

## Fireman's Fund Ordered to Reduce Homeowners Insurance Rates by \$35 Million for California Policyholders

by PR-Newswire

SANTA MONICA, Calif., June 26 /PRNewswire-USNewswire/ -- California homeowners with Fireman's Fund insurance coverage will save a total of \$35.1 million per year under an order issued last week by Insurance Commissioner Poizner that requires Fireman's Fund to lower its premiums by 17.9%. The savings come as a result of Proposition 103's prohibition on excessive rates and will lower each policyholder's premium an average of \$512 per year. The rate decrease must take effect within 60 days of the order, issued June 20.

Consumer Watchdog challenged Fireman's Fund's original request for a 5.6% rate reduction, arguing that the company used illegal costs, excessive profit levels and inflated loss projections to calculate the original request. Discussions between the Department of Insurance, Fireman's Fund and Consumer Watchdog resulted in final agreement on the 17.9% rate decrease. It also requires a new filing to confirm the rate is not excessive in 18 months.

"California homeowners with Fireman's Fund insurance will save \$35 million a year thanks to consumers' ability to challenge excessive profits under Proposition 103, savings that can make a real difference for homeowners struggling with skyrocketing gas, food and electricity bills," said Consumer Watchdog attorney Todd Foreman. "Consumer Watchdog will continue to keep a spotlight on insurance rates to ensure California consumers get the savings they deserve."

The savings will go to over 68,000 Fireman's Fund homeowners insurance customers.

The rate agreement was reached under amended regulations issued by the Department of Insurance last year that revised guidelines for profitability and allowable expenses under the rules of Proposition 103. Prop 103 requires insurance companies to open their books and submit to public hearings to justify that rates are adequate without being excessive. Consumers may intervene in or initiate proceedings to challenge any rate that is unfair or excessive.

Also this month, Allstate dropped an appeal of a \$250 million auto insurance rate decrease ordered by the Insurance Commissioner after another Consumer Watchdog rate challenge under Proposition 103. Consumer Watchdog has helped save Californians more than \$1 billion by challenging auto, homeowners, and medical malpractice insurance rate proposals since 2003. A full list of savings is available at: <http://www.consumerwatchdog.org/images/InsSavings.gif>

---

Source: Consumer Watchdog

Copyright © 2008 PR Newswire Association LLC. All rights reserved.

*Fireman's Fund Ordered to Reduce Homeowners Insurance Rates by \$35 Million for California Policyholders by PR-Newswire*