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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
CONFIRMING STIPULATION TO
ADMISSION OF 2024 ANNUAL
STATEMENT; OBJECTIONS TO CDI'S
REQUEST FOR OFFICIAL NOTICE**

Interim Rate Hearing: April 8–10, 2025

1 **NOTICE CONFIRMING STIPULATION TO ADMISSION OF 2024 ANNUAL**
2 **STATEMENT**

3 In response to the Case Management Order No. 2 issued on April 29, 2025, Consumer
4 Watchdog gives notice that it confirms the Parties’ stipulation, as transmitted by State Farm
5 counsel via email on April 23, to include the State Farm General 2024 Annual Statement in the
6 record, subject to Consumer Watchdog’s RBC-related objections (as previously raised during the
7 Interim Rate Hearing), which would apply to page 17 of the Annual Statement (Five-Year
8 Historical Data), lines 28 and 29 (page 49 of the PDF). Consumer Watchdog confirms that it
9 does not have any further objections or refutations to receipt of the 2024 Annual Statement into
10 the record.

11 **OBJECTIONS TO CDI’S REQUEST FOR OFFICIAL NOTICE**

12 Consumer Watchdog objects to the admission into the record of several of the exhibits
13 appended to the California Department of Insurance’s (“CDI”) Request for Official Notice in
14 Support of Closing Brief (“CDI’s Request”).

15 As an initial matter, CDI’s Request seeks official notice of “certain facts as set forth in”
16 (p. 2, line 20) each of the appended exhibits, but fails to identify or otherwise explain what those
17 “facts” are. For example, CDI’s Request seeks official notice of “[f]acts relating to Insurance
18 Commissioner Ricardo Lara’s Sustainable Insurance Strategy as described in Exhibit IRH-CDI-
19 004, which is a true and correct copy of the press release: ‘Commissioner Lara Announces
20 Sustainable Insurance Strategy [SIS] to Improve State’s Market Conditions for Consumers,’
21 dated September 21, 2023.” (P. 2, lines 21–24.) CDI includes a single quote from this press
22 release in its Closing Brief describing SIS as “a package of executive actions aimed at improving
23 insurance choices and protecting Californians from increasing climate threats while addressing
24 the long-term sustainability of the nation’s largest insurance market.”¹ CDI further characterizes
25 the SIS in its own words as “comprised of a series of regulatory reforms designed to modernize
26 the Proposition 103 ratemaking regulations and provide insurers with additional ratemaking tools
27 in light of the increasing impacts of climate change on insurance availability and affordability in

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¹ CDI’s Closing Brief, p. 7, lines 1–4.

1 California.”² While the fact that the Insurance Commissioner issued this press release
2 announcing his executive actions may be judicially noticeable as an official act under Evidence
3 Code section 452(c), the quoted statement from the press release and the CDI’s characterization
4 of what the SIS package will do are not “facts not reasonably subject to dispute” judicially
5 noticeable under Evidence Code section 452(h); rather, they are opinions which are reasonably
6 subject to dispute.

7 Similarly, CDI’s Request seeks office notice of “[f]acts relating to the ALJ’s review of
8 RBC admissibility issues in a prior rate proceeding as set forth in IRH-CDI-007” (p. 3, lines 13–
9 14) and “[f]acts relating to the ALJ’s review and analysis of proposed stipulations under CCR
10 2656.1 as set forth in IRH-CDI-008” (p. 3, lines 17–18) without identifying any facts in those
11 prior ALJ rulings it seeks to officially notice. To the extent CDI seeks official notice of factual
12 findings in these prior ALJ rulings, any such “factual findings in a prior judicial opinion are not a
13 proper subject of judicial notice.” (*Kilroy v. State of California* (2004) 119 Cal.App.4th 140,
14 148.) From the discussions of those decisions its Closing Brief,³ it appears that what CDI really
15 seeks to officially notice is the legal analysis and conclusions in those prior ALJ rulings, not
16 facts. This is objectionable because legal analysis and conclusions are not facts subject to judicial
17 notice under Evidence Code section 452(h) and the neither the oral ALJ ruling in IRH-CDI-0007
18 nor the ALJ decision in IRH-CDI-008 have been designated as precedential decisions under
19 Insurance Code section 11425.60, subdivision (b).

20 Consumer Watchdog also objects to CDI’s Request seeking official notice of “[f]acts
21 relating to the availability of formulas to calculate RBC ratios in places other than and in
22 addition to the RBC Instructions, as set forth in IRH-CDI-006” (p. 3, lines 6–7) which is an
23 excerpt from an article titled “Criteria/Insurance/General: Insurer Risk-Based Capital Adequacy
24 – Methodology and Assumptions,” S&P Global, published 11/15/2023, and republished
25 1/22/2025. This article is not subject to judicial notice under Evidence Code section 452(c) as it
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27 ² CDI’s Closing Brief, p. 7, lines 10–14.

28 ³ CDI’s Closing Brief, p. 17 (discussing legal analysis regarding review of proposed stipulations
in IRH-CDI-008) and p. 21 (discussing ALJ’s legal interpretation of Insurance Code section
739.8 and his discretion in IRH-CDI-007).

1 is not an official act of any state agency. Moreover, CDI's Request does not identify any specific
2 "facts" in the excerpted ten pages of this article it seeks to officially notice, nor does the
3 discussion in those pages of the methodology S&P Global uses to assess insurers' capital
4 adequacy for purposes of its insurance ratings framework consist of facts that are "not reasonably
5 subject to dispute and capable of immediate and accurate determination" that would be judicially
6 noticeable under Evidence Code section 452(h). (See, e.g., *Sanchez v. Kern Emergency Medical*
7 *Transportation Corp.* (2017) 8 Cal.App.5th 146, 154 [court denied judicial notice of "items
8 identified by defendant in its motion as 'Scientific Literature'" on grounds they "do not
9 constitute '[f]acts and propositions that are not reasonably subject to dispute,'" under Evid.
10 Code, § 452, subd. (h) "nor has defendant established their 'reasonably indisputable accuracy'"];
11 cf. *Poseidon Development, Inc. v. Woodland Lane Estates, LLC* (2007) 152 Cal.App.4th 1106,
12 1117 [stating court may take judicial notice of a recorded deed or similar document but not truth
13 of factual matters stated therein because they constitute hearsay and "cannot be considered not
14 reasonably subject to dispute"].) CDI's Closing Brief only references the S&P Global article
15 only to make its point that "[t]he formula to calculate the RBC ratios is well-known and available
16 in other places besides the RBC Instructions,"⁴ but that conclusion is not readily apparent from
17 the excerpted pages, nor is it relevant to resolving Consumer Watchdog's prior objections and
18 motion to exclude RBC-related testimony and evidence. The fact that the formulas to calculate
19 RBC ratios may be well-known and available in other places besides the RBC Instructions does
20 not make Ms. Shaw's RBC-related testimony admissible, as explained in Consumer Watchdog's
21 briefing thereon, nor does it make that testimony relevant to determining whether State Farm is
22 entitled to interim relief from "plainly invalid" rates.

23 ***

24 Based on the foregoing objections, Consumer Watchdog requests that CDI's Request to
25 officially notice "certain facts set forth in" and/or "facts relating to" its proffered exhibits IRH-

28 ⁴ CDI's Closing Brief, p. 20, lines 10–11 and fn. 71.

1 CDI-004, IRH-CDI-006, IRH-CDI-007, and IRH-CDI-008 be denied and that these exhibits be
2 excluded from the record in their entirety.⁵

3 Dated: April 30, 2025

Respectfully submitted,

4 **CONSUMER WATCHDOG**

5 By: *Pamela Pressley*
6 Pamela Pressley
7 Will Pletcher
8 Attorneys for Consumer Watchdog
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26 ⁵ As to IRH-CDI-005 and IRH-CDI-009, Consumer Watchdog has no objection to the facts that
27 the parties reached stipulations on these 2023 State Farm General rate applications; however,
28 Consumer Watchdog notes that the approval of the agreed-upon rates pursuant to those prior
stipulations was based on application of the prior approval ratemaking formula, not because of the
company's financial condition.

**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 April 30, 2025, I caused service of true and correct copies of the document entitled

**CONSUMER WATCHDOG'S NOTICE CONFIRMING STIPULATION TO ADMISSION
OF 2024 ANNUAL STATEMENT; OBJECTIONS TO CDI'S REQUEST FOR OFFICIAL
NOTICE**

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 April 30, 2025 at Los Angeles, California.


Kaitlyn Gentile

Service List

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