

State orders Allstate to cut rates

by *Business-Journal*

California insurance regulators have ordered Allstate Insurance Co. to cut rates for homeowners coverage by an average of 28.5 percent, representing a savings of \$255 million for policyholders.

Allstate customers would save an average of \$242 per policy per year, state Insurance Commissioner Steve Poizner said in a news release Thursday.

Allstate, one of the state's largest home insurers, had sought to increase home rates by 9.3 percent. After a hearing on the application, Poizner ordered Allstate to cut rates by 28.5 percent, the reduction recommended by an administrative law judge.

"While we are disappointed in this order, we respect the authority of the department and will comply," Allstate spokesman Peter DeMarco said in a release Thursday. "We are reviewing the order in detail and communicating with the department about the process for adjusting the rates of our 850,000 homeowners policyholders in the state."

The rate fight is part of a long-running dispute that at one point led Poizner to seek retroactive refunds by Allstate to its customers.

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