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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of the Rate Application of
Allstate Insurance Company,
Applicant.

File No.: 23-1267

**CONSUMER WATCHDOG'S PETITION
FOR HEARING, PETITION TO
INTERVENE, AND NOTICE OF INTENT
TO SEEK COMPENSATION**

[Ins. Code §§ 1861.02, 1861.05, and 1861.10;
Cal. Code Regs, tit. 10, §§ 2653.1, 2661.2 and
2661.3]

1 Consumer Watchdog hereby requests that the Insurance Commissioner notice a public
2 hearing pursuant to Insurance Code sections 1861.05, subdivisions (a) and (c), and 1861.10,
3 subdivision (a), on the issues raised in this petition regarding the above-referenced Rate
4 Application of Allstate Insurance Company (“Allstate” or “Applicant”), at which time Applicant
5 will be directed to appear and respond to the issues raised in this petition. Consumer Watchdog
6 also hereby requests that it be granted leave to intervene in the proceeding on Applicant’s Rate
7 Application pursuant to Insurance Code section 1861.10(a). Consumer Watchdog intends to seek
8 compensation in this proceeding, and, pursuant to California Code of Regulations, title 10 (“10
9 CCR”), section 2661.3 subdivision (c), Consumer Watchdog’s proposed budget is attached
10 hereto as Exhibit A.

11 In support of its petition, Consumer Watchdog alleges:

12 **I. THE APPLICATION**

13 1. On or about April 14, 2023, Applicant filed a Prior Approval Rate Application
14 with the California Department of Insurance (“CDI”), seeking approval of an overall 39.6% rate
15 increase to its Owner Occupied Homeowners line of business as well as rule and rating plan
16 changes to implement new property-level and community-level mitigation designations and
17 discounts to comply with 10 CCR Section 2644.9, “Consideration of Mitigation Factors; Wildfire
18 Risk Models” (File No. 23-1267 [“the Application”]). The Application outlines Allstate’s
19 “proposed changes to the structure, vendor, and selected factors for the existing rating plan,
20 Wildfire Risk Group.” (Application, Explanatory Memorandum.) The Application states that
21 “Allstate is proposing a new rating plan, Wildfire Mitigation Discounts to meet the requirements
22 within 10 CCR §2644.9” and that “Allstate is proposing to introduce the Z-FIRE™ Model which
23 is used for wildfire risk segmentation.” (*Ibid.*) The Application further states, “Nine of the twelve
24 required mitigation efforts are included as standalone discounts. The remaining three required
25 mitigation efforts are accounted for within the Level 2 Score of the Wildfire Risk Group.”
26 (Application, Questionnaire for Homeowners and Residential Property Rate, Rule and
27 Transferred Program Filings.) According to Allstate’s new business underwriting guidelines filed
28 for the first time with the Department with this Application in April 2023, Allstate’s “California

1 Homeowners was closed for writing new business effective November 2nd, 2022.” (California
2 Risk Management Policy, p. 1.)

3 2. On or about May 19, 2023, the public was notified of the Application.

4 **II. PETITIONER**

5 3. Petitioner Consumer Watchdog is a nonprofit, nonpartisan, public interest
6 corporation organized to represent the interests of consumers and taxpayers. A core focus of
7 Consumer Watchdog’s advocacy is the representation of the interests of insurance consumers and
8 policyholders, particularly as they relate to the implementation and enforcement of Proposition
9 103, in matters before the Legislature, the courts, and the CDI.

10 4. Consumer Watchdog’s founder authored Proposition 103 and led the successful
11 campaign for its enactment by California voters in 1988. Consumer Watchdog’s staff and
12 consultants include some of the nation’s foremost consumer advocates and experts on insurance
13 ratemaking matters.

14 5. Consumer Watchdog has served as a public watchdog with regard to insurance
15 rates and insurer rollback liabilities under Proposition 103 by: monitoring rollback settlements
16 and the status of the rollback regulations; reviewing and challenging rate filings made by insurers
17 seeking excessive rates; participating in rulemaking and adjudicatory hearings before the CDI
18 including the rulemaking proceeding that led to the adoption of the mitigation discount and
19 wildfire risk model regulations in 10 CCR § 2644.9; and educating the public concerning industry
20 underwriting and rating practices, their rights under Proposition 103, and other provisions of state
21 law. Consumer Watchdog has also initiated and intervened in actions in state court and appeared
22 as amicus curiae in matters involving the interpretation and application of Proposition 103 and the
23 Insurance Code.¹

24 _____
25 ¹ For example, *Calfarm Ins. Co. v. Deukmejian* (1989) 48 Cal.3d 805; *20th Century Ins. Co. v.*
26 *Garamendi* (1994) 8 Cal.4th 216; *Amwest Surety Ins. Co. v. Wilson* (1995) 11 Cal.4th 1243;
27 *Proposition 103 Enforcement Project v. Quackenbush* (1998) 64 Cal.App.4th 1473; *Spanish*
28 *Speaking Citizens’ Foundation v. Low* (2000) 85 Cal.App.4th 1179; *Donabedian v. Mercury*
Insurance Co. (2004) 116 Cal.App.4th 968; *State Farm Mut. Auto. Ins. Co. v. Garamendi* (2004)
32 Cal.4th 1029; *The Found. for Taxpayer and Consumer Rights v. Garamendi* (2005) 132
Cal.App.4th 1354; *Ass’n of Cal. Ins. Cos. v. Poizner* (2009) 180 Cal.App.4th 1029; *Mercury*

1 6. Consumer Watchdog has initiated and intervened in numerous proceedings before
2 the CDI related to the implementation and enforcement of Proposition 103’s reforms, including
3 over 125 such proceedings in the last twenty years. In every rate proceeding that has resulted in a
4 final decision and in which Consumer Watchdog sought compensation from 2003–2022, the
5 Commissioner found that Consumer Watchdog made a substantial contribution, meaning that its
6 participation was separate and distinct from any other party and that it presented relevant issues,
7 evidence, and arguments that resulted in more credible, non-frivolous information being
8 available to the Commissioner in making his final decision.

9 **III. EVIDENCE**

10 7. In the rate proceeding initiated by Consumer Watchdog’s petition, Consumer
11 Watchdog will present and elicit evidence to show that the proposed rates and rule and rating
12 plan changes result in rates that are excessive and/or unfairly discriminatory in violation of
13 Insurance Code section 1861.05, subdivision (a), which provides that “[n]o rate shall be
14 approved or remain in effect which is excessive, inadequate, [or] unfairly discriminatory.”
15 Additionally, Consumer Watchdog will present and elicit evidence that Applicants’ proposed
16 rates violate 10 CCR § 2644.1, which provides that “[n]o rate shall be approved or remain in
17 effect that is above the maximum permitted earned premium as defined in section 2644.2” and
18 their rating plan and rule changes potentially violate 10 CCR § 2644.9’s requirements relating to
19 the use of wildfire risk models and the implementation of mandatory wildfire risk mitigation
20 factors.

21 8. Based on Consumer Watchdog’s preliminary analysis in consultation with its
22 actuarial expert and the information contained in the Application, Consumer Watchdog has
23 identified the following issues with the Application on which it intends to present and elicit
24 evidence as set forth in (a)–(j) below.

- 25 a. Loss and Premium Trends (10 CCR § 2644.7): Applicant’s frequency and severity
26 trend selections result in excessive net trends which overstate the projected losses,

27
28 *Cas. Co. v. Jones* (2017) 8 Cal.App.5th 561; and *Mercury Ins. Co. v. Lara* (2019) 35 Cal.App.5th
82; and *State Farm General Ins. Co. v. Lara* (2021) 71 Cal.App.5th 197.

1 causing an inflated rate indication. Also, Applicant does not demonstrate that the
2 selected trend factors and trend data period used are the most actuarially sound. Based
3 on Consumer Watchdog's preliminary analysis, a longer period should be used for
4 trend calculation to minimize data distortions caused by the pandemic, and thus more
5 accurately reflect the expected experience. Considering the data in Exhibit 8, it is
6 reasonable to expect a prospective annual frequency trend that is more negative than
7 the Applicant-selected frequency, which is distorted by upward corrections following
8 the sharp decreases seen during the peak COVID period (2020Q2 to 2021Q1).
9 Similarly for severity, a more modestly increasing trend should be expected in the
10 prospective period, since the Applicant-selected trend is strongly influenced by a few
11 sharp increases following the marked flattening of quarterly trend factors due to
12 pandemic-related shutdowns.

13 b. Improper / Unsupported Excluded Expenses (10 CCR § 2644.10): Applicant has not
14 shown that all of its institutional advertising expenses have been reflected in the
15 excluded expense provision. There may also be excluded expenses for other categories
16 that should be reflected in the rate calculation but were not adequately reflected in the
17 filing.

18 c. Catastrophe Adjustment (10 CCR § 2644.5): Applicant did not justify the use of
19 amount of insurance years (AIY) as the proper base for the catastrophe adjustment.
20 Applicant used an inflated value for the AIY trend that results in an inflated
21 catastrophe adjustment. Wildfire smoke data prior to 2007 is ignored in the catastrophe
22 adjustment calculations; all data should be included, as it is in the Wildfire non-smoke
23 calculations. Unsupported weighting schemes are used on Exh9_VI_3 and
24 Exh9_VI_4. Applicant has not provided an explanation why these weighting schemes
25 were used instead of weighting on the volume of exposure or losses, which would be
26 more reasonable. Applicant has not shown that the selected catastrophe adjustment
27 reflects any changes between the insurer's historical and prospective exposure to
28 catastrophe due to a change in the mix of business. Applicant uses just one model for

1 its Fire Following Earthquake provision which appears to be unreasonably high.
2 Providing the results of more than one computer catastrophe model is preferable to
3 showing the results of just a single model. Furthermore, Applicant has not shown that
4 the models used conform to the standards of practice as set forth by the Actuarial
5 Standards Board and that the models are based upon the best available scientific
6 information for assessing earthquake frequency, severity, damage, and loss, and that
7 the projected losses derived from the model meet all applicable statutory standards.

8 d. Improper / Unsupported Variance 7D (10 CCR § 2644.27(f)(7)(D)): While a variance
9 from the loss development section of the regulation (10 CCR § 2644.6) could be
10 appropriate, Applicant failed to prove that its selected loss development adequately
11 reflects the appropriate impact for the adjustments.

12 e. Improper / Unsupported Variance 8F (10 CCR § 2644.27(f)(8)(F)): While a variance
13 from the trend section of the regulation (10 CCR § 2644.7) could be appropriate,
14 Applicant failed to prove that its trend selections adequately reflect the appropriate
15 impact for the adjustments.

16 f. Credibility of Data for Wildfire Discounts (10 CCR § 2644.9(g)): From Exhibit 15,
17 page 2, re: Wildfire Mitigation Discounts: “Given that Allstate has not historically
18 collected loss data for these discounts, actuarial judgement was applied to select the
19 discount factors.” While this approach may be theoretically reasonable due to the lack
20 of company data, more documentation is necessary to support the proposed relativities
21 than simply stating that they are judgmentally selected. Section 2644.9(g) requires that
22 “to the extent the insurer’s own California data is not fully credible, the insurer shall
23 credibility-weight its data with an appropriate complement of credibility to support
24 each segment, rating differential, or premium surcharge”.

25 g. Wildfire Mitigation Efforts (10 CCR § 2644.9(d)(1)): The regulation provides: “The
26 rating plan shall reflect, and the rate offered to the applicant or insured shall be based
27 in part on, the reduced wildfire risk resulting from each and every property-level
28 wildfire risk mitigation effort listed in subdivisions (d)(1)(B)1.a. through (d)(1)(B)1.e.

1 and (d)(1)(B)2.a. through (d)(1)(B)2.e., below, that is undertaken with respect to an
2 individual property being assessed for risk.” It is stated on page 9-2 of the
3 Homeowners Manual in the Application that “[t]he following property level mitigation
4 efforts are accounted for within the Level 2 score of the Wildfire Risk Group” and
5 then three mitigation efforts are listed which correspond to § 2644.9((d)(1)(B)(1)(b),
6 (d)(1)(B)(1)(d), and (d)(1)(B)(1)(e)). With these three factors purported to be
7 accounted for in the aggregate L2 score, there is no way to disaggregate the rate
8 impact of each of those factors in order to ensure that Applicant has complied with
9 subdivision (d)(B)(1). Moreover, in Exhibit A, L2 Data Dictionary of the Z-FIRE
10 Model Checklist, only the “vegetation” item of (d)(1)(B)(1)(b) appears to be
11 represented; no mention is made of “debris, mulch, stored combustible materials, and
12 any and all movable combustible objects”. Most of the provisions of Section 4291 of
13 the Public Resources Code noted in (d)(1)(B)(1)(e) are inadequately represented, if at
14 all.

- 15 h. Wildfire Mitigation Discounts (10 CCR § 2644.9(k)(3)): According to the regulation,
16 “The insurer shall provide . . . [w]hich mitigation measure or measures can be taken by
17 the policyholder or applicant to lower the wildfire risk score . . . and . . . [t]he amount
18 of premium reduction the policyholder or applicant would realize as a result of
19 performing each such measure” With the three measures noted in subparagraph
20 (g) above purported to be accounted for in the aggregate L2 score, there is no way to
21 disaggregate them in order to comply with subdivision (k)(3).
- 22 i. Public Availability of Wildfire Risk Model (Ins. Code § 1861.07; 10 CCR
23 § 2644.9(f)): The regulation states that “Any rating plan, or Wildfire Risk Model
24 submitted to the Commissioner . . . shall be available for public inspection . . .
25 regardless of . . . whether the insurer or the developer . . . claims the rating plan or
26 Wildfire Risk Model is confidential, proprietary, or trade secret.” However, it is not
27 clear from the documents contained within the Application whether or not the Z-FIRE
28 model underlying the wildfire rate factor derivation is available for public inspection.

1 j. Implementation of Changes to New Business Eligibility Rules (Ins. Code
2 § 1861.05(a)): The new business underwriting guidelines filed with this rate
3 application in April 2023 (California Risk Management Policy, p. 1) state that Allstate
4 stopped writing new Homeowners business in November 2022, but it failed to file that
5 change to its new business eligibility guidelines with the Department prior to
6 implementing. Further, Allstate has not provided any data or documentation in this
7 Application showing the rate impact of those changed underwriting guidelines and did
8 not await the Department’s approval of this rate application—including the rate impact
9 of the change in underwriting guidelines—before implementation.

10 9. This petition is based upon Consumer Watchdog’s preliminary analysis of the
11 Application. Thus, Consumer Watchdog reserves the right to modify, withdraw, and/or add issues
12 for consideration as more information becomes available, including but not limited to violations
13 of Insurance Code section 1859 for failure to disclose information in its filings that will affect
14 policyholders’ rates and premiums.

15 **IV. AUTHORITY FOR PETITION AND GRANTING REQUEST FOR A HEARING**

16 10. The authority for this petition for hearing is Insurance Code section 1861.10,
17 subdivision (a), which grants “any person” the right to initiate or intervene in a proceeding
18 permitted or established by Proposition 103 and the right to enforce Proposition 103. Specifically,
19 as stated above, Consumer Watchdog initiates this proceeding to enforce Insurance Code sections
20 1861.05 and 1861.07.

21 11. Additionally, a hearing is authorized pursuant to Insurance Code section 1861.05,
22 subdivision (c), which allows “a consumer or his or her representative” to request a hearing on a
23 rate application and 10 CCR § 2653.1, which provides that “any person, whether as an individual,
24 representative of an organization, or on behalf of the general public, may request a hearing by
25 submitting a petition for hearing.”

26 12. This petition is timely pursuant to Insurance Code section 1861.05, subdivision (c),
27 and 10 CCR § 2646.4(a)(1) because it is filed within forty-five (45) days of the May 19, 2023
28 public notice date.

1 **V. INTEREST OF PETITIONER**

2 13. Consumer Watchdog’s interest in the above-captioned proceeding is to ensure that
3 Applicant’s homeowners insurance policyholders are charged rates and premiums that comply
4 with the provisions of Insurance Code section 1861.05(a)’s requirement that “no rate shall be
5 approved or remain in effect which is excessive, inadequate, [or] unfairly discriminatory or
6 otherwise in violation of this chapter,” and the requirements contained in the regulations
7 promulgated thereunder. For many homeowners, their home is their most valuable asset and they
8 are required to purchase homeowners insurance by their mortgage lenders. Consumers who are
9 overcharged by insurers for this insurance coverage and/or arbitrarily non-renewed, even when
10 they have undertaken significant wildfire mitigation efforts to protect their homes and lower their
11 risk of loss, are part of Consumer Watchdog’s core constituency.

12 14. As noted in paragraphs 3–6 above, Consumer Watchdog’s staff and consultants
13 have substantial experience and expertise in insurance rate matters, which Consumer Watchdog
14 believes will aid the CDI in its review of the Application and aid the Commissioner in making his
15 ultimate decision as to whether to approve or disapprove the requested rates. As noted in
16 paragraph 6 above, the Commissioner found that Consumer Watchdog made a substantial
17 contribution to his decisions in every rate proceeding that has resulted in a final decision and in
18 which Consumer Watchdog sought compensation from 2003–2022. If leave to intervene is
19 granted, Consumer Watchdog will participate fully in all aspects of this proceeding.

20 15. Consumer Watchdog also has an interest in assuring that Applicant, the CDI, and
21 the Insurance Commissioner comply with the laws enacted by the voters under Proposition 103,
22 and the rules and regulations that implement those laws.

23 **VI. AUTHORITY FOR PETITION TO INTERVENE**

24 16. The authority for Consumer Watchdog’s petition to intervene is Insurance Code
25 section 1861.10, subdivision (a), which grants “any person” the right to “initiate or intervene in
26 any proceeding permitted or established pursuant to this chapter [Chapter 9 of Part 2 of Division 1
27 of the Insurance Code] . . . and enforce any provision of this article.” This proceeding is a
28 proceeding to enforce Insurance Code sections 1861.05 and 1861.07 pursuant to Insurance Code

1 section 1861.10(a), and hence is a proceeding both “permitted” and “established” by Chapter 9.
2 This petition to intervene is also authorized by 10 CCR § 2661.1 et seq. Although consumer
3 presence in departmental proceedings typically results in significant reductions to policyholders’
4 rates, the amount of savings for each individual consumer is outweighed by the time and expense
5 of hiring individual counsel or an advocacy group to protect his or her rights. Thus, an
6 independent organization like Consumer Watchdog introduces a voice that otherwise would be
7 absent from this proceeding.

8 **VII. PARTICIPATION OF CONSUMER WATCHDOG**

9 17. Consumer Watchdog verifies, in accordance with 10 CCR § 2661.3, that it will be
10 able to attend and participate in this proceeding without unreasonably delaying this proceeding or
11 any other proceedings before the Insurance Commissioner.

12 **VIII. INTENT TO SEEK COMPENSATION**

13 18. The Commissioner has awarded Consumer Watchdog compensation for its
14 reasonable advocacy and witness fees and expenses in past departmental proceedings. The
15 Commissioner issued Consumer Watchdog’s latest Finding of Eligibility on July 26, 2022,
16 effective for two years as of July 12, 2022. Consumer Watchdog was previously found eligible to
17 seek compensation on August 25, 2020, effective as of July 12, 2020; July 12, 2018; July 14,
18 2016; July 24, 2014; July 24, 2012; July 2, 2010; August 25, 2008; July 14, 2006; July 2, 2004;
19 June 20, 2002; October 1, 1997; September 26, 1995; September 27, 1994; and September 13,
20 1993.

21 19. Consumer Watchdog intends to seek compensation in this proceeding. Pursuant to
22 10 CCR § 2661.3(c), Consumer Watchdog’s estimated budget in this proceeding is attached
23 hereto as Exhibit A. Consumer Watchdog has based its estimated budget on several factors
24 including: (1) the technical and legal expertise needed to address these issues; (2) its current best
25 estimate of the time needed to participate effectively in these proceedings, taking into account the
26 time already expended by Consumer Watchdog staff and its consulting actuary and an estimate of
27 time needed to complete remaining tasks through completion of a noticed evidentiary hearing;
28 and (3) past experience in similar rate proceedings before the CDI. The estimated budget is

1 reasonable and the staffing level is appropriate, given the expertise that Consumer Watchdog and
2 its consultants bring to these proceedings when the issues involved are issues at the very core of
3 its organizational mission and strike at the very heart of Proposition 103 itself. The budget
4 presented in the attached Exhibit A is a preliminary estimate, and Consumer Watchdog reserves
5 the right to amend its proposed budget as its expenses become more certain, or in its request for
6 final compensation. Consumer Watchdog will give notice of such modifications as soon as
7 practicable after it discovers the need to revise its estimates and shall comply with the budget
8 revision requirements in the relevant intervenor regulations.

9 WHEREFORE, Consumer Watchdog respectfully requests that the Insurance
10 Commissioner GRANT its petition for hearing and petition to intervene in the proceeding.

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12 DATED: June 30, 2023

Respectfully submitted,
Harvey Rosenfield
Pamela Pressley
Benjamin Powell
Ryan Mellino
CONSUMER WATCHDOG

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17 By: *Pamela Pressley*
Pamela Pressley
18 Attorney for CONSUMER WATCHDOG
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1 **VERIFICATION OF PAMELA PRESSLEY IN SUPPORT OF CONSUMER**
2 **WATCHDOG'S PETITION FOR HEARING, PETITION TO INTERVENE, AND**
3 **NOTICE OF INTENT TO SEEK COMPENSATION**

4 I, Pamela Pressley, verify:


5 1. I am Senior Staff Attorney for Consumer Watchdog. If called as a witness, I could
6 and would testify competently to the facts stated in this verification.

7 2. I personally prepared the pleading titled "Consumer Watchdog's Petition for
8 Hearing, Petition to Intervene, and Notice of Intent to Seek Compensation" filed in this matter.
9 All of the factual matters alleged therein are true of my own personal knowledge, or I believe
10 them to be true after conducting some inquiry and investigation.

11 3. Pursuant to California Code of Regulations, title 10, section 2661.3, Consumer
12 Watchdog attaches as Exhibit A its estimated budget in this proceeding.

13 I declare under penalty of perjury under the laws of the State of California that the
14 foregoing is true and correct.

15 Executed June 30, 2023, at Los Angeles, California.

16 
17 _____
18 Pamela Pressley

**EXHIBIT A
PRELIMINARY BUDGET**

ITEMS

ESTIMATED COST

1. Consumer Watchdog Attorneys and Paralegal

Pamela Pressley (Senior Staff Attorney) @ \$595 per hour, 100 hours \$59,500

- Draft and edit petition for hearing and petition to intervene; supervise Consumer Watchdog counsel; oversee preparation of motions, briefing; confer with Consumer Watchdog counsel and outside experts regarding legal and evidentiary issues; participate in discussions with CDI and Applicant’s counsel; assist in all phases of proceeding, evidentiary hearing, and preparation of post-hearing briefing.

Benjamin Powell (Staff Attorney) @ \$350 per hour, 200 hours \$70,000

- Confer with Consumer Watchdog counsel and outside experts regarding legal and evidentiary issues; participate in discussions with CDI and Applicant’s counsel; participate in briefing legal issues; conduct discovery, preparation of motions, and preparation for evidentiary hearing; participate in examination of witnesses and all phases of evidentiary hearing and post-hearing legal briefing; prepare request for compensation.

Kaitlyn Gentile (Paralegal) @ \$200 per hour, 50 hours \$10,000

- Draft and edit petition for hearing and petition to intervene; assist with discovery and preparation of motions and briefs; prepare request for compensation.

Harvey Rosenfield (Of Counsel) @ \$695 per hour, 15 hours \$10,425

- Supervise Consumer Watchdog counsel and participate in strategy discussions.

2. Expert Witness: Ben Armstrong

Ben Armstrong, Staff Actuary @ \$425 per hour, 100 hours \$42,500

- Staff actuary to review all discovery documents; prepare actuarial analysis; participate in meet and confers with the parties as needed; prepare written testimony; testify and assist attorneys in preparation for cross-examination of insurer’s expert witnesses.

3. Consumer Watchdog Expenses

Office expenses (photocopies, facsimile, telephone calls, postage, etc.)\$2,000

Travel (ground transportation; airfare; hotel)\$5,000

Consumer Watchdog Subtotal\$199,425

4. Expert Witness: AIS Risk Consultants, Inc.

Allan I. Schwartz, President of AIS Risk Consultants @ \$915 per hour, 100 hours..... \$91,500

- Lead actuary to review all discovery documents; prepare actuarial analysis; participate in meet and confers with the parties as needed; prepare written testimony; testify and assist attorneys in preparation for cross-examination of insurers' expert witnesses.

Katherine Tollar @ \$415 per hour, 100 hours \$41,500

- Assist Mr. Schwartz in document review, rate level analysis, preparation of testimony.

5. Travel by Mr. Schwartz

Ground transportation; airfare to hearing; hotel \$5,000

AIS Risk Consultants Subtotal..... \$138,000

TOTAL ESTIMATED BUDGET: \$337,425