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7	Attorneys for the California Department of Insurance						
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9	BEFORE THE INSURANCE COMMISSIONER						
10	OF THE STATE OF CALIFORNIA						
11	In the Matter of the Rate Application of		File No.: PA-2024-00003				
12	United Financial Casualty Company,		SETTLEMENT STIPULATION				
13							
14	Applicant.						
15							
16	United Financial Casualty Company ("Applicant"), Consumer Watchdog ("Petitioner"),						
17	and the California Department of Insurance ("Department") (collectively, the "Parties") stipulate						
18	as follows:						
19		<u>RI</u>	<u>ECITALS</u>				
20		Applicant is licensed by the	he Department to conduct insurance business in				
21	California.						
22	B. On December 20, 2023, Applicant filed for a rate increase to its auto line of						
23	insurance (File No. 24-43 ["Application"]) seeking an overall 16.1% rate increase to its Private						
24	Passenger Auto line of business.						
25	C. On January 12, 2024, pursuant to California Insurance Code ("CIC") section						
26	1861.05(c), the Department notified the public of the Application.						
27	D. On F	ebruary 26, 2024, Petition	ner submitted a timely Petition for Hearing, Petition				
28	to Intervene, and Notice of Intent to Seek Compensation regarding the Application.						

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- G. On March 12, 2024, the Commissioner granted Petitioner's Petition to Intervene (only) without ruling on Petitioner's Petition for Hearing and Request for Compensation, which were reserved for later decision.
- H. The Parties have engaged in discussions regarding the Application and additional information and analysis that the Parties provided.
- I. As a result of the Parties' discussions and negotiations, Applicant updated the Application per the Parties' agreement.

STIPULATION

- 1. This Stipulation, together with the updated Application, amended in accordance with this Stipulation, and the Commissioner's approval of the Application in SERFF, represents the complete and final settlement resolving all issues between the Parties regarding the Application.
- 2. Based upon the Application and additional information that the Parties provided, the Parties agree and find based on their respective actuarial analyses that an overall rate increase of 11.24%, implemented for policies with a target effective date of on or after January 1, 2025, is supportable and results in rates that are not excessive, not inadequate, and not unfairly discriminatory as they are within range of the minimum and maximum indicated permissible rate changes calculated by the Parties. The Parties further agree that the stipulated rate changes reflected herein are the result of voluntary negotiations based upon review of information that has been made public, and that this Stipulation will result in a rate change that is fair, adequate, reasonable, and in the interests of justice and the public interest as it will help promote available and affordable insurance options for California consumers. The Parties also agree that the overall rate increase of 11.24% will be implemented for policies with a target effective date on or after January 1, 2025, in accordance with this Stipulation, the updated Application, and the Commissioner's approval in SERFF. The Parties further agree to the changes by coverage set forth below:

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Coverage	Stipulated Rate Change
BI	+ 5.14%
PD	+ 7.50%
MP	- 4.00%
UM	+ 20.69%
UMPD	+ 10.50%
COMP	+ 55.00%
COLL	+ 3.5%
MPD	+ 7.10%
All Coverages	+ 11.24%

Applicant's California written premium for its Private Passenger Auto line of insurance for the most recent available prior calendar year (2023) was \$1,005,871,752.

- 3. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding Petitioner's compensation has been made. However, the Parties agree that the Commissioner's approval of the Application, consistent with this Stipulation, will be a decision or order within the meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to the Public Advisor within 30 days after notice of the Commissioner's approval in SERFF.
- 4. Petitioner agrees to withdraw its Petition for Hearing, effective as of the date of execution of this Stipulation, within 10 days after notice of the Commissioner's approval in SERFF, provided the Application is approved by the Commissioner in SERFF in accordance with the overall rate indication set forth in paragraph 2.
- 5. This Stipulation is made solely to reach a compromise among the Parties. The Commissioner's approval of the Application shall not constitute approval of or precedent regarding any principle or any issue in any other proceeding.
- 6. This Stipulation does not constitute an endorsement or approval of models generally, or any specific model, eligibility, or nonrenewal criteria or rating methodology.

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1	7.	7. The Commissioner retains jurisdiction to ensure that the Parties comply with this				
2	Stipulation.					
3	8.	Nothing contained in thi	s Settlement Stipulation constitutes a limitation upon, or a			
4	waiver of, the	waiver of, the rights and powers of the Commissioner to enforce any California law, to examine				
5	the rating pra	the rating practices of the Applicant or to take such other action as necessary to protect the public				
6	9. This Stipulation may be executed in counterparts.					
7						
8	Dated: Dece	ember <u>12</u> , 2024	UNITED FINANCIAL CASUALTY COMPANY			
9						
10			By Pleis Carlie			
11			Christopher Cashman			
12	Dated: Dece	ember 10, 2024	CONSUMER WATCHDOG			
13	Buted. Beec	11001 10, 2021	CONSCINER WITCHEOU			
14			By BaPall			
15			Benjamin Powell			
16	Dated: Dece	ember <u>12,</u> 2024	CALIFORNIA DEPARTMENT OF INSURANCE			
17	Dated. Dece	1110C1 <u>12</u> , 202 4	CALIFORNIA DEI ARTMENT OF INSURANCE			
18			By_Daniel Wade			
19			Daniel Wade			
20			Attorneys for the California Department of Insurance			
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1 PROOF OF SERVICE In the Matter of the Rate Application of 2 United Financial Casualty Company, Applicant. (Consumer Watchdog's Petition for Hearing) 3 CDI File No. PA-2024-00003 RRB File No. 24-43 4 5 I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 1901 Harrison Street, 6 4th Floor, Oakland, CA 94612. On December 13, 2024, I served the following document(s): 7 SETTLEMENT STIPULATION 8 on all persons named on the attached Service List, by the method of service indicated, as follows: 9 If U.S. MAIL is indicated, by placing on this date, true copies in sealed envelopes, addressed to 10 each person indicated, in this office's facility for collection of outgoing items to be sent by mail. pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of 11 collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on 12 that same day, with postage fully prepaid, in the city and county of San Francisco, California. 13 If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing 14 items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for overnight delivery. 15 Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in 16 the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment. 17 If FAX SERVICE is indicated, by facsimile transmission this date to fax number stated for the 18 person(s) so marked. 19 If **PERSONAL SERVICE** is indicated, by hand delivery this date. 20 If INTRA-AGENCY MAIL is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail. 21 If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed. 22 Executed this date at San Francisco, California. I declare under penalty of perjury under the laws 23 of the State of California that the above is true and correct. 24 Cecilia Padua

Cecilia Padua 25 26 27 28

1 2 3 4	In the Matter of the Rate Application of United Financial Casualty Company, Applicant. (Consumer Watchdog's Petition for Hearing) CDI File No. PA-2024-00003 RRB File No. 24-43						
5	Name/Address	Phone/Fax Numbers	Method of Service				
7	Harvey Rosenfield, Esq.	Tel: (310) 392-0522	Via EMAIL				
8	Pamela Pressley, Esq. Benjamin Powell, Esq.	Fax: (310) 392-8874					
9	Attorneys for Intervenor CONSUMER WATCHDOG						
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11	harvey@consumerwatchdog.org						
12	<pre>pam@consumerwatchdog.org ben@consumerwatchdog.org</pre>						
13	Christopher E. Cashman	Tel: (440) 620-9248	Via EMAIL				
14	Product Manager UNITED FINANCIAL CASUALTY CO.						
15	7301 Metro Center Drive Austin, TX 78744						
16	Christopher_E_Cashman@progressive.com						
17	Spencer Y. Kook, Esq.	Tel: (213) 614-7359	Via EMAIL				
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22	NON PARTIES						
23	Kenneth Allen	Tel: (213) 346-6783	Via EMAIL				
24	Deputy Commissioner	Fax: (213) 897-9051					
25	Rate Regulation Branch CALIFORNIA DEPARTMENT OF						
26	INSURANCE 300 South Spring Street, 14 th Floor						
27	Los Angeles, CA 90013 Ken.allen@insurance.ca.gov						
28	Ken.anen(w)msurance.ca.gov						

Margaret Hosel, Esq. Tel: (415) 538-4383 Via EMAIL Attorney & Public Advisor
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