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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

ALLIED WORLD ASSURANCE
COMPANY (U.S.) INC. a Delaware
corporation

Plaintiff,

v.

STATE FARM MUTUAL
AUTOMOBILE INSURANCE
COMPANY, an Illinois corporation,
Defendant.

Case No. 2-17-cv-02582-FMO (JCx)

DISCOVERY MATTER
STIPULATED PROTECTIVE ORDER

I. INTRODUCTION AND GOOD CAUSE STATEMENT

Plaintiff Allied World Assurance Company (U.S.) Inc., (“Allied Word”) seeks from defendant State Farm Mutual Automobile Insurance Company (“State Farm”) the \$2.5 million Allied World paid to settle an underlying personal injury claim of a 16 year old girl who was struck by a van while riding her bicycle. Allied World alleges State Farm rejected a reasonable settlement offer for \$500,000 and otherwise failed to properly investigate the claim, which resulted in Allied World paying \$2.5 million to protect its insured. State Farm contends it acted reasonably during the handling of the underlying claim. State Farm evaluated and made all offers based on the information in its possession. State Farm further contends that the

1 information presented at the time of the \$500,000 demand did not warrant
2 settlement of the claim in that amount.

3 Based on the nature of this action, discovery will involve production of
4 information for which special protection from public disclosure and from use for
5 any purpose other than this litigation is warranted, including medical records and
6 reserves. Disclosure of such confidential and proprietary information to the public
7 may violate the privacy rights of non-Parties, harm the business interests of the
8 Parties, and violate obligations the Parties have to certain non-Parties. Therefore, a
9 protective order for such information is warranted to facilitate the prompt resolution
10 of disputes over confidentiality of discovery materials, to adequately protect
11 information the parties are entitled to keep confidential, and to ensure that the
12 parties can use the material in this case and agreeably return or destroy it thereafter.

13 Accordingly, the Parties petition the Court to enter the following Stipulated
14 Protective Order. However, the Parties agree that, if for any reason the Court does
15 not sign the Order, such refusal will have no effect on the binding nature of this
16 agreement between Allied World and State Farm, and the agreement of any
17 qualified person to adhere to the terms herein.

18 **II. DEFINITIONS**

19 2.1 Action: Allied World Assurance Company (U.S.) Inc. v. State Farm
20 Mutual Automobile Insurance Company; United States District Court, Central
21 District of California, Case No. 2-17-cv-02582-FMO (JCx).

22 2.2 Challenging Party: a Party or non-Party that challenges the designation
23 of information or items under this Order.

24 2.3 “CONFIDENTIAL”: information or tangible things that qualify for
25 protection under Federal Rule of Civil Procedure 26(c).

26 2.4 Counsel: attorneys retained to represent or advise a party to this
27 Action, including support staff.

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1 2.5 Designating Party: a Party or non-Party that designates Discovery as
2 “CONFIDENTIAL.”

3 2.6 Discovery: all information and documents produced or generated in
4 disclosures or responses to discovery in this Action.

5 2.7 Expert: a person with specialized knowledge or experience in a matter
6 pertinent to the litigation who has been retained by a Party or its counsel to serve as
7 an expert witness or as a consultant in this Action.

8 2.8 Final Disposition: When this Action is no longer appealable.

9 2.9 Party: any party to this Action, including all of its officers, directors,
10 employees, experts, and Counsel.

11 2.10 Producing Party: a Party or non-Party that produces Discovery in this
12 Action.

13 2.11 Professional Vendors: persons or entities that provide litigation support
14 services (e.g., photocopying, videotaping, translating, preparing exhibits or
15 demonstrations, and organizing, storing, or retrieving data in any form or medium)
16 and their employees and subcontractors.

17 2.12 Protected Material: any Discovery designated as “CONFIDENTIAL.”

18 2.13 Receiving Party: a Party receiving Discovery from a Producing Party.

19 **III. SCOPE AND DURATION**

20 This Stipulation and Order covers Protected Material and copies, excerpts, or
21 summaries thereof produced by a Party or non-Party through Final Disposition. In
22 the event that any Protected Materials are used in any court proceeding in this
23 Action, they shall not lose their confidential status through such use, and the party
24 using such shall take all reasonable steps to maintain their confidentiality during
25 such use.

26 **IV. DESIGNATING PROTECTED MATERIAL**

27 4.1 Designating Material for Protection: The Designating Party must
28 designate for protection only those portions of material that qualify for protection.

1 If it comes to a Designating Party's attention that information or items that it
2 designated for protection do not qualify for protection, the Designating Party must
3 promptly notify all other Parties that it is withdrawing the inapplicable designation.

4 4.2 Manner and Timing of Designations: Except as otherwise provided in
5 this Order, or as otherwise stipulated or ordered, Discovery that qualifies for
6 protection under this Order must be clearly so designated before disclosure.
7 Documents shall have the word "CONFIDENTIAL" written on the bottom of each
8 page that contains Protected Material.

9 4.3 Inadvertent Failures to Designate: If timely corrected, an inadvertent
10 failure to designate qualified information or items does not waive the Designating
11 Party's right to secure protection under this Order. Upon timely correction of a
12 designation, the Receiving Party must make reasonable efforts to assure that the
13 material is treated in accordance with the provisions of this Order.

14 4.4 Medical Records: Due to the large volume of medical records,
15 including medical bills, that the Parties anticipate will be produced in this matter,
16 the Parties agree that any documents referring to the medical condition of Ms.
17 Alvarado are deemed to be automatically designated as "CONFIDENTIAL" without
18 the need for the parties to mark "CONFIDENTIAL" on the document. As for any
19 other documents that may be protected, the Parties will mark those documents as
20 necessary.

21 **V. CHALLENGING CONFIDENTIALITY DESIGNATIONS**

22 Any Party may challenge a designation of confidentiality at any time that is
23 consistent with the Court's Scheduling Order. The Challenging Party shall initiate
24 the dispute resolution process under Local Rule 37.1 et seq. The burden in any
25 challenge is on the Designating Party. All Parties shall continue to treat challenged
26 material as CONFIDENTIAL until the Court rules on a challenge.

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1 **VI. ACCESS TO AND USE OF PROTECTED MATERIAL**

2 6.1 Persons To Whom Protected Material May be Disclosed: Unless
3 otherwise ordered by the court or permitted in writing by the Designating Party, a
4 Receiving Party may disclose any information or item designated
5 “CONFIDENTIAL” only to:

6 (a) the Receiving Party’s Counsel, and Receiving Party’s officers,
7 directors, and employees to whom disclosure is necessary for this Action;

8 (b) Experts to whom disclosure is necessary for this Action and who have
9 signed the “Acknowledgment and Agreement to Be Bound” (Ex. A);

10 (c) the Court, court reporters, and their staff;

11 (d) professional jury or trial consultants, mock jurors, and Professional
12 Vendors to whom disclosure is necessary for this Action and that signed Ex. A;

13 (e) witnesses and attorneys for witnesses in the Action to whom disclosure
14 is reasonably necessary provided the witness signs the form attached as Ex. A,
15 unless otherwise agreed by the Designating Party or ordered by the court. Pages of
16 transcribed deposition testimony or exhibits to depositions that reveal Protected
17 Material may be separately bound by the court reporter and may not be disclosed to
18 anyone except as permitted under this Stipulated Protective Order;

19 (f) any mediator or settlement officer, and their supporting personnel,
20 mutually agreed upon by any of the parties engaged in settlement discussions; and

21 (g) auditors, reinsurers, and retrocessionaries.

22 6.2 Filing Protected Materials With the Court: Any Party that seeks to file
23 protected materials with the court must follow the procedures for filing documents
24 under seal set forth in Local Rule 79-5.

25 6.3 Notes Regarding Protected Materials: The Protected Materials, and/or
26 any notes arising from the viewing of such documents, shall not be disclosed by the
27 parties or any person or entity which is now or might become a party to this
28 litigation, or by any party’s attorneys, agents, independent contractors, public

1 adjusters, consultants, experts, and/or representatives, except as set forth under the
2 terms of this Stipulation and Order. Any and all notes, thoughts, impressions,
3 and/or conclusions arising from the viewing of the Protected Materials, shall not be
4 disseminated or communicated, during the case or after it concludes, in any manner
5 to others not related to this litigation.

6 6.4 No Admission or Waiver: Nothing in this Stipulation and Order, nor
7 the production of any Protected Materials, nor any proceedings pursuant to this
8 Stipulation and Order shall be deemed to have the effect of an admission or waiver
9 by the Parties, or of altering the confidentiality of any document or information.

10 **VII. PROTECTED MATERIAL SUBPOENAED OR ORDERED**
11 **PRODUCED IN OTHER LITIGATION**

12 If a Party is served with a subpoena or a court order issued in other litigation
13 that compels disclosure of any information or items designated in this Action as
14 “CONFIDENTIAL,” that Party must: (a) promptly notify in writing the Designating
15 Party; (b) promptly notify in writing the party who caused the subpoena or order to
16 issue that material sought is subject to this Protective Order; and (c) cooperate with
17 respect to all reasonable procedures sought to be pursued by the Designating Party
18 whose Protected Material may be affected.

19 **VIII. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL**

20 If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed
21 Protected Material to any person or in any circumstance not authorized under this
22 Stipulated Protective Order, the Receiving Party must immediately (a) notify in
23 writing the Designating Party of the unauthorized disclosures; (b) use its best efforts
24 to retrieve all unauthorized copies of the Protected Material; (c) inform the person or
25 persons to whom unauthorized disclosures were made of all the terms of this Order;
26 and (d) request such person or persons to sign Ex. A.

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1 EXHIBIT A

2 ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

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4 I, _____ [print or type full name], of
5 _____ [print or type full address], declare under penalty of perjury
6 that I have read the Stipulated Protective Order that was issued by the United States
7 District Court for the Central District of California on July 27, 2017 in the case of
8 *Allied World Assurance Company (U.S.) Inc. v. State Farm Mutual Automobile*
9 *Insurance Company*, Case No. 2-17-cv-02582-FMO (JCx). I agree to comply with
10 and to be bound by all the terms of this Stipulated Protective Order. I will not
11 disclose in any manner any information or item that is subject to this Stipulated
12 Protective Order to any person or entity except in strict compliance with the
13 provisions of this Order.

14 I further agree to submit to the jurisdiction of the United States District Court for the
15 Central District of California for enforcing the terms of this Stipulated Protective
16 Order, even if enforcement proceedings occur after termination of this action. I
17 hereby appoint _____ [print or type full name] of
18 _____ [print or type full address and
19 telephone number] as my California agent for service of process in connection with
20 this action or any proceedings related to enforcement of this Stipulated Protective
21 Order.

22 Date: _____

23 City and State where sworn and signed: _____

24 Printed name: _____

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26 Signature: _____
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