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

In the Matter of the Petition to Intervene of:

File # IP-2024-0008; IP-2024-0009;  
and IP-2024-0010

CONSUMER WATCHDOG,

**ORDER DENYING CONSUMER  
WATCHDOG’S PETITION TO  
INTERVENE**

Application of United Services Auto  
Association, Garrison Property and Casualty  
Insurance Company, USAA Casualty Insurance  
Company

Petitioner.

Rule File No.: 24-722, 24-723, 24-744

As set forth below, California Insurance Commissioner Ricardo Lara (Commissioner) denies without prejudice Petitioner Consumer Watchdog’s (Petitioner) Petition to Intervene and Notice of Intent to Seek Compensation (Petition) in the above proceeding regarding the applications of United Services Auto Association, Garrison Property and Casualty Insurance Company and USAA Casualty Insurance Company, affiliated companies that submitted rate applications for the same line of insurance (Applicant).

**I. APPLICABLE LAW**

In November 1988, California voters approved Proposition 103, which made changes in the regulation of automobile insurance, as well as the approval of premium rates for property and casualty lines of insurance in California. (Ins. Code §§ 1861.01, et seq.) Proposition 103 also allows for public participation through consumer intervention. (Ins. Code § 1861.10.) The Commissioner has implemented Proposition 103’s statutory provisions concerning consumer participation through regulations. (California Code of Regulations, Title 10 (“10 CCR”) §§ 2661.1, et seq.)

1 10 CCR 2661.3(c) requires that hourly rates contained in an estimated budget shall not  
2 exceed market rates. Market rates are defined in 10 CCR 2661.1.

3 10 CCR 2662.3(d) states that Petitioners shall file amended budgets when the total  
4 estimated budget amount increases by \$10,000 or more.

5 **II. BRIEF SUMMARY OF PETITION**

6 On June 3, 2024, Petitioner submitted its verified Petition for Hearing, Petition to  
7 Intervene, and Notice of Intent to Seek Compensation for the aforementioned three rate  
8 applications filed by Applicant (three affiliated insurers seeking a rate change for the same line of  
9 insurance and which shall be treated as the same proceeding) which included an estimated budget  
10 totaling \$245,175.00.

11 The hourly rates for attorney advocates range from a low of \$350 per hour to a high of  
12 \$695 per hour. The hourly rates for expert witnesses range from a low of \$425 per hour to a high  
13 of \$915 per hour.

14 The hourly rates requested in the estimated budget was not supported by any  
15 documentation, exhibits, an attestation or even a mere statement that the hourly rates it contained  
16 did not exceed market rates. The burden is on the Petitioner to demonstrate, per the requirements  
17 of the regulations that the hourly rates it seeks does not exceed the market rate. The regulations  
18 require the petition to address this issue.

19 The Petition states in the last paragraph that Petitioner will amend its budget as soon as  
20 “practicable after learning that it needs to amend its budget”. The regulations require the filing of  
21 an amended budget when the estimated budget is exceeded by \$10,000 or more. This is an  
22 explicit requirement. The Petition should address and acquiesce to the specific requirements of 10  
23 CCR 2661.3(d).

24 **III. FINDINGS**

- 25 1. The Petition does not satisfy the requirements of 10 CCR 2661.3(c).
- 26 2. The Petition does not satisfy the requirements of 10 CCR 2661.3(d).

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1 **IV. ORDER**

2 1. For the foregoing reason, Petitioners Petition is DENIED.

3 2. This Order does not preclude Petitioner from filing a new Petition that addresses  
4 the deficiencies identified.

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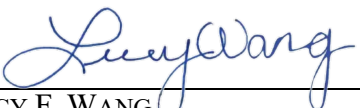
6 Dated: June 18, 2024

**RICARDO LARA**  
California Insurance Commissioner

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By   
LUCY F. WANG  
Deputy Commissioner and Special Counsel

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