
Date: Wednesday, June 16, 2021 at 12:17:08 PM Pacific Daylight Time
From: Alissa Vreman
To: Allan Schwartz, Victoria McCarthy, Pam Pressley, Alec.Stone@insurance.ca.gov, Ben Powell, Annie.Chao@insurance.ca.gov, Darjen.Kuo@insurance.ca.gov, Adam.Gammell@insurance.ca.gov, Beverly.Bautista@insurance.ca.gov, Carolyn.Yap@insurance.ca.gov, Ken Allen, Lisbeth Landsman-Smith
CC: Julie Erickson, Richard De La Mora, Adam Morris

Hi Allan,

I can confirm that there are not policies with capped premium changes over 50%, all of the policies in the 50-55% bucket are experiencing a change of 50%.

Thank you,

Alissa Vreman, FCAS, MAAA
Territory Product Lead - West
Personal Lines Product Management
alissa.vreman@farmersinsurance.com

From: actuary999@aol.com [mailto:actuary999@aol.com]
Sent: Wednesday, June 16, 2021 11:21 AM
To: Alissa Vreman <alissa.vreman@farmersinsurance.com>; Victoria McCarthy <victoria.mccarthy@farmersinsurance.com>; pam@consumerwatchdog.org; Alec.Stone@insurance.ca.gov; ben@consumerwatchdog.org; Annie.Chao@insurance.ca.gov; Darjen.Kuo@insurance.ca.gov; Adam.Gammell@insurance.ca.gov; Beverly.Bautista@insurance.ca.gov; Carolyn.Yap@insurance.ca.gov; Ken.Allen@insurance.ca.gov; Lisbeth.Landsman@insurance.ca.gov
Cc: Julie Erickson <julie.erickson@farmersinsurance.com>; Richard De La Mora <richard.delamora@farmersinsurance.com>; Adam Morris <adam.morris@farmersinsurance.com>
Subject: [EXTERNAL] Re: Farmers Renters/Condo #20-444; PA-2020-00004

Alissa

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In the examples you sent, the other optional coverages had no change and the fees decreased.

Can you give an example of how the total premium - capped would increase more than 50%.

Thanks

PROOF OF SERVICE
BY OVERNIGHT OR U.S. MAIL, FAX TRANSMISSION,
EMAIL TRANSMISSION AND/OR PERSONAL SERVICE

State of California, City of Los Angeles, County of Los Angeles

I am employed in the City and County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 6330 South San Vicente Boulevard, Suite 250, Los Angeles, California 90048, and I am employed in the city and county where this service is occurring.

On August 27, 2021, I caused service of true and correct copies of the document entitled

CONSUMER WATCHDOG'S REQUEST FOR COMPENSATION

upon the persons named in the attached service list, in the following manner:

1. If marked FAX SERVICE, by facsimile transmission this date to the FAX number stated to the person(s) named.

2. If marked EMAIL, by electronic mail transmission this date to the email address stated.

3. If marked U.S. MAIL or OVERNIGHT or HAND DELIVERED, by placing this date for collection for regular or overnight mailing true copies of the within document in sealed envelopes, addressed to each of the persons so listed. I am readily familiar with the regular practice of collection and processing of correspondence for mailing of U.S. Mail and for sending of Overnight mail. If mailed by U.S. Mail, these envelopes would be deposited this day in the ordinary course of business with the U.S. Postal Service. If mailed Overnight, these envelopes would be deposited this day in a box or other facility regularly maintained by the express service carrier, or delivered this day to an authorized courier or driver authorized by the express service carrier to receive documents, in the ordinary course of business, fully prepaid.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 27, 2021 at Los Angeles, California.

Kaitlyn Gentile

Service List

Daniel Goodell Jennifer McCune Lisbeth Landsman-Smith Alec Stone Rate Enforcement Bureau **California Department of Insurance** 45 Fremont Street, 21st Floor San Francisco, CA 94105 Tel. (415) 538-4111 Fax (415) 904-5490 Daniel.Goodell@insurance.ca.gov Jennifer.McCune@insurance.ca.gov Lisbeth.Landsman@insurance.ca.gov Alec.Stone@insurance.ca.gov	☐ FAX ☐ U.S. MAIL ☐ OVERNIGHT MAIL ☐ HAND DELIVERED ☒ EMAIL
Julie Erickson PL Product Manager II **Farmers Insurance Exchange** 6301 Owensmouth Ave. Woodland Hills, CA 91367 julie.erickson@farmersinsurance.com	☐ FAX ☐ U.S. MAIL ☐ OVERNIGHT MAIL ☐ HAND DELIVERED ☒ EMAIL
Edward Wu Staff Counsel and Public Advisor Office of the Public Advisor **California Department of Insurance** 300 South Spring Street, 12th Floor Los Angeles, CA 90013 Tel. (213) 346-6635 Fax (213) 897-9241 Edward.Wu@insurance.ca.gov	☐ FAX ☐ U.S. MAIL ☐ OVERNIGHT MAIL ☐ HAND DELIVERED ☒ EMAIL
Richard De La Mora Victoria McCarthy Alissa Vreman **Farmers Insurance Exchange** 6301 Owensmouth Ave. Woodland Hills, CA 91367 Tel. (818) 965-0433 richard.delamora@farmersinsurance.com victoria.mccarthy@farmersinsurance.com alissa.vreman@farmersinsurance.com	☐ FAX ☐ U.S. MAIL ☐ OVERNIGHT MAIL ☐ HAND DELIVERED ☒ EMAIL