

**SFG-NW-31**

TN PriorAppRateTI No Var

State of California  
Department of Insurance (CDI)

Company: State Farm General Insurance Company  
Line: Homeowners Multiple Peril

PRIOR APPROVAL RATE TEMPLATE FOR PROPERTY & LIABILITY LINES  
GENERAL INFORMATION

Completed by: Nicole Pettis

Completed Date: 6/20/2024

CDI File # (Department Use Only):

Initial SERFF Filing Date: 6/27/2024

Company Name: State Farm General Insurance Company

Marketing System Distribution:

%Captive

%Direct

%Independent

100.0%

Line Type: Personal

General Line : Homeowners Multiple Peril

Proposed Effective Date (new rates): 1/1/2025

New Program: ☐

LCM Calculation(s) Included: ☐ (LCM Calculation(s) is(are) hidden unless this box is checked.)

Most Recent Year of Experience Data Ending: 20234

(Enter in YYYYQ format.)

Enter name of each coverage/form/program for which a rate change is being requested in the cells below. Otherwise, leave blank.

Detailed Line Description(s)	Coverage/Form/Program	Proposed % Impact	Prior Effective Date (current rates)
Homeowners Multiple Peril	Renters	52.0%	4/1/2021
Homeowners Multiple Peril	Condominium Unitowners	36.0%	9/1/2024

Variance Request:

Does the Ratemaking Data include a Request(s) for Variance?

If yes, is Variance #3 requested for any coverage?

N

N

Variance #:

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## RATEMAKING DATA

Completed by: Nicole Pettis

Variance #(s):

Date Completed: 6/20/2024

Detailed Line Description: Homeowners Multiple Peril

Coverage: Renters

Line	Description	Source	2nd Prior Year Ending	1st Prior Year Ending	Most Recent Year Ending	Projected <sup>1</sup>	New Program <sup>2</sup>
(0)	Year		20214	20224	20234		
(1)	California Direct Written Premium				81,891,624		
(2)	California Direct Earned Premium				91,684,036		
(3)	Premium Adjustment Factor	Exh 4			1.000		
(4)	Premium Trend Factor <sup>1</sup>	Exh 5			1.011	0.4%	
(5)	Miscellaneous Fees and Flat Charges	Exh 6			0		
(6)	Earned Exposure Units				552,216		
(7)	Historic Losses				30,203,359		
(8)	Historic Defense and Cost Containment Expense (DCCE)				348,278		
(9)	Loss Development Factor	Exh 7			1.610		
(10)	DCCE Development Factor	Exh 7			8.628		
(11)	Loss Trend Factor <sup>1</sup>	Exh 8			1.125	4.8%	
(12)	DCCE Trend Factor <sup>1</sup>	Exh 8			1.125	4.8%	
(13)	Catastrophe Adjustment Factor	Exh 9			1.069		
(14)	Experience Credibility	Exh 10				100.0%	
(15)	Ancillary Income	Exh 11			0		

Lines 16-18 link directly to pages 3 and 4 of the rate template.

(16)	Excluded Expense Ratio	Pg 4.2				1.2%	
(17)	Projected Federal Income Tax Rate on Investment Income	Pg 3.2				16.0%	
(18)	Projected Yield	Pg 3.2				4.3%	

<sup>1</sup> The Projected column should reflect the annual trend expressed as a percentage for premium, loss and DCCE trends, and credibility.

<sup>2</sup> Refer to Section III.C. of the Prior Approval Rate Filing Instructions for New Program requirements.

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CDI File # (Department Use Only):

## RATEMAKING DATA

Completed by: Nicole Pettis

Variance #(s):

Date Completed: 6/20/2024

Detailed Line Description: Homeowners Multiple Peril

Coverage: Condominium Unitowners

Line	Description	Source	2nd Prior Year Ending	1st Prior Year Ending	Most Recent Year Ending	Projected <sup>1</sup>	New Program <sup>2</sup>
(0)	Year		20214	20224	20234		
(1)	California Direct Written Premium				116,579,826		
(2)	California Direct Earned Premium				113,491,565		
(3)	Premium Adjustment Factor	Exh 4			1.268		
(4)	Premium Trend Factor <sup>1</sup>	Exh 5			1.144	5.5%	
(5)	Miscellaneous Fees and Flat Charges	Exh 6			0		
(6)	Earned Exposure Units				155,755		
(7)	Historic Losses				51,217,017		
(8)	Historic Defense and Cost Containment Expense (DCCE)				1,032,009		
(9)	Loss Development Factor	Exh 7			1.485		
(10)	DCCE Development Factor	Exh 7			4.644		
(11)	Loss Trend Factor <sup>1</sup>	Exh 8			1.279	10.3%	
(12)	DCCE Trend Factor <sup>1</sup>	Exh 8			1.279	10.3%	
(13)	Catastrophe Adjustment Factor	Exh 9			1.040		
(14)	Experience Credibility	Exh 10				100.0%	
(15)	Ancillary Income	Exh 11			0		

Lines 16-18 link directly to pages 3 and 4 of the rate template.

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State Farm General Insurance Company  
Homeowners Multiple Peril

VARIANCE - NONE

## RATE CHANGE CALCULATION

Completed by:  
Date Completed:  
Prior Effective Date:  
Proposed Effective Date:  
Detailed Line Description:  
Coverage:

Nicole Pettis  
6/20/2024  
4/1/2021  
1/1/2025  
Homeowners Multiple Peril  
Renters

Data Provided by Filer	20214	20224	20234	Projected
Prem_Written			81,891,624	81,891,624
Prem_Earned			91,684,036	91,684,036
Prem_Adj			1.000	
Prem_Trend			1.011	0.4%
Misc_Fees			0	0
Exposures_Earned			552,216	552,216
Losses			30,203,359	30,203,359
DCCE			348,278	348,278
Loss_Devt			1.610	
DCCE_Devt			8.628	
Loss_Trend			1.125	4.8%
DCCE_Trend			1.125	4.8%
CAT_Adj			1.069	
Anc_Income			0	0
Credibility				100.0%
ExpRatio_Excluded				1.2%
FIT_Inv				16.0%
Yield				4.3%

### CDI Parameters

FIT_UW				21.0%
EffStd_Final				33.2%
LevFact_Final				0.95
PremTaxRate				2.4%
SurplusRatio				1.05
ResRatio_UPR				0.52
ResRatio_Loss				0.87
ROR_RiskFree				4.8%
ROR_Min				-6.0%
ROR_Max				10.8%

Calculations	20214	20224	20234	
Prem_Adjusted			92,654,986	92,654,986
Losses_Adjusted			58,512,635	58,512,635
DCCE_Adjusted			3,614,995	3,614,995
LossDCCERatio_Adjusted			67.1%	67.1%
TCRLP_perExp			167.79	167.79
LossDCCE_perExp			112.51	112.51
CompLossDCCE_perExp			122.50	122.50
CredLoss_perExp			112.51	112.51
Anc_Inc_perExp			0.00	0.00
InvInc_Fixed				4.0%
InvInc_Variable				7.2%
Net_AnnualTrend				4.4%
Comp_Trend				17.5%
Max_Profit				14.4%
Min_Profit				-8.0%
UW_Profit				4.7%
Min_Denom				0.82
Max_Denom				0.60
Min_Premium				\$131.57
Max_Premium				\$181.02
CHANGE_AT_MIN				-21.6%
CHANGE_AT_MAX				7.9%

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Prior Effective Date:  
Proposed Effective Date:  
Detailed Line Description:  
Coverage:

Nicole Pettis  
6/20/2024  
9/1/2024  
1/1/2025  
Homeowners Multiple Peril  
Condominium Unitowners

Data Provided by Filer	20214	20224	20234	Projected
Prem_Written			116,579,826	116,579,826
Prem_Earned			113,491,565	113,491,565
Prem_Adj			1.268	
Prem_Trend			1.144	5.5%
Misc_Fees			0	0
Exposures_Earned			155,755	155,755
Losses			51,217,017	51,217,017
DCCE			1,032,009	1,032,009
Loss_Devt			1.485	
DCCE_Devt			4.644	
Loss_Trend			1.279	10.3%
DCCE_Trend			1.279	10.3%
CAT_Adj			1.040	
Anc_Income			0	0
Credibility				100.0%
ExpRatio_Excluded				1.2%
FIT_Inv				16.0%
Yield				4.3%

### CDI Parameters

FIT_UW				21.0%
EffStd_Final				33.2%
LevFact_Final				0.95
PremTaxRate				2.4%
SurplusRatio				1.05
ResRatio_UPR				0.52
ResRatio_Loss				0.87
ROR_RiskFree				4.8%
ROR_Min				-6.0%
ROR_Max				10.8%

Calculations	20214	20224	20234	
Prem_Adjusted			164,541,631	164,541,631
Losses_Adjusted			101,126,758	101,126,758
DCCE_Adjusted			6,372,264	6,372,264
LossDCCERatio_Adjusted			65.3%	65.3%
TCRLP_perExp			1,056.41	1,056.41
LossDCCE_perExp			690.18	690.18
CompLossDCCE_perExp			666.43	666.43
CredLoss_perExp			690.18	690.18
Anc_Inc_perExp			0.00	0.00
InvInc_Fixed				4.0%
InvInc_Variable				7.2%
Net_AnnualTrend				4.6%
Comp_Trend				1.5%
Max_Profit				14.4%
Min_Profit				-8.0%
UW_Profit				4.7%
Min_Denom				0.82
Max_Denom				0.60
Min_Premium				\$807.10
Max_Premium				\$1,110.47
CHANGE_AT_MIN				-23.6%
CHANGE_AT_MAX				5.1%