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BEFORE THE INSURANCE COMMISSIONER

OF THE STATE OF CALIFORNIA

In the Matter of the Rates, Rating Plans, or Rating Systems of

CSAA Insurance Exchange,

Respondent.

File No. NC-2024-00019

SETTLEMENT STIPULATION AND CONSENT TO ORDER; [PROPOSED] CONSENT ORDER

The DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA (the "Department") and CSAA INSURANCE EXCHANGE ("CSAA" or "Respondent") (collectively the "Parties"), stipulate as follows:

1. The Department has jurisdiction over Respondent, a licensed, admitted insurer in the state of California.

2. At all relevant times, Respondent transacted the business of insurance in California on risks or lines subject to the provisions of the California Insurance Code ("Insurance Code") and the California Code of Regulations ("Regulations").

3. On March 6, 2024, Respondent submitted a rate filing for its Personal Umbrella Program (Rate Filing No. 24-548 / SERFF No. WSUN-134023227).

4. During the review of Respondent's rate filing, the Department discovered Respondent had been charging unfiled and unapproved installment fees and non-sufficient fund ("NSF") fees since 2018, impacting 4,936 policies and 4,890 policyholders.

5. Based upon these facts as well as additional information and documents provided

to the Department, including but not limited to information contained in Respondent's rate filing number 24-548, and as set forth in the Notice of Noncompliance, which has been provided to Respondent, the Department is informed and believes and thereupon alleges that Respondent violated Insurance Code sections 1861.01(c) and 1861.05(a) by charging unfiled fees and using rates not approved by the Commissioner.

6. Having fully reviewed the allegations of violations of the California Insurance Code and Regulations as set forth in the Notice of Noncompliance filed in this matter, Respondent hereby voluntarily and willingly enters into this Settlement Stipulation and Consent to Order ("Stipulation") with the Insurance Commissioner of the State of California (hereafter "Commissioner"), as a means of achieving a full and final resolution of the allegations set forth in the Notice of Noncompliance, in lieu of an evidentiary hearing and Order.

7. Respondent has met and conferred with the Department regarding the facts and circumstances giving rise to the allegations set out in the Notice of Noncompliance.

8. The Parties believe it is in the public interest to resolve this matter without the need for a hearing or any other administrative action.

9. Respondent has undertaken several corrective steps as follows:

a. Respondent amended rate filing number 24-548 to include the installment fees and NSF fees, which was approved on November 26, 2024.

b. On or before December 5, 2024, Respondent issued refunds to impacted policyholders with 10% interest per annum:

i. For installment fees, Respondent issued 14,037 refunds, totaling $320,036.50 ($245,239 plus $74,797.70 in interest).

ii. For NSF fees, Respondent issued 127 refunds, totaling $3,948 ($2,900 plus $1,048 in interest).

10. Other than as set forth in this Stipulation, the Parties agree that no factual findings or legal conclusions have been made.

11. By entering into this stipulated agreement, memorialized by this Stipulation, Respondent makes no admission of liability, wrongdoing, or violation of law.

12. Respondent waives its rights to a hearing and any and all rights to which it may be entitled pursuant to Chapter 5, Part 1, Division 3, Title 2, (Sections 11500-11529 of the California Government Code), and Insurance Code Section 1858.1.

13. This Stipulation includes all acts related to Respondent's actions and inactions that led the Department to issue the Notice of Noncompliance. Nothing in this Stipulation precludes the Department from pursuing other action against Respondent based upon conduct that is not described herein and in the Notice of Noncompliance.

14. The Parties intend this Stipulation to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulation may not be amended, modified, supplemented, or otherwise changed, except by a writing executed by an authorized representative of each of the parties.

15. Respondent acknowledges that this Stipulation is a public record as required by Government Code Section 11517(d), and that this Stipulation will be accessible to the public pursuant to the California Public Records Act, Government Code Sections 6250 *et seq*. The Stipulation will be posted on the Department's Internet website pursuant to Insurance Code Section 12968.

16. Respondent acknowledges that Insurance Code Section 1292l(b)(1) requires the Insurance Commissioner of the State of California ("Commissioner") to approve the final settlement of this matter. Both the settlement terms and conditions in this Stipulation and the acceptance of those terms and conditions are contingent upon the Commissioner's approval, which shall be evidenced and memorialized by the Commissioner's execution of the PROPOSED CONSENT ORDER set forth below. By signing the Stipulation, Respondent understands and agrees that it may not withdraw its agreement or rescind the Stipulation prior to the time the Commissioner considers and acts upon the Stipulation and Proposed Consent Order. If the Commissioner rejects the Stipulation and does not execute the proposed Consent Order, the Stipulation shall be of no force and effect except for this paragraph, and it shall be inadmissible in any legal action between the Parties. Any dispute over the admissibility, or lack thereof, of the

rejected stipulation and any related drafts or communications regarding settlement shall be governed by applicable provisions of the California Insurance Code and related regulations, the California Evidence Code, and any other applicable California law or regulation.

17. This Stipulation represents a full, final, and complete resolution and settlement of all issues raised in the Notice of Noncompliance between the Department and Respondent and supersedes and replaces prior negotiations, communications, or agreements on the subject matter of this Stipulation. This Stipulation may not be modified unless agreed in a writing executed by all parties and approved by an Order of the Commissioner.

18. This Stipulation will become final and effective only when it is approved and expressly adopted by the Commissioner as evidenced by the execution of the Order below.

19. Discussions, admissions, concessions, or offers to stipulate or settle made by any party in negotiating this Stipulation, are not discoverable, shall remain confidential, and shall not be admissible for any purpose in any proceeding unless so authorized by a judicial officer (e.g., Administrative Law Judge or California Superior Court Judge) in compliance with applicable California laws and regulations.

20. The Department and Respondent have participated jointly in the negotiation and drafting of this Stipulation, and, in the event an ambiguity or question of intent or interpretation arises, this Stipulation shall be construed as jointly drafted by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

21. Nothing contained in this Stipulation and any executed Consent Order constitutes a limitation upon or a waiver of the rights and powers of the Commissioner to enforce any California law, to examine the rating, underwriting, and/or any other business practices of Respondent, to take corrective or disciplinary action, to assess penalties against Respondent as provided for by law, or to take such other action as necessary to protect the public based upon conduct that is not addressed in the Notice of Noncompliance and in this Stipulation and any executed Consent Order.

22. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement and shall only become effective when counterparts have been signed and delivered by each of the Parties to the Department. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page was an original thereof.

23. Respondent acknowledges that it freely and voluntarily executed this Stipulation with full realization of its legal rights.

24. The Commissioner retains jurisdiction to ensure that the Parties comply with the provisions and terms of this Stipulation and the Order requested thereon.

25. The undersigned represent and warrant under penalty of perjury under the laws of the State of California that they have full and complete authority to enter into this Stipulation and bind the party on whose behalf they are signing to all of the terms of this Stipulation.

IT IS SO STIPULATED.

Dated: July 7, 2026 CSAA INSURANCE EXCHANGE

By____________________
Caraine Leon Guerrero, Director, Market Regulation

Dated: June 25, 2026 CALIFORNIA DEPARTMENT OF INSURANCE

By Jennifer McCune
Jennifer McCune, Staff Counsel
Rate Enforcement Bureau

BEFORE THE INSURANCE COMMISSIONER

OF THE STATE OF CALIFORNIA

In the Matter of the Rates, Rating Plans, or Rating Systems of CSAA Insurance Exchange, Respondent.	**File No. NC-2024-00019** **ORDER ADOPTING STIPULATION AND CONSENT ORDER**

CONSENT ORDER

Having reviewed the parties' Stipulation and good cause appearing, I approve the terms of the Stipulation and adopt and incorporate those terms by reference as though fully set forth herein as the Order of the Insurance Commissioner of the State of California in this matter.

IT IS SO ORDERED.

Dated: July 9, 2026

RICARDO LARA
California Insurance Commissioner