

Subject: RE: In the Matter of the Rate Applications of State Farm General Insurance Co., File Nos. PA-2024-00011, -00012 and -00013 - Tentative for 10/29/25 1:00 p.m.: Farren vs State Farm General (Discovery)

Date: Tuesday, October 28, 2025 at 3:52:39 PM Pacific Daylight Time

From: Cristobal, Florinda

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Farren: Discovery from SFG

Granted as provided herein.

The discovery sought by Intervenor Farren remains disputed. Farren largely requests comparative evidence to determine whether claims practices used in the Los Angeles wildfires differ from those applied in prior catastrophes and whether any differences undermine the predictiveness of historical loss data for ratemaking. Farren contends that changes in claims practices materially affect measured losses and therefore the rate justification. The Department and SFG oppose the request, arguing that Farren's underlying premise and participation exceed the proper scope of this rate proceeding and raise issues better addressed in another forum.

At this stage of administrative proceedings, a disputed predicate for participation should not determine whether discovery is warranted. The proper question is whether the requested discovery, narrowly tailored if appropriate, would serve a legitimate evidentiary purpose and yield relevant information in light of the ordinary requirement that the Applicant's data correspond to its financial records. Although the Department's posture in a particular rate case may help define the outer bounds of relevance and admissibility at trial, discovery remains broadly available because the statutorily required liberal standard imposes a low threshold for relevance and, in this context, favors proportional, targeted inquiry. This is especially true here because Farren intervened after proceedings were already underway and an initial hearing had been held.

State Farm admits by variance pleading that the usual loss development formula cannot be used because it implemented a January 1, 2023 change to claims practices that affects the data.

The ALJ proposes, as a threshold inquiry for Farren's discovery (without prejudice), the single discovery request set forth below:

Produce all documents dated January 1, 2018 to present showing how Applicant implemented the claims practice change it asserts was effective January 1, 2023, and the change's operational impact on case reserves and lost payments for catastrophe and non catastrophe claims. Include claim adjusters' manuals, rules, claims settlement practices or equivalents, pre and post change policy/guidebook versions with effective dates or version identifiers, rollout and training records, vendor/estimator contracts or qualification changes, change

control/version logs establishing the effective date, and company level aggregate metrics (separately for catastrophe and non catastrophe) comparing the 6 and 12 month periods before and after January 1, 2023, with sample sizes for each.

As tailored, the ALJ finds the production request will serve both Farren's interests and the Commissioner's. The ALJ notes that the Department already seeks documents concerning non-renewals, so Farren need not duplicate that request.

Certification to the Commissioner is unwarranted and premature because it would short-circuit a proportional, fact-first process and risk an unnecessary, resource-intensive adjudication. The limited, narrowly tailored discovery ordered here directly responds to the Department's stated concerns and seeks company-level evidence with minimal burden.

[Tentative rulings are often highly abbreviated relative to more detailed formal written orders, but are provided in advance of hearing to effectuate efficient case management and facilitate party preparation. Parties should be prepared to address any unresolved, contested, or unaddressed issues at hearing or through appropriate procedural inquiry. If all parties submit and no party contests, the outcomes are deemed final, except to the extent they are expressly subject to subsequent supplementation or modification to address outstanding matters.]

Thank you,
Florinda Cristobal
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