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4
5 **BEFORE THE INSURANCE COMMISSIONER**
6 **OF THE STATE OF CALIFORNIA**
7

8 In the Matter of the Rate Application of
9 Pacific Specialty Insurance
10 Company,
11 Applicant.

File Nos.: PA-2020-00009
SETTLEMENT STIPULATION

12 Applicant Pacific Specialty Insurance Company (“Applicant”), Intervenor Consumer
13 Watchdog (“Petitioner”), and the California Department of Insurance (“Department”)
14 (collectively, the “Parties”) stipulate as follows:

15 **RECITALS**

16 A. The Applicant is licensed by the Department to conduct insurance business in
17 California.

18 B. On May 13, 2020, Applicant filed for a rate increase to its homeowners’ line of
19 insurance (File No. 20-1565 [“Application”]) with an overall rate impact of +6.95%.

20 C. On May 22, 2020, pursuant to California Insurance Code (“CIC”) section
21 1861.05(c), the Department notified the public of the Application.

22 D. On July 6, 2020, Petitioner submitted a timely Petition for Hearing, Petition to
23 Intervene, and Notice of Intent to Seek Compensation regarding the Applications.

24 E. On or around October 5, 2020, Applicant filed an answer to the Petition.

25 F. On December 15, 2020, the Commissioner granted Petitioner’s Petition to
26 Intervene.

27 G. The Parties have engaged in discussions regarding the Application and additional
28 information and analysis that the Parties provided.

1 H. As a result of the Parties' discussions and negotiations, Applicant updated the
2 Application per the Parties' agreement.

3 **STIPULATION**

4 1. This Stipulation, together with the updated Application and the Commissioner's
5 approval in SERFF, represents the complete and final settlement resolving all issues between the
6 Parties regarding the Application.

7 2. Based upon the Application and additional information that the Parties provided,
8 the Parties agree that:

9 a. an overall rate increase of 3.0% is supportable and will be implemented for
10 policies effective 120 days after filing approval by the Department, and

11 b. Applicant will remove from its underwriting guidelines the provision
12 "Unacceptable Risks" under "Unacceptable Locations," number 4, "Properties
13 located in a neighborhood not showing pride of ownership or condemned
14 dwellings," all in accordance with this Stipulation, the updated Application, and
15 the Commissioner's approval in SERFF.

16 3. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding
17 Petitioner's compensation has been made. However, the Parties agree that the Commissioner's
18 approval of the Application, consistent with this Stipulation, will be a decision or order within the
19 meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to
20 the Public Advisor within 30 days after notice of the Commissioner's approval in SERFF.

21 4. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the
22 Commissioner's approval in SERFF.

23 5. This Stipulation is made solely to reach a compromise among the Parties.
24 Applicant expressly reserves the right to raise any of its arguments or positions in future matters

25 6. Further, parties agree to comply with 10 CCR § 2656.4, except to the extent
26 permitted by 10 CCR section 2662.3(b)(3), and the Commissioner's approval of the Application
27 shall not constitute approval of or precedent regarding any principle or any issue in any other
28 proceeding.

1 7. This Stipulation does not constitute an endorsement or approval of models
2 generally, or any specific model, eligibility or nonrenewal criteria, or rating methodology.

3 8. The Commissioner retains jurisdiction to ensure that the Parties comply with this
4 Stipulation.

5 9. Nothing contained in this Settlement Stipulation constitutes a limitation upon, or a
6 waiver of, the rights and powers of the Commissioner to enforce any California law, to examine
7 the rating practices of the Applicant or to take such other action as necessary to protect the public.

8 10. This Stipulation may be executed in counterparts.

9

10 Dated: 12/20/2023

PACIFIC SPECIALTY INSURANCE COMPANY

11

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By  _____
AA4FEA7EDC7D48D...

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14 Dated:

CONSUMER WATCHDOG

15

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By _____

17 12/20/2023

18 Dated:

CALIFORNIA DEPARTMENT OF INSURANCE

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By _____

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Lisbeth Landsman-Smith
*Attorney for the California Department
of Insurance*

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24 #1422517.2

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8. The Commissioner retains jurisdiction to ensure that the Parties comply with this Stipulation.

9. Nothing contained in this Settlement Stipulation constitutes a limitation upon, or a waiver of, the rights and powers of the Commissioner to enforce any California law, to examine the rating practices of the Applicant or to take such other action as necessary to protect the public.

10. This Stipulation may be executed in counterparts.

Dated: PACIFIC SPECIALTY INSURANCE COMPANY

By _____

Dated: CONSUMER WATCHDOG

By _____

Dated: 12/20/2023 CALIFORNIA DEPARTMENT OF INSURANCE

By L L Smith

Lisbeth Landsman-Smith
Attorney for the California Department
of Insurance

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PROOF OF SERVICE
In the Matter of the Rate Application of
Pacific Specialty Insurance Company, Applicant.
CDI File No. PA-2020-00009
(RRB FILE NO. 20-1565)

I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 1901 Harrison Street, 4th Floor, Oakland, CA 94612. On December 21, 2023, I served the following document(s):

SETTLEMENT STIPULATION

on all persons named on the attached Service List, by the method of service indicated, as follows:

If **U.S. MAIL** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items to be sent by mail, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California.

If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment.

If **FAX SERVICE** is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If **PERSONAL SERVICE** is indicated, by hand delivery this date.

If **INTRA-AGENCY MAIL** is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail.

If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed.

Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Cecilia Padua
Cecilia Padua

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**In the Matter of the Rate Application of
Pacific Specialty Insurance Company, Applicant.
CDI File No. PA-2020-00009
(RRB FILE NO. 20-1565)**

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
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Jeremy DeCarr State Filings Analyst 1200 N. Federal Hwy., Suite 309 Boca Raton, FL 33432 jdecarr@perrknight.com	Tel: (561) 948-2998	Via EMAIL
Harvey Rosenfield, Esq., Pamela Pressley, Esq. Daniel Sternberg, Esq. Ryan Mellino, Esq. Attorney(s) for Intervenor CONSUMER WATCHDOG 6330 San Vicente Blvd., Suite 250 Los Angeles, CA 90048 harvey@consumerwatchdog.org pam@consumerwatchdog.org danny@consumerwatchdog.org ryan@consumerwatchdog.org	Tel: (310) 392-0522 Fax: (310) 392-8874	Via EMAIL
<u>NON PARTIES</u>		
Kenneth Allen Deputy Commissioner Rate Regulation Branch CALIFORNIA DEPARTMENT OF INSURANCE 300 South Spring Street, 14 th Floor Los Angeles, CA 90013 ken.allen@insurance.ca.gov	Tel: (213) 346-6783 Fax: (213) 897-9051	Via EMAIL

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