



FOR IMMEDIATE RELEASE
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**Commissioner Donelon Denies State Farm
Homeowner Rate Increase**

Insurance Commissioner Jim Donelon announced today his decision to decline a recent rate request filed by State Farm Fire and Casualty Company (State Farm). State Farm submitted the request for the +16.6 percent rate increase to its homeowners program in November of 2012.

Rate filing requests are reviewed by the Louisiana Department of Insurance within a 45-day time period. The filed rate revision would have affected more than 300,000 policyholders and provided an estimated \$71,297,954 in additional premiums to the company.

Commissioner Donelon says that after an extensive review of the filing the rate revision was determined to not be actuarially justified.

“There were a number of variables factoring into the decision to deny this request and the actuarial support was lacking prompting concerns regarding the magnitude of the profit provision,” said Donelon. “Additionally, State Farm’s trend selections did not appear in line with actuarial data and that raised additional questions.”

The company’s last rate request of +7.8 percent was implemented on February 15, 2012 after its initial rate request of +14.3 percent was declined.

State Farm Fire and Casualty Company is the largest homeowners policy provider in the state and as of December 2012 had a market share of 28 percent of all Louisiana homeowners policies.