

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

In the Matter of the Rate Applications of

STATE FARM GENERAL INSURANCE
COMPANY,

Applicant.

File Nos. PA-2024-00011, PA-2024-00012, PA-2024-00013

**ORDER REGARDING STATE FARM
GENERAL INSURANCE COMPANY’S
REQUEST FOR AN EMERGENCY
INTERIM RATE PENDING RATE
HEARING**

The above entitled-matter consists of three separate rate application (Applications) filed by State Farm General Insurance Company (State Farm), on or about June 27, 2024, with the Department of Insurance (Insurance). Intervenor Consumer Watchdog (Watchdog) submitted a petition to intervene in all of the Applications. Despite months of discussions, the parties could not agree upon a rate and resolve State Farm’s Applications. On February 3, 2025, State Farm sent a request to the Insurance Commissioner (Commissioner) for approval of an emergency interim rate based on concern over its “swift capital depletion.”

After reviewing materials submitted by State Farm, Watchdog and the Department, the Commissioner held an informal conference with the parties on February 26, 2025, where the Commissioner sought answers from State Farm to a series of questions regarding its emergency

1 request, and financial condition. The Insurance Commissioner then held a video conference with
2 the parties on March 11, 2025, regarding a proposed resolution.

3 Having reviewed State Farm's request for an emergency interim rate, the materials
4 submitted by State Farm, Watchdog and the Department regarding the request for an emergency
5 interim rate, and the information received and discussed during, and associated with, both the
6 February 26, 2025 hearing and March 11, 2025 video conference, and GOOD CAUSE appearing
7 therefor,

8 IT IS ORDERED as follows:

9 1. The Commissioner orders the Department to issue a Notice of Hearing on State
10 Farm's Applications pursuant to Insurance Code section 1861.05, subdivision (c)(2), and the
11 California Code of Regulations, title 10, section 2648.3, and that the date of the hearing shall be
12 set for no later than June 1, 2025.

13 2. State Farm's requests for an emergency interim rate - 21.8% for homeowners non-
14 tenant HO-3 (File No. 24-1271); 15% for overall renter/condo tenant (File No. 24-1273) and 38%
15 for rental dwelling (File No. 24-1330) - are provisionally granted, with an effective date of June
16 1, 2025, subject to the following:

17 a. Pursuant to 10 CCR 2656.1, subdivision (g), an Administrative Law Judge shall
18 hear from State Farm regarding its emergency interim rate requests based on
19 updated rate-setting data through the end of the first quarter of 2025 in the
20 Applications, the two-way stipulation between the Department and State Farm,
21 Watchdog's objections to the interim rate, argument from the Commissioner's
22 February 26, 2025, and March 11, 2025 conferences, the Commissioner's
23 subsequent proposal to the parties along with such additional correspondence,
24 evidence and argument provided at the hearing.

25 b. This hearing shall commence on **April 8, 2025**, at **10:00 a.m.** at the
26 Department's office in Oakland before an Administrative Law Judge.

27 c. Upon conclusion of the hearing on State Farm's requests for an emergency
28 interim rate, the Administrative Law Judge shall provide the Commissioner

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

with a proposed decision for acceptance, adoption, or amendment, in accordance with Insurance Code section 1861.08.

d. The Administrative Law Judge shall provide the Commissioner with a proposed decision within ten (10) days of the conclusion of the hearing.

3. The Commissioner will then issue an interim rate order if State Farm is able to meet its burden to support these interim rate requests.

4. Any interim rate order shall be implemented subject to potential refunds with interest.

IT IS SO ORDERED.

Dated: March 14, 2025



RICARDO LARA
Insurance Commissioner