



Insurance “Oversight” in Texas — FAIL

Written On January 12, 2010 By [Bob Kraft](#)

Sadly, this is what passes for insurance oversight by the Texas state government: Farmers Insurance raised their homeowners coverage rates by 10% last June without permission from the state, which under our “fair and balanced” laws they are allowed to do. At the time, the State Insurance Commissioner called the rate hike “excessive and unfairly discriminatory.”

Now, in a settlement reached between Farmers and the state, Farmers has agreed to roll back the rate increase to 4.5%. Great news for Texas consumers right? Well, not exactly. See, Farmers gets to keep all the premiums they collected between June of 2009 and March 16, **2011**, when the rollback takes effect. So Farmers gets to keep millions of dollars in premiums collected over a 21-month period even though the state says the premiums are excessive. What a great system. Farmers could just have easily raised their rates by 100% and then negotiated with the state for a rollback. They would have gotten to keep even more millions of dollars then.

Texas: making consumers bend over backward to provide a “business-friendly” economic environment.

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