

Harvey Rosenfield, SBN 123082  
Pamela Pressley, SBN 180362  
William Pletcher, SBN 212664  
Benjamin Powell, SBN 311624  
Ryan Mellino, SBN 342497  
**CONSUMER WATCHDOG**  
6330 San Vicente Blvd., Suite 250  
Los Angeles, CA 90048  
Tel. (310) 392-0522  
Fax (310) 861-0862  
harvey@consumerwatchdog.org  
pam@consumerwatchdog.org  
will@consumerwatchdog.org  
ben@consumerwatchdog.org  
ryan@consumerwatchdog.org

Attorneys for CONSUMER WATCHDOG

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  
OBJECTIONS, MOTION TO STRIKE,  
AND NOTICE OF MOTION FOR  
SANCTIONS RE STATE FARM AND  
THE DEPARTMENT'S UNTIMELY  
SUBMISSIONS**

1 In their effort to obtain the Commissioner’s immediate approval of an unprecedented  
2 \$914 million in rate increases—without first justifying the request through a public hearing as  
3 required by Proposition 103— State Farm General Insurance Company (“State Farm”)<sup>1</sup> has  
4 disregarded Proposition’s statutory and regulatory requirements.

5 These violations, for which State Farm has offered no substantive explanation, have  
6 profoundly prejudiced Consumer Watchdog’s due process and public participation rights under  
7 Proposition 103. This is not merely a matter of procedural defects; the pattern of disregard has  
8 become so pervasive that it has materially obstructed the ability of Consumer Watchdog—the  
9 only public representative currently in these proceedings—to participate as Proposition 103 both  
10 requires and guarantees.

11 Beginning with the Parties’ failure to file their joint stipulation at the latest on March 17  
12 and accompanied by the evidence required to justify the stipulation (this evidence was not filed  
13 until over two weeks later, on April 2) to their unauthorized filing—in violation of this Court’s  
14 orders—on April 4 of a purported “supplemental” stipulation (again, without required  
15 evidentiary support)—State Farm’s pattern of delayed submissions has materially undercut  
16 Consumer Watchdog’s ability to present its case. Where State Farm takes months and weeks to  
17 negotiate with the Department, prepare filings, conduct analyses, and develop expert positions,  
18 Consumer Watchdog is afforded days and hours. These actions appear to reflect a strategy of  
19 compressing the timeline available for public and outside expert review in order to evade  
20 meaningful scrutiny by simply running out the clock.

21 As a consumer representative, and the only participant in this proceeding attempting to  
22 protect the interests of California consumers—including current, prospective, and previously  
23 nonrenewed State Farm policyholders—Consumer Watchdog has been forced to respond under  
24 extraordinary time pressure and without access to basic information that State Farm has  
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26 <sup>1</sup> Although State Farm and the Department have been copying the ultimate decisionmaker in this  
27 matter, Insurance Commissioner Ricardo Lara, on all filings, Consumer Watchdog intends to  
28 continue to observe the appropriate separation between the Commissioner’s employees in the  
Rate Enforcement Bureau and the Rate Regulation Bureau, and the Commissioner and his  
executive staff.

1 withheld—including any substantive response to Consumer Watchdog’s discovery requests, to  
2 which this Court ordered State Farm to reply on shortened time. That this has occurred with the  
3 Department’s support is particularly troubling, given its duty to uphold the consumer protections  
4 enacted by California voters through Proposition 103.

5 The regulatory procedures at issue here exist to preserve public trust by ensuring that  
6 proposed rate increases undergo thorough and transparent review. When one party is expected to  
7 follow the rules while others are permitted to operate outside them, the integrity of that process is  
8 called into question. In a contested matter handled on an expedited schedule—but where tight  
9 timelines apply equally to all participants—the strain may be considerable, but the fairness of the  
10 process is preserved. However, when the burden of delay and compressed preparation time falls  
11 almost entirely on one party, the process ceases to function as a fair and neutral forum. Due  
12 process is denied. That concern is heightened when the parties affording themselves extra time  
13 outside the regulatory framework and in violation of this Court’s orders include the state’s  
14 largest insurer and the Department of Insurance (“Department” or “CDI”)—entities with vastly  
15 greater institutional resources—while the party disadvantaged is a nonprofit public interest  
16 organization tasked with representing consumers under the very statute whose procedures have  
17 been disregarded.

18 Accordingly, and as further set forth below, Consumer Watchdog respectfully requests  
19 that the Court strike the untimely filings submitted by State Farm and the Department, deny  
20 approval of the proposed interim rate increases, and take such additional action as may be  
21 warranted, including the imposition of sanctions.<sup>2</sup>

## 22 **RELEVANT PROCEDURAL HISTORY**

23 In June and July 2024, State Farm filed three applications for rate increases. Proclaiming  
24 financial need, State Farm applied for Variance 6, which permits an insurance company to obtain  
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27 <sup>2</sup> Consumer Watchdog incorporates by reference its March 24, 2025 objections to the Stipulation  
28 filed by those parties on February 7, 2025, its objections set forth in its March 28, 2025 letter to  
Administrative Law Judge Seligman, and other documents cited here.

capital support from its policyholders, contingent on a plan for future compensation once the company is restored to financial health. (10 CCR § 2644.27 (f)(6)).

Consumer Watchdog promptly “initiated” these “proceeding[s]” by submitting a Petition to Intervene, Petition for Hearing, and Notice of Intent to Seek Compensation in each of the three applications pursuant to Insurance Code sections 1861.05(a) and 1861.10(a).

To expedite the review process, Consumer Watchdog immediately issued discovery requests in the homeowners proceeding. Between the time of those requests and February 3, 2025, Consumer Watchdog contacted State Farm on at least 14 separate occasions, seeking to coordinate the exchange of information from State Farm necessary to assess the company’s requests. State Farm made no substantive response.

On February 3, 2025, State Farm sent a letter directly to Insurance Commissioner Lara (Exhibit IRH-CWD-207) asking for his “immediate approval” of “emergency interim rate” increases, bypassing the public hearing process required by California law. State Farm described its situation as “dire” and simultaneously issued a press release through its parent company, State Farm Mutual Automobile Insurance Company. (Exhibit IRH-CWD-252.)

Consumer Watchdog presented a preliminary response to the Commissioner on February 5. (Exhibit IRH-CWD-208.)

Four days later, on February 7, the Department transmitted a “Stipulation to Interim Rate” (“Stipulation”)—an agreement between State Farm and the Department—directly to the Commissioner. The Stipulation proposed that the Commissioner immediately approve rate increases totaling \$914 million without complying with Proposition 103’s prior approval rate hearing requirements. That same day, Consumer Watchdog submitted two letters, one to the Commissioner and one addressed to the Department, opposing the Stipulation (Exhibit IRH-CWD-209 and IRH-CWD-210, respectively).

On February 14, the Commissioner issued a letter inviting the Parties to an “informal” non-public conference with the Commissioner on February 26. (Exhibit IRH-CWD-211.) In response, Consumer Watchdog submitted a letter to the Commissioner on February 19 objecting to the lack of public access to the meeting and reiterating the statutory requirement for

1 transparency and public process under Proposition 103. (Exhibit IRH-CWD-212). On  
2 February 25, State Farm wrote the Commissioner responding to questions raised in the  
3 Commissioner's February 14 letter and reiterating its request. (Exhibit IRH-CWD-214.) On  
4 February 26, Consumer Watchdog provided a detailed memorandum to the Commissioner  
5 objecting to the procedural impropriety of State Farm's proposal as well as the merits of State  
6 Farm's request. (Exhibit IRH-CWD-215.)

7 At the February 26 closed-door meeting, the Commissioner pressed State Farm for  
8 information concerning the Stipulation and discussed potential terms. (Exhibit IRH-CWD-216.)  
9 On March 6, Consumer Watchdog sent the Commissioner a letter addressing the new  
10 information State Farm had divulged at the February 26 meeting. (Exhibit IRH-CWD-216.) By  
11 separate letter on that same date, Consumer Watchdog brought to the Commissioner's attention  
12 the existence of a newly published video recording of a State Farm executive suggesting that the  
13 company's policy cancellations across California are being wielded as a strategic bargaining tool  
14 in support of the company's rate increases rather than as a necessary response to financial risk.  
15 (Exhibit IRH-CWD-217.)

16 The Commissioner convened a second non-public meeting, via Zoom, on March 11.  
17 (Exhibit IRH-CWD-219.)

18 On March 14, the Commissioner issued an Order calling for a formal hearing on the two-  
19 way Stipulation pursuant to 10 CCR section 2656.1, subdivision (g), setting April 8 as the first  
20 day of the hearing.

21 On March 17, the Department issued a Notice of Hearing with exhibits, including the  
22 Stipulation, which was transmitted to the Administrative Hearing Bureau ("AHB"). This filing  
23 did not include any evidentiary support; substantively it only included the Stipulation.

24 On March 24, this Court convened a Status Conference via video, at which  
25 representatives of State Farm, the Department, and Consumer Watchdog appeared. At this  
26 conference, State Farm and the Department announced that they (1) would file extensive  
27 documentation in support of the emergency interim rate request on April 2, and (2) planned to  
28 "amend" the Stipulation with different and additional terms.

1 Consumer Watchdog timely filed Objections to the Stipulation pursuant to 10 CCR  
2 section 2656.1, subdivision (g). (Consumer Watchdog’s Objections to CDI and State Farm’s  
3 Two-Way Stipulation to Interim Rate, March 24, 2025.) Neither State Farm nor the Department  
4 filed declarations or any other evidence in support of their Stipulation.

5 On March 27, after a Status Conference, this Court issued an Amended Notice of Hearing  
6 on Stipulation and Order (“March 27 Order”). Among other things, it ordered State Farm and  
7 CDI to submit any declarations required by 10 CCR section 2656.1 by April 2.

8 On March 28, Consumer Watchdog sent a letter to the Court noting that State Farm and  
9 the Department had failed to comply with the requirements of Section 2656.1; were proposing to  
10 replace the Stipulation with a new version but without following the requirements of Section  
11 2656.1; and presenting general objections to the truncated process adopted by the Court because  
12 it prejudiced Consumer Watchdog’s rights. (Exhibit IRH-CWD-225.)

13 On April 2, the Department timely filed the Declaration of Tina Shaw in support of the  
14 Stipulation.

15 Later on April 2, beginning at approximately 11:32 P.M., Consumer Watchdog received a  
16 series of five emails from State Farm purporting to provide access to 62 documents including  
17 exhibits—a total of 1383 pages—in support of the Stipulation. Among those communications  
18 were a link to the files and a Dropbox option; both were broken. State Farm’s submissions  
19 include arguments in opposition to the objections Consumer Watchdog had filed on March 24.

20 On April 4, the Department filed what it termed a “Supplement” to the Stipulation before  
21 this Court; it contains major changes to its terms, which conflict with the terms of the current  
22 Stipulation.

23 This filing is authorized by the Court’s March 27 Order.  
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## OBJECTIONS

### **I. State Farm and the Department Have Repeatedly Violated the Laws and Regulations That Govern This Proceeding.**

#### **A. State Farm and the Department Flouted the Law in an Attempt to Obtain Approval of a Stipulation to an Interim Rate Increase Without Compliance with Proposition 103's Public Review Procedures.**

Despite having filed its rate applications in mid-2024, State Farm took no meaningful steps to advance the review of those applications for many months. It failed to respond to discovery requests from Consumer Watchdog and did not engage in efforts to facilitate the exchange of information necessary for a timely and thorough review.

Then, on February 3, State Farm abruptly requested the Commissioner's immediate approval of interim rate increases, outside of the required Proposition 103 procedure. (Exhibit IRH-CWD-207.) Just four days later, on February 7, the Department transmitted to the Commissioner a "Stipulation to Interim Rate"—an agreement between the Department and State Farm for rate increases totaling almost \$1 billion. (Exhibit IRH-CWD-209.) State Farm's simultaneously-issued press release cited the Los Angeles wildfires as a contributing factor to its alleged emergency, but it also acknowledged that the company retained sufficient resources to pay wildfire claims. Its stated rationale for the stipulated rate increases was instead to bolster its capital reserves in order to maintain its financial strength rating. (Exhibit IRH-CWD-252.)

Proposition 103 requires that insurance companies file complete, public rate applications justifying their requested increase; where a consumer representative challenges the increase and requests a hearing, the law mandates that the Department conduct a public and transparent process. (Ins. Code §§ 1861.05, 1861.10.) This framework is designed to guard against excessive rates and ensure regulatory accountability. When, after an informal review of a rate application that has been challenged by a consumer representative, and the insurer and the Department agree to the necessity of a rate increase, they may under 10 CCR section 2656.1 submit a stipulation for approval. This process requires supporting evidentiary declarations to justify the request. (10 CCR § 2656.1, subd. (c).)

In summary, the regulation required that State Farm and the Department submit the proposed stipulation to AHB, which would then have initiated a process for consideration that

1 would have allowed the interests of affected consumers—here, millions of Californians—to be  
2 protected.

3 State Farm and the Department are indisputably aware of these legal requirements.  
4 Nothing in the law authorizes them to unilaterally ignore them. There was no reason State Farm  
5 and the Department could not have complied with the regulation, which would have authorized a  
6 hearing to be held in less than three weeks. Nor is there any precedent for approving a stipulation  
7 of this magnitude without full compliance with the law. In a public letter to the Commissioner on  
8 February 5, Consumer Watchdog objected to the attempt to circumvent the required process and  
9 demanded that a hearing be held in accordance with the law. (Exhibit IRH-CWD-208.)

10 **B. State Farm and the Department Filed the Legally Required Justification for**  
11 **the Stipulation 58 Days Late—Only Six Days Before the Hearing—**  
12 **Undermining Consumer Watchdog’s Statutory and Due Process Rights.**

13 Under 10 CCR section 2656.1, subdivision (c), when parties seek approval of a  
14 stipulation before the taking of testimony, they are required to submit supporting declarations at  
15 the time of filing with AHB, the independent judicial arm of the Department. This requirement  
16 serves two critical purposes: first, it allows other parties to meaningfully assess and respond to  
17 the proposed stipulation; second, it enables the Administrative Law Judge to evaluate whether  
18 the stipulation meets the legal standard of being “fundamentally fair, adequate, reasonable and in  
19 the interests of justice.” (10 CCR § 2656.1(c).)

20 Despite these clear requirements, when State Farm and the Department transmitted the  
21 Stipulation (to the Commissioner, rather than AHB), they did so without any of the declarations  
22 or evidentiary support required under the regulation.

23 After two informal, non-public conferences with the Commissioner, the Commissioner  
24 issued an order on March 14 confirming that a public hearing process would be required to  
25 evaluate the Stipulation, and set the hearing to start on April 8. The order made clear that the  
26 requirements of Section 2656.1 applied to this proceeding.

27 Once the Commissioner confirmed that 10 CCR section 2656.1 applied to the proceeding,  
28 Consumer Watchdog expected State Farm and the Department to immediately file the required  
support with the Stipulation. However, neither State Farm nor the Department filed any



1 supporting documentation when the Stipulation was transmitted to AHB on March 17. And so, in  
2 reliance on the Commissioner's order, Consumer Watchdog timely filed its required objections  
3 to the Stipulation on March 24. (10 CCR § 2656.1, subd. (g).)

4 At the time of Consumer Watchdog's objections, however, State Farm and the  
5 Department had still not provided any of the supporting materials required by law. Accordingly,  
6 Consumer Watchdog was forced to base its objections solely on the text of the Stipulation, the  
7 materials filed with State Farm's original rate applications, and the limited summary information  
8 submitted by State Farm on February 5. No new data reflecting the financial impact of the Los  
9 Angeles wildfires or State Farm's justification for the emergency increase was made available.

10 Just before the first the first Status Conference convened by ALJ Seligman, Consumer  
11 Watchdog learned for the first time that both State Farm and the Department planned to file  
12 declarations in support of the Stipulation. State Farm said that it planned to file numerous  
13 declarations, including from outside experts, but stated that it could not do so until *April 2*, just  
14 six calendar days before the April 8 hearing. State Farm further stated that it planned to rebut the  
15 objections submitted by Consumer Watchdog on March 24 in both declarations and a separate  
16 brief, inverting the order of briefing and burden of proof. The Department said it also planned to  
17 file supporting material, as well as an "amended" stipulation with State Farm, on the same date.

18 Consumer Watchdog strenuously objected to this process at the Status Conference, and  
19 subsequently by letter dated March 28 (Exhibit IRH-CWD-225), after the Court accepted the  
20 April 2 deadlines proposed by State Farm and the Department and issued its March 27 Order.

21 Pursuant to 10 CCR section 2652.5(b), filings in Department rate proceedings must be  
22 submitted no later than 4:30 p.m. On April 2, the Department met this deadline by filing the  
23 Declaration of Tina Shaw. However, State Farm did not submit its materials until approximately  
24 11:32 p.m., nearly seven hours after the applicable deadline.<sup>3</sup> It did so by sending five separate  
25

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26 <sup>3</sup> It would not be typical to bother a court with a rules violation involving mere hours. But this is  
27 not a typical situation, and the hours involved are not mere. Assuming any reasonable number of  
28 non-waking hours, this seven-hour time differential represents approximately 10% of the  
remaining preparation time available to Consumer Watchdog under this Court's scheduling  
order, including evenings and the weekend.

1 emails containing links to a Dropbox folder and additional documents, totaling 62 files and 1,383  
2 pages. These transmissions were defective, and Consumer Watchdog was unable to fully access  
3 the documents until the following day.

4 State Farm's filings included direct rebuttals to Consumer Watchdog's March 24  
5 objections, thereby leveraging Consumer Watchdog's timely submissions to its benefit, while  
6 circumventing the schedule that would have allowed an orderly and fair exchange of arguments.  
7 As a result, State Farm gained an unfair advantage by tailoring its late-filed declarations and  
8 briefing in direct response to Consumer Watchdog's arguments—inverting the order of proof  
9 required here—and denying Consumer Watchdog an equivalent opportunity to reply.

10 To summarize the conduct of State Farm and the Department concerning the required  
11 support for the Stipulation:

- 12 • State Farm and the Department failed to file the Stipulation with AHB on February 7, as  
13 required by 10 CCR section 2656.1, denying Consumer Watchdog the ability to  
14 thoroughly document the flaws in the Stipulation and the purported support for it in a  
15 public hearing.
- 16 • State Farm and the Department did not comply with the regulatory requirement to file  
17 declarations in support of the Stipulation until April 2—*58 days* after the Stipulation was  
18 first presented to the Commissioner, and *19 days* after the Department submitted the  
19 Stipulation to AHB.
- 20 • State Farm gained an advantage over Consumer Watchdog through its noncompliance.
- 21 • State Farm failed to meet the legal deadline on April 2 for service of its supporting  
22 documents.
- 23 • State Farm's untimely April 2 filings prevented Consumer Watchdog from reviewing the  
24 submissions until April 3.

25 The April 2 deadline left Consumer Watchdog with three working days (five total,  
26 including the weekend) to respond to the supporting documents—over one thousand pages of  
27 documentation. And one of those days—Monday April 7—is a necessary travel day for  
28 Consumer Watchdog's attorneys and actuary.

1 This sequence of actions has materially impaired Consumer Watchdog’s ability to  
2 prepare a comprehensive response. The procedural framework set forth in Proposition 103 and  
3 the Department’s own regulations contemplates a fair and balanced process. By failing to comply  
4 with those rules, and then seeking to benefit from the resulting imbalance, State Farm and the  
5 Department have placed Consumer Watchdog—and the public—in a position where meaningful  
6 participation has been severely constrained. Proposition 103’s core concerns of transparency and  
7 meaningful public review have already been violated.

8 **C. The “Supplemental Stipulation” Is Untimely, Filed in Violation of This**  
9 **Court’s Specific Order, and Violates Proposition 103.**

10 As previewed at the March 26 Status Conference, the Department filed what it labeled a  
11 “Supplement” to the rate increase Stipulation before this Court. This filing, however, did not  
12 occur by April 2 as ordered by this Court. (March 27 Amended Notice.) It came on April 4, just  
13 *one* working day before the April 8 hearing. This late filing was presented without a request for  
14 leave to file in violation of the order, nor with any other justification for the unauthorized  
15 submission. It contains major new terms and different proposed interim rates. The stipulating  
16 parties have not submitted declarations or other information in support. It is nearly impossible  
17 for Consumer Watchdog or the public to assess or evaluate a late filing that purports to alter the  
18 February 7 Stipulation.

19 Nothing in 10 CCR section 2656.1 or other applicable authority permits the parties to  
20 introduce a substantially revised stipulation—containing new and significant material terms—on  
21 the eve of a hearing. If there is a new or revised stipulation, orderly process requires the parties  
22 to withdraw their previous stipulation and then submit the new stipulation under 10 CCR section  
23 2656.1. This process does not involve weeks of delay—a hearing on a new stipulation must  
24 occur, per section 2656.1, within 10 days of an objection; there is no obstacle to complying with  
25 the rules, especially since the parties did not amend their stipulation for 60 days from its original  
26 submission. The filing of what is effectively a new stipulation that supersedes the original  
27 stipulation deprives Consumer Watchdog, as well as the public, of the right to review and  
28 challenge its impact on the nearly \$1 billion rate increase requested by State Farm.

Moreover, the March 27 Order issued by this Court explicitly directed that any “supplement/amendment to the Stipulation” be filed no later than Tuesday, April 2. The Department and State Farm did not comply with that deadline, nor have they provided any explanation for the late submission. The untimely filing further compounds the prejudice already caused by the late delivery of the original supporting materials. As it stands, Consumer Watchdog must now attempt to guess which portions of previous declarations and filings are even relevant to the Amended Stipulation.

If State Farm and the Department wish to revise their proposal, they must do so within the bounds of the public review process established by Proposition 103 and its implementing regulations. A last-minute filing that modifies the terms of a proposed rate increase—nearly \$1 billion in size—without appropriate procedural safeguards circumvents the protections that Proposition 103 was enacted to preserve.

Allowing the April 4 filing to stand would effectively permit the parties to substitute a new stipulation in place of the one that has been properly noticed and is the subject of the scheduled hearing, while avoiding the procedural requirements that such a change would normally trigger. This is inconsistent with the regulations, unfair to Consumer Watchdog, and detrimental to the integrity of the proceeding as a whole.

## **II. State Farm and the Department’s Filings Violate California Law and Consumer Watchdog’s Rights; They Should Be Struck.**

This proceeding involves a proposed interim rate increase of nearly \$1 billion, affecting over two million policyholders across California. Yet despite the scale and importance of what is at stake, State Farm and the Department have taken a series of actions that have prevented Consumer Watchdog from fulfilling its statutory role and impaired the integrity of the process. As outlined above, those parties failed to comply with the clear procedural requirements established by Proposition 103 and the Department’s own regulations. When directed to remedy those failures, they pursued a strategy that relied on delayed and voluminous filings—submitted with minimal notice—in a manner that left Consumer Watchdog with insufficient time to review, analyze, and respond.

1 The result is not a fairly balanced proceeding. Instead, it is one in which Consumer  
2 Watchdog has been placed at a significant disadvantage—given just one business day, or five  
3 calendar days including a weekend and a travel day, to review more than a thousand pages of  
4 documentation, including expert declarations and arguments responding directly to Consumer  
5 Watchdog’s timely objections—all of which may not even apply to the “supplemental”  
6 stipulation. The structure of the process, as it has unfolded, has denied Consumer Watchdog the  
7 fair opportunity to present its case that the law requires.

8 Whether that was State Farm’s goal or not, that is the result.

9 These are not merely technical violations. They go to the heart of a public process  
10 designed to ensure transparency, fairness, and accountability in insurance rate-setting. When  
11 parties are permitted to deviate from established rules without consequence—particularly when  
12 those parties include the largest insurer in the state and the very agency tasked with enforcing the  
13 law—the system ceases to function as intended.

14 Consumer Watchdog is the only participant in this proceeding seeking to hold State Farm  
15 (and the Department) to the standards imposed by Proposition 103. It has done its best to adapt to  
16 the exigencies involved and comply with every applicable requirement, including submission of  
17 timely objections, briefing, and motions, and acted in good faith to protect the public interest.  
18 Yet it has been required to do so in a setting where the rules appear to apply only to one side.

19 Neither State Farm nor the Department has offered any, let alone a persuasive,  
20 justification for their noncompliance. State Farm, as the nation’s largest insurer, has virtually  
21 unlimited resources. The Department has a statutory obligation to protect consumers.  
22 Nonetheless, both entities failed to follow the basic procedures that govern this proceeding.

23 Given the circumstances, and in order to preserve the fairness and integrity of the  
24 hearing, Consumer Watchdog respectfully requests that the Court strike all documents submitted  
25 by State Farm and the Department on or after April 2, including State Farm’s untimely  
26 declarations and the Supplemental Stipulation. These materials should be excluded from  
27 consideration in connection with the pending request for interim rate relief.  
28

1 **III. This Court Should Impose Sanctions.**

2 Government Code section 11455.30 authorizes administrative law judges to impose  
3 sanctions during administrative proceedings. This authority is designed to protect the integrity of  
4 administrative proceedings by discouraging conduct that obstructs fair and orderly process.

5 As described above, the timeline and nature of the filings by State Farm and the  
6 Department—particularly the delayed production of supporting documentation, the extensive  
7 volume of material submitted shortly before the hearing, and the filing of a materially revised  
8 stipulation one business day in advance—have placed significant and unnecessary burdens on  
9 Consumer Watchdog’s ability to prepare for the April 8 hearing. The cumulative effect of these  
10 actions has been to compress the timeframe available for review and response to a degree that  
11 undermines the process contemplated by Proposition 103 and the Department’s regulations.

12 The resulting procedural prejudice is clear. In a proceeding involving nearly \$1 billion in  
13 proposed rate increases, the public and its designated representative must be afforded a  
14 meaningful opportunity to participate. Conduct that frustrates that opportunity—whether  
15 intentional or not—raises serious concerns about fairness and due process.

16 Consumer Watchdog takes seriously the obligations imposed on all participants in this  
17 proceeding—including itself—and acknowledges that oversights and missteps can occur in the  
18 course of complex regulatory proceedings. At the same time, the integrity of the process depends  
19 on consistent adherence to the law, not on tactics that result in surprise and depart from  
20 established procedural safeguards.

21 For these reasons, Consumer Watchdog hereby gives notice that it intends to seek  
22 sanctions pursuant to Government Code section 11455.30 at a time to be determined in  
23 coordination with the Court. This request is also made as part of Consumer Watchdog’s Reply  
24 Hearing Brief, submitted with this filing.

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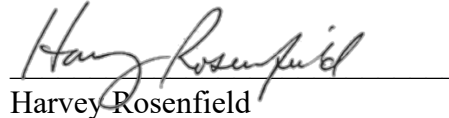
28 //

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:



9 Harvey Rosenfield  
10 Counsel for CONSUMER WATCHDOG  
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**PROOF OF SERVICE  
BY OVERNIGHT OR U.S. MAIL, FAX TRANSMISSION,  
EMAIL TRANSMISSION AND/OR PERSONAL SERVICE**

**State of California, City of Los Angeles, County of Los Angeles**

I am employed in the City and County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 6330 South San Vicente Boulevard, Suite 250, Los Angeles, California 90048, and I am employed in the city and county where this service is occurring.

On April 7, 2025, I caused service of true and correct copies of the document entitled

**CONSUMER WATCHDOG'S OBJECTIONS, MOTION TO STRIKE, AND NOTICE OF  
MOTION FOR SANCTIONS RE STATE FARM AND THE DEPARTMENT'S UNTIMELY  
SUBMISSIONS**

upon the persons named in the attached service list, in the following manner:

1. If marked FAX SERVICE, by facsimile transmission this date to the FAX number stated to the person(s) named.
2. If marked EMAIL, by electronic mail transmission this date to the email address stated.
3. If marked U.S. MAIL or OVERNIGHT or HAND DELIVERED, by placing this date for collection for regular or overnight mailing true copies of the within document in sealed envelopes, addressed to each of the persons so listed. I am readily familiar with the regular practice of collection and processing of correspondence for mailing of U.S. Mail and for sending of Overnight mail. If mailed by U.S. Mail, these envelopes would be deposited this day in the ordinary course of business with the U.S. Postal Service. If mailed Overnight, these envelopes would be deposited this day in a box or other facility regularly maintained by the express service carrier, or delivered this day to an authorized courier or driver authorized by the express service carrier to receive documents, in the ordinary course of business, fully prepaid.

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 7, 2025 at Los Angeles, California.

  
Kaitlyn Gentile



## Service List

Hon. Karl Fredric J. Seligman  
Administrative Law Judge  
Administrative Hearing Bureau  
**California Department of Insurance**  
1901 Harrison Street, 3rd Floor  
Oakland, CA 94612  
Tel.: (415) 538-4243  
Fax: (510) 238-7828  
Florinda.Cristobal@insurance.ca.gov  
Camille.Johnson@insurance.ca.gov

☐ FAX  
☐ U.S. MAIL  
☐ OVERNIGHT MAIL  
☐ HAND DELIVERED  
☒ EMAIL

Vanessa Wells  
Victoria Brown  
**Hogan Lovells US LLP**  
855 Main Street, Suite 200  
Redwood City, CA 94063  
Tel.: (650) 463-4000  
Fax: (650) 463-4199  
Vanessa.Wells@hoganlovells.com  
Victoria.Brown@hoganloverlls.com

☐ FAX  
☐ U.S. MAIL  
☐ OVERNIGHT MAIL  
☐ HAND DELIVERED  
☒ EMAIL

### *Attorneys for Applicant*

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

☐ FAX  
☐ U.S. MAIL  
☐ OVERNIGHT MAIL  
☐ HAND DELIVERED  
☒ EMAIL

### *Attorneys for Applicant*

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

☐ FAX  
☐ U.S. MAIL  
☐ OVERNIGHT MAIL  
☐ HAND DELIVERED  
☒ EMAIL

### *Attorneys for Applicant*

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  
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☒ EMAIL

*Attorneys for CDI*