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3 CALIFORNIA DEPARTMENT OF INSURANCE
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Attorneys for the California Department of Insurance

5
6 **BEFORE THE INSURANCE COMMISSIONER**
7 **OF THE STATE OF CALIFORNIA**
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9 In the Matter of the Rate Application of
10 GEICO Indemnity Company,
GEICO Casualty Company, GEICO
11 General Insurance Company, and
Government Employees Insurance
12 Company,
13 Applicants.

File Nos.: PA-2023-00013
SETTLEMENT STIPULATION

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16 Applicants GEICO Indemnity Company, GEICO Casualty Company, GEICO General
17 Insurance Company, and Government Employees Insurance Company (“Applicants”), Intervenor
18 Consumer Watchdog (“Petitioner”), and the California Department of Insurance (“Department”)
19 (collectively, the “Parties”) stipulate as follows:

20 **RECITALS**

21 A. The Applicants are licensed by the Department to conduct insurance business in
22 California.

23 B. On June 28, 2023, Applicants filed for rate increases to their private passenger
24 automobile lines of insurance (File No. 23-1820, 23-1820A, 23-1820B, 23-1820C) [“the
25 Applications”]) with an overall rate impact of 20.8%.

26 C. On July 7, 2023, pursuant to California Insurance Code (“CIC”) section
27 1861.05(c), the Department notified the public of the Applications.
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1 D. On August 21, 2023, Petitioner submitted a timely Petition for Hearing, Petition to
2 Intervene, and Notice of Intent to Seek Compensation regarding the Applications.

3 E. On August 25, 2023, Applicants filed an answer to the Petition.

4 F. On September 6, 2023, the Commissioner granted Petitioner's Petition to
5 Intervene.

6 G. The Parties have engaged in discussions regarding the Applications and additional
7 information and analysis that the Parties provided.

8 H. As a result of the Parties' discussions and negotiations, Applicants updated the
9 Applications per the Parties' agreement.

10 **STIPULATION**

11 1. This Stipulation, together with the updated Applications and the Commissioner's
12 approval in SERFF, represents the complete and final settlement resolving all issues between the
13 Parties regarding the Applications.

14 2. Based upon the Applications and additional information that the Parties provided,
15 the Parties agree that an overall rate increase of 12.8% (by coverage 18.5% for bodily injury,
16 3.8% for property damage, 9.5% for uninsured motorists, 30.3% for medical payments, -14.0%
17 for uninsured motorists property damage, 9.8% for collision, 42.6% for comprehensive, 2.0% for
18 emergency road service, and 3.0% for rental reimbursement) complies with the applicable laws
19 and regulations, and results in rates that are not excessive, not inadequate, and not unfairly
20 discriminatory. Applicants have made appropriate updated filings in SERFF to reflect the overall
21 rate change. Approval of the Applications described in this Stipulation will only be effective
22 when approved by the Commissioner in SERFF. Applicants will implement this rate change with
23 an effective date for new and renewal business of no sooner than April 30, 2024, in accordance
24 with this Stipulation, the updated Applications, and the Commissioner's approval in SERFF.

25 3. In the event that Applicants submit any new rate increase applications for their
26 private passenger automobile lines of insurance, they agree that the effective date for such
27 applications will be no earlier than October 30, 2024, except that Applicants may file for an
28 earlier effective date if requested by a state regulator with authority to regulate Applicants'

1 financial condition. As used herein, “effective date” means the first date on which premiums
2 calculated at a new, approved rate are due.

3 4. This Stipulation does not address or resolve Petitioner’s allegation that occupation-
4 based rating groups violate the provisions of Proposition 103. By entering into this Stipulation,
5 Petitioner does not waive its right to challenge Applicants’ use of occupation-based rating groups
6 in a future proceeding. Applicants agree that they will not assert, in any matter in which Petitioner
7 is a party and/or Petitioner’s counsel represents a party challenging the continued use of
8 occupation-based rating groups in any forum, that approval of the Applications or this Stipulation
9 is evidence of or determinative of whether Applicants’ use of occupation-based rating groups
10 complies with the Insurance Code and/or the applicable regulations.

11 5. This Stipulation does not constitute an endorsement or approval of models
12 generally, or any specific model, eligibility or nonrenewal criteria, or rating methodology.

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

18 7. Petitioner will withdraw its Petition for Hearing within 10 days after notice of the
19 Commissioner’s approval in SERFF.

20 8. This Stipulation is made solely to reach a compromise among the Parties, and the
21 Commissioner’s approval of the Applications shall not constitute approval of or precedent
22 regarding any principle or any issue in any other proceeding.

23 9. The Commissioner retains jurisdiction to ensure that the Parties comply with this
24 Stipulation and the updated Applications and the Commissioner’s approval in SERFF.

25 10. This Stipulation may be executed in counterparts.

26 Dated: December __, 2023

27 Applicants: GEICO Indemnity Company, GEICO
28 Casualty Company, GEICO General Insurance Company,
and Government Employees Insurance Company

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By _____
Damon Vocke
Duane Morris, LLP
Attorney for Applicants

Dated: December __, 2023

Petitioner: CONSUMER WATCHDOG

By *Pamela Pressley* _____
Pamela Pressley
Attorney for Petitioner

Dated: December 28, 2023

CALIFORNIA DEPARTMENT OF INSURANCE

By *Nikki McKennedy* _____
Nikki S. McKennedy
*Attorney for the California Department
of Insurance*

approved rate are due.

4. This Stipulation does not address or resolve Petitioner's allegation that occupation-based rating groups violate the provisions of Proposition 103. By entering into this Stipulation, Petitioner does not waive its right to challenge Applicants' use of occupation-based rating groups in a future proceeding. Applicants agree that they will not assert, in any matter in which Petitioner is a party and/or Petitioner's counsel represents a party challenging the continued use of occupation-based rating groups in any forum, that approval of the Applications or this Stipulation is evidence of or determinative of whether Applicants' use of occupation-based rating groups complies with the Insurance Code and/or the applicable regulations.

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

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

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

8. This Stipulation is made solely to reach a compromise among the Parties, and the Commissioner's approval of the Applications shall not constitute approval of or precedent regarding any principle or any issue in any other proceeding.

9. The Commissioner retains jurisdiction to ensure that the Parties comply with this Stipulation and the updated Applications and the Commissioner's approval in SERFF.

10. This Stipulation may be executed in counterparts.

Dated: December __, 2023

Applicants: GEICO Indemnity Company, GEICO Casualty Company, GEICO General Insurance Company, and Government Employees Insurance Company

Damon Vocke
Duane Morris, LLP
Attorney for Applicants

By

Dated: December 28, 2023

Petitioner: CONSUMER WATCHDOG

By

Pamela Pressley
Attorney for Petitioner

Dated: December __, 2023

CALIFORNIA DEPARTMENT OF INSURANCE

By

Nikki S. McKennedy
Attorney for the California Department

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PROOF OF SERVICE
In the Matter of the Rate Applications of
GEICO Indemnity Company,
GEICO Casualty Company,
GEICO General Insurance Company &
Government Employees Insurance Company, Applicants.
(Consumer Watchdog's Petition for Hearing)
CDI File No. PA-2023-00013

6 I am over the age of eighteen years and am not a party to the within action. I am an
7 employee of the Department of Insurance, State of California, employed at 1901 Harrison Street,
8 4th Floor, Oakland, CA 94612. On December 28, 2023, I served the following document(s):

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SETTLEMENT STIPULATION
- RRB App. Nos. 23-1820, 23-1820-A, 23-1820-B & 23-1820-C

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

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

21 If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed
22 envelopes, addressed to each person indicated, in this office's facility for collection of outgoing
23 items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar
24 with this office's practice of collecting and processing documents placed for overnight delivery.
25 Under that practice, outgoing items are deposited, in the ordinary course of business, with an
26 authorized courier or a facility regularly maintained by one of the following overnight services in
27 the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden
28 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.

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Cecilia Padua
Cecilia Padua

SERVICE LIST
In the Matter of the Rate Applications of
GEICO Indemnity Company,
GEICO Casualty Company,
GEICO General Insurance Company &
Government Employees Insurance Company, Applicants.
(Consumer Watchdog's Petition for Hearing)
CDI File No. PA-2023-00013

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
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NON PARTIES

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