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Petitioner

BEFORE THE INSURANCE COMMISSIONER OF
THE STATE OF CALIFORNIA

In the Matter of the Rate Application of
American Modern Home Insurance
Company,
Applicant

File No.: 25-1775

**GEORGE ZEHMER MILLER'S
PETITION FOR HEARING,
PETITION TO INTERVENE, AND
NOTICE OF INTENT TO SEEK
COMPENSATION**

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

George Zehmer Miller, the Petitioner, hereby requests that the Insurance Commissioner notice a public hearing pursuant to California Insurance Code Section 1861.05, subdivisions (a) and (c), and 1861.10, subdivision (a), on the issues raised in this petition regarding the above-referenced Rate Application of American Modern Home Insurance Company ("AMHIC" or "Applicant"), at which time Applicant will be directed to appear and respond to the issues raised in this petition. The Petitioner also hereby requests that he be granted leave to intervene in the proceeding on Applicant's Rate Application pursuant to Insurance

1 Code section 1861.10, subdivision (a). The Petitioner intends to seek
2 compensation in this proceeding, and, pursuant to California Code of
3 Regulations, title 10 ("10 CCR"), section 2661.3, subdivision (c), the Petitioner's
4 proposed budget is attached hereto as Exhibit A.

5 **1. The Application**

6 On or about August 28, 2025, Applicant filed a Prior Approval Rate
7 Application with the California Department of Insurance ("CDI"), seeking approval
8 of an overall rate increase of 14.3% to its pet insurance line of business (File No.
9 25-1775 ["the Application"]).

10 On or about September 5, 2025, the CDI notified the public of the
11 Application.

12 **2. The Petitioner**

13 The Petitioner represents the interests of consumers in the insurance
14 market, particularly those affected or likely to become affected by large rate
15 increases. The Petitioner operates the insurance consumer complaint
16 aggregator, ihatemyinsurance.com. Customers of the Applicant and other pet
17 insurers have complained of large rate increases. For example, Reddit user
18 u/MoreTrashPlease reported in August 2025 that their Embrace premium
19 increased from \$385 to \$1,137 per month for two 14-year-old dogs in California,
20 calling the tripling "absolutely insane" and expressing concern that switching

1 providers would trigger pre-existing condition exclusions¹. Embrace is the
2 managing general agent selling Applicant's policies in California².

3 Formerly, the Petitioner worked at GEICO for 3 years as a Product
4 Modeling Analyst, where among other tasks, he made rating and underwriting
5 models used to differentiate risks, making him familiar with models like the one at
6 hand.

7 Many of the issues Petitioner finds in the Application are also present in
8 Applicant's currently approved filing, showing that his positions are likely distinct
9 from the positions of the CDI staff. Examples include but are not limited to his
10 position that Applicant used incorrect assumptions when creating deductible and
11 copay factors and his position that Applicant's age and tenure factors likely lack
12 credibility.

13 The petitioner's name, address, and phone number are listed in the
14 caption of this pleading.

15 **3. The Position of the Petitioner**

16 In the rate proceeding initiated by the Petitioner's Petition and evidentiary
17 hearing, the Petitioner will present and elicit evidence Per Insurance Code
18 section 1861.05, subdivision (a), "*No rate shall be approved or remain in effect*

¹ See *Embrace Premium 3x Increase*, Reddit, r/petinsurancereviews (Sept. 15, 2025), accessed October 16, 2025, https://www.reddit.com/r/petinsurancereviews/comments/1mmvtmu/embrace_premium_3x_incease/

² This policy is administered by American Modern Home Insurance Company" accessed October 2, 2025, <https://www.embracepetinsurance.com/state-terms/v6>

1 *which is excessive, inadequate, unfairly discriminatory or otherwise in violation of*
2 *this chapter.*” 10 CCR Sections 2644.2 and 2644.3 define maximum permitted
3 and minimum permitted earned premiums respectively. Unfairly discriminatory
4 does not have a statutory definition in CA. The NAIC defines it in its Property and
5 Casualty Model Rating Law: “Unfair discrimination exists if, after allowing for
6 practical limitations, price differentials fail to reflect equitably the differences in
7 expected losses and expenses.” Insurance Code section 1861.05, subdivision
8 (b), states that the insurer shall have the burden of proving that the requested
9 rate change is justified and meets the requirements of this article. The need for
10 proof is also stated in 10 CCR Section § 2646.5. Petitioner intends to show that
11 the Application may result in rates that are excessive and unfairly discriminatory
12 and that the Application has not reasonably demonstrated that the proposed
13 rates are not excessive, inadequate, or unfairly discriminatory.

14 The Petitioner has three issues with how rate filings are currently
15 evaluated relevant to the Application. (i) Minimum and maximum permitted
16 earned premium should be evaluated on the smallest possible groups, not just in
17 aggregate. (ii) The impact of dynamic rating variables, like age, should be
18 evaluated not just on the current book, but on projections of policies through
19 time. (iii) Additional support for modeled rating factors is necessary. Additionally,
20 he believes that the Filing’s proposed rates are excessive and unfairly
21 discriminatory, even without changes to the existing practices. At the very least,
22 Petitioner believes Applicant has not reasonably proven that the rates are not
23 unfairly discriminatory, inadequate, or excessive.

1 (i) Aggregated Premium Issues

2 a. Petitioner believes the standards proposed in 1861.05 (a)

3 should be applied to the smallest possible groups, down to the
4 individual policy level when feasible. The existing focus on
5 aggregated metrics can miss substantial impacts to individual
6 insureds, which could result in unexpected results in aggregate,
7 leading to excessive or inadequate rates, or increase the
8 likelihood of permitting unfairly discriminatory rates.

9 b. Petitioner believes any rate where premium exceeds the

10 maximum limit must be excessive. It provides no benefit to the
11 insured. In every case, they would be better off paying out of
12 pocket. Increasing an insured's rate such that it exceeds the
13 insured's maximum limit is tantamount to non-renewal, but it
14 puts the onus on the insured. If the issue is not discovered, they
15 will overpay for their insurance, giving the insurer additional
16 benefit when compared to a typical non-renewal. This situation
17 is not purely hypothetical. It is exhibited in both the Application
18 and Applicant's currently approved rate filing (File No. 24-1315
19 ["the Approved Filing"]).

20 c. In the Approved Filing, the greatest premium amount increase,
21 \$10,716, exceeds the pet's annual limit of \$8,000³. Note, this
22 isn't just the annual premium, it is the premium increase. The

³ File No. 24-1315 CA Model Checklist.pdf Pg.15 7-47

1 total premium would be even more. Similarly, in the Application,
2 a policy is described as follows: "*Greatest Percentage Rate*
3 *Increase 1. Pet Percentage Increase 995% - Pet Percentage*
4 *Increase 526% - The risk profile consists of the following: Full*
5 *Coverage (Accident/Illness) Policy; 14 years old (3 Inception*
6 *Age, 11 Tenure); Annual Limit \$5,000; Deductible \$100;*
7 *Gender/Species Male/Dog, Claim History – Three Years*"⁴.

8 Based on Petitioner's calculations using the proposed rating
9 factors, even when selecting the lowest factors for unknowns
10 like Breed and Territory, the proposed annual premium would
11 exceed the pet's annual limit. Applicant's customers can not
12 increase their annual limits, without being subject to new waiting
13 periods and pre-existing coverage restrictions⁵. In both these
14 cases and all similar cases, Petitioner believes the rates are
15 excessive and unfairly discriminatory. He believes that they are
16 violating Insurance Code 1861.05 (a): "*No rate shall be*
17 *approved or remain in effect which is excessive, inadequate,*
18 *unfairly discriminatory or otherwise in violation of this chapter.*"

19 When evaluating rate filings, the Insurance Commissioner
20 should consider the filing's impact on all current and potential

⁴ File No. Non-Catastrophe Model Form.pdf Pg. 15 7-47

⁵ <https://www.embracepetinsurance.com/coverage/faq>, accessed October 16, 2025

1 policyholders and ensure that the rates are not excessive for
2 any of them. Evaluating the book in aggregate is not sufficient.

3 (ii) Dynamic Rating Variables

4 a. Petitioner's other issue with the current rate review process is
5 that analysis of the impact of dynamic rating variables, those
6 very likely to change over time, is lacking and risks silencing
7 consumers. Since the review process looks at policies statically
8 and does not consider how their characteristics will change over
9 time, insurers can enact very large rate increases or decreases,
10 while keeping their proposed rate moderate. A very simple
11 hypothetical: Insurer Z has a book consisting of pets under age
12 3 in CA. Insurer Z submits a rate filing where pets over the age
13 of 3 will receive a 100% increase; there are no other changes.
14 In this hypothetical, the proposed rate impact would be 0%,
15 even though many of the pets will eventually receive a very
16 large rate increase. Ignoring the issue of whether this rate is
17 justified or not, this loophole denies the public the rights granted
18 by Insurance Code Section 1861.05 (c) (3), which only applies
19 when the proposed rate exceeds 7% (or 14% for commercial
20 lines). Changes to the rate review framework should be made to
21 ensure this is not the case.

22 b. These issues are especially pronounced in pet insurance. Pet
23 insurance occupies a unique position within the Property and

Casualty (P&C) sector because of pets' highly dynamic risk profiles and high switching costs, caused by waiting periods and preexisting condition exclusions.

- c. If a customer switches to a new insurer, they will likely have to wait before some or all of their coverage begins. This waiting period, without full coverage, can be a stressful time for the consumer, even if their pet doesn't have any issues, but its effects are minor compared to those of preexisting condition exclusions. Once a pet develops a chronic or recurring illness, owners are often effectively "locked in" with their existing insurer. If they were to move to a competitor, the new policy would almost certainly exclude coverage for the ongoing condition. Even without a chronic or recurring illness, customers are often fearful that future claims will be denied based on preexisting conditions. Preexisting conditions, as defined by Insurance Code Section 12880, are not merely conditions upon which a veterinarian has provided medical advice or treatment. They are any conditions consistent with signs or symptoms displayed by a pet. If a pet steps on a bee and limps, will their new pet insurer later decline coverage for an unrelated condition with consistent symptoms? Many customers understandably wouldn't want to risk it. They remain with their initial insurer not

1 necessarily out of satisfaction or loyalty, but to avoid switching
2 penalties.

3 d. This dynamic stands in stark contrast to other P&C lines like
4 auto or homeowners insurance, where customers can easily
5 compare quotes, switch carriers, and receive immediate
6 coverage with no penalty. In pet insurance, however, the health
7 history of the pet itself dictates portability.

8 e. As a result, pet insurance introduces a higher degree of path
9 dependency: the choice a consumer makes when their pet is
10 young and healthy often determines their insurance trajectory
11 for the lifetime of the animal. Some will find that their rates are
12 relatively stable over the course of their coverage. But others
13 will receive rate increases most would find unconscionable.
14 Those who choose the “wrong” insurer initially are left frustrated
15 with a sense of being “stuck,” unable to leverage competitive
16 pressures that normally drive down premiums and improve
17 service in other insurance markets. Many customers would not
18 choose their pet insurer if they fully understood the rate
19 trajectory of their coverage.

20 f. In Applicant’s most recent approved rate filing (File No. 24-1315
21 [Approved Filing]), a ten-year-old cat would start with an
22 age/tenure factor of 2.17. After ten years insured, its age/tenure
23 factor would be 86.64, nearly a 40x increase. Meanwhile, under

1 Pet's Best filing (File No. 21-1373 [Pet's Best Comparison]), the
2 ten-year-old cat would start with an age factor of 2.087 and
3 have a 7.840 age factor 10 years later, less than a 4x increase.
4 This filing was selected as a comparison due to Applicant's
5 statements in the Approved Filing: *"When reviewing the*
6 *Underwriting Age and Tenure factor selections, we compared*
7 *our current factors that are approved in California against the*
8 *updated model factors. We also compared these factors against*
9 *multiple competitors as well. For this process we chose Pet's*
10 *Best (State Tracking#: 21-1373) and FIGO (State Tracking#: 22-*
11 *299) to compare against as they line up closely to us from a*
12 *rating and financial perspective."*⁶ Given the difficulty of
13 switching insurers and the stark rate differences as a pet ages,
14 this further illustrates the need for evaluating rate impacts on
15 policies not just as they are but also based on how they will
16 change over time. It also emphasizes the need to better inform
17 consumers of the differences between insurers. Simply
18 informing them whether a pet's premium will change based on
19 age or not is not sufficient given the very large differences
20 amongst insurers with dynamic age premiums.

21 (iii) Insufficient Rating Variable Support

⁶ File No. 24-1315 CA Model Checklist.pdf Pg. 12 5-38

1 a. Furthermore, Petitioner believes that the Insurance
2 Commissioner should require more substantial support than
3 Applicant provides for all proposed rating factors. Insurance
4 Code 1861.05, section (b) states that the insurer shall have the
5 burden of proving that the requested rate change is justified and
6 meets the requirements of this article. In Exhibit C-2 – Proposed
7 Factor Analysis, the Applicant does not provide any data on
8 prior losses or the final prediction for each variable level.
9 Additionally, these exhibits should be present for all rating
10 variables and should be broken out at least to the granularity
11 used in the filing, not just for ones where selections are made. If
12 an interaction between variables is used, all levels of the
13 interaction should be included. This is still necessary when a
14 statistical model like a GLM is used. Choices made when
15 modeling, including without limitation, what variables to include,
16 how to bin them, or even the distribution of the data could
17 ultimately lead to unfairly discriminatory rates. The applicant
18 needs to share more than lift plots, the modeled factor and the
19 selected factor in order to prove that rates are not unfairly
20 discriminatory. Doing so is not unreasonably onerous; for
21 example, Applicant could make graphs showing the actual vs
22 predicted values along with the exposures for each variable as

1 suggested by the NAIC⁷. Petitioner will use the Application to
2 further explain the need for additional data.

3 b. In the Application, Applicant chooses to use underwriting
4 inception age factors from its currently approved filing for Dogs
5 Underwriting Inception Age 7 through 14 and for Cats
6 Underwriting Inception Age 0 through 14 instead of the modeled
7 factors in the Application⁸. These factors in the currently
8 approved filing are also selections. For dogs, Applicant adjusted
9 its Underwriting Age at Inception 6 through 14 factors based on
10 the aforementioned Pets Best Comparison Filing. For cats,
11 Applicant increased the Underwriting Age at Inception factors by
12 30% to be more aligned with its competitors: Pets Best
13 (Comparison Filing) and Figo (Filing No. 22-299)⁹. Unlike in
14 Applicant's recent filings, neither of these filings have tenure
15 factors. Since they do not use tenure, it is unsurprising that their
16 age factors are higher; this is explained by omitted variable bias.
17 *"By leaving out important variables, correlations can arise*
18 *between other variables to try to account for this lost signal, or*
19 *the signal can be lost altogether. This will lead to a less*
20 *explanatory model overall and potentially skew the coefficients*

⁷ Casualty Actuarial Society & NAIC Rate Model Review Team. (2022, July). *Rate Models – How to Improve Speed to Market* [PDF]. CAS.

https://www.casact.org/sites/default/files/2022-07/RP4_RateModels.pdf

⁸ File No. 25-1775 Non-Catastrophe Model Form.pdf Pg. 13 5-37

⁹ File No. 24-1315 CA Model Checklist.pdf Pg. 12 5-38

1 of the other included variables (American Academy of Actuaries
2 2023a)".¹⁰ To make matters worse, even if tenure was used in
3 all these models, omitted variable bias would still be present;
4 the currently approved model lacks Applicant's more impactful
5 Claim History variable. In order to ensure that Application's
6 Underwriting Age Inception factors are appropriate and not
7 unfairly discriminatory, more data is necessary.

8 c. It is not guaranteed that the relationship between age and
9 tenure is consistent across all ages and tenures. For higher
10 ages and tenures, the factors likely lack credibility. In 2019,
11 Applicant stated *"Some parts of our age at underwriting/years
12 from inception curve have less credible estimates where some
13 extrapolation occurs."*¹¹ Applicant does not break out tenure by
14 underwriting age in its exhibits, but it is likely that extrapolation
15 is still occurring. Using a GLM is not a solution to a lack of data.
16 NAIC's Casualty Actuarial and Statistical (C) Task Force states:
17 *"If the initial data is not credible, then no model will improve that
18 credibility...GLMs effectively assume that the underlying
19 datasets are 100% credible, no matter their size. If some
20 segments have little data, the resulting uncertainty would not be
21 reflected in the GLM parameter estimates themselves..."*

¹⁰ Practical Application of Bias Measurement and Mitigation Techniques in Insurance Pricing: Part 1

¹¹ CDI File No. 19-1189 07-31-2019 Objection Response.pdf

1 *Because of this presumption in credibility, which may or may not*
2 *be valid in practice, the modeler—and the state insurance*
3 *regulator reviewing the model—would need to engage in*
4 *thoughtful consideration when incorporating GLM output into a*
5 *rating plan to ensure that model predictiveness is not*
6 *compromised by any lack of actual credibility.”*¹² Applicant needs
7 to provide performance and exposure data at the same
8 granularity as the interaction to show that unfair discrimination is
9 not occurring. If there is not sufficient data to determine this,
10 buckets, capping, or other methods should be used to ensure
11 that the rates are appropriate and not unfairly discriminatory.

12 (iv) Incomplete Rate Application

13 a. Insurance Code 1861.05 (b) requires that insurers file a
14 complete rate application with the commissioner. Exhibit 14, as
15 described in the Prior Approval Rate Application Filing
16 Instructions, is not present. Applicant provides the overall
17 proposed rate impact of the application, but does not
18 demonstrate how that impact is distributed between the base
19 rate (including by peril), fixed premium (whether derived from
20 fixed expenses or flat dollar optional coverages), variable
21 premium, rate classification relativity changes etc.

¹² Casualty Actuarial and Statistical (C) Task Force Regulatory Review of Predictive Models White Paper

b. Applicant has not included Exhibit 15 even though it should be provided when any rate relativities change per the Prior Approval Rate Application Filing Instructions. If applicant is intending to use Exhibit C-2 for this purpose, Applicant has not included tenure or age and tenure interactions.

(v) Data Inconsistencies

a. See the Non-Catastrophe Model Form exhibits 15-M-1 and 15-M-8. In Exhibit 15-M-1, Applicant states that tenures for dogs and cats range from 0 to 9 and does not state that these variables have been capped or otherwise modified. In Exhibit 15-M-8, tenure ranges from 0-15 for both cats and dogs. It is not clear what tenure ranges were used.

(vi) Claim History Issues

a. Claim history, one of the most important variables in the Application, is created outside of the model and implemented as an offset¹³. There is very little information about how it was formed despite its importance.

b. Claim history is not the only variable fitted outside the model. Deductible, limit, copay, USAA, and prescription endorsement are included as control variables¹³.

c. The existence of claim history will likely make customers less likely to file certain claims. However, when setting the

¹³ File No. 25-1775 Non-Catastrophe Model Form.pdf Pg. 10

deductible, limit, and copay factors, Applicant made the following assumption: *“Because Deductible and Annual Maximum Limit are applied on an annual basis and there is no penalty for turning in covered claims, we believe it is reasonable to assume that insureds turn in almost all claims for which coverage would apply”*¹⁴. The addition of claim history violates this assumption; there is a penalty for submitting claims. Due to the violation of this assumption, the submitted model needs to be refit after these variables have been updated. Otherwise, unfair discrimination is likely. In the Approved Application, Applicant made the same assumption despite its Healthy Pet discounts, which are based on claim history. If customers are submitting almost all covered claims, it is likely because they are not properly notified that turning in claims may increase their premiums as required by Insurance Code section 12880.2(a.4): *“An insurer transacting pet insurance in California shall disclose all of the following to consumers:... (4) Whether the insurer reduces coverage or increases premiums based on the insured’s claim history.”*

- d. Claims history could also interfere with coverage selection factors: prescription endorsement and physical examination coverage. Neither of their factors have been updated with the

¹⁴ File No. No. 24-1315 Exhibit 15 Ded lim_CA.xlsb

1 addition of claim history¹⁵. Since pets with these endorsements
2 likely have higher claims totals and in turn will receive higher
3 claim history factors, the factors associated with these
4 endorsements need to be modified before refitting the model.
5 Otherwise, they are likely unfairly discriminatory. If Applicant
6 continues to omit physical examination coverage from the
7 model, they should provide justification.

8 e. Another issue with claims history is that it is inherently unstable
9 over time because of inflation. As the price of veterinary care
10 increases, the relationship between risk and the variable will
11 change; the current factor is unlikely to remain appropriate. In
12 other words, it will become unfairly discriminatory. Applicant has
13 not provided any analysis regarding the stability of claim
14 history's \$300 threshold over time. Applicant should
15 demonstrate the stability of the indications of this variable over
16 time and provide estimations of how long it will be stable. Given
17 the high rate of veterinary inflation and that this filing's proposed
18 effective date is 5/26/2026, it is possible that the indications
19 associated with claims history will have meaningfully changed
20 before the model is even effective.

¹⁵ CA077PET(05-15-2025)-1 (complete current copy).pdf vs CA077PET-A
(proposed complete copy).pdf

1 f. It is also not clear if claims history's indications are driven by
2 pets with chronic conditions or if pets who have been fully
3 treated, such that no health issues exist, are equally risky. In the
4 case of pets with no existing health issues, it seems unlikely that
5 their claim history is predictive of future losses, at least to the
6 extent of those pets with chronic conditions. A California
7 Department of Insurance advisory notice from April 2003 to
8 residential property insurers states: *"Not every loss is related to*
9 *the current loss exposure. An insurer choosing to include losses*
10 *as an eligibility criterion must be able to demonstrate that each*
11 *loss utilized bears a substantial relationship to risk of future loss.*
12 *A loss at a particular property, or by a particular consumer, must*
13 *be evaluated to determine if the loss is evidence of increased*
14 *risk of future loss. Losses that have been fully remedied or*
15 *otherwise resolved so that they no longer present an increased*
16 *risk of loss do not have a substantial relationship to the*
17 *insured's loss exposure."* Petitioner believes that this is relevant
18 here as well; if a certain prior loss is not predictive of future
19 claims, the customer should not be penalized. Otherwise, the
20 rates are unfairly discriminatory. The Applicant must provide
21 additional data to show that the rates are not unfairly
22 discriminatory. Additionally, Petitioner believes that Applicant
23 has not shown that the Healthy Pet discounts in the currently

1 Approved Model are not unfairly discriminatory by this same
2 logic.

3 (vii) Related Organization Issues

4 a. Lastly, Petitioner believes that this Application is more likely to
5 contain excessive or unfairly discriminatory rates due to
6 Applicant's relationship with other insurers selling pet insurance
7 in CA. For most insurers, charging the appropriate rate is a
8 balancing act. If they charge too much, policyholders won't bind
9 or will leave. If they charge too little, they will lose money. For
10 Embrace, the incentives aren't as clear. Embrace, the managing
11 general agent selling Applicant's pet insurance policies¹⁶, is
12 owned by JAB Holding Company, who owns two pet insurance
13 companies and more than ten Pet Insurance MGAs¹⁷. If
14 customers move to a different insurer, they are likely going to
15 JAB Holding Company's subsidiary, AKC Pet Insurance; they
16 are the only choice for preexisting conditions coverage¹⁸. It's
17 nice that preexisting condition coverage is offered, but it does

¹⁶ "This policy is administered by American Modern Home Insurance Company" accessed October 2, 2025, <https://www.embracepetinsurance.com/state-terms/v6>

¹⁷ <https://www.jabholco.com/pethealth>

¹⁸ "Most pet insurance providers exclude pre-existing conditions, denying coverage for injuries or illnesses that occur before a policy. AKC Pet Insurance is the ONLY brand that offers coverage for curable and incurable pre-existing conditions* after 365 days of continuous coverage." accessed October 1, 2025, <https://www.akcpetinsurance.com/coverage/pre-existing-conditions>

1 not begin for an entire year. The customer is still penalized when
2 switching.

3 b. Petitioner believes that Embrace and many of the JAB Holding
4 Company MGAs own their pet insurance books and not the
5 insurer. If there was a disagreement between the insurer and
6 the MGA, the insureds would follow the MGA and would not stay
7 with the insurer. Petitioner also believes that the MGAs have
8 significant say in the rating models used. If this is the case,
9 Embrace may not be very concerned about overcharging, since
10 policyholders are likely to go to a company within the same
11 umbrella. Undercutting rates, however, would likely be
12 detrimental to JAB Holding Company's profitability. The two
13 "competitors" Applicant chose to compare rates to in the Current
14 Approved Filing, Pet's Best and Figo, are also both owned by
15 JAB Holding Company. Instead of competing with them, and
16 possibly reducing JAB Holding Company's profits, Applicant
17 increased the aforementioned tenure 0 age factors to ensure
18 they are similar. Petitioner believes that JAB Holding Company
19 is using multiple insurers in an attempt to avoid limitations
20 imposed by California Code Section 2360.3: *"An insurer shall*
21 *charge each insured the lowest Premium for which the insured*
22 *qualifies. At each policy renewal the insurer shall adjust the*

1 *Premium charged to the insured, as necessary, to reflect the*
2 *lowest Premium for which the insured qualifies at that time.”*

3 c. If JAB Holding Company and/or its MGAs have influence in the
4 rates charged by Applicant or other insurers, the Petitioner
5 believes that many customers are receiving unfairly
6 discriminatory rates, since the rating models would be under the
7 control of the same organization, JAB Holding Company, but the
8 customers are not charged the lowest premiums offered by the
9 related companies.

10 d. Independence American Insurance Company, an insurance
11 company owned by JAB Holding Company, is currently in the
12 process of consolidating its pet insurance programs in
13 California, pursuant to File No. NC-2024-00009. Petitioner
14 believes that all pet insurance lines influenced by JAB Holding
15 Company should be consolidated or the customers should be
16 offered the lowest premium offered by a related company that
17 they qualify for. As exemplified by Applicant’s tenure 0 age
18 factors, Applicant has set rates based on the rates of other pet
19 insurance lines under the JAB Holding Company and continues
20 to do so in the Application. Since Insurers should not benefit
21 from violating Prop 103, insureds who would have qualified for a
22 lower premium and were charged more, should receive a partial
23 refund with interest. Petitioner believes even if an insurer is not

1 under full control, if a line of theirs is under the same mutual
2 control as the line at another insurer, the provisions of California
3 Code Section 2360.3 should apply.

4 This petition is based on Petitioner's preliminary analysis of the
5 Application. Petitioner reserves the right to modify, withdraw, and/or add issues
6 for consideration and his positions on each issue as more information becomes
7 available through discovery or otherwise.

8 **4. Verification of Participation**

9 In accordance with 10 CCR §2661.3, the Petitioner verifies that he will be
10 able to attend (by video or phone call) and participate in the proceeding without
11 delaying the proceeding or any other proceedings before the commissioner.

12 **5. Interest of Petitioner**

13 Petitioner's interest in the above-captioned proceeding is to ensure
14 that purchasers of Applicant's pet insurance are charged rates and premiums
15 that comply with the provisions of Insurance Code section 1861.05(a)'s
16 requirement that "no rate shall be approved or remain in effect which is
17 excessive, inadequate, [or] unfairly discriminatory or otherwise in violation of this
18 chapter," and the requirements contained in the regulations promulgated
19 thereunder.

20 For Petitioner and many others, pets are family members. We want to
21 protect them and ensure that they live the best possible lives. In order to do so,
22 many choose to purchase pet insurance. However, evaluating the merits of these

1 policies can be difficult. What seems like a good deal today may be quite the
2 opposite in a few years, and if that becomes the case, pet owners are typically
3 unable to switch to a new insurer without penalties. As noted in The Position of
4 the Petitioner, Petitioner believes that the Applicant's proposed rates are
5 excessive and unfairly discriminatory. Petitioner believes that, if granted
6 permission to intervene, he will aid the Department of Insurance in its review of
7 the Application.

8 **6. Authority for Petition and Granting Request for a Hearing**

9 The authority for this petition for hearing is Insurance Code section
10 1861.10, subdivision (a): *"Any person may initiate or intervene in any proceeding*
11 *permitted or established pursuant to this chapter, challenge any action of the*
12 *commissioner under this article, and enforce any provision of this article."*
13 Specifically, Petitioner initiates this proceeding to enforce Insurance Code section
14 1861.05.

15 Additionally, the hearing is authorized pursuant to Insurance Code section
16 1861.05, subdivision (c), which allows "a consumer or his or her representative"
17 to request a hearing on a rate application and 10 CCR § 2653.1, which provides
18 that "any person, whether as an individual, representative of an organization, or
19 on behalf of the general public, may request a hearing by submitting a petition for
20 hearing." Since Applicant's requested rate change exceeds 7%, Insurance Code
21 section 1861.05(c) requires that the Commissioner "must hold a hearing upon a
22 timely request."

1 This petition is timely pursuant to Insurance Code section 1861.05,
2 subdivision (c), and 10 CCR § 2646.4(a)(1) because it is filed within forty-five
3 (45) days of the September 5, 2025 public notice date.

4 **7. Authority for Petition to Intervene**

5 The authority for Petitioner's Petition to Intervene is Insurance Code
6 section 1861.10, subdivision (a), which grants "any person" the right to "initiate or
7 intervene in any proceeding permitted or established pursuant to this chapter
8 [Chapter 9 of Part 2 of Division 1 of the Insurance Code], challenge any action of
9 the commissioner under this article, and enforce any provision of this article."

10 This proceeding is a rate proceeding to enforce Insurance Code section 1861.05
11 pursuant to Insurance Code section 1861.10(a), and hence is a proceeding both
12 "permitted" and "established" by Chapter 9. Per the voters' instruction, the
13 mandatory right to intervene under section 1861.10(a), like all the provisions of
14 Proposition 103, must be "liberally construed and applied in order to fully promote
15 its underlying purposes." (Prop. 103, § 8.) Thus, section 1861.10 must be
16 interpreted and applied broadly in a manner to fully encourage consumer
17 participation.

18 This Petition to Intervene is also authorized by 10 CCR § 2661.1 et seq.
19 Pursuant to 10 CCR § 2661.3, Petitioner's issues with the Application, as known
20 at this time, are stated in Position of the Petitioner. They directly relate to
21 determining whether Applicant's proposed rates are excessive, inadequate, or
22 unfairly discriminatory. Petitioner will use his expertise to represent the
23 policyholders impacted by this proceeding.

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Intent to Seek Compensation

Pursuant to Ins. Code section 1861.10 and 10 CCR §2661.4, the
Petitioner intends to seek compensation in this proceeding. The Petitioner’s
estimated budget is attached as Exhibit A. It is based on Petitioner’s technical
expertise which is necessary to address the complex issues raised in this
proceeding. The Petitioner’s hourly rates do not exceed market rates as defined
by 10 CCR § 2661.1(c). The budget presented in the attached Exhibit A is a
preliminary estimate, and the Petitioner reserves the right to amend the proposed
budget as his expenses become more certain, or in his request for final
compensation. It contains his current best estimate of the amount of time and
resources necessary to participate in the proceedings. The petitioner will give
notice of such modifications as soon as possible after he discovers the need to
revise his estimates and shall comply with the budget revision requirements in 10
CCR §2661.3(d).

1 WHEREFORE, the Petitioner respectfully requests that the Insurance
2 Commissioner grant his petition for hearing and petition to participate in the
3 proceeding, having all rights and responsibilities accorded any other party to the
4 proceeding.

5
6 Dated: October 17, 2025

7
8 Respectfully Submitted,

9
10 *George Zehmer Miller*

11 George Zehmer Miller

12 Petitioner

1 **VERIFICATION OF GEORGE ZEHMER MILLER IN SUPPORT OF GEORGE**
2 **ZEHMER MILLER'S PETITION FOR HEARING, PETITION TO INTERVENE,**
3 **AND NOTICE OF INTENT TO SEEK COMPENSATION**

4 I, George Zehmer Miller, verify:

- 5 1. If called as a witness, I could and would testify competently to the facts
6 stated in this verification.
- 7 2. I personally prepared the pleading titled "GEORGE ZEHMER MILLER'S
8 PETITION FOR HEARING, PETITION TO INTERVENE, AND NOTICE OF
9 INTENT TO SEEK COMPENSATION" filed in this matter. All of the factual
10 matters alleged therein are true of my own personal knowledge, to the
11 best of my knowledge, or I believe them to be true after conducting some
12 inquiry and investigation.
- 13 3. Pursuant to California Code of Regulations, title 10, section 2661.3,
14 George Zehmer Miller attaches as Exhibit A his estimated budget in this
15 proceeding. I affirm that the hourly rates in the estimated budget do not
16 exceed market rates.

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

19
20 Executed October 17, 2025, at Birmingham, Alabama.

21 *George Zehmer Miller*

22 George Zehmer Miller

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EXHIBIT A
PRELIMINARY BUDGET

<u>ITEMS</u>	<u>ESTIMTED COST</u>
George Zehmer Miller: \$290 per hour, 400 hours anticipated.....	\$116,000
• Write petition for hearing, petition for intervention, request for compensation, discovery, motions, and briefings; review rate application, discovery documents; prepare written testimony; testify; participate in discussions with CDI and Applicant; participate in all phases of hearing; conduct research regarding the Application and relevant prior hearings and cases.	
<u>Expenses</u>	
Phone, Software, Computing, and Database Expenses.....	\$1,100
Total Estimated Budget.....	\$117,100

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I am over the age of 18 years. My address is 3210 Mountain Ridge Circle, Birmingham, Al 35242.

GEORGE ZEHMER MILLER'S PETITION FOR HEARING, PETITION TO INTERVENE, AND NOTICE OF INTENT TO SEEK COMPENSATION

Margaret Hosel
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Rachael Yaroshevich
American Modern Home Insurance Company
ryaroshevich@amig.com

Executed on October 17, 2025 at Birmingham, Alabama.

George Zehmer Miller