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FOR IMMEDIATE RELEASE

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DALE REACHES AGREEMENT WITH STATE FARM TO REOPEN COASTAL SLAB CLAIMS

Jackson – Commissioner of Insurance George Dale announced today that he has reached an agreement with State Farm Insurance Company that will require the company to reopen all “slab” cases. The company will identify and review all such claims, identify the amount paid and/or offered to date and the additional action State Farm is willing to take for each “slab” claim and report in writing back to his office within 30 days.

The company was formally notified of this action in a letter sent to them today, March 6, 2007.

“While the great majority of State Farm’s customers appear to be satisfied with the way their claim was handled, we continue to hear complaints from consumers where all that’s left of their claim is a foundation or “slab”. These consumers insist they sustained wind damage prior to water surge, but State Farm failed to properly apportion the loss and still paid zero,” Dale wrote in his letter to the company.

On September 7, 2005, in Mississippi Insurance Department (MID) Bulletin 2005-6, insurance companies were told that where the insurance company believes the damage was caused by water, the company must be able to prove to the MID the damage was caused by water and not the wind. State Farm has been the subject of numerous lawsuits, and at least two proposed class action lawsuits and hundreds of complaints to the MID offices that the company is not adhering to this bulletin. Due to the complaints the MID launched a market conduct exam of State Farm regarding their handling of Katrina claims in the six coastal Mississippi counties. The examination is continuing but will take several more months to complete.

“In the meantime, many consumers’ claims remain unsettled and that is unacceptable. That is why I believe it is in the best interest of all parties that State Farm reopen these ‘slab’ claims and have them reviewed by a new team in accordance to all MID’s earlier bulletins. Hopefully this will bring about closure. Rest assured that the MID will continue, as it has since Katrina made landfall, to work directly with consumers and companies to verify that all claims were properly adjusted according to the policies, bulletins and regulations issued by this office,” Dale said.

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