

SFG-NW-3

Basis of Analysis

My analysis was based on a review of the following additional data and information:

- **Pleadings**

- Stipulation to Interim Rate Subject to Refunds with Interest Pending a Final Determination of the Legality of the Rate; [Proposed] Interim Rate Order Subject to Refunds Pending a Final Determination of the Legality of the Rate, February 7, 2025.
- Order Regarding State Farm General Insurance Company's Request for an Emergency Interim Rate Pending Rate Hearing, March 14, 2025.
- Consumer Watchdog's Objections to CDI and State Farm's Two-Way Stipulation to Interim Rate, March 24, 2025.
- Consumer Watchdog's Appendix of Exhibits, March 24, 2025.
- Declaration of Benjamin A. Armstrong in Support of Consumer Watchdog's Objections to CDI and State Farm's Two-Way Stipulation to Interim Rate, March 24, 2025.

- **Publicly available Rate Filings**

Filings available at System for Electronic Rates & Forms Filing,
<https://filingaccess.serff.com/sfa/home/CA>:

- State Farm General Insurance Company, SFMA-134139896, 24-1271.
- State Farm General Insurance Company, SFMA-134139931, 24-1273.
- State Farm General Insurance Company, SFMA-134139850, 24-1330.

- **California Regulations and Insurance Code Sections**

- Cal. Code Regs. tit. 10, § 2644.2
- Cal. Code Regs. tit. 10, § 2644.4, filed 7/14/2021
- Cal. Code Regs. tit. 10, § 2644.4, operative 12/12/2024
- Cal. Code Regs. tit. 10, § 2644.5, operative 4/3/2007
- Cal. Code Regs. tit. 10, § 2644.5, operative 12/12/2024
- Cal. Code Regs. tit. 10, § 2644.6
- Cal. Code Regs. tit. 10, § 2644.7
- Cal. Code Regs. tit. 10, § 2644.27
- Cal. Code Regs. tit. 10, § 2644.28

- **California Department of Insurance General Information**

- California Department of Insurance, "Prior Approval Rate Filing Instructions", Jun. 5, 2023.
- California Department of Insurance, "Precedential Decisions", State Farm General Insurance Company: File No. PA-2015-0004,
<https://www.insurance.ca.gov/0250-insurers/0500-legal-info/0600-decision-ruling/0100-precedential/statefarmgeneralpa201500004.cfm>.

- **Publicly Available Articles, Reports, and Texts**

- Geoff Werner and Claudine Modlin, Casualty Actuarial Society, Basic Ratemaking, 5th edition, May 2016, https://www.casact.org/sites/default/files/2021-03/5_Werner_Modlin.pdf.
- State Farm, “What does a homeowners insurance policy cover?”, <https://www.statefarm.com/insurance/homeowners/home-insurance-coverage>
- State Farm, “What is a rental dwelling policy?”, <https://www.statefarm.com/insurance/rental-properties/rental-homes>
- National Association of Home Builders, “Material Costs Affect Housing Affordability”, Jul. 16, 2024, <https://www.nahb.org/advocacy/top-priorities/building-materials-trade-policy/material-costs>
- Corelogic, “How Demand Surge After Natural Disasters Impacts the Cost and Timing of Recovery”, Oct. 28, 2019
- National Association of Home Builders, “How Tariffs Impact the Home Building Industry”, <https://www.nahb.org/advocacy/top-priorities/building-materials-trade-policy/how-tariffs-impact-home-building>
- Corelogic, “Will Trump Tariffs Harm Home Affordability?”, Feb 10, 2025, <https://www.corelogic.com/intelligence/will-trump-tariffs-harm-home-affordability/>
- State of California, Executive Order N-13-23, September 21, 2023, <https://www.gov.ca.gov/wp-content/uploads/2023/09/9.21.23-Homeowners-Insurance-EO.pdf>
- CAL FIRE, “Top 20 Most Destructive California Wildfires”, February 7, 2025, https://34c031f8-c9fd-4018-8c5a-4159cdf6b0d-cdn-endpoint.azureedge.net/-/media/calfire-website/our-impact/fire-statistics/top20_destruction.pdf
- California Legislative Analyst’s Office, “Frequently Asked Questions About Wildfires in California”, Feb. 13, 2025, https://lao.ca.gov/Publications/Report/4952#How_has_the_size.2C_destructiveness.2C_and_severity_of_wildfires_in_California_changed_over_time.3F
- Western Fire Chiefs Association, “Wildfires and Climate Change”, March 4, 2024, <https://wfca.com/wildfire-articles/wildfires-and-climate-change/>