



CHARLIE CRIST
GOVERNOR

July 18, 2008

Commissioner Kevin McCarty
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0305

Dear Commissioner McCarty:

It is my understanding that State Farm Florida Insurance Company has made a rate filing with your office. According to an announcement by State Farm, this filing requests a significant rate hike.

I know that few issues are more on the minds of Floridians than the rising cost of insurance. Affordable property insurance is necessary for our residents. Housing is critical to Florida's economy and rising insurance premiums and property taxes burden Florida's homeowners. The people are suffering from the high cost of fuel, utilities, and property insurance. While you have not had an opportunity to review this rate filing, I am concerned that such a significant rate increase could create a breaking point for the budgets of some of our fellow Floridians.

I have worked with the Legislature to provide broad, meaningful property insurance reform and more options for Florida's homeowners. These long-term, systematic reforms were necessary to repair the underlying problems that exist in the insurance market and are showing successes. Last year, some 57 new companies were licensed to sell residential property insurance in Florida. So far this year, another 36 have been licensed.

The property insurance market is very dynamic and I know you understand the need for affordable property insurance in Florida. It is critical that we continue to put the best interests of our citizens forward. I have every confidence that you and your staff will conduct a thorough review of the State Farm rate filing to ensure that Florida's policyholders are protected.

Your continued efforts and dedication to Florida are greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Charlie Crist".

Charlie Crist