

April 2011

Mr. Phillip Hawkins, Senior Vice President
State Farm Lloyds
6034 Courtyard Drive, Suite 200
Austin, TX 78730

Dear Mr. Hawkins:

I have a home and two automobiles insured with State Farm. I have been a customer since I returned home to San Antonio in 2000. During this time, I have remained a policy holder despite rate increases to both the automobile and home owner policies that I hold.

However, I can no longer patronize an insurance company that refuses to honor a Texas court's order to refund \$350 million to its loyal Texas policyholders. Effective June 1, 2011, I will be cancelling all of my policies with State Farm.

Texans already pay the second highest homeowner insurance rates in the nation, despite legislation I supported in 2003 that intended to rein in excessive premiums. As a result of that legislation, the Texas Department of Insurance ordered more than 30 insurers to reduce rates that they found to be excessive. State Farm is the only company that still refuses to comply.

Your refusal to make good for overcharging your customers in this state is a disservice to the thousands of Texas policyholders that have trusted you with their most important investment; their home.

As a legislator, I commend the Texas Department of Insurance for following through to ensure that Texas policyholders are rightfully reimbursed the money they're owed and I am certain this ongoing dispute will be closely watched as the Texas Legislature considers pending matters regarding the regulatory structure of the insurance industry.

Respectfully,



Joaquin Castro
District 125 - San Antonio

Cc: Mike Geeslin, Commissioner, Texas Department of Insurance
Deeia Beck, Executive Director, Office of Public Insurance Counsel
Texas House of Representatives