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### **Judge Orders State Farm to Cut California Homeowners Insurance Rates**

A San Diego Judge has [ordered](#) State Farm to begin lowering rates by 7% for its 1.7 million California homeowners and renters insurance customers after rejecting the insurance giant's attempt to temporarily block implementation of the rate reduction ordered last month by Insurance Commissioner Dave Jones following a petition seeking cuts filed by the Consumer Federation of California. The company sued Commissioner Jones and asked the Court to overturn his order.

The rate cut was spurred by challenges brought by Consumer Federation of California (CFC) and Consumer Watchdog to the company's proposed rate hike in 2015. In a public hearing, the consumer groups and Department of Insurance experts proved that the company has been overcharging its customers. A state administrative judge found that State Farm's rates had to be cut by 7% and the company had to issue refunds to cover overcharges that began in July 2015. Although Judge Katherine Bacal ordered State Farm to begin implementing the rate reductions, she allowed State Farm to delay issuing the refunds while she reviews State Farm's lawsuit.

"State Farm customers have been overpaying for home, condo and renters insurance for a year and a half, and we are pleased that State Farm won't be able to delay fair prices any longer," said Consumer Federation of California's Executive Director Richard Holober. "While we believe that the company should be required to pay refunds right away, we are confident that State Farm will lose its lawsuit and will have to refund more than \$100 million plus interest to its current and former policyholders."

Read CFC's November 7 press release on the initial ruling [here](#).

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The non-profit Consumer Federation of California has fought for consumers since 1960.