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MELISSA WURSTER (SBN 198899)  
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CALIFORNIA DEPARTMENT OF INSURANCE  
3 1901 Harrison Street, 6<sup>th</sup> Floor  
Oakland, CA 94612

4 *Attorneys for the California Department of Insurance*

5  
6 **BEFORE THE INSURANCE COMMISSIONER**  
7 **OF THE STATE OF CALIFORNIA**  
8

9 In the Matter of the Rate Application of  
10 CSAA Insurance Exchange,  
11 Applicant.

File Nos.: PA-2023-00004  
SETTLEMENT STIPULATION

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

15 **RECITALS**

- 16 A. The Applicant is licensed by the Department to conduct insurance business in  
17 California.
- 18 B. On February 1, 2023, Applicant filed for a rate increase to its auto line of  
19 insurance (File No. 23-385 [“Application”]) with an overall rate impact of 25%.
- 20 C. On February 24, 2023, pursuant to California Insurance Code (“CIC”) section  
21 1861.05(c), the Department notified the public of the Application.
- 22 D. On April 10, 2023, Petitioner submitted a timely Petition for Hearing, Petition to  
23 Intervene, and Notice of Intent to Seek Compensation regarding the Applications.
- 24 E. On April 14, 2023, Applicant filed an answer to the Petition.
- 25 F. On April 24, 2023, the Commissioner granted Petitioner’s Petition to Intervene.
- 26 G. The Parties have engaged in discussions regarding the Application and additional  
27 information and analysis that the Parties provided.  
28

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 an overall rate increase of 16.7% is supportable and will be implemented for  
9 policies effective September 1, 2023, in accordance with this Stipulation, the updated  
10 Application, and the Commissioner's approval in SERFF. The parties further agree to the  
11 coverage distributions on Page 4 of Applicant's Rate Application with a September 1, 2023  
12 effective date.

13 3. In the event that Applicant submits a new rate increase application for its Private  
14 Passenger Auto - CA Select line prior to April 1, 2024, it agrees that the effective date for such  
15 applications will be no earlier than April 1, 2024.

16 4. 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 5. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the  
22 Commissioner's approval in SERFF.

23 6. This Stipulation is made solely to reach a compromise among the Parties.  
24 Pursuant to 10 CCR § 2656.4, discussions, admissions, concessions, or offers to stipulate or settle  
25 made by any party in negotiating this stipulated settlement are confidential and are not  
26 discoverable or admissible for any purpose in any proceeding, except to the extent permitted by  
27 10 CCR section 2662.3(b)(3), and the Commissioner's approval of the Application shall not  
28 constitute approval of or precedent regarding any principle or any issue in any other proceeding.

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

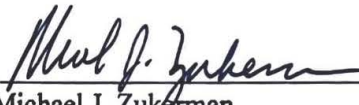
3           8.       The Commissioner retains jurisdiction to ensure that the Parties comply with this  
4 Stipulation.

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: July 17, 2023

CSAA INSURANCE EXCHANGE

11  
12 By   
13 Michael J. Zukerman  
14 EVP, Chief Legal Officer

15 Dated:  
16 7-17-23

CONSUMER WATCHDOG

17  
18 By 

19 Dated: July 17, 2023

CALIFORNIA DEPARTMENT OF INSURANCE

20  
21 By   
22 Lisbeth Landsman-Smith  
23 Attorney for the California Department  
24 of Insurance

25 #1392048.1

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**PROOF OF SERVICE**  
**In the Matter of the Rate Application of**  
**CSAA Insurance Exchange, Applicant.**  
**CDI File No. PA-2023-00004**  
**(RRB FILE NO. 23-385)**

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, 4<sup>th</sup> Floor, Oakland, CA 94612. On July 17, 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  
CSAA Insurance Exchange, Applicant.  
CDI File No. PA-2023-00004  
(RRB FILE NO. 23-385)**

| <u>Name/Address</u>   | <u>Phone/Fax Numbers</u>                   | <u>Method of Service</u> |
|---|--|--------------------------|
| Katherine Evans, Esq.<br>Vice President<br>Regulatory & Government Affairs<br>Attorney(s) for Applicant<br>Michael Zukerman<br>Executive Vice President and Chief<br>Legal Officer<br><b>CSAA Insurance Exchange</b><br>3055 Oak Road<br>Walnut Creek, CA 94597<br><a href="mailto:Katherine.Evans@csaa.com">Katherine.Evans@csaa.com</a><br><a href="mailto:Mike.zukerman@csaa.com">Mike.zukerman@csaa.com</a>   | Tel: (925) 542-0418                        | Via EMAIL                |
| Robert Hoffman, Esq.<br>Attorney(s) for Applicant<br><b>DENTONS US LLP</b><br>1999 Harrison Street, Suite 1300<br>Oakland, CA 94612<br><a href="mailto:Robert.hoffman@dentons.com">Robert.hoffman@dentons.com</a>   | Tel: (415) 882-5000<br>Fax: (415) 882-0300 | Via EMAIL                |
| Harvey Rosenfield, Esq.,<br>Pamela Pressley, Esq.<br>Daniel L. Sternberg, Esq.<br>Ryan Melino, Esq.<br>Attorney(s) for Intervenor<br><b>CONSUMER WATCHDOG</b><br>6330 San Vicente Blvd., Suite 250<br>Los Angeles, CA 90048<br><a href="mailto:harvey@consumerwatchdog.org">harvey@consumerwatchdog.org</a><br><a href="mailto:pam@consumerwatchdog.org">pam@consumerwatchdog.org</a><br><a href="mailto:danny@consumerwatchdog.org">danny@consumerwatchdog.org</a><br><a href="mailto:ryan@consumerwatchdog.org">ryan@consumerwatchdog.org</a> | Tel: (310) 392-0522<br>Fax: (310) 392-8874 | Via EMAIL                |

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**NON PARTIES**

Kenneth Allen  
Deputy Commissioner  
Rate Regulation Branch  
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