

1 CALIFORNIA DEPARTMENT OF INSURANCE  
Rate Enforcement Bureau  
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5 Attorneys for The California Department of Insurance  
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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 State Farm General Insurance  
13 Company,  
14 Applicant.

File No. PA-2016-00009

SETTLEMENT STIPULATION

15 State Farm General Insurance Company ("Applicant"), Consumer Watchdog  
16 ("Petitioner"), and the California Department of Insurance ("Department") (collectively, the  
17 "Parties") stipulate as follows:

18 **RECITALS**

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

21 B. On or about June 1, 2016, Applicant filed rate application 16-3238 ("Application")  
22 with the Department, requesting an overall rate decrease of 26.1% to its independent rental  
23 dwelling program.

24 C. On June 17, 2016, pursuant to California Insurance Code ("CIC") section  
25 1861.05(c), the Department notified the public of the Application.

26 D. On August 1, 2016, Petitioner submitted a timely Petition for Hearing, Petition to  
27 Intervene, and Notice of Intent to Seek Compensation alleging that the Applicant's proposed  
28 overall rate was excessive in violation of CIC section 1861.05.

- 1 E. On August 16, 2016, the Commissioner granted Petitioner's Petition to Intervene.  
2 F. The Parties have engaged in discussions regarding the Application and additional  
3 information and analysis which the Parties provided.

4 **STIPULATION**

- 5 1. This Stipulation represents the complete and final settlement of the Application.  
6 2. Based upon the Application and additional information which the Parties provided,  
7 the Parties agree to implementation of an overall rate decrease of 40.0%. Applicant has amended  
8 or will amend the Application to achieve an overall rate decrease of 40.0% (the "New Rates").  
9 3. Applicant has represented that the New Rates will take effect for all policies, new  
10 and renewal, with an effective date on or after February 1, 2017.  
11 4. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding  
12 Petitioner's compensation has been made. However, the Parties agree that the Commissioner's  
13 approval of the Application, consistent with this Stipulation, will be a decision or order within the  
14 meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to  
15 the Public Advisor within 30 days after receipt of the Commissioner's approval letter.  
16 5. Petitioner will withdraw its Petition for Hearing upon receipt of the  
17 Commissioner's approval letter.  
18 6. This Stipulation is made solely to reach a compromise among the Parties.  
19 Discussions, admissions, concessions or offers to stipulate or settle made by any party in  
20 negotiating this stipulated settlement, are confidential and inadmissible for any purpose in any  
21 proceeding except to the extent permitted by 10 CCR section 2662.3(b)(3), which states in part,  
22 "any confidential correspondence, documents, or declarations referencing confidential  
23 information, including but not limited to confidential settlement communications, may be  
24 submitted to the Public Advisor with a request for an award of compensation. Any such  
25 confidential material submitted to the Public Advisor will retain its confidential status."  
26 7. The Commissioner retains jurisdiction to ensure that the Parties comply with this  
27 Stipulation.  
28 8. This Stipulation may be executed in counterparts.

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Dated: October \_\_\_\_, 2016

HOGAN LOVELLS US LLP, for Applicant State Farm  
General Insurance Company

By \_\_\_\_\_  
Vanessa Wells

Dated: October \_\_\_\_, 2016

Harvey Rosenfield  
Pamela Pressley  
Jonathan Phenix  
CONSUMER WATCHDOG

By \_\_\_\_\_  
Harvey Rosenfield  
Pamela Pressley  
Jonathan Phenix

Dated: October 19, 2016

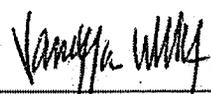
CALIFORNIA DEPARTMENT OF INSURANCE

By Nikki S. \_\_\_\_\_  
Nikki S. McKennedy  
Summer Volkmer

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Dated: October 18, 2016

HOGAN LOVELLS US LLP, for Applicant State Farm  
General Insurance Company

By   
Vanessa Wells

Dated: October \_\_\_\_\_, 2016

Harvey Rosenfield  
Pamela Pressley  
Jonathan Phenix  
CONSUMER WATCHDOG

By \_\_\_\_\_  
Harvey Rosenfield  
Pamela Pressley  
Jonathan Phenix

Dated: October \_\_\_\_\_, 2016

CALIFORNIA DEPARTMENT OF INSURANCE

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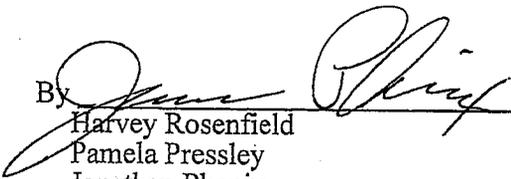
Dated: October \_\_\_\_, 2016

HOGAN LOVELLS US LLP, for Applicant State Farm  
General Insurance Company

By \_\_\_\_\_  
Vanessa Wells

Dated: October \_\_\_\_, 2016

Harvey Rosenfield  
Pamela Pressley  
Jonathan Phenix  
CONSUMER WATCHDOG

By  \_\_\_\_\_  
Harvey Rosenfield  
Pamela Pressley  
Jonathan Phenix

Dated: October \_\_\_\_, 2016

CALIFORNIA DEPARTMENT OF INSURANCE

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**PROOF OF SERVICE**  
**In the Matter of the Rate Application of**  
**State Farm General Insurance Company, Applicant**  
**CDI File No.: PA-2016-00009**

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 45 Fremont Street, 21st Floor, San Francisco, California 94105. On October 19, 2016, 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.

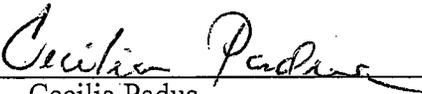
If **E-MAIL** is indicated, by electronic mail transmission this date to the email address(es) stated.

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.

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

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**SERVICE LIST**

**Name/Address**

**Method of Service**

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**NON-PARTY**

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