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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 NOTICE
OF MOTION AND MOTION FOR
ORDER SHORTENING TIME FOR
APPLICANT STATE FARM GENERAL
INSURANCE COMPANY TO RESPOND
TO DISCOVERY REQUESTS FOR
APRIL 8, 2025 HEARING ON
STIPULATION TO INTERIM RATE;
MEMORANDUM OF POINTS AND
AUTHORITIES**

[Proposed Order filed concurrently herewith]

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on the earliest date as may be set by the Administrative
3 Law Judge, Intervenor Consumer Watchdog will, and hereby does, move for an order shortening
4 the time for Applicant State Farm General Insurance Company (“State Farm”) to serve responses
5 to Consumer Watchdog’s pending discovery requests concerning State Farm’s “emergency
6 interim rate” requests. Consumer Watchdog respectfully requests that the appointed
7 Administrative Law Judge order that State Farm serve its written responses, including the
8 production of all responsive documents, within three days of service of this request. This
9 application is made on the grounds that an evidentiary hearing on the two-way stipulation
10 concerning State Farm’s interim rate requests is scheduled for April 8, 2025, and absent
11 shortened time, Consumer Watchdog will be unable to obtain and review the necessary discovery
12 in advance of the hearing, causing severe prejudice to Consumer Watchdog’s rights and the
13 public interest. Good cause therefore exists to accelerate State Farm’s discovery response
14 deadline so that the upcoming hearing can be fair and fully informed.
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16 Pursuant to Insurance Code section 1861.08(e), Government Code section 11507.6,
17 California Code of Regulations, Title 10 (“10 CCR”), section 2655.1, and the Administrative
18 Law Judge’s inherent and regulatory authority to manage litigation and discovery deadlines
19 pursuant to 10 CCR section 2654.1, Consumer Watchdog seeks the relief described herein. This
20 motion is based on the supporting Memorandum of Points and Authorities below, the pleadings
21 and records on file in this proceeding, and such further oral and documentary evidence as may be
22 presented prior to or at the hearing on this matter.
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. Introduction**

3 Consumer Watchdog, Petitioner and Intervenor in this administrative rate proceeding,
4 seeks a prompt order shortening the time for State Farm to respond to discovery. An evidentiary
5 hearing is set to commence on April 8, 2025 on the two-way stipulation to interim rate increases
6 requested by State Farm. Administrative Law Judge Karl Fredric J. Seligman held a scheduling
7 conference on March 26, at which State Farm made clear that it had relevant materials related to
8 the stipulation that it has not provided to Consumer Watchdog. On March 27, Administrative
9 Law Judge Seligman issued an Amended Notice of Hearing on Stipulation and Order (“March 27
10 Order”), which invoked Insurance Code section 1861.08 as authority for adjudicating this
11 proceeding through “an appropriately tailored formal hearing” ... “during which each party may,
12 among other rights, present evidence and make argument(s).” (March 27 Order, p. 2, fn. 5.)
13 Consumer Watchdog promptly served discovery requests on State Farm on March 28, 2025,
14 aimed at obtaining these and other appropriate relevant documents and information critical for
15 the April 8 hearing. Absent expedited discovery, Consumer Watchdog will not receive the
16 information in time to prepare for the hearing, undermining its ability to advocate effectively on
17 behalf of consumers. Under the standard timelines under 10 CCR section 2655.1, State Farm’s
18 responses would not be due until April 7, 2025 (ten days after service). This leaves virtually no
19 time for Consumer Watchdog to review the responses, engage in any meet-and-confer or motion
20 practice over insufficient responses, or incorporate the information into its hearing presentation.
21 Without relief, Consumer Watchdog and the Administrative Law Judge would be prejudiced by
22 proceeding to the interim rate hearing without the benefit of any discovery or disclosure or basic
23 supporting information, defeating the purpose of the discovery rights guaranteed by law and the
24 purpose of holding a meaningful public hearing. Good cause therefore exists for the
25 Administrative Law Judge to exercise discretion and order a shortened deadline of three days for
26 State Farm’s discovery responses.

II. Factual Background

State Farm General Insurance Company (“State Farm”) has applied for rate increases for its homeowners, renters/condo, and rental dwelling insurance policies, which is the subject of a pending administrative hearing before the California Department of Insurance. An evidentiary hearing on a proposed two-way stipulation between the Department and State Farm on the company’s “emergency interim rate” requests is scheduled for April 8, 2025. Consumer Watchdog initiated and timely intervened in these rate proceedings, representing the interests of insurance consumers pursuant to Insurance Code section 1861.10.

In preparation for the April 8 hearing, on March 28, 2025, Consumer Watchdog propounded its Discovery Requests to State Farm in connection with the April 8 hearing on the two-way stipulation, seeking documents and information relevant to the “emergency interim rate” requests.

These discovery requests were propounded under the governing administrative discovery rules (Ins. Code § 1861.08(e); Gov. Code § 11507.6; and 10 CCR § 2655.1) and were served by email on counsel for State Farm on March 28, 2025, following State Farm’s reveal that it possessed—and was planning to file on April 2—relevant information related to the April 8 hearing.

The discovery seeks, among other things, the data, reports, analyses, and communications underlying State Farm’s “emergency interim rate” requests and the stipulation it reached with the Department, including documents relevant to written and oral statements made by State Farm to the Commissioner in support of its requests. The discovery also seeks information regarding State Farm’s pricing strategies over the relevant period, which is directly relevant to the issues of whether State Farm’s “concerning financial condition” and declining surplus are the result of its own strategic management decisions to not seek the full rate increases it claimed it needed between 2017 and early 2023. Given the less than two-week interval between the discovery service and the hearing date, Consumer Watchdog requested that State Farm provide expedited responses. State Farm does not agree to respond in time for the hearing. Accordingly, Consumer

1 Watchdog brings this motion to ensure that discovery is obtained in time for the hearing
2 scheduled to commence on April 8.

3 Under the timelines in 10 CCR section 2655.1, State Farm would have ten days to
4 respond to Consumer Watchdog's discovery requests. If State Farm were to take the full ten
5 days, its responses would be due on or about April 7, 2025 (one day before the April 8 hearing).
6 Any delay or insufficiency in those responses would leave no practical opportunity for Consumer
7 Watchdog to resolve disputes or obtain relief before the hearing.

8 **III. Legal Authority**

9 The Insurance Code and the Administrative Procedure Act (APA) guarantee broad
10 discovery rights to parties in administrative adjudications. Insurance Code section 1861.08
11 requires that hearings shall be conducted pursuant to the APA (Gov. Code 11500 et seq.) and that
12 "[d]iscovery shall be liberally construed." (subds. (a) and (e).) Government Code section
13 11507.6 provides that after a proceeding is initiated, any party, upon written request, is entitled
14 to obtain relevant discovery from another party, including witness statements and "[a]ny other
15 writing or thing which is relevant and which would be admissible in evidence."

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17 The Insurance Commissioner's regulations incorporate and supplement the APA and set
18 specific timelines for discovery in rate proceedings. 10 CCR section 2655.1 governs discovery in
19 insurance rate proceedings. Under 10 CCR section 2655.1, subdivision (a), unless a discovery
20 request is served with the initial Notice of Hearing, "[t]he written response to any discovery
21 request ... shall be served on the requesting party within ten (10) days of service of the discovery
22 request." In other words, State Farm's responses to Consumer Watchdog's discovery are
23 ordinarily due within ten days of service (by April 7 in this case). The regulation further
24 emphasizes that the scope of discoverable items is coextensive with the standards of Government
25 Code section 11507.6 "liberally construed." Thus, Consumer Watchdog is entitled to prompt
26 production of *all* items relevant to the rate application that fall within the broad categories of
27 discoverable information.
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1 The same regulation explicitly recognizes the adjudicator’s authority to manage
2 discovery deadlines. Section 2655.1(e) provides: “*Nothing in this section shall prohibit the*
3 *administrative law judge, in appropriate circumstances, from ... extending the time frame for*
4 *discovery for good cause shown.*” (Emphasis added.) Although this provision speaks of
5 extending time frames, by necessary implication it grants the administrative law judge (ALJ) the
6 discretion to modify deadlines generally in the interest of justice. (See also 10 CCR § 2654.1.) In
7 an urgent situation such as this, where adhering to the normal ten-day response period would
8 undermine the proceeding, the ALJ certainly has authority, including inherent and regulatory
9 authority to manage discovery and other case deadlines, to order a shortened response time for
10 good cause. Indeed, the overall intent of the APA and the Commissioner’s regulations is to
11 ensure a fair hearing on the merits; this necessarily includes the power to accelerate discovery
12 when needed to prevent prejudice. Insurance Code section 1861.08(e) provides for discovery
13 disputes to be determined by the ALJ as provided in Government Code section 11507.7, which
14 allows a party to move to compel discovery if responses are not provided. These statutes also
15 support the ALJ’s broad authority to enforce discovery obligations and tailor remedies to the
16 case’s exigencies. In sum, the law provides both the right to comprehensive discovery and the
17 flexibility to adjust discovery scheduling to ensure that right is meaningful.

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19 **IV. Argument: Good Cause Exists to Shorten Time for State Farm’s Discovery**
20 **Responses**

21 Good cause clearly exists to shorten State Farm’s time to respond from ten days to three
22 days. The interim rate hearing is just around the corner, currently set to commence on April 8,
23 2025. Under the normal schedule, State Farm could wait until the last moment (April 7) to serve
24 its responses. This would be untenable. Consumer Watchdog (and the Department’s staff, if
25 applicable) would have essentially *no time* to review the documents and information before the
26 hearing. Critical analysis—such as identifying pertinent data, formulating cross-examination or
27 rebuttal, or preparing any responsive exhibits—would be impossible on such short notice. The
28 likely volume and complexity of the material (e.g., actuarial data, financial documents,

1 communications regarding the interim rate stipulation) demands careful review. Even with
2 expedited discovery, the April 8 hearing may proceed without a complete evidentiary record, to
3 the detriment of a fair outcome. Requiring State Farm to respond within three days of service of
4 this request will at least afford Consumer Watchdog a handful of days before the hearing to
5 digest the information and follow up as necessary. Three days is a reasonable and necessary
6 modification in light of the compressed overall timeline.

7 If this motion is not granted, Consumer Watchdog will suffer immediate and irreparable
8 prejudice in its ability to participate in the proceeding. Consumer Watchdog has statutory rights
9 to engage in discovery and to be heard at the rate hearing on behalf of the public. State Farm has
10 raised its “concerning financial condition” as a basis for granting its requested “emergency
11 interim rate” rate requests, and Consumer Watchdog has a right to introduce evidence (including
12 documents and data within State Farm’s possession and control) and cross-examine opposing
13 witnesses regarding the company’s contentions. (Gov. Code § 11513.) Depriving an intervenor
14 of timely discovery to obtain that evidence and identities of persons with knowledge of the
15 relevant issues in dispute essentially denies the public a voice in the process because Consumer
16 Watchdog cannot effectively represent consumer interests without the facts. Moreover, the ALJ’s
17 fact-finding would be impaired by a less developed record. In contrast, State Farm will not be
18 prejudiced by the shortened deadline. State Farm is the party requesting extraordinary interim
19 rate relief; presumably it is already prepared to justify its request and has control over the
20 documents and information at issue. The discovery requests largely seek documents and
21 data within State Farm’s possession relating to its own rate application and the proposed
22 stipulation for interim rate relief. Producing this information on an expedited basis is feasible,
23 especially given that many such documents will have been compiled in support of State Farm’s
24 interim rate request. Any inconvenience to State Farm is outweighed by the need to prevent a
25 one-sided hearing and potential miscarriage of justice by allowing State Farm to present only the
26 evidence within its control that is most favorable to its position. It is well within the ALJ’s
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1 authority to require a party seeking urgent relief (here, an interim rate increase) to comply
2 with expedited procedural requirements in order to ensure fairness to all parties.

3 **V. Conclusion**

4 For the foregoing reasons, Consumer Watchdog respectfully requests that the presiding
5 Administrative Law Judge issue an order as follows: (1) shortening the time for State Farm
6 General Insurance Company to serve responses (including document production) to Consumer
7 Watchdog's March 28 Discovery Requests to six days from the date of service of the requests;
8 and (2) granting such further relief as is just and proper to effectuate the purposes of this
9 application. This relief is necessary to prevent substantial prejudice to Consumer Watchdog's
10 rights and to ensure a fair and informed hearing on the two-way stipulation concerning State
11 Farm's "emergency interim rate" requests. Consumer Watchdog has demonstrated good cause
12 and diligence, and no party will be unfairly harmed by the granting of this motion.
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14 DATED: March 31, 2025

Respectfully submitted,

15 Harvey Rosenfield
16 Pamela Pressley
17 William Pletcher
18 Benjamin Powell
19 Ryan Mellino
20 CONSUMER WATCHDOG

21 By: *Pamela Pressley*
22 Pamela Pressley
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**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 March 31, 2025, I caused service of true and correct copies of the document entitled

**CONSUMER WATCHDOG'S NOTICE OF MOTION AND MOTION FOR ORDER
SHORTENING TIME FOR APPLICANT STATE FARM GENERAL INSURANCE
COMPANY TO RESPOND TO DISCOVERY REQUESTS FOR APRIL 8, 2025 HEARING
ON STIPULATION TO INTERIM RATE; MEMORANDUM OF POINTS AND
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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 March 31, 2025 at Los Angeles, California.


Kaitlyn Gentile

Service List

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