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Spencer Kook Examines Trade-Offs in California's New Insurance Rate Review Option

Byline in the *Daily Journal*

In The News | 1 min read
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Hinshaw partner Spencer Kook authored a byline in the *Daily Journal* examining the key trade-offs associated with California's new voluntary rate review option for insurers, which promises faster insurance rate approvals.

On October 19, 2026, then-Insurance Commissioner Ricardo Lara announced the Comprehensiveness Review Regulation, a voluntary process that allows insurers to obtain the California Department of Insurance's assessment of a proposed rate change before submitting a formal rate application. Spencer highlights a significant trade-off insurers must consider: the Department's assessment of the proposed rate change will be publicly disclosed.

Key Takeaways

How Rate Filing Works Today

- Under Proposition 103, property and casualty insurers generally may not change rates without the commissioner's prior approval.
- After an insurer submits a rate application, the Department reviews it for completeness before issuing public notice.

What Does the New Rule Change?

- The new rule introduces an optional preview before a formal rate filing.

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- After a carrier submits a complete rate package, Department staff can indicate, **within 90 days**, the rate range they would consider justified.

What it Means for Carriers

Three key features of the new process:

1. As a practical matter, the proposed rate range may effectively become a "take-it-or-leave-it" offer.
2. Each review provides carriers with a single opportunity for assessment.
3. Public disclosure of the Department's assessment is the price of admission.

Rate Filing Strategy

- The preview will likely favor carriers with clean data, settled reinsurance programs, and moderate requests.

Broader Implications

The new rule clarifies that a review is not a "proceeding" under Proposition 103 and that intervenor rules do not apply.

Read the full article

- *Daily Journal:* "Faster insurance rate approvals come with a trade-off" (November 6, 2026)

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