

1 Harvey Rosenfield, SBN 123082
2 Pamela Pressley, SBN 180362
3 William Pletcher, SBN 212664
4 Benjamin Powell, SBN 311624
5 Ryan Mellino, SBN 342497
6 **CONSUMER WATCHDOG**
7 6330 San Vicente Blvd., Suite 250
8 Los Angeles, CA 90048
9 Tel. (310) 392-0522
10 Fax (310) 861-0862
11 harvey@consumerwatchdog.org
12 pam@consumerwatchdog.org
13 will@consumerwatchdog.org
14 ben@consumerwatchdog.org
15 ryan@consumerwatchdog.org

16 Attorneys for CONSUMER WATCHDOG

17
18
19
20
21
22
23
24
25
26
27
28
BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of the Rate Applications of
State Farm General Insurance
Company,
Applicant.

File Nos.: PA-2024-00011, PA-2024-00012,
PA-2024-00013

**CONSUMER WATCHDOG'S
DISCOVERY REQUESTS PROPOUNDED
ON STATE FARM GENERAL
INSURANCE COMPANY FOR APRIL 8,
2025 HEARING ON STIPULATION FOR
INTERIM RATE**

1 DEMANDING PARTY: CONSUMER WATCHDOG

2 RESPONDING PARTIES: STATE FARM GENERAL INSURANCE COMPANY

3 SET NUMBER: ONE

4 Pursuant to California Code of Regulations, title 10 (“10 CCR”), § 2655.1 and
5 Government Code section 11507.6, liberally construed, Intervenor Consumer Watchdog, hereby
6 propounds the following discovery requests on STATE FARM GENERAL INSURANCE
7 COMPANY.

8 Consumer Watchdog requests that delivery of documents be made to Pamela Pressley at
9 the offices of Consumer Watchdog, located at 6330 San Vicente Boulevard, Suite 250, Los
10 Angeles, California 90048, pam@consumerwatchdog.org. To the extent possible, Consumer
11 Watchdog requests that YOU produce DOCUMENTS in electronic format, such as PDF, or
12 WORD or EXCEL as applicable. Responsive documents should be produced either in the order
13 they are kept or in correlation to the request to which they are responsive, and Consumer
14 Watchdog requests that YOU identify which documents are responsive to which requests.

15 Pursuant to 10 CCR § 2655.1(b), if YOU do not produce a responsive DOCUMENT,
16 YOU must specifically identify the DOCUMENT along with the specific objection pursuant to
17 which the item is withheld. In addition, YOU are required to precisely specify why the objection
18 applies. Moreover, if an item is withheld pursuant to a privilege, YOU must describe the nature of
19 the item in such a manner to enable a determination as to the applicability of the privilege so
20 stated.

21 Pursuant to 10 CCR § 2655.1(a), YOU have an ongoing duty to produce additional items
22 that are responsive to these requests as new items become relevant or are identified.

23 **DEFINITIONS**

24 1. The terms “STATE FARM,” “YOU,” and “YOUR” refer to applicant STATE
25 FARM GENERAL INSURANCE COMPANY and applicants’ agents, employees, attorneys,
26 accountants, investigators, and anyone else acting on their behalf.

27 2. The term “DOCUMENT” or “DOCUMENTS” means all items that are
28 discoverable pursuant to Government Code section 11507.6, liberally construed, including, but

1 not limited to, any “writing” as defined in section 250 of the California Evidence Code, and
2 includes e-mail, voicemail, computer files and all other forms of “electronically stored
3 information” as defined in section 2016.020 of the Code of Civil Procedure. Without limiting the
4 generality of the above, but to illustrate only, the term “DOCUMENT” includes, (a) any written,
5 printed, electronically generated/retained or recorded material or electronic data of
6 DOCUMENTS of every kind and description that are fixed on any tangible thing, including, but
7 not limited to typed or handwritten papers; books; drafts; reports; letters; envelopes; post-its;
8 electronic mail; telephone messages; voice mail; appointment calendars; address lists; drawings;
9 photographs; correspondence; marketing materials; business cards; sales pitch books; newspaper
10 clippings; memoranda; notes; agenda of meetings; summaries; outlines; calendars; diaries;
11 transcripts of notes of telephone conversations, meetings or interviews; tape recordings; drafts of
12 agreements and contracts; agreements; contracts; supplements, amendments and modification of
13 contracts; files; results of investigations; court papers; bank records; loan applications; facsimile
14 transmissions; invoices; charts; graphs; directories; file folders, file tabs and labels appended to
15 or containing any documents; logs; and transcriptions. Without limited the generality of the
16 above, but to illustrate only, a tangible thing on which documents may be fixed includes, but is
17 not limited to, paper; audio tapes or cassettes; phonographic media; photographic media;
18 computer media (including but not limited to hard disks, floppy disks, compact disks, and
19 magnetic tapes); and optical media. “DOCUMENT” or “DOCUMENTS” also includes all
20 preliminary versions, revisions, drafts, and amendments of any of the foregoing, all attachments
21 or appendices to any of the foregoing, and all copies of the foregoing that contain any
22 commentary, notations, or alterations or that are otherwise not identical to the original.
23 “DOCUMENT” or “DOCUMENTS” also includes any “STATEMENT” or “STATEMENTS,”
24 as defined below.

25 3. “COMMUNICATION(S)” means the transmittal of information, facts, or ideas,
26 including without limitation communications in the form of any discussion, conversation,
27 inquiry, negotiation, agreement, understanding, meeting, telephone correspondence,
28 conversation, letter, correspondence, note, memorandum, e-mail message, instant message

1 (including but not limited to messages sent via STATE FARM’s messaging system), text
2 message, electronic chat, telegram, audio recordings, advertisement or other form of exchange of
3 words, whether oral or written. “COMMUNICATION” or “COMMUNICATIONS” shall also
4 mean or refer to, without limitation, all written and unwritten but recorded correspondence,
5 including non-duplicate drafts, versions not sent, and copies that differ only in margin notes or
6 annotations, including memos, letters, analog or digital recordings, audio recordings, electronic
7 chat logs, voicemail, email, text messages, instant messages, messages via social media,
8 computer files, computer disks, or other things sent or received by YOU to or from any entity or
9 PERSON, including files maintained or exchanged internally within YOUR business or with
10 YOUR employees.

11 4. “INTERIM RATE HEARING” shall mean the evidentiary hearing commencing
12 on April 8, 2025 regarding the two-way stipulation between the YOU and the California
13 Department of Insurance (“CDI”) concerning YOUR emergency interim rate requests, and
14 Consumer Watchdog’s objections, as ordered by the Commissioner on March 14, 2024 and
15 noticed by the March 24, 2025 Notice of Hearing on Stipulation issued by Administrative Law
16 Judge Seligman.

17 5. “STATEMENT” or “STATEMENTS” shall have the same meaning as that term
18 is defined in Government Code section 11507.6, liberally construed to include: “written
19 statements by the person signed or otherwise authenticated by him or her, stenographic,
20 mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person,
21 and written reports or summaries of these statements.”

22 6. The term “RELATED TO” means constitutes, contains, embodies, comprises,
23 reflects, identifies, states, deals with, comments on, responds to, describes, analyzes, was made
24 by, was used to determine, was consulted by YOU or any witness YOU intend to call at the
25 hearing on this matter, or is in any way pertinent to the subject matter described in the request.

26 7. The term “EXHIBIT” means such exhibit or attachment that was included with
27 the APPLICATIONS.

1 7. Provide all DOCUMENTS RELATED TO the Rate Template pages and updated
2 EXHIBIT 9 submitted on February 5, 2025 on SERFF in each of the APPLICATIONS and any
3 updated Rate Templates and EXHIBITS submitted in support of YOUR requests for interim
4 rates.

5 8. Provide all DOCUMENTS RELATED TO the two-way stipulation between the
6 YOU and the CDI concerning YOUR emergency interim rate requests exchanged between YOU
7 and the CDI including correspondence, but not including DOCUMENTS previously provided to
8 Consumer Watchdog.

9 9. Provide all DOCUMENTS that support YOUR statements in YOUR February 25,
10 2025 Written Responses to the Commissioner’s Questions from February 14 that “the current
11 estimate of direct losses for State Farm General from the Los Angeles fires stands at
12 approximately \$7.9 billion, including loss adjustment expenses, and taking into account both
13 reported and not reported claims. Estimates for SFG’s retained losses after reinsurance, and for
14 SFG’s share of total FAIR Plan losses, are approximately \$212 million and \$400 million,
15 respectively.”

16 10. Provide all DOCUMENTS related to the calculation of YOUR NAIC IRIS ratios
17 as of December 31, 2024.

18 11. Provide all DOCUMENTS related to the most recent calculation of YOUR NAIC
19 IRIS ratios, if later than December 31, 2024.

20 12. Provide all DOCUMENTS, reports, data, analyses, and calculations related to the
21 Reinsurance Attestation Supplement for 2024.

22 13. Provide all DOCUMENTS related to the calculation of the NAIC IRIS ratios as of
23 December 31, 2024.

24 14. Provide all DOCUMENTS related to the most recent calculation of the NAIC
25 IRIS ratios, if later than December 31, 2024.

26 15. Provide the Risk-Based Capital Report and Calculation underlying the
27 “Authorized control level risk-based capital” values set forth in YOUR 2024 Annual Statement
28 at Page 17, Line 29.

1 16. Provide the most recent Risk-Based Capital Report and Calculation, if later than
2 that shown in the 2024 Annual Statement.

3 17. Provide all COMMUNICATIONS AND DOCUMENTS exchanged during the
4 period from January 1, 2023 to the present between State Farm General Insurance Company or
5 any of its AFFILIATES and any financial strength “rating agencies.”

6 18. Provide all COMMUNICATIONS AND DOCUMENTS exchanged during the
7 period from January 1, 2023 to the present between STATE FARM and the Illinois Department
8 of Insurance as State Farm General Insurance Company’s domestic financial solvency regulator
9 RELATED TO YOUR failure to meet NAIC Risk-Based Capital (RBC) requirements as of year-
10 end 2024 as stated in YOUR February 25, 2025 Written Responses to the Commissioner’s
11 Questions from February 14.

12 19. Provide all DOCUMENTS that include detailed numerical support for the
13 weighting scheme used on page 2 of Exhibit 9 submitted with YOUR 2/5/25 interim rate request,
14 and the rationale for the specific amount of weight given to the latest period (partial year 2025).
15 Please provide any Excel files with formulas intact.

16 20. Provide fully-updated Rate Templates in all three matters, with data through year-
17 end 2024 or Q1 2025, whichever is the latest available at the time of responding to these
18 requests.

19 21. Provide all DOCUMENTS supporting YOUR statements in YOUR February 25,
20 2025 Written Responses to the Commissioner’s Questions from February 14 that State Farm
21 Mutual provides YOUR reinsurance “at a fair price that is well below what is available from
22 external reinsurers and at an amount of coverage that external reinsurers wouldn’t provide” and
23 “that external reinsurer capacity to underwrite significantly greater portions of SFG’s massive
24 risk portfolio at a reasonable price (or possibly, at any price) does not currently exist.”

25 22. Provide all DOCUMENTS supporting YOUR statements in YOUR February 25,
26 2025 Written Responses to the Commissioner’s Questions from February 14 that “SFG’s
27 financial distress results from macroeconomic changes and market trends, including construction
28 cost inflation and litigation.”

1 23. Provide all DOCUMENTS and COMMUNICATIONS RELATED TO STATE
2 FARM business strategies or management decisions RELATED TO determining whether to
3 continue to write, cancel, or nonrenew homeowners insurance policies due to wildfire risk from
4 2020 to the present.

5 24. Provide all DOCUMENTS and COMMUNICATIONS RELATED TO STATE
6 FARM business strategies or management decisions RELATED TO STATE FARM requesting
7 6.9% homeowners rate increases in California, rather than any higher amount, from 2018 to
8 2022.

9 25. Provide all DOCUMENTS and COMMUNICATIONS with the Commissioner or
10 CDI indicating that STATE FARM would cancel or non-renew homeowners policies if YOU
11 were unable to obtain approval of requested rate increases from 2020 to the present.

12 26. Provide all DOCUMENTS and COMMUNICATIONS by YOU RELATED TO
13 whether YOUR then-current rate levels were adequate given levels of wildfire risk for YOUR in-
14 force homeowners policies from 2020 to the present.

15 27. Provide all DOCUMENTS and COMMUNICATIONS related to a 2021 internal
16 list containing zip codes wherein STATE FARM intended to restrict sales of homeowners
17 insurance policies.

18 28. Provide all DOCUMENTS and COMMUNICATIONS related to STATE
19 FARM's decision to cease selling new home insurance policies in California in 2024.

20 29. Provide all DOCUMENTS and COMMUNICATIONS related to State Farm's
21 decision to non-renew residential homeowners policies on a "block" basis in March 2024.

22 30. Provide all DOCUMENTS and COMMUNICATIONS RELATED TO STATE
23 FARM insurance premium pricing decisions, analysis, reviews, or strategies regarding
24 homeowners insurance policies in California from 2020 to the present.

25 31. Provide all DOCUMENTS and COMMUNICATIONS RELATED TO STATE
26 FARM's analysis of insurance premium pricing information related to all other home insurers
27 offering homeowners insurance policies in California from 2020 to the present.
28

1 DATED: March 28, 2025

Respectfully submitted,

2 Harvey Rosenfield
3 Pamela Pressley
4 William Pletcher
5 Benjamin Powell
6 Ryan Mellino
7 CONSUMER WATCHDOG

8 By: *Pamela Pressley*
9 Pamela Pressley
10 Attorneys for CONSUMER WATCHDOG
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Service List

1
2
3 Vanessa Wells
4 Victoria Brown
5 **Hogan Lovells US LLP**
6 855 Main Street, Suite 200
7 Redwood City, CA 94063
8 Tel.: (650) 463-4000
9 Fax: (650) 463-4199
10 Vanessa.Wells@hoganlovells.com
11 Victoria.Brown@hoganloverlls.com

- FAX
 U.S. MAIL
 OVERNIGHT MAIL
 HAND DELIVERED
 EMAIL

Attorneys for Applicant

10 Katherine Wellington
11 **Hogan Lovells US LLP**
12 125 High Street, Suite 2010
13 Boston, MA 02110
14 Tel.: (617) 371-1000
15 Fax: (617) 371-1037
16 Katherine.Wellington@hoganlovells.com

- FAX
 U.S. MAIL
 OVERNIGHT MAIL
 HAND DELIVERED
 EMAIL

Attorneys for Applicant

16 Jordan D. Teti
17 **Hogan Lovells US LLP**
18 1999 Avenue of the Stars, Suite 1400
19 Los Angeles, CA 90067
20 Tel.: (310) 785-4600
21 Fax: (310) 785-4601
22 Jordan.Teti@hoganlovells.com

- FAX
 U.S. MAIL
 OVERNIGHT MAIL
 HAND DELIVERED
 EMAIL

Attorneys for Applicant

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

Nikki McKennedy
Jennifer McCune
Daniel Wade
Duncan Montgomery
California Department of Insurance
1901 Harrison Street, 6th Floor
Oakland, CA 94612
Tel.: (415) 538-4500
Fax: (510) 238-7830
Nikki.McKennedy @insurance.ca.gov
Jennifer.McCune@insurance.ca.gov
Daniel.Wade@insurance.ca.gov
Duncan.Montgomery@insurance.ca.gov

- FAX
- U.S. MAIL
- OVERNIGHT MAIL
- HAND DELIVERED
- EMAIL

Attorneys for CDI