

No. **09-0927**

**Official Order
of the
Commissioner of Insurance
of the
State of Texas
Austin, Texas**

Date: November 16, 2009

Subject Considered:

**Public Appeal Re-Hearing For Residential Property Insurance
Filed by State Farm Lloyds**

TDI Docket No. 2562-A

**Order Modifying Rate Reduction Previously Determined by the Texas
Department of Insurance and Directing the Payment of Refunds**

I. INTRODUCTION

This is an appeal by State Farm Lloyds (SFL) filed pursuant to article 5.26-1 of the Insurance Code from a determination made by the Texas Department of Insurance (TDI or Department) on August 18, 2003, wherein it directed SFL to reduce by 12% the rate it previously filed for homeowners coverage on June 26, 2003. Based on the evidence in the record, the Commissioner finds that SFL met its initial burden of proof and established that the 12% rate reduction previously determined by TDI is confiscatory. The Commissioner further finds that the original rate filed by SFL on June 26, 2003, is excessive and that a reduction of 6.2% in the base rate will produce a rate that is just and reasonable and neither confiscatory nor excessive for the risks to which it applies. This reduction will be applied to the rate SFL charged its homeowner insureds for the period beginning September 7, 2003, and ending August 31, 2004. The Commissioner further finds that the rate SFL charged its homeowner insureds for the period beginning

