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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

**ORDER DENYING ILLINOIS
DEPARTMENT OF INSURANCE'S
MOTIONS**

Introduction

On August 28, 2025, the Illinois Department of Insurance (IDOI) filed two motions in this proceeding (Motions): (1) a motion for leave to enter a limited special appearance to oppose discovery motions directed at the California Department of Insurance (CDI or Department) by State Farm General Insurance Company (State Farm) and Consumer Watchdog (CW or Watchdog); and (2) a motion to extend the deadline for filing its statement of opposition to September 5, 2025. On September 3, 2025, Watchdog filed an Objection to IDOI's Motions.¹ No other party submitted a written response. However, the parties separately met and conferred, and agreed to adjust the case schedule to allow for replies to any issues raised by IDOI, should its Motions be granted. The proposed scheduling adjustments were approved by the Administrative Law Judge.²

The request by IDOI to enter a special appearance for the purpose of opposing the pending motions to compel cannot be allowed.

¹ CW's opposition to (1) the Illinois Department of Insurance's Motion for Leave to Enter a "Special Appearance," and (2) its Motion for Leave to Extend the Filing Deadline and File a Statement in Opposition, will be characterized as an Objection.

² Order Regarding Adjustments to the Amended Scheduling Order Issued On August 7, 2025.

Contentions

IDOI contends that it seeks to enter a special appearance and file its own opposition to the motions to compel disclosure of certain information exchanged between IDOI and CDI. To IDOI, compelled discovery of these materials presumably risks compromising the confidentiality of certain records and information.³

The central contention of CW's Objection is that granting the Motions would disregard the regulatory framework, which requires that any substantive participation by IDOI occur through intervention. CW argues that such intervention constitutes a general appearance and is the only authorized method for a nonparty to engage in merits advocacy. CW further asserts that the same authority cited by IDOI confirms that case-management powers cannot be extended to create a nonparty role for merits advocacy that is not permitted under the applicable rate-hearing rules.

Discussion

IDOI's Motions expressly state that it does not seek to intervene, yet request that the ALJ exercise discretion to permit a special appearance and allow it to oppose the referenced motions to compel, applying the same case-management powers that CW argues do not authorize such relief.⁴ IDOI's reliance on *Carlsbad Police Officers Assn. v. City of Carlsbad* (2020) 49 Cal.App.5th 135 is misplaced, as the ALJ's authority is statutory in nature and must be exercised within the limits prescribed by applicable law⁵ and regulation.⁶ Moreover, that case addressed whether an intervenor

³ According to the Motions, IDOI became aware on August 18, 2025, that through discovery State Farm and Watchdog are seeking communications and documents exchanged between IDOI and CDI. IDOI states that its concerns arise under Illinois law, which, according to IDOI, permits the sharing of confidential information about domestic insurers with other state regulators only under limited circumstances. As also represented in the filings, the broadest such provision allows disclosure solely upon a written agreement that the receiving entity will maintain confidentiality in a manner consistent with the Illinois Insurance Code.

⁴ Cal. Code Regs., tit. 10, § 2654.1, subd. (a).

⁵ *American Federation of Labor v. Unemployment Ins. Appeals Bd.* (1996) 13 Cal.4th 1017, 1023.

⁶ *Valero Refining Co. - California v. Bay Area Air Quality Management Dist. Hearing Bd.* (2020) 49 Cal.App.5th 618, 637.

could be required to limit its rights as a condition of intervention. It does not support the creation of a nonparty merits role.

At a minimum, IDOI's requested relief seeks to use of the wrong procedural tool to accomplish its stated purpose. While nonparties may, under certain conditions, make special appearances, they are typically limited to objections to jurisdiction absent a specific statutory provision.⁷ Granting the relief requested in the Motions would not only risk improperly authorizing a form of participation not facially contemplated by the regulations and otherwise stand in disregard of California law,⁸ but constitute a general appearance⁹ notwithstanding IDOI's expressed intent to the contrary. Moreover, treating the Motions differently¹⁰ notwithstanding, and in the absence of a more developed record,¹¹ would improperly base any decision on conjecture and guesswork, thereby constituting an abuse of discretion. Accordingly, leave for IDOI to proceed as it requests in the Motions is not warranted.

⁷ *Titus v. Superior Court* (1972) 23 Cal.App.3d 792.

⁸ Ins. Code, § 1861.10, subd. (a); Cal. Code Regs., tit. 10 § 2661.3, subd. (a); *Dial 800 v. Fesbinder* (2004) 118 Cal.App.4th 32, 52–54; *Alioto Fish Co. v. Alioto* (1994) 27 Cal.App.4th 1669, 1688–1689; *People v. Ciancio* (2003) 109 Cal.App.4th 175, 192–193.

⁹ *Serrano v. Stefan Merli Plastering Co., Inc.* (2008) 162 Cal.App.4th 1014; *California Overseas Bank v. French American Banking Corp.* (1984) 154 Cal.App.3d 179; *Mansour v. Superior Court* (1995) 38 Cal.App.4th 1750.

¹⁰ The ALJ does not reach a conclusion as to whether permissive intervention or a form of advancing other relief, including without limitation, an objection or protective order, are within the ALJ's proper exercise of the Commissioner's authority. (Cal. Code Regs., tit. 10, § 2654.1, subd. (c).)

¹¹ Even in the context of intervention, the desire to prevent disclosure of confidential information may not justify leave to enter the case. (Civ. Proc. § 387, subd. (b); *Mylan Laboratories Inc. v. Soon-Shiong* (1999) 76 Cal.App.4th 71, 79.) Moreover, denial of permissive intervention is proper when the proposed intervenor's interest in the action is already being adequately represented by existing parties. (*Coalition for Fair Rent v. Abdelnour* (1980) 107 Cal.App.3d 97, 115.) Notably, there is no representation made in the Motions as to why the Department cannot adequately defend one or more motion to compel that implicates the concerns identified by IDOI.

Conclusion

For the reasons above, the Motions are **DENIED**.¹²

IT IS SO ORDERED:

Dated: September 5, 2025

A handwritten signature in blue ink, appearing to read 'Karl Fredric J. Seligman', is written over a horizontal line. The signature is stylized with large loops and flourishes.

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

¹² Except as expressly stated, no other view on the contentions set forth in the Motions or Objection is expressed.

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 September 5, 2025 following ordinary business practices, I caused a true and correct copy of the following document(s):

ORDER DENYING ILLINOIS DEPARTMENT OF INSURANCE'S MOTIONS

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 September 5, 2025.

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