

# Ruling Ahead For State Farm Rates

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<?xml version="1.0"?> Ruling ahead for State Farm rates Beatrice E. Garcia The Miami Herald McClatchy-Tribune Regional News

Oct. 31--State Farm Insurance of Florida's hearing to defend its request for a 47.1 percent rate increase ended in Tallahassee on Thursday, but a decision is likely weeks away.

During the four-day hearing, State Farm presented its rationale for the increase, stating that the company needs the additional revenue to build up reserves so it has sufficient funds to pay future hurricane claims. It also needs to make up lost revenue from the heftier mitigation discounts the company has been required to give to policyholders.

In August, Insurance Commissioner rejected State Farm's rate hike, saying the company didn't provide sufficient support for its request. The company appealed the decision to the Division of Administrative Hearings.

According to the rate filing, increases in South Florida and coastal regions would exceed the statewide average increase of 47.1 percent. For instance, in Broward premiums could increase an average of 80 percent, and in Miami-Dade, 63 percent.

Since the rate request was rejected, the 9-percent rate decline approved by the Office of Insurance Regulation last year remains in effect for State Farm.

This week's hearing represented State Farm's only opportunity to present its case to an independent third party. Rate requests are reviewed at OIR and at public hearings. Approval or rejection comes from the state's insurance commissioner.

State Farm, the largest private insurer in Florida, called seven witnesses during the first three days of the trial. OIR called just one witness, its actuary Bob Lee.

The Division of Administrative Hearings has more than one month to make its decision on the State Farm case.

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