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August 6, 2009

Ms. Kathy Popejoy, Actuary & Asst. Secretary-Treasurer, FCAS, MAAA
Mr. Adam Swope, Actuary & Pricing Manager, FCAS, MAAA, CPCU
State Farm Florida Insurance Company
One State Farm Plaza
Bloomington, IL 61710

RE: State Farm Florida Insurance Company
Homeowners Multi-Peril
Company File Number: HO-25317
OIR File Number: FCP 09-14135

PLEASE REFER TO THE OIR FILE NUMBER WHEN CORRESPONDING

Dear Ms. Popejoy and Mr. Swope:

Attached for your records is a copy of the original cover letter and a set of manual pages stamped "approved" for the above referenced filing.

Our records indicate that this filing is effective 11/1/2009 for new business and 12/1/2009 for renewal business.

This is to advise State Farm Florida that revision of certain discounts or surcharges contained in the referenced file are hereby approved. The following discounts or surcharges are being eliminated from the rating plan as requested by State Farm Florida: Claim Free Discount, Claim Record Rating Plan, Home Alert Protection and Home/Auto. The approved manual pages include those with the stamp of "approved." The overall premium impact of the approved changes to the rating plan is 28.4% per the Office's calculation. The final rate level effect will be based on an amended Rate Collection System submission, which must be provided prior to final approval. The filing does not include indications to address the overall rate level and base rates. As you know, State Farm Florida's annual rate filing, which is not due before December of this year, will address the overall rate level and base rate changes, if any are justified and supported.

State Farm Florida has requested the Office to consider allowing revisions to its Utilities Rating Plan and Building Code Effectiveness Rating Plan. The plan contains duplicative elements of the mitigation credits. These revisions are approved. This is consistent with the suggestions made by the Office in Informational Memorandum OIR-03-001M.

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FLORIDA OFFICE OF INSURANCE REGULATION
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0330
website: www.floir.com

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The changes to State Farm Florida's mitigation credits contained in this file are **not** approved. As discussed on prior occasions, an alternate mitigation credit is allowable under Florida regulations; however, such credits must be supported by a "detailed study" pursuant to Section 69O-170.017, Florida Administrative Code and other pertinent regulations. If State Farm Florida chooses to file alternate mitigation credits in accordance with the rule, the study of the alternate credits may best be performed by the proprietor of the model to ensure explicit documentation as provided in the current approved ARA study. Some items of significance that should be addressed in the study, if one is conducted, include but are not limited to:

1. Explicit documentation with respect to the reflection of all code wind speeds.
2. Explicit support for the selected base structure. This should include an explanation of how it complies with Section 627.0629, Florida Statutes and the following data:
 - a. The expected hurricane losses in total
 - b. The expected hurricane losses for each group of discount features
 - c. The expected hurricane losses for policyholders receiving no discount
3. Discounts must reflect all features that reduce windstorm loss. Further, areas with a higher resistance to wind speed must reflect higher discounts.
4. Include detailed support to show base rates are consistent with the base risk that is not receiving mitigation discounts.

In summary, State Farm Florida is authorized to remove the Claim Free Discount, Claim Record Rating Plan, Home Alert Protection and Home/Auto and to make revisions to its Utilities Rating Plan and Building Code Effectiveness Rating Plan as reflected in the stamped pages. The mitigation discount changes are disapproved, and a notice of rights regarding this aspect of the filing is attached.

Please verify that these pages are the final printed manual pages intended for use with this filing and that the effective dates noted above are correct. **If we do not hear from you within the next 10 days, we will assume that you have received a stamped copy of all manual pages applicable to this filing and that the effective dates are correct.**

Sincerely,

Office of Insurance Regulation

State Farm Florida Insurance Company

FCP 09-14135

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail, the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one will be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and contain:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for an administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.