

State Farm accounts for rate increase in Tallahassee hearing

by Tampa-Bay-Biz-Journal

Representatives from State Farm Florida Insurance Co. appeared at a public hearing on Tuesday in Tallahassee to argue their case for a proposed rate increase. Filed in July, the increase averaged 47.1 percent and would affect about 1 million homeowner insurance policyholders in Florida with even steeper increases in coastal areas.

In attendance were State Farm actuaries, as well as State Farm Florida president Jim Thompson.

The Office of Insurance Regulation is required to hold hearings for residential rate filings that propose increasing premiums more than 15 percent. Officials did not reach a decision Tuesday.

State Farm representatives referred to lessons learned from previous hurricane seasons and the potential losses of future hurricanes.

However, Stephen Alexander, an actuary with the Office of the Insurance Consumer Advocate, questioned hurricane models in a draft report to regulators. He argued that the rate increase is a means for State Farm to recover from losses of prior years.

The Office of the Insurance Consumer Advocate, a group created in 1990 by the Florida insurance commissioner, represents the general public and the need for accessible, affordable insurance. Based in Tallahassee, the group is authorized by law to represent consumers in regulatory proceedings.

State Farm insurance is headquartered in Bloomington, Ill. With more than 67,000 employees and 17,000 agents, it is the nation's leading insurer including the nearly 1 million policies in Florida.

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