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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 RESPONSE
TO MERRITT DAVID FARREN'S
PETITION TO PARTICIPATE AND
NOTICE OF INTENT TO SEEK
COMPENSATION**

Hearing Date: June 25, 2025
Time: 11:00 a.m.

1 In response to the Order issued by Administrative Law Judge Seligman on June 4, 2025,
2 Consumer Watchdog submits this response to Merritt David Farren’s Petition to Participate
3 (“Farren’s Petition”). Proposition 103 affords broad rights of public participation Department
4 and court proceedings to enforce the voters’ mandates. Accordingly, Insurance Code section
5 1861.10, subdivision (a) provides an unqualified right for “[a]ny person” to “intervene in any
6 proceeding permitted or established pursuant to this chapter, challenge any action of the
7 commissioner under this article, and enforce any provision of this article.” (Ins. Code,
8 § 1861.10.) (See *Association of California Ins. Cos. v. Poizner* (2009) 180 Cal.App.4th 1029,
9 1049 [“Proposition 103 contemplates or permits public participation and intervention in the rate
10 review process. Proceedings arising out of an insurer’s rate change application, and which entail
11 public participation and intervention in the rate review process, are procedures ‘permitted’ and
12 ‘established’ by chapter 9.”]) As the courts and commissioners have recognized, “the scrutiny of
13 consumer representatives is an important tool to ensure that applicants comply with the statutory
14 and regulatory prohibition on ‘excessive, inadequate, and unfairly discriminatory’ rates, or rates
15 that otherwise violate the law.” (*Assn. of California Ins. Cos. v. Poizner* (2009) 180 Cal.App.4th
16 1029, 1041.)

17 Per the voters’ instruction, the mandate of section 1861.10(a), like all of the provisions of
18 Proposition 103, must be “liberally construed and applied in order to fully promote its underlying
19 purposes.” (*Association of California Ins. Cos. v. Poizner, supra*, 180 Cal.App.4th at 1051, citing
20 Prop. 103, uncoded § 8 [Stats.1988, p. A–290, § 8].) Accordingly, courts have construed
21 Insurance Code section 1861.10 broadly in a manner consistent with “the goal of fostering
22 consumer participation in the administrative rate-setting process, one of the purposes of
23 Proposition 103.” (*Id.* at 1052, citing *State Farm Mutual Automobile Ins. Co. v. Garamendi*
24 (2004) 32 Cal.4th 1029, 1035.)

25 Farren’s Petition, raising actuarial concerns, consumer affordability, and rate fairness—
26 clearly articulates matters that could shape this proceeding. To deny intervention now would
27 prematurely bar public scrutiny and undermine Prop 103’s protective intent. Concerns over
28 relevance should be addressed at the evidentiary hearing, not through denial of intervention at the

1 outset. Denying Mr. Farren now conflates eligibility with evidentiary relevance for still unformed
2 issues.

3 Whether a person “represents the interests of consumers” is not a prerequisite for
4 intervention, but rather is only relevant to whether a person will be entitled to any award of
5 compensation under Insurance Code section 1861.10, subdivision (b). (See Ins. Code
6 § 1861.10(b) [“The commissioner or a court shall award reasonable advocacy and witness fees
7 and expenses to any person who demonstrates that (1) the person represents the interests of
8 consumers, and, (2) that he or she has made a substantial contribution to the adoption of any
9 order, regulation, or decision by the commissioner or a court”]; *Association of California Ins.*
10 *Cos. v. Poizner, supra*, 180 Cal.App.4th at 1047 [finding that “[t]he structure and language of
11 section 1861.10 indicates that the issues of intervention in subdivision (a) and compensation in
12 subdivision (b) are separate and independent.”]) The decision to award compensation is made by
13 the Commissioner in response to any request for an award of compensation submitted at the end
14 of the proceeding at which time any person seeking compensation would need to demonstrate
15 that he “represents the interest of consumers.” (Ins. Code § 1861.10(b); 10 CCR § 2662.3.)

16 Dated: June 9, 2025

Respectfully submitted,

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18 **CONSUMER WATCHDOG**


19 By: *Pamela Pressley*
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State of California, City of Los Angeles, County of Los Angeles

On June 9, 2025, I caused service of true and correct copies of the document entitled

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

- I declare under penalty of perjury that the foregoing is true and correct. Executed on June 9, 2025 at Los Angeles, California.


Kaitlyn Gentile

Service List

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