

**DEPARTMENT OF INSURANCE
ADMINISTRATIVE HEARING BUREAU
1901 Harrison Street, 3rd Floor
Oakland, CA 94612
Telephone: (415) 538-4243 or (415) 538-4172
Fax: (510) 238-7828
www.insurance.ca.gov**

**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

**ORDER DENYING APPLICATION TO
CONVERT ALL PRE HEARING
PROCEEDINGS TO A REMOTE
FORMAT**

Introduction

On August 18, 2025,¹ the California Department of Insurance (CDI or Department) submitted a request that all parties be permitted to appear virtually² for any proceedings prior to the formal rate hearing in this case (Application).³ On August 20, 2025, Consumer Watchdog (CW or Watchdog) filed a response in opposition. On August 22, 2025, State Farm General

¹ As supplemented. (CDI, Letter by Teresa R. Campbell, General Counsel and Deputy Commissioner (Aug. 19, 2025).)

² The format of pre-hearing proceedings, particularly for contested law and motion matters, involves both common and distinct considerations when compared to evidentiary hearings. However, the Department's Application is limited to appearances prior to the formal rate hearing and does not seek to alter the format of the evidentiary hearing itself. Accordingly, the request will be treated as one to convert all hearings preceding the rate hearing to a remote format.

³ In connection with initial case management, it was proposed that pre-hearing matters be conducted in Los Angeles. The Administrative Law Judge adopted this approach to provide participants, the public, and stakeholders with the benefits of established security and operational infrastructure at that location, avoiding the special arrangements required in Oakland.

Insurance Company (SFG or State Farm) filed a response in support of the Department's Application.

Having carefully reviewed the submissions and weighing the procedural, statutory, and practical implications, the Application is **DENIED** without prejudice.

Positions

In support of the Application, the Department cites recent electronic communications from an individual it characterizes as a "disgruntled policyholder," along with broader expressions of frustration related to claims handling.⁴ The Department further references widely publicized incidents of violence in unrelated but public contexts, asserting that these developments contribute to a heightened and collective safety concern among its legal staff.

In its response, State Farm supports the Department's position, urging that CDI's internal safety assessments be afforded deference. State Farm contends that it is appropriate to weigh security risks against considerations of transparency and public access, particularly where the requested relief is limited in the manner advanced by CDI here. SFG also offers that the concerns are more profound for the Department because CDI is effectively self-represented.

Consumer Watchdog opposes the Application, arguing that the requested relief would "curtail in-person attendance or convert a public hearing into a de facto closed session," in contravention of statutory requirements under Proposition 103 and related public access provisions. Watchdog asserts that the Department's cited safety concerns are either insufficiently specific or unrelated to the proceeding at hand.

The record reflects that Intervenor Merritt David Farren (Farren) was served with the Application and the responsive filings. Although Farren did not submit a response, the

⁴ These may include communications which have been addressed or copied to the ALJ, none of which have been considered or otherwise acted upon.

Application will be addressed without soliciting additional input from him, as his silence provides no indication that doing so would result in legally cognizable prejudice.⁵

Discussion

Beyond the parties' constituencies, sustained interest from the media, members of the public, policyholders, and other stakeholders makes clear that every aspect of this case is subject to heightened public scrutiny. That level of attention demands careful deliberation and decision-making, as the outcomes resonate far beyond the named parties.

The presumptive format for hearings is in-person.⁶ It is also well established and widely accepted that rate proceedings have historically been conducted in-person since the adoption of Proposition 103 by the voters. This longstanding practice reflects the expansive public access and participatory rights embedded in the statutory framework governing insurance rate hearings,⁷ and which surpass those typically afforded in other administrative proceedings, including those that come before the Administrative Hearing Bureau.⁸ The express directive of the statute providing that it "shall be liberally construed and applied" underscores the intent of the voters to maximize transparency, public engagement, and procedural fairness in rate setting.⁹ The in-person format is not merely customary; it is a structural feature of a process designed to ensure that members of the public have the most meaningful opportunity to observe, participate, and be heard. Departures from this format should be approached with caution and justified by

⁵ Gov. Code, § 11440.30, subd. (b)(1).

⁶ Gov. Code, § 11440.30, subd. (b)(1).

⁷ Ins. Code, §§ 1861.05 (public notice), 1861.07 (public inspection), 1861.10 (intervene).

⁸ Gov. Code, §§ 11425.10, subd. (a)(3), 11425.20; *Torres v. Board of Commissioners* (1979) 89 Cal.App.3d 545, 549; *People v. Tugwell* (1917) 32 Cal.App. 520, 524; *Kirstowsky v. Superior Court In and For Sonoma County* (1956) 143 Cal.App.2d 745, 753.

⁹ Stats.1988, p. A-290, § 8; *Farmers Ins. Exchange v. Superior Court* (2006) 137 Cal.App.4th 842, 852.

compelling circumstances, given the heightened statutory protections and the unique public interest at stake in insurance rate determinations.

Even before videoconferencing became commonplace, matters in other case types were often handled telephonically. Yet rate cases consistently required in-person participation, underscoring their distinct procedural and public significance. A wholesale departure from this established approach as advanced by the Application cannot be reconciled with the statutory scheme as historically applied, absent an exceptionally weighty justification.

While such justification may certainly exist in cases where a party's right to a fair hearing is threatened by an unreasonable risk of imminent harm from in-person attendance, the Department has not met that burden here.

CDI references general policyholder sentiment in support of its position, yet identifies with specificity only a single individual who purportedly sent more than 40 messages. While this person may regard their outreach as advocacy, the Department construed the communications as threatening, raising safety concerns without identifying any ongoing vulnerabilities or articulating any specific threats to safety.¹⁰ Moreover, while it is accurate to note that CDI is self-represented, it is equally true that the Department is the client of CDI's attorneys.

The Department's safety concerns are not dismissed as irrelevant. Generalized and targeted threats are regrettably familiar to the institutional memory of AHB and within the experience of the ALJ. Nonetheless, whether viewed in isolation or in conjunction with incidents of violence unrelated to this case but cited by CDI as contributing to increased fears, the concerns identified by the Department cannot be reasonably credited as evidence of an imminent risk of personal harm. Moreover, our regular adjudicatory processes should not be regularly

¹⁰ Internal protocols exist for reporting and addressing these types of concerns through designated professionals whose roles are specifically structured to manage them. To date, there has been no representation that these mechanisms are unavailable, ineffective, or have failed; nor that any such professional has recommended a specific course of action in this instance.

subject to reshaping in response to disruptive conduct, wherever it stems from. To do so would risk ceding procedural control to those least invested in its integrity.¹¹

The Department appears to subtly acknowledge that convenience also influenced the crafting of the Application by referencing the ease of appearing remotely - though, admittedly, the outcome would also mitigate any potential safety concerns.¹² While institutions may naturally gravitate toward procedural models that prioritize efficiency or convenience, such considerations must be weighed against constitutional and statutory obligations, especially in a contested context.

Both the parties and the public share a vested interest in ensuring that transparency and fairness are upheld; not only in practice, but in perception. That imperative is especially salient given the opposition from Consumer Watchdog, the entity charged with representing consumer interests in this matter. Ultimately, the public is also entitled to expect that the ALJ will apply the law as enacted by the legislature or approved by the voters, even when the majority, or all, of the participants might prefer a different path.

Conducting contested hearings remotely invites public skepticism and risks eroding confidence in the legitimacy of the proceedings. Legitimacy is inseparable from fairness, and concerns about it are especially acute in cases like this, where the public expects to see government mechanisms visibly at work on their behalf. That expectation is not merely symbolic of public service; it is embedded in the statutory framework that governs participation in rate proceedings. Virtual hearing formats are useful in certain contexts, but they inevitably

¹¹ Were vague or unsubstantiated threats sufficient to preclude a hearing, the ALJ would be unable to preside over many contested matters. Familiarity with such concerns is regrettably part of the adjudicatory landscape, but the process turns on safeguards and reasoned assessment, not the mere presence of apprehension.

¹² The ALJ notes that overexposure was previously raised as a safety concern tied to streaming. Although streaming is required for videoconference hearings, the Department did not indicate any ongoing concerns. (Gov. Code, § 11425.20, subd. (b)(2).)

compromise and dilute the transparency of proceedings and, in rate cases, hinder the public's ability to engage in its most fundamental form of participation: observation.¹³

Whether well-intentioned or misconceived, the very fact that a party may request, or a statute may require, in-person adjudication often serves as a gauge of the gravity of the underlying subject matter. A former Chief Justice of the California Supreme Court has referred to in-person hearings as the "Gold Standard."¹⁴ While that remark may have been well meaning, it reflects the perception that proceedings not held in person may appear less deserving of visible institutional rigor and/or serious consideration.¹⁵

Ultimately, cases brought under Proposition 103 remain subject to the Gold Standard of in-person proceedings not because a Chief Justice once said so, but because the statutory scheme demands it. The public and the parties are entitled to expect proceedings that prioritize fairness through guaranteed participation and uphold transparency through the visible engagement of all parties.

Putting aside whether conducting a hearing remotely, over objection and/or without sufficiently compelling justification, is permissible under the Insurance and Government Codes, challenges to outcomes in remote hearings remain subject to due process scrutiny on a case-by-case basis. Such scrutiny depends on the extent to which the format interferes with the full and fair presentation of the matter and any resulting prejudice, including whether "the outcome of the hearing 'may have been affected'" by the remote format.¹⁶ These concerns have contributed to the consistent disfavor of hybrid proceedings, which introduce logistical and procedural

¹³ It is also inextricable from inspection.

¹⁴ See Law.com, *California Chief Justice Tani Cantil-Sakauye Says In-Person Appearances Remain the 'Gold Standard' for Court Operations* (May 2022) (remarks reported without specific venue attribution).

¹⁵ As mentioned earlier, this is effectively established by the code itself. (Gov. Code, § 11440.30, subd. (b)(1).)

¹⁶ *Vilchez v. Holder* (2012) 682 F.3d 1195, 1200.

complications and risk undermining uniformity, decorum, and parity of participation. Because a showing of due process violation is not possible until after the hearing has occurred,¹⁷ the delay inherent in reconsidering or rehearing a matter handled remotely upon objection becomes unworkable, particularly in a case like this, which is already progressing more slowly than the Commissioner, the public, and the parties anticipated or desired.

Finally, it is without question that reasonable precautions do need to be in place to address counsel's safety concerns while preserving the public's ability to observe the process in person. Fortunately, the Commissioner's AHB facility in Los Angeles is among the most secure administrative court venues in California.¹⁸ It shares building infrastructure and security protocols with judicial branch courtrooms within the same facility. A dedicated security officer is also assigned to these AHB hearings, adding an additional layer of safety and oversight and providing the ALJ with supplemental courtroom management support.

Conclusion

Accordingly, and for the reasons set forth above, the Application is **DENIED** without prejudice.¹⁹

Notwithstanding this Order, the Department will not be left unrepresented for the August 27, 2025, law and motion calendar. If every attorney on CDI's litigation team assigned to this matter maintains an honest and good-faith belief that appearing in person on that date poses a genuine risk of personal harm, such that none would voluntarily appear and the Department

¹⁷ *Id.* at p. 1200.

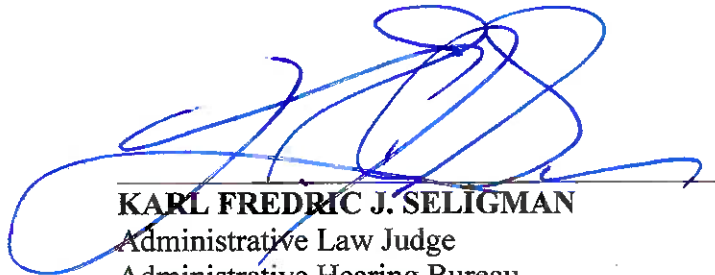
¹⁸ Although AHB facilities in Los Angeles are well secured, the hearing room lacks integrated videoconferencing capabilities. As a result, remote participation is typically limited to audio-only access via telephone, which may constrain the clarity and effectiveness of remote engagement and precludes true observation.

¹⁹ For purposes of efficiency, the parties may confer and, if all agree, treat this Order as dispositive of the August 27, 2025, hearing and as the tentative ruling for any future pretrial proceedings. The matter may be argued on the August 27, 2025, law and motion calendar accordingly.

would be left without willing representation, CDI must file appropriate notice of that circumstance forthwith.

IT IS SO ORDERED:

Dated: August 26, 2025



KARL FREDRIC J. SELIGMAN
Administrative Law Judge
Administrative Hearing Bureau
California Department of Insurance

DECLARATION OF SERVICE BY EMAIL

Case Name/No.: **In the Matter of the Rate Application of:**
STATE FARM GENERAL INSURANCE COMPANY
FILE NO. PA-2024-00011, PA-2024-00012 AND PA-2024-00013

I, **FLORINDA CRISTOBAL**, declare that:

I am employed in the County of Alameda, California. I am over the age of 18 years and not a party to this action. My business address is State of California, Department of Insurance, Administrative Hearing Bureau, 1901 Harrison Street, 3rd Floor, Oakland, California, 94612.

I am readily familiar with the business practices of the Oakland Office of the California Department of Insurance for collection and processing of correspondence for mailing with the United States Postal Service. Said ordinary business practice is that correspondence is deposited with the United States Postal Service that same day in Oakland, California.

☒ On August 26, 2025 following ordinary business practices, I caused a true and correct copy of the following document(s):

**ORDER DENYING APPLICATION TO CONVERT ALL PRE-HEARING
PROCEEDINGS TO A REMOTE FORMAT**

to be placed for collection and mailing at the office of the California Department of Insurance at 1901 Harrison Street, 3rd Floor, Oakland, California, with proper postage prepaid, in a sealed envelope(s) addressed as follows:

(SEE ATTACHED PARTY SERVICE LIST)

☐ In addition, on _____, I also faxed a copy of said document to all parties where indicated to the fax number which is printed under each address on this Declaration.

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed at Oakland, California, on August 26, 2025.

August 26, 2025
DATE


F. CRISTOBAL

PARTY SERVICE LIST
FILE NO. PA-2024-00011, PA-2024-00012 AND PA-2024-00013

Vanessa Wells
Victoria Brown
Kristel Gelera
Attorneys for Applicant
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
Kristel.gelera@hoganlovells.com
Cathy.perry@hoganlovells.com

Attorney(s) for
Applicant

(via email)

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

Attorney(s) for
Applicant

(via email)

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

Attorney(s) for
Applicant

(via email)

Nikki S. McKennedy (SBN 184269)
Jennifer McCune (SBN 160089)
Daniel Wade (SBN 296958)
Duncan Montgomery (SBN 176138)
Lisbeth Landsman-Smith

CALIFORNIA DEPARTMENT OF INSURANCE

1901 Harrison Street, Sixth Floor
Oakland, CA 94612

Tel: (415) 538-4162

Fax: (510) 238-7829

nikki.mckennedy@insurance.ca.gov

jennifer.mccune@insurance.ca.gov

daniel.wade@insurance.ca.gov

duncan.montgomery@insurance.ca.gov

Elsa.Carre@insurance.ca.gov

Lisbeth.landsman@insurance.ca.gov

Cecilia.Padua@insurance.ca.gov

Tim.Oakes@insurance.ca.gov

Attorney(s) for
the Department of
Insurance

(via email)

Harvey Rosenfield Attorney(s) for
Pamela Pressley Intervenor
William Pletcher
Ryan Mellino
Benjamin Powell

CONSUMER WATCHDOG

6330 San Vicente Blvd., Suite 250

Los Angeles, CA 90048

Tel: (310) 392-0522

Fax: (310) 392-8874

harvey@consumerwatchdog.org

pam@consumerwatchdog.org

will@consumerwatchdog.org

ryan@consumerwatchdog.org

ben@consumerwatchdog.org

kaitlyn@consumerwatchdog.org

(via email)

Merritt David Farren (SBN 119721)
26565 West Agoura Road, Suite 200
Calabasas, CA 91302
Tel: (818) 474-4610
merritt.farren@farrenLLP.com

(via email)