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15 **BEFORE THE INSURANCE COMMISSIONER**
16 **OF THE STATE OF CALIFORNIA**

17 In the Matter of the Rate Applications of
18 STATE FARM GENERAL INSURANCE
19 COMPANY,
20 Applicant.

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

**SUPPLEMENT TO FEBRUARY 7, 2025
STIPULATION TO INTERIM RATE
SUBJECT TO REFUNDS WITH
INTEREST PENDING A FINAL
DETERMINATION OF THE LEGALITY
OF THE RATE**

1 Commissioner's proposals.

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3 **SUPPLEMENT TO STIPULATION AND REQUEST FOR INTERIM RATE ORDER**

4 **Applicant Will Obtain Capital if the Interim Rate Is Granted**

5 1. Applicant stipulates and agrees that if and when the Commissioner enters an order
6 approving the interim rates as set forth herein, it will obtain capital from its parent company, State
7 Farm Mutual Automobile Insurance Company ("State Farm Mutual"), in the form of a surplus
8 note of \$400 million.

9 2. Accordingly, the Parties supplement the terms of the prior Stipulation by
10 stipulating and agreeing as an additional term that, should the Commissioner approve the interim
11 rates as set forth herein, Applicant shall obtain a surplus note of \$400 million from State Farm
12 Mutual.

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

15 3. Applicant maintains that it would be contrary to prudent management of the
16 company and fiscally irresponsible to agree and stipulate to cease its currently implemented and
17 ongoing nonrenewal program that was initiated in March 2024 in the lines represented by the
18 Applications identified in the table below, and therefore reports that it will complete that program
19 by year-end 2025. However, the Department believes that the Commissioner may be able to off-
20 set the potential rate impact of these non-renewals by decreasing the requested interim rate in the
21 Homeowners Non-Tenant HO-3 line from 21.8% to 17.0%, subject to further investigation and
22 proof regarding the ultimate rate as part of the full rate hearing process.

23 4. The Department further believes that the reduction of the HO-3 interim rate to
24 17.0% may either over- or under-estimate the potential rate impact, if any, of these nonrenewals,
25 and therefore intends to fully investigate and determine the actual rate impact, if any, of these
26 nonrenewals during the full rate hearing process, as well as the overall appropriate rate indication.
27 Applicant believes that it will address the potential rate impact, if any, of the non-renewals in the
28 anticipated amended rate Application.

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

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

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18 6. Additionally, the Parties stipulate and agree that Applicant shall not initiate any
19 new block nonrenewal program(s) in the lines represented by the Applications through year-end
20 2025.

21 7. The Parties stipulate and agree that the Commissioner shall retain jurisdiction for
22 the purpose of enforcing the provisions and terms of this Supplemental Stipulation and the Order
23 requested thereon as well as on the prior Stipulation.

24 8. The undersigned represent and warrant under penalty of perjury under the laws of
25 the State of California that they have full and complete authority to enter into and bind the party
26 on whose behalf they are signing to all of the terms of this Supplemental Stipulation.

27 Based on all of the foregoing, the parties again respectfully request that the Commissioner
28 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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9 By: _____
Jordan D. Teti
HOGAN LOVELLS US LLP
*Attorneys for Applicant State Farm General
Insurance Company*

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13 Dated: April 4, 2025

CALIFORNIA DEPARTMENT OF
INSURANCE



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

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PROOF OF SERVICE
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)

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, 4th Floor, Oakland, CA 94612. On April 4, 2025, I served the following document(s):

SUPPLEMENT TO FEBRUARY 7, 2025 STIPULATION TO INTERIM RATE
SUBJECT TO REFUNDS WITH INTEREST PENDING A FINAL
DETERMINATION OF THE LEGALITY OF THE RATE

on all persons named on the attached Service List, by the method of service indicated, as follows:

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, 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, 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.

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 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. 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 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.

If **FAX SERVICE** is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If **PERSONAL SERVICE** is indicated, by hand delivery this date.

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.

If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed.

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.

Cecilia Padua

Cecilia Padua

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)

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<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
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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