

State Farm seeks huge rate increase on homeowners insurance

by Jacksonville-Biz-Journal

State Farm Florida Insurance Co. is seeking a 47.1 percent rate increase in homeowners insurance policies in Florida.

Spokeswoman Michal Connolly said the company has paid out \$1.20 in claims and expenses for every dollar collected since 2000, paying out a total of \$1.2 billion more than it was bringing in.

"We simply must be able to charge the rates to cover our expected costs," she said.

State Farm is the largest home insurer in the Jacksonville metro area, with 108,763 policies as of the end of 2007. That represents 26.2 percent of the homeowners policies in Duval, Baker, Clay, Nassau and St. Johns counties.

The Florida Office of Insurance Regulation said the filing is being reviewed and that a public hearing on the State Farm filing will be held next month.

State Farm insures about 1 million Florida homes. Earlier this year, the company said it wouldn't write any new policies in the state because of catastrophe risk, and about this time last year, it announced it would not renew 50,000 policies during 2008.

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