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8 **BEFORE THE INSURANCE COMMISSIONER**
9 **OF THE STATE OF CALIFORNIA**
10

11 In the Matter of the Rates of

12 Allstate Insurance Company and
13 Allstate Indemnity Company,

14 Applicants.

File No. PA-2015-00009

SETTLEMENT STIPULATION

15 Allstate Insurance Company and Allstate Indemnity Company (“Applicants”), Consumer
16 Watchdog (“Petitioner”), and the California Department of Insurance (“CDI”) (collectively, the
17 “Parties”) stipulate as follows:

18 **RECITALS**

19 A. The Applicants are licensed by CDI to conduct insurance business in California.

20 B. On or about May 22, 2015, Applicants filed rate applications 15-4821 and 15-4854
21 (“Applications”) with CDI, requesting an overall -6.66 % decrease to its homeowners lines of
22 insurance.

23 C. On June 15, 2015 CDI notified the public of the Applications pursuant to
24 California Insurance Code (“CIC”) section 1861.05(c).

25 D. On July 8, 2015, Petitioner submitted a timely Petition for Hearing, Petition to
26 Intervene, and Notice of Intent to Seek Compensation regarding the Applications.

27 E. On July 22, 2015, the Insurance Commissioner granted Petitioner’s Petition to
28 Intervene.

1 F. The Parties have engaged in discussions regarding the Applications and additional
2 information and analysis which the Parties provided.

3 **STIPULATION**

4 1. This Stipulation represents the complete and final settlement resolving all issues
5 between the Parties regarding the Applications.

6 2. Based upon the Applications and additional information that the Parties provided,
7 the Parties agree that an overall rate change of -12.6 % (“new rate”) is supportable and should be
8 implemented. The new rate is composed of a -16.0 % change to the Applicant’s Homeowners
9 form, a +14.0 % change to the Applicant’s Renter’s form, and a +15.0 % change to Applicant’s
10 Condominium form.

11 3. The parties stipulate that the Homeowner’s form rate decrease is retroactive and will
12 be effective for new policies written on or after February 1, 2016, and for policies with renewal
13 dates on or after February 1, 2016. The parties also agree that the effective date of the Renter’s
14 and Condominium forms rate change will occur no sooner than April 5, 2016. Applicant agrees
15 that the Homeowner’s form rates in effect prior to February 1, 2016 will apply to the renewal of
16 any Homeowner’s policy whose rates would otherwise increase under the rate filing approved
17 pursuant to this Stipulation if the renewal notice is based on the rates in effect prior to February 1,
18 2016 and has been sent or will be sent in connection with such policy.

19 4. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding
20 Petitioner’s compensation has been made. However, the Parties agree that the Insurance
21 Commissioner’s approval of the Applications, consistent with this Stipulation, will be a decision
22 or order within the meaning of CIC section 1861.10(b). Petitioner agrees to submit any request
23 for compensation to the Public Advisor within 30 days after receipt of the Insurance
24 Commissioner’s approval letter.

25 5. Petitioner will withdraw its Petition for Hearing upon receipt of the Insurance
26 Commissioner’s approval letter.

27 6. This Stipulation is made solely to reach a compromise among the Parties.
28 Discussions, admissions, concessions or offers to stipulate or settle made by any party in

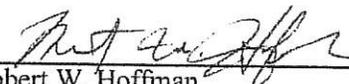
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negotiating this stipulated settlement, are confidential and are not discoverable or admissible for any purpose in any proceeding except to the extent permitted by 10 CCR section 2662.3(b)(3).

7. The Insurance Commissioner retains jurisdiction to ensure that the Parties comply with this Stipulation.

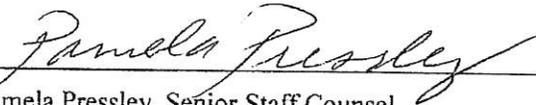
8. This Stipulation may be executed in counterparts.

Dated: February 11, 2016 ALLSTATE INSURANCE COMPANY

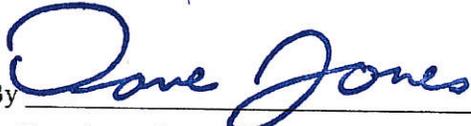
By 
Robert W. Hoffinan
DENTONS US LLP

Attorneys for Allstate Insurance Company
and Allstate Indemnity Company

Dated: Feb. 11, 2016 CONSUMER WATCHDOG

By 
Pamela Pressley, Senior Staff Counsel

Dated: Feb. 16, 2016 CALIFORNIA DEPARTMENT OF INSURANCE

By 
Dave Jones, Insurance Commissioner