

[California's largest home insurer to hike rates this year](#)

SF Chronicle

California's largest home insurer will raise rates by an average of 20% this year.

The California Department of Insurance approved State Farm's request to increase rates for policies that are being renewed, a State Farm spokesperson confirmed. The new rates take effect March 15.

"These rate changes are driven by increased costs and risk, and are necessary for State Farm Mutual Automobile Insurance Company and State Farm General Insurance Company to deliver on the promises the companies make," according to a State Farm statement regarding the increase.

State Farm's rate change is specific to California.

Amy Bach, executive director of the consumer advocacy group United Policyholders, noted that the 20% change is a statewide average, meaning some people will see increases that are greater, and some less.

Last May, State Farm stopped writing new California homeowner policies, a move the company attributed to wildfire risks, increasing construction costs and challenges with reinsurance.

The insurer said it will continue looking for ways to "maintain competitive rates."

Bach said that the rate increase was "definitely expected."

As of 2022, State Farm held the largest market share in the state, at 8.7%, for property and casualty insurance.

The company with the second-largest market share, Farmers Insurance Group, put a cap on new homeowners insurance policies in 2023.

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Bach's group advises consumers to shop and compare their insurance options.

However, as a rising number of insurers have limited coverage or exited the state, some homeowners are left with only the insurance option of last resort, the government-created FAIR Plan. Insurance Commissioner Ricardo Lara is trying to stem the exodus with a new "Sustainable Insurance Strategy," which includes rules that insurers must write at least an average of 85% of their California market share in high wildfire risk communities. The strategy is set to be implemented by December.

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