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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 NOTICE
OF AND MOTION IN LIMINE NO. 2 TO
EXCLUDE EVIDENCE REGARDING
THE SUPPLEMENT TO THE
FEBRUARY 7, 2025 STIPULATION**

**Hearing Date/Time: April 8, 2025
10:00 a.m.**

1 **TO THE ADMINISTRATIVE LAW JUDGE AND TO ALL PARTIES:**

2 PLEASE TAKE NOTICE that Consumer Watchdog hereby moves in limine for an order
3 excluding from the April 8, 2025 interim rate hearing any evidence, argument, or reference to the
4 Supplement to February 7, 2025 Stipulation to Interim Rate Subject to Refunds With Interest
5 Pending a Final Determination of the Legality of the Rate submitted on April 4, 2025 (“April 4
6 Supplement”), including but not limited to evidence, argument, or reference to issues concerning
7 the newly proposed interim rates or the newly proposed terms, on the grounds that:

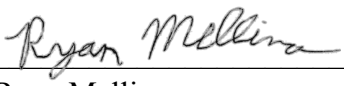
- 8 1. The April 4 Supplement was untimely filed;
- 9 2. Neither State Farm nor the Department of Insurance submitted declarations in support of
10 the April 4 Supplement; and
- 11 3. Introduction of evidence concerning the untimely filed and unsupported April 4
12 Supplement would be unfair and unduly prejudicial, and in violation of the prior approval
13 and transparency requirements of Proposition 103 and the California Administrative
14 Procedure Act.

15 This Motion is made pursuant to 10 CCR § 2656.1 and the ALJ’s express and inherent authority
16 to regulate the admission of evidence to ensure a fair and legally compliant hearing. (See 10
17 CCR § 2654.1.) Consumer Watchdog requests that this motion be heard **as soon as practicable,**
18 **but in no event later than April 8, 2025,** the date of the scheduled interim rate hearing.

19
20 DATED: April 7, 2025

Respectfully submitted,

21 CONSUMER WATCHDOG

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23 By: 
24 Ryan Mellino
25 Attorneys for CONSUMER WATCHDOG
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27
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INTRODUCTION

At the March 26, 2025 initial scheduling conference in these matters, the Department and State Farm indicated to Administrative Law Judge (“ALJ”) Karl Fredric J. Seligman that they were preparing to file a “supplement” to the February 7, 2025 Stipulation (“Stipulation”) on which this hearing was called. In his March 27, 2025 Amended Notice of Hearing on Stipulation and Order, ALJ Seligman ordered the Department and State Farm to “file any applicable declarations in support of the Stipulation under Regulation 2656.1, along with the supplement/amendment to the Stipulation described on the record March 26, 2025, no later than Tuesday, April 2, 2025.”

No “supplement/amendment to the Stipulation” was filed on April 2. Instead, the Department submitted a declaration advocating that ALJ Seligman issue a “proposed decision” including both different terms and different interim rates than appeared in the Stipulation. Later on April 2, State Farm submitted a brief and multiple declarations advocating for approval of the Stipulation as filed. Neither party indicated that a supplement to the Stipulation was still in play. However, on at 10:16 AM on April 4, the Department filed the April 4 Supplement, only 44 minutes before the second scheduling conference was set to begin.

Having failed to timely file the April 4 Supplement as required by ALJ Seligman’s order and without supporting declarations, any evidence concerning the April 4 Supplement is irrelevant, unduly prejudicial, and offered in violation of California’s transparent rate-setting framework. It should be excluded in limine.

I. California Law Requires Exclusion

A. The Department and State Farm Untimely Filed the April 4 Supplement

The April 8, 2025 hearing on these matters was called pursuant to the Commissioner’s March 14, 2025 Order Regarding State Farm General Insurance Company’s Request for an Emergency Interim Rate Pending Rate Hearing (“March 14 Order”). The March 14 Order provided that the hearing would be “[p]ursuant to 10 CCR 2656.1, subdivision (g),” and would be “based on updated rate-setting data through the end of the first quarter of 2025 in the Applications, the two-way stipulation between the Department and State Farm, Watchdog’s

1 objections to the interim rate, argument from the Commissioner’s February 26, 2025, and
2 March 11, 2025 conferences, the Commissioner’s subsequent proposal to the parties along with
3 such additional correspondence, evidence and argument provided at the hearing.”

4 However, at the March 26 scheduling conference, State Farm and the Department
5 indicated to ALJ Seligman that they were planning to file a supplement to the Stipulation, but
6 needed some additional time to do so. ALJ Seligman’s March 27 Order accommodated the
7 parties, giving them an April 2 deadline to file a supplement to the Stipulation as well as
8 supporting declarations.

9 No supplement to the Stipulation was filed on April 2. Instead, State Farm submitted
10 declarations in support of the Stipulation as signed, while the Department submitted a declaration
11 advocating for a proposed decision incorporating different terms and interim rates than the
12 Stipulation. Based on the parties’ filings, Consumer Watchdog reasonably concluded that the
13 parties had for whatever reason failed to agree to any supplements to the Stipulation and
14 immediately began preparing its responsive filings, including briefing and objections, based on
15 the Stipulation as filed.

16 But without any advance notice, on April 4, 2025, the Department submitted the April 4
17 Supplement. Given the untimely filing, the April 4 Supplement should be rejected and the
18 Department and State Farm should be precluded from presenting evidence, arguments, or
19 reference to the April 4 Supplement.

20 **B. Neither State Farm Nor the Department Filed Declarations Supporting the**
21 **April 4 Supplement**

22 10 CCR § 2656.1(c) requires parties advocating for approval of a stipulation to “file and
23 serve supporting declarations indicating the reasons that the settlement or stipulation is
24 fundamentally fair, adequate, reasonable and in the interests of justice.” While State Farm and
25 the Department filed declarations on April 2, neither declaration concerned the April 4
26 Supplement. And neither party submitted any declarations in support of the April 4 Supplement
27 when it was filed on April 4, which in any event would have been untimely filed just like the
28 April 4 Supplement. Allowing evidence or argument concerning a stipulation that lacks the

1 required supporting declarations would subvert the fundamental fairness Proposition 103 was
2 designed to protect.

3 **C. Evidence or Argument Regarding the April 4 Supplement Would Be**
4 **Prejudicial**

5 As noted above, after State Farm and the Department failed to submit a supplement to the
6 Stipulation on April 2 and instead submitted declarations advocating for approval of different
7 terms and rates, Consumer Watchdog naturally concluded that the parties were unable to agree
8 on a supplement to the Stipulation. Given that the April 8 hearing was less than a week away,
9 Consumer Watchdog immediately began preparing its responses and objections to State Farm
10 and the Department's filings. These responses and objections were predicated on the lack of any
11 supplement to the Stipulation and therefore addressed why the Stipulation as signed should not
12 be approved. But less than two full business days before the April 8 hearing, State Farm and the
13 Department submitted the April 4 Supplement including different terms and proposed interim
14 rates, without any further supporting declarations. It would be fundamentally unfair and
15 prejudicial (Evid. Code § 352) to Consumer Watchdog to be required to alter or rewrite
16 substantial portions of its briefing and responses, as well as its hearing preparation, based on this
17 untimely and unsupported filing.

18 **CONCLUSION**

19 For all the reasons set forth above, Consumer Watchdog respectfully requests that the
20 ALJ enter an order excluding from the April 8, 2025 hearing all evidence, testimony, or
21 argument concerning the April 4 Supplement.

22 This motion should be heard as soon as practicable, and no later than April 8, 2025.

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1 DATED: April 7, 2025

Respectfully submitted,

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

8 By: Ryan Mellino
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