

1 NIKKI MCKENNEDY (SBN 184269)
2 SARA AHN (SBN 292206)
3 CALIFORNIA DEPARTMENT OF INSURANCE
4 1901 Harrison Street, 6th Floor
5 Oakland, CA 94612
6 Tel: (415) 538-4162
7 E-mail: Nikki.McKennedy@insurance.ca.gov
8 Sara.Ahn@insurance.ca.gov

9 *Attorneys for the California Department of Insurance*

10
11 **BEFORE THE INSURANCE COMMISSIONER**
12 **OF THE STATE OF CALIFORNIA**

13 In the Matter of the Rate Application of
14 STATE FARM MUTUAL AUTOMOBILE
15 INSURANCE COMPANY,
16 Applicant.

17 File No. PA-2023-00012

18 **SETTLEMENT STIPULATION**

19 Applicant STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY
20 (“Applicant”), Intervenor CONSUMER WATCHDOG (“Petitioner”), and the Department of
21 Insurance (“Department”; collectively, “Parties”) stipulate as follows:

22 **RECITALS**

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

25 B. On March 31, 2023, Applicant filed a Rate Application with the Department
26 seeking approval of an overall 24.6 percent rate increase to its Private Passenger Auto line of
27 insurance (File No. 23-890 [“Application”]).

28 C. On May 26, 2023, the Department notified the public of the Application pursuant
to Insurance Code section 1861.05, subdivision (c).

D. On July 10, 2023, Petitioner submitted a timely Petition for Hearing, Petition to
Intervene, and Notice of Intent to Seek Compensation regarding the Application (collectively,

1 “Petition”).

2 E. On July 27, 2023, Applicant responded to the Petition.

3 F. On August 7, 2023, the Commissioner granted the Petition to Intervene.

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

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

8 **STIPULATION**

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

12 2. Based upon the Application and additional information provided by the Parties,
13 the Parties agree that an overall rate increase of 21.0 percent to Applicant’s California Private
14 Passenger Auto line of insurance (by coverage 22.2 percent for bodily injury/property damage,
15 22.2 percent for medical payments, 15 percent for uninsured motorist, 26.6 percent for
16 comprehensive, 19 percent for collision, 21.3 percent for miscellaneous damage, and -9.6 percent
17 for miscellaneous liability) complies with the applicable laws and regulations, and results in rates
18 that are not excessive, not inadequate, and not unfairly discriminatory. Applicant has made
19 appropriate updated filings in SERFF to reflect the overall rate change. Approval of the
20 Application described in this Stipulation will only be effective when approved by the
21 Commissioner in SERFF. Applicant will implement this rate change with an effective date of
22 February 26, 2024 in accordance with this Stipulation, the updated Application, and the
23 Commissioner’s approval in SERFF.

24 3. In the event that Applicant submits a new rate increase application for its Private
25 Passenger Auto line, it agrees that the effective date for such application will be no earlier than
26 August 26, 2024. As used herein, “effective date” means the first date on which premiums
27 calculated at a new, approved rate are due.

28 4. Applicant agrees that it will reactivate its quote system for California available

1 through the internet, as it operated in California as of November 21, 2022. The system will be
2 reactivated on or before February 26, 2024.

3 5. This Stipulation does not constitute an endorsement or approval of models
4 generally, or any specific model, eligibility or nonrenewal criteria, or rating methodology.

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

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

13 8. This Stipulation is made solely to reach a compromise among the Parties. All
14 Parties expressly reserve the right to raise any of their arguments or positions in future matters.

15 9. The Commissioner retains jurisdiction to ensure that the Parties comply with this
16 Stipulation and the updated Application and the Commissioner’s approval in SERFF.

17 10. This Stipulation may be executed in counterparts.

18
19 **[SIGNATURES ON NEXT PAGE]**

20 ////

21 ////

22 ////

23 ////

24 ////

25 ////

26

27

28

1 Dated: December 21, 2023

HOGAN LOVELLS US, LLP

2

By: 

3

Vanessa Wells
Attorneys for Applicant
State Farm Mutual Automobile Insurance
Company

4

5

6

Dated:

CONSUMER WATCHDOG

7

8

9

By: _____

10

11 Dated:

CALIFORNIA DEPARTMENT OF
INSURANCE

12

13

14

By: _____

15

Nikki S. McKennedy
*Attorneys for the California Department of
Insurance*

16

17

18

19

20

21

22

23

24

25

26

27

28

1 Dated:

HOGAN LOVELLS US, LLP

2

3

By: _____

4

Vanessa Wells

5

Attorneys for Applicant

6

State Farm Mutual Automobile Insurance
Company

7 Dated: 12/21/23

CONSUMER WATCHDOG

8

9

By:  _____

10

Benjamin Powell

11

Consumer Watchdog

12 Dated:

CALIFORNIA DEPARTMENT OF
INSURANCE

13

14

By: _____

15

Nikki S. McKennedy

16

*Attorneys for the California Department of
Insurance*

17

18

19

20

21

22

23

24

25

26

27

28

1 Dated:

HOGAN LOVELLS US, LLP

2

3

By: _____

4

Vanessa Wells
Attorneys for Applicant
State Farm Mutual Automobile Insurance
Company

5

6

7 Dated:

CONSUMER WATCHDOG

8

9

By: _____

10

11

Dated: 12/21/2023

CALIFORNIA DEPARTMENT OF
INSURANCE

12

13

14

By: *Nikki McKennedy*
Nikki S. McKennedy
*Attorneys for the California Department of
Insurance*

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**In the Matter of the Rate Application of
Sate Farm Mutual Automobile Insurance Company, Applicant.
CDI File No. PA-2023-00012
(RRB FILE NO. 23-890)**

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
Vanessa O. Wells, Esq. Victoria C. Brown, Esq. Attorney(s) for Applicant HOGAN LOVELLS US LLP 855 Main Street, Suite 200 Redwood City, CA 94063 Vanessa.wells@hoganlovells.com Victoria.brown@hoganlovells.com	Tel: (650) 463-4000 Fax: (650) 463-4199	Via EMAIL
Laura Campbell Pricing Manager STATE FARM MUTUAL AUTOMOBILE INSURANCE CO. One State Farm Plaza Bloomington, IL 61710-0001 Laura.campbell.r20d@statefarm.com	Tel: (309) 763-6082 Fax: (309) 766-0225	Via EMAIL
Harvey Rosenfield, Esq. Pamela Pressley, Esq. Daniel L. Sternberg, Esq. Ryan Mellino, Esq. Attorney(s) for Intervenor CONSUMER WATCHDOG 6330 San Vicente Blvd., Suite 250 Los Angeles, CA 90048 harvey@consumerwatchdog.org pam@consumerwatchdog.org danny@consumerwatchdog.org ryan@consumerwatchdog.org	Tel: (310) 392-0522 Fax: (310) 392-8874	Via EMAIL

NON PARTIES

Kenneth Allen Deputy Commissioner Rate Regulation Branch CALIFORNIA DEPARTMENT OF INSURANCE 300 South Spring Street, 14 th Floor Los Angeles, CA 90013 ken.allen@insurance.ca.gov	Tel: (213) 346-6783 Fax: (213) 897-9051	Via EMAIL
---	--	-----------

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Jon Phenix, Esq.
Staff Counsel III & Public Advisor
Office of the Special Counsel
**CALIFORNIA DEPARTMENT OF
INSURANCE**
300 Capitol Mall, 17th Floor
Sacramento, CA 95814
Jon.phenix@insurance.ca.gov

Tel: (916) 492-3705
Fax: (510) 238-7830

Via EMAIL