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9	Attorneys for The California Department of Insurance				
10	BEFORE THE INSURANCE COMMISSIONER				
11	OF THE STATE OF CALIFORNIA				
12 13	OF THE STATE OF CALIFORNIA				
13		File Nos. PA-2024-00011, PA-2024-00012,			
15	In the Matter of the Rate Applications of	PA-2024-00013			
16		SUPPLEMENT TO FEBRUARY 7, 2025 STIPULATION TO INTERIM RATE			
17	STATE FARM GENERAL INSURANCE COMPANY,	SUBJECT TO REFUNDS WITH INTEREST PENDING A FINAL			
18	Applicant.	DETERMINATION OF THE LEGALITY OF THE RATE			
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SUPPLEMENT TO FEBRUARY 7, 2025 STIPULATION TO INTERIM RATE SUBJECT TO REFUNDS WITH INTEREST PENDING A FINAL DETERMINATION OF THE LEGALITY OF THE RATE

Applicant STATE FARM GENERAL INSURANCE COMPANY ("Applicant") and the Department of Insurance ("Department") (collectively, "Parties") hereby stipulate and agree to the following additional terms to the Stipulation¹ the Parties previously entered into, in order to effect the interim resolution of a factual issue and the applicability of provisions of law material to the pending rate applications. Again, the Parties stipulate to an appropriate interim rate, subject to refunds with interest following a full rate hearing process in this matter, with the proposed revisions set forth herein ("Supplemental Stipulation"). Pursuant to the inherent authority vested in the Commissioner under Proposition 103 and confirmed by the California Supreme Court in *Calfarm Insurance Company v. Deukmejian* (1989) 48 Cal.3d 805 and 20th Century Insurance Company v. Garamendi (1994) 8 Cal.4th 216, the Parties expressly adopt the terms of the prior Stipulation and renew their request in this Supplemental Stipulation that the Commissioner issue the proposed stipulated interim rate order subject to refunds with interest following further investigation and proof as part of the full rate hearing process in this matter, with the following proposed revised and supplemental terms:

RECITALS

- A. On February 7, 2025, the Parties submitted the Stipulation to the Commissioner.
- B. On February 26, 2025, the Commissioner held an informal conference with the Parties regarding the Stipulation.
- C. On March 11, 2025, the Commissioner proposed that Applicant agree to the following additional terms, in order for the Commissioner to be able to approve the interim rate request: first, that Applicant obtain a capital infusion from its parent company, State Farm Mutual Automobile Insurance Company ("State Farm Mutual"); and second, that Applicant cease its currently ongoing nonrenewal program, initiated in March 2024, through year-end 2025.
 - D. The Parties hereby submit this Supplemental Stipulation in response to the

Stipulation to Interim Rate Subject to Refunds with Interest Pending a Final Determination of the Legality of the Rate ("Stipulation"), previously submitted to the California Insurance Commissioner on February 7, 2025.

SUPPLEMENT TO STIPULATION AND REQUEST FOR INTERIM RATE ORDER

Applicant Will Obtain Capital if the Interim Rate Is Granted

- 1. Applicant stipulates and agrees that if and when the Commissioner enters an order approving the interim rates as set forth herein, it will obtain capital from its parent company, State Farm Mutual Automobile Insurance Company ("State Farm Mutual"), in the form of a surplus note of \$400 million.
- 2. Accordingly, the Parties supplement the terms of the prior Stipulation by stipulating and agreeing as an additional term that, should the Commissioner approve the interim rates as set forth herein, Applicant shall obtain a surplus note of \$400 million from State Farm Mutual.

The Parties Also Supplement the Terms of the Prior Stipulation by Stipulating to a Reduced HO3 Interim Rate and to No New Nonrenewal Program Through 2025

- 3. Applicant maintains that it would be contrary to prudent management of the company and fiscally irresponsible to agree and stipulate to cease its currently implemented and ongoing nonrenewal program that was initiated in March 2024 in the lines represented by the Applications identified in the table below, and therefore reports that it will complete that program by year-end 2025. However, the Department believes that the Commissioner may be able to offset the potential rate impact of these non-renewals by decreasing the requested interim rate in the Homeowners Non-Tenant HO-3 line from 21.8% to 17.0%, subject to further investigation and proof regarding the ultimate rate as part of the full rate hearing process.
- 4. The Department further believes that the reduction of the HO-3 interim rate to 17.0% may either over- or under-estimate the potential rate impact, if any, of these nonrenewals, and therefore intends to fully investigate and determine the actual rate impact, if any, of these nonrenewals during the full rate hearing process, as well as the overall appropriate rate indication. Applicant believes that it will address the potential rate impact, if any, of the non-renewals in the anticipated amended rate Application.

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5. Accordingly, the Parties revise the prior Stipulation as set forth herein and stipulate and agree that Applicant shall implement an overall interim rate increase, subject to potential refunds with interest following a full rate hearing process and final determination of the legality of the rate by the Commissioner, to be implemented with a revised effective date of June 1, 2025 for new and renewal business, and with a decrease in the agreed-upon interim rate for the Non-Tenant Homeowners HO-3 line from 21.8% to 17.0%, so that the overall stipulated and agreed-upon interim rates by the Parties are as follows:

File No. **Application Line** Interim Rate Subject to Refunds with Interest following Rate Hearing 24-1271 Homeowners Non-Tenant +17.0%HO-3 24-1273 Overall Renter/Condo +15%Tenant 24-1330 Rental Dwelling +38%

- 6. Additionally, the Parties stipulate and agree that Applicant shall not initiate any new block nonrenewal program(s) in the lines represented by the Applications through year-end 2025.
- 7. The Parties stipulate and agree that the Commissioner shall retain jurisdiction for the purpose of enforcing the provisions and terms of this Supplemental Stipulation and the Order requested thereon as well as on the prior Stipulation.
- 8. The undersigned represent and warrant under penalty of perjury under the laws of the State of California that they have full and complete authority to enter into and bind the party on whose behalf they are signing to all of the terms of this Supplemental Stipulation.

Based on all of the foregoing, the parties again respectfully request that the Commissioner issue an Interim Rate Order Subject to Refunds with Interest Pending a Final Determination of the

1	Legality of the Rate, based upon the terms of the previously submitted Stipulation and this		
2	Supplemental Stipulation as set forth above to resolve the above-described legal and factual		
3	issues.		
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5	Dated: April 4, 2025	STATE FARM GENERAL INSURANCE COMPANY	
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7		0 XH	
8		July 1	
9		By:	
10		HOGAN LOVELLS US LLP	
11		Attorneys for Applicant State Farm General Insurance Company	
12			
13	Dated: April 4, 2025	CALIFORNIA DEPARTMENT OF	
14	•	INSURANCE	
15		By: Nikki McKennedy	
16		By: Nikki S. McKennedy	
17		Attorneys for the California Department of Insurance	
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1 PROOF OF SERVICE In the Matter of the Rate Applications of 2 State Farm General Insurance Company, Applicant CDI File Nos. PA-2024-00011 (RRB File #24-1273), 3 PA-2024-00012 (RRB File #24-1271 & PA-2024-00013 (RRB File #24-1330) 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 April 4, 2025, I served the following document(s): 7 SUPPLEMENT TO FEBRUARY 7, 2025 STIPULATION TO INTERIM RATE 8 SUBJECT TO REFUNDS WITH INTEREST PENDING A FINAL DETERMINATION OF THE LEGALITY OF THE RATE 9 10 on all persons named on the attached Service List, by the method of service indicated, as follows: 11 If U.S. MAIL is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items to be sent by mail, 12 pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, 13 outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California. 14 If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed 15 envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar 16 with this office's practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an 17 authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden 18 State overnight service, with an active account number shown for payment. 19 If **FAX SERVICE** is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked. 20 If **PERSONAL SERVICE** is indicated, by hand delivery this date. 21 If INTRA-AGENCY MAIL is indicated, by placing this date in a place designated for collection 22 for delivery by Department of Insurance intra-agency mail. 23 If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed. 24 Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct. 25 26 27 28

SERVICE LIST In the Matter of the Rate Applications of State Farm General Insurance Company, Applicant CDI File Nos. PA-2024-00011 (RRB File #24-1273), PA-2024-00012 (RRB File #24-1271 & PA-2024-00013 (RRB File #24-1330)			
Name/Address	Phone/Fax Numbers	Method of Service	
Karl Fredric J. Seligman Administrative Law Judge Administrative Hearing Bureau CALIFORNIA DEPARTMENT OF INSURANCE 1901 Harrison Street, 3 rd Floor Oakland, CA 94612 Florinda.Cristobal@insurance.ca.gov Camille.Johnson@insurance.ca.gov	Tel: (415) 538-4243 Fax: (510) 238-7828	Via EMAIL	
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10	The Honorable California Insurance Commissioner Ricardo Lara	Tel: (916) 492-3500 Fax: (916) 445-5280	Via EMAIL
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12	INSURANCE		
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14	CommissionerLara@insurance.ca.gov		
15	Michael Martinez Chief Deputy Commissioner	Tel: (916) 492-3573	Via EMAIL
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17	CALIFORNIA DEPARTMENT OF INSURANCE		
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19	Michael.Martinez@insurance.ca.gov		
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	II		

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9	Kenneth Allen	Tel: (213) 346-6783	Via EMAIL
10	Deputy Commissioner Rate Regulation Branch	Fax: (213) 897-9051	
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