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CONTACT: Morgan Morales  
[mmorales@cbia.org](mailto:mmorales@cbia.org)

**Business Consumer Leaders Applaud California Insurance Commissioner Lara's  
Approval of Interim Rate Adjustment for State Farm, Needed for Stability in  
California's Insurance Market**

SACRAMENTO, CA – California's consumer business leaders today voiced strong support for California Insurance Commissioner Ricardo Lara's approval of an independent administrative law judge's decision to allow an interim rate increase for State Farm General Insurance Company, California's largest homeowners insurer, which provides coverage for more than 20% of homes statewide.

This decisive action brings much-needed stability to the state's increasingly volatile homeowners and commercial insurance market. The group commends Commissioner Lara for wisely restoring balance to the market, providing immediate benefits to both homeowners and businesses across the state.

"By securing an additional \$400 million in funds from State Farm Mutual Automobile Insurance Company into the California homeowners insurance writer State Farm General Insurance Company and pausing new block nonrenewals from State Farm for the foreseeable future, Commissioner Lara is helping to ensure that California's insurance market remains functional and reliable," said Dan Dunmoyer, CBIA President and CEO.

The Commissioner's decision not only prevents further erosion of the insurance market but also responds proactively to concerns from independent rating agencies regarding State

Farm General Insurance Company's financial health. The capital infusion and interim rate increase will work in tandem to preserve the company's ability to insure mortgages and meet the needs of California consumers who need coverage options until a permanent rate can be determined through a public hearing.

"As one of the largest consumers of homeowners insurance, which is required for every home we build, CBIA views this this action as a real win for consumers," said Dunmoyer. "The alternative would be forcing more people onto the FAIR Plan, which costs more and provides much less coverage. This solution is far more constructive."

Business leaders have criticized opposition to this decision by self-described consumer groups, characterizing their resistance to the interim rate increase as disingenuous and harmful to the very consumers they claim to represent.

"Attempts to block this move are anti-consumer and risk further destabilizing the insurance market for personal gain," said Dunmoyer.

**Additional leaders echoed strong support for Commissioner Lara's action:**

**California Chamber of Commerce – Jennifer Barrera, President and CEO:**

*"The California Chamber of Commerce welcomes Commissioner Lara's decision to approve the interim rate adjustment for State Farm. This step is an essential part of maintaining a stable and sustainable insurance market and a key component of ensuring the economic well-being of both business and residential consumers throughout California."*

**California Association of REALTORS® (C.A.R.) - Phil Hawkins, President and CEO:**

*"C.A.R. supports Commissioner Lara's approval of the interim rate adjustment for State Farm as an important step toward maintaining consumer access to property insurance in California. A functioning and reliable insurance market is essential to supporting homebuyers, sellers, and the broader housing market. We look forward to continued efforts to improve long-term affordability and availability of coverage for Californians."*

**California Farm Bureau – Shannon Douglass, President:**

*"California farmers are the economic backbone of the state and our ability to bring the best food products grown in the world to market requires a viable commercial market for our members and their customers. We are price takers and need a stable commercial insurance market. We applaud the Commissioner for his leadership in confronting this consumer issue head on."*

**California Association of Community Managers – Tom Freely, CEO:**

*"Representing managers of thousands of Homeowner Associations with millions of*

*homeowner consumers across the state, we appreciate the Commissioner's leadership in helping to keep the largest insurer in the state financially stable. The current insurance market situation has had a devastating impact on homeowner association costs resulting in exorbitant increases in monthly HOA dues. This action today will bring much needed stability to the insurance market and help take the first steps towards providing homeowners with much better consumer prices than the out-of-control non-admitted market rate increases. Consumers deserve better prices and more choices, and the Commissioner's action will move us in the right direction."*

**California Business Roundtable – Robert Lapsley, President:**

*"Commissioner Lara's decision is a critical step not just for individual homeowners and the housing industry, but for the entire California economy," said Rob Lapsley, President of the California Business Roundtable. "A functioning and reliable insurance market underpins the growth of every sector from real estate to retail, agriculture to manufacturing. Without Commissioner Lara's action today our economic growth, investment, and job creation would slowly grind to a halt."*

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