

## State Farm ordered to issue refunds

*by Biz-Journal-SF*

Florida insurance regulators have ordered State Farm to issue \$120 million in credits or refunds to current and past policyholders who did not receive a rate reduction for making their homes more wind resistant, or who were not told about the available discount.

In addition, the insurance company must pay a \$1 million penalty to the Florida Insurance Regulator Trust Fund.

By law, insurance companies must tell their policyholders at the time a policy is issued or renewed about the discounts available for enhancing the wind resistance of their homes.

“I am very pleased that State Farm policyholders will now be getting the appropriate monetary credit for the important wind mitigation devices they put on their homes,” said Florida Insurance Commissioner Kevin McCarty. “Taking steps to fortify our homes against wind damage is very important. Everything Florida consumers can do to reduce storm damage helps to keep property insurance costs down.”

The order follows a July notice to State Farm of an investigation into whether the company was properly implementing the mitigation discount program. As the result of an internal review, State Farm identified about 98,000 current or former policyholders to whom it will provide credits or refunds.

Those entitled to the refunds will receive a notice from the company. The refund must include 7 percent interest on the amount due to each policyholder until paid.

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