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

8
9 In the Matter of the Rate Application of
10 Allstate Northbrook Indemnity Company,
11 Applicant.

File No.: PA-2023-00014
SETTLEMENT STIPULATION

12 Allstate Northbrook Indemnity Company (“Applicant”), Consumer Watchdog
13 (“Petitioner”), and the California Department of Insurance (“Department”) (collectively, the
14 “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 25, 2023, Applicant filed for a rate increase to its auto line of insurance
19 (File No. 23-1442 [“Application”]) seeking a 35% rate increase to its Private Passenger Auto line
20 of business.

21 C. On July 7, 2023, pursuant to California Insurance Code (“CIC”) section
22 1861.05(c), the Department notified the public of the Application.

23 D. On August 21, 2023, Petitioner submitted a timely Petition for Hearing, Petition to
24 Intervene, and Notice of Intent to Seek Compensation regarding the Application.

25 E. On August 28, 2023, Applicant filed an answer to the Petition.

26 F. On September 5, 2023, the Commissioner granted Petitioner’s Petition to
27 Intervene.
28

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

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

5 **STIPULATION**

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

9 2. Based upon the Application and additional information that the Parties provided,
10 the Parties agree that an overall rate increase of 30.0% is supportable and results in rates that are
11 not excessive, nor inadequate, and will be implemented for policies effective February 7, 2024, in
12 accordance with this Stipulation, the updated Application, and the Commissioner's approval in
13 SERFF. The parties further agree to the coverage distributions on Page 4 of Applicant's Rate
14 Application with an effective date of February 7, 2024.

15 3. In the event that Applicant submits a new rate increase application for its Private
16 Passenger Auto line, it agrees that the effective date for such application will be no earlier than
17 August 7, 2024.

18 4. Applicant will resume quoting and binding policies on its website as of February
19 7, 2024.

20 5. Applicant will update the payment plan contained in the filing to align new
21 business with the same 5-pay plan option as renewal and these changes will take effect on
22 February 7, 2024.

23 6. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding
24 Petitioner's compensation has been made. However, the Parties agree that the Commissioner's
25 approval of the Application, consistent with this Stipulation, will be a decision or order within the
26 meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to
27 the Public Advisor within 30 days after notice of the Commissioner's approval in SERFF.
28

1 7. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the
2 Commissioner's approval in SERFF.

3 8. This Stipulation is made solely to reach a compromise among the Parties. The
4 Commissioner's approval of the Application shall not constitute approval of or precedent
5 regarding any principle or any issue in any other proceeding.

6 9. This Stipulation does not constitute an endorsement or approval of any specific
7 eligibility or nonrenewal criteria or rating methodology.

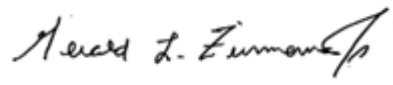
8 10. The Commissioner retains jurisdiction to ensure that the Parties comply with this
9 Stipulation.

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

13 12. This Stipulation may be executed in counterparts.

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15 Dated: 12/8/2023

ALLSTATE NORTHBROOK INDEMNITY
COMPANY



By _____

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19 Dated: 12/8/2023

CONSUMER WATCHDOG



By _____

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23 Dated: 12/8/2023

CALIFORNIA DEPARTMENT OF INSURANCE

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26 By _____ *Jennifer McCune*

Jennifer McCune
Attorney for the California Department
of Insurance

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**In the Matter of the Rate Application of
Allstate Northbrook Indemnity Company, Applicant.
CDI File No. PA-2023-00014
(RRB FILE NO. 23-1442)**

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