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11	BEFORE THE INS	URANCE COMMISSIONER
12	OF THE STA	ATE OF CALIFORNIA
13		
14	In the Matter of the Rate Applications of	File Nos.: PA-2024-00011, PA-2024-00012, PA-2024-00013
15	State Farm General Insurance	CONSUMER WATCHDOG'S RESPONSE
16	Company, Applicant.	TO MERRITT DAVID FARREN'S PETITION TO PARTICIPATE AND
17	1 ipplicant.	NOTICE OF INTENT TO SEEK
18		COMPENSATION
19		Hearing Date: June 25, 2025
20		Time: 11:00 a.m.
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CONSUMER WATCHDOG'S RESPONSE TO FARREN'S PETITION TO PARTICIPATE

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

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

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

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

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

Dated: June 9, 2025 Respectfully submitted,

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CONSUMER WATCHDOG

resiley Harvey Rosenfield Pamela Pressley Will Pletcher

Benjamin Powell

Ryan Mellino

Attorneys for Consumer Watchdog

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

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

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 June 9, 2025 at Los Angeles, California.

Kaitlyn Gentile

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