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2 CALIFORNIA DEPARTMENT OF INSURANCE  
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4 Sacramento, California 95814

5 *Attorney for the California Department of Insurance*

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

8 In the Matter of the Rate Application of  
9 CSAA Insurance Exchange,  
10 Applicant.

File No.: PA-2023-00021  
SETTLEMENT STIPULATION

11 CSAA Insurance Exchange (“Applicant”), Consumer Watchdog (“Petitioner”), and the  
12 California Department of Insurance (“Department”) (collectively, the “Parties”) stipulate as  
13 follows:

14 **RECITALS**

15 A. The Applicant is licensed by the Department to conduct insurance business in  
16 California.

17 B. On September 7, 2023, the Applicant filed for a rate increase to its auto line of  
18 insurance (File No. 23-2721 [“Application”]) with an overall rate impact of 28%. The proposed  
19 effective date of this Application is April 1, 2024, as agreed in a settlement stipulation by and  
20 between Applicant, Consumer Watchdog, and the Department regarding a prior application (RRB  
21 File No. 23-385, CDI File No. PA-2023-00004).

22 C. On September 22, 2023, pursuant to California Insurance Code (“CIC”) section  
23 1861.05(c), the Department notified the public of the Application.

24 D. On November 6, 2023, Petitioner submitted a timely Petition for Hearing, Petition  
25 to Intervene, and Notice of Intent to Seek Compensation regarding the Applications.

26 E. On November 10, 2023, Applicant filed an answer to the Petition.  
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1 F. On November 21, 2023, the Commissioner granted Petitioner's Petition to  
2 Intervene.

3 G. The Parties have engaged in discussions regarding the Application and additional  
4 information and analysis that the Parties provided.

5 H. As a result of the Parties' discussions and negotiations, Applicant updated the  
6 Application per the Parties' agreement.

7 **STIPULATION**

8 1. This Stipulation, together with the updated Application and the Commissioner's  
9 approval in SERFF, represents the complete and final settlement resolving all issues between the  
10 Parties regarding the Application.

11 2. Based upon the Application and additional information that the Parties provided,  
12 the Parties agree that an overall rate increase of 9.5% (by coverage +13.2% for bodily injury,  
13 +3.5% for property damage, -7.4% for medical payments, +16.1% for uninsured motorist bodily  
14 injury, +11.8% for underinsured motorist bodily injury, +19.7% for comprehensive, +6.5% for  
15 collision, and +14.3% for maintenance) complies with the applicable laws and regulations, and  
16 results in rates that are not excessive, not inadequate, and not unfairly discriminatory. Applicants  
17 have made appropriate updated filings in SERFF to reflect the overall rate change. Approval of  
18 the Application described in this Stipulation will only be effective when approved by the  
19 Commissioner in SERFF. Applicant will implement this rate change with an effective date for  
20 new and renewal business of no sooner than April 1, 2024.

21 3. The Petitioner and the Department have objected to Applicant's categorization of  
22 its advertising as non-institutional as defined in 10 CCR section 2644.10 (f). In consideration of  
23 their agreement to permit Applicant to classify its advertising as non-institutional, the Applicant  
24 agrees to promptly modify all its advertising in digital, TV, and radio categories to comply with  
25 the requirements necessary to be considered non-institutional advertising, as defined in 10 CCR  
26 section 2644.10. Applicant agrees to report progress and/or completion of this transition to both  
27 the Department of Insurance and Consumer Watchdog by no later than July 1, 2024.

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1 4. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding  
2 Petitioner's compensation has been made. However, the Parties agree that the Commissioner's  
3 approval of the Application, consistent with this Stipulation, will be a decision or order within the  
4 meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to  
5 the Public Advisor within 30 days after notice of the Commissioner's approval in SERFF.

6 5. Petitioner will withdraw its Petition for Hearing within ten days after notice of the  
7 Commissioner's approval in SERFF.

8 6. This Stipulation is made solely to reach a compromise among the Parties.  
9 Pursuant to 10 CCR § 2656.4, discussions, admissions, concessions, or offers to stipulate or settle  
10 made by any party in negotiating this stipulated settlement are confidential and are not  
11 discoverable or admissible for any purpose in any proceeding, except to the extent permitted by  
12 10 CCR section 2662.3(b)(3), and the Commissioner's approval of the Application shall not  
13 constitute approval of or precedent regarding any principle or any issue in any other proceeding.

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

16 8. Nothing contained in this Settlement Stipulation constitutes a limitation upon or a  
17 waiver of, the rights and powers of the Commissioner to enforce any California law, to examine  
18 the rating practices of the Applicant, or to take such other action as necessary to protect the  
19 public.

20 9. This Stipulation may be executed in counterparts.

21  
22 Dated: 3/1/2024 CSAA INSURANCE EXCHANGE  
23  
24 By Katherine Ewan

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26 Dated: CONSUMER WATCHDOG  
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28 By \_\_\_\_\_



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Dated: March 1, 2024

CALIFORNIA DEPARTMENT OF INSURANCE



By \_\_\_\_\_

Lisbeth Landsman-Smith  
*Attorney for the California Department  
of Insurance*

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**PROOF OF SERVICE**  
**In the Matter of the Rate Application of**  
**CSAA Insurance Exchange, Applicant.**  
**CDI File No. PA-2023-00021**  
**(RRB FILE NO. 23-2721)**

I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 1901 Harrison Street, 4<sup>th</sup> Floor, Oakland, CA 94612. On March 4, 2024, I served the following document(s):

**SETTLEMENT STIPULATION**

on all persons named on the attached Service List, by the method of service indicated, as follows:

If **U.S. MAIL** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items to be sent by mail, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California.

If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment.

If **FAX SERVICE** is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If **PERSONAL SERVICE** is indicated, by hand delivery this date.

If **INTRA-AGENCY MAIL** is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail.

If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed.

Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

*Cecilia Padua*  
Cecilia Padua

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**In the Matter of the Rate Application of  
CSAA Insurance Exchange, Applicant.  
CDI File No. PA-2023-00021  
(RRB FILE NO. 23-2721)**

| <u>Name/Address</u>  | <u>Phone/Fax Numbers</u>                   | <u>Method of Service</u> |
|--|--|--------------------------|
| Katherine J. Evans<br>Executive Vice President<br>Chief Legal Officer<br>Regulatory & Government Affairs<br><b>CSAA Insurance Group</b><br>3055 Oak Road, MS W560<br>Walnut Creek, CA 94597-2098<br><a href="mailto:Katherine.evans@csaa.com">Katherine.evans@csaa.com</a>   | Tel: (925) 542-0418                        | Via EMAIL                |
| Robert W. Hoffman<br>Attorney(s) for CSAA<br><b>DENTONS US LLP</b><br>1999 Harrison St., Suite 1300<br>Oakland, CA 94612<br><a href="mailto:Robert.hoffman@dentons.com">Robert.hoffman@dentons.com</a>   | Tel: (415) 882-5000<br>Fax: (415) 882-0300 | Via EMAIL                |
| Karin Pace<br>Compliance Analyst<br><b>CSAA INSURANCE EXCHANGE</b><br>3055 Oak Road<br>Walnut Creek, CA 94597<br><a href="mailto:Karin.pace@csaa.com">Karin.pace@csaa.com</a>  | Tel: (925) 279-1506                        | Via EMAIL                |
| Harvey Rosenfield, Esq.<br>Pamela Pressley, Esq.<br>Ben Powell, Esq.<br>Ryan Mellino, Esq.<br>Attorney(s) for Intervenor<br><b>CONSUMER WATCHDOG</b><br>6330 San Vicente Blvd., Suite 250<br>Los Angeles, CA 90048<br><a href="mailto:harvey@consumerwatchdog.org">harvey@consumerwatchdog.org</a><br><a href="mailto:pam@consumerwatchdog.org">pam@consumerwatchdog.org</a><br><a href="mailto:ben@consumerwatchdog.org">ben@consumerwatchdog.org</a><br><a href="mailto:ryan@consumerwatchdog.org">ryan@consumerwatchdog.org</a> | Tel: (310) 392-0522<br>Fax: (310) 392-8874 | Via EMAIL                |

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**NON PARTIES**

Kenneth Allen  
Deputy Commissioner  
Rate Regulation Branch  
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Via EMAIL

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