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8 **BEFORE THE INSURANCE COMMISSIONER**
9 **OF THE STATE OF CALIFORNIA**

10
11 In the Matter of the Rate Application of
12 ALLSTATE INSURANCE COMPANY,
13 Applicant.

File No. PA-2021-00005
SETTLEMENT STIPULATION

14
15 Applicant Allstate Insurance
16 Company (“Applicant”) and the California Department of Insurance (“Department”) stipulate
17 as follows:

18 **RECITALS**

19 A. The Applicant is licensed by the Department to conduct insurance business
20 in California.

21 B. On April 30, 2021, Applicant filed rate application no. 21-1436 (“Application”)
22 with the Department, requesting an overall rate change of +4.6% for its homeowners insurance
23 line of business, including its Deluxe, Deluxe Plus, and Select Value policies.

24 C. Applicant and the Department have engaged in discussions regarding the
25 Application and additional information and analysis which the Applicant provided.

26 D. Applicant represented in its initial Application that it expanded its New Business
27 Eligible Zip Codes to the entire state in February and April of 2021, adding 1,047 New Business
28 Eligible Zip Codes. On August 24, 2022, Applicant filed updated underwriting guidelines
removing those additional 1,047 New Business Eligible Zip Codes and reverting to its pre-

1 February 2021 New Business Eligible Zip Codes. Allstate has represented that it has issued
2 approximately 39,000 policies in those 1,047 zip codes that were opened to New Business, and
3 the decision to cease writing new business in these zip codes will not impact those policies.

4 E. On November 2, 2022, Applicant ceased writing all new homeowners business in
5 California but did not file updated underwriting guidelines reflecting this change.

6 F. As a result of the discussions and negotiations between Applicant and the
7 Department, Applicant has updated the Application including without limitation by publicly filing
8 updated underwriting guidelines.

9 **STIPULATION**

10 1. This Stipulation, together with the updated Application and the Commissioner's
11 approval in SERFF, represents the complete and final settlement resolving all issues between the
12 Department and Applicant regarding the Application.

13 2. Based upon the Application and additional information which Applicant provided,
14 Applicant and the Department agree that an overall rate change of +4.0% is supportable and
15 should be implemented in accordance with this Stipulation, the updated Application, and the
16 Commissioner's approval in SERFF. Applicant has made appropriate updated filings in SERFF
17 to reflect the overall rate change. Approval of the Application described in this Stipulation will
18 only be effective when approved by the Commissioner in SERFF. Applicant will implement the
19 rate change with an effective date of June 27, 2023.

20 3. Applicant agrees that the approximately 39,000 policies it issued in the 1,047 zip
21 codes it added to its New Business Eligible Zip Codes during the period from February 2021 to the
22 date of execution of this Stipulation will remain in force as long as they otherwise continue to meet
23 Applicant's renewal guidelines. Should Applicant, in the future, initiate a nonrenewal program
24 affecting these 39,000 policies or any other policies, make any other changes to its New Business
25 Eligible Zip Codes, or make any changes to its renewal business eligibility guidelines, it agrees to
26 inform and publicly file with the Department any such proposed changes to its underwriting
27 guidelines prior to implementing any such changes. Regarding the public filing of underwriting
28 guidelines filed with rate applications, Applicant will adhere to the August 10, 2018,

1 General Counsel opinion letter and Applicant will comply with applicable laws, regulations, and
2 rate filing instructions as they relate to underwriting guidelines. Additionally, Applicant shall
3 submit to the Department a completed application for all changes to existing rating and
4 underwriting rules before implementing any such changes. If the changes described above do not
5 impact filed rates, they must still be publicly filed before implementation, but they are not subject
6 to prior approval.

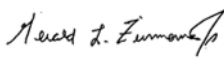
7 4. This Stipulation does not constitute an endorsement or approval of models
8 generally, or any specific model, eligibility or nonrenewal criteria, or rating methodology.

9 5. This Stipulation is made solely to reach a compromise between Applicant and
10 the Department. Pursuant to 10 CCR section 2656.4, discussions, admissions, concessions or
11 offers to stipulate or settle made by any party in negotiating this stipulated settlement, are
12 confidential and are not discoverable or admissible for any purpose in any proceeding, except to
13 the extent permitted by 10 CCR section 2662.3(b)(3), and the Commissioner's approval of the
14 Application shall not constitute approval of or precedent regarding any principle or any issue in
15 any other proceeding.

16 6. The Commissioner retains jurisdiction to ensure that Applicant and the
17 Department comply with this Stipulation and the updated Application and the Commissioner's
18 approval in SERFF.

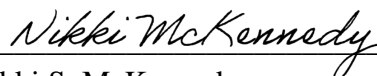
19 7. This Stipulation may be executed in counterparts.

20 Dated: 6/2/23 ALLSTATE INSURANCE COMPANY

21
22 By 

23 _____
24 Jerry Zimmerman

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26 Dated: 6/2/23 CALIFORNIA DEPARTMENT OF INSURANCE

27 By 

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Nikki S. McKennedy
Attorneys for the California Department
of Insurance

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PROOF OF SERVICE
In the Matter of the Rate Application of
Allstate Insurance Company, Applicant.
(Consumer Watchdog's Petition for Hearing)
CDI File No. PA-2021-00005
(RRB APP. NO. 21-1436)

5 I am over the age of eighteen years and am not a party to the within action. I am an
6 employee of the Department of Insurance, State of California, employed at 1901 Harrison Street,
7 4th Floor, Oakland, CA 94612. On June 2, 2023, I served the following document(s):

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SETTLEMENT STIPULATION

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

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

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

28 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.

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Cecilia Padua
Cecilia Padua

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SERVICE LIST
In the Matter of the Rate Application of
Allstate Insurance Company, Applicant.
(Consumer Watchdog's Petition for Hearing)
CDI File No. PA-2021-00005

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<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
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6 Harvey Rosenfield, Esq. Tel: (310) 392-0522 Via EMAIL
7 Pamela Pressley, Esq. Fax: (310) 392-8874
8 Benjamin Powell, Esq.
9 Attorneys for Intervenor
10 **CONSUMER WATCHDOG**
11 6330 San Vicente Blvd., Suite 250
12 Los Angeles, CA 90048
13 harvey@consumerwatchdog.org
14 pam@consumerwatchdog.org
15 ben@consumerwatchdog.org

16 Rhonda Amann Tel: (847) 402-3149 Via EMAIL
17 State Filings Manager Fax: (847) 402-9757
18 **ALLSTATE INSURANCE COMPANY**
19 2775 Sanders Road
20 A2W
21 Northbrook, IL 60062
22 RAMA0@allstate.com

23

NON PARTIES

24 Kenneth Allen Tel: (213) 346-6783 Via EMAIL
25 Deputy Commissioner Fax: (213) 897-9051
26 Rate Regulation Branch
27 **CALIFORNIA DEPARTMENT OF**
28 **INSURANCE**
300 South Spring Street, 14th Floor
Los Angeles, CA 90013
Ken.allen@insurance.ca.gov

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Via EMAIL