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4 *Attorneys for the California Department of Insurance*

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

8 In the Matter of the Rate Application of
9 Liberty Mutual Fire Insurance
10 Company,
11 Applicant.

File No.: PA-2024-00004

SETTLEMENT STIPULATION

12 Liberty Mutual Fire Insurance Company (“Applicant”), Consumer Watchdog
13 (“Petitioner”), and the California Department of Insurance (“Department”) (collectively, the
14 “Parties”) stipulate as follows:

15 **RECITALS**

- 16 A. The Applicant is licensed by the Department to conduct insurance business in
17 California.
- 18 B. On January 12, 2024, the Applicant filed for a rate increase to its auto line of
19 insurance (File No. 24-94 [“Application”]) with an overall rate impact of 41.9%.
- 20 C. On January 26, 2024, pursuant to California Insurance Code (“CIC”) section
21 1861.05(c), the Department notified the public of the Application.
- 22 D. On March 11, 2024, Petitioner submitted a timely Petition for Hearing, Petition to
23 Intervene, and Notice of Intent to Seek Compensation regarding the Applications.
- 24 E. On March 26, 2024, the Commissioner granted Petitioner’s Petition to Intervene.
- 25 F. The Parties have engaged in discussions regarding the Application and additional
26 information and analysis that the Parties provided.
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1 G. As a result of the Parties' discussions and negotiations, Applicant updated the
2 Application per the Parties' agreement.

3 **STIPULATION**

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

7 2. Based upon the Application and additional information that the Parties provided,
8 the Parties agree that an overall rate increase of 32.5%, effective January 1, 2025, complies with
9 the applicable laws and regulations and results in rates that are not excessive, not inadequate, and
10 not unfairly discriminatory. Applicants have made appropriate updated filings in SERFF to reflect
11 the overall rate change.

12 3. The Parties further agree to the rate cap provided in the updated filings. In
13 accordance with this rate cap, Applicant will apply a maximum rate change of +65% to each
14 Private Passenger Auto policy, while keeping the rate change of other Specialty products
15 unchanged, resulting in an overall capped rate level impact of +32.5%. At each policy's first
16 renewal on the Safeco platform, the cap shall be removed.

17 4. Approval of the Application described in this Stipulation will only be effective
18 when approved by the Commissioner in SERFF in accordance with the overall rate indication and
19 coverage distributions set forth in paragraph 2.

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

25 6. Petitioner agrees to withdraw its Petition for Hearing effective as of the date of
26 execution of this Stipulation, provided the Application is approved by the Commissioner in
27 SERFF in accordance with the overall rate indication and rate cap set forth in paragraphs 2 and 3
28 within ten days.

1 7. This Stipulation is made solely to reach a compromise among the Parties. The
2 Commissioner's approval of the Application shall not constitute approval of or precedent
3 regarding any principle or issue in any other proceeding.

4 8. The Commissioner retains jurisdiction to ensure that the Parties comply with this
5 Stipulation.

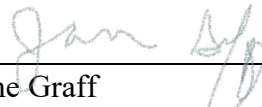
6 9. Nothing in this Settlement Stipulation constitutes a limitation upon or a waiver of
7 the Commissioner's rights and powers to enforce any California law, examine the Applicant's
8 rating practices, or take such other action as necessary to protect the public.

9 10. This Stipulation may be executed in counterparts.

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Dated: August 1, 2024

LIBERTY MUTUAL FIRE INSURANCE COMPANY

By 
Janine Graff
Director of State Operations for Liberty Mutual

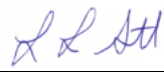
Dated: August 1, 2024

CONSUMER WATCHDOG

By 
Benjamin Powell
Staff Attorney

Dated: July 31, 2024

CALIFORNIA DEPARTMENT OF INSURANCE

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