

State Farm abandons Alabama Coast & New Jersey Shore

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Leading insurer to cut back

State Farm will impose significant restrictions on any new policies in Mobile, Baldwin counties

By JEFF AMY, Business Reporter

The Mobile Press Register

Wednesday, March 19, 2008

State Farm, Alabama's largest property insurer, will impose significant restrictions on new policies in Mobile and Baldwin counties beginning April 1, in what the company said Tuesday was an effort to cut its exposure to possible losses from a hurricane.

The company, based in Bloomington, Ill., will no longer write wind and hail coverage on homes south of Interstate 10 in Mobile County, and south and west of U.S. 98 in Baldwin County.

In much of the rest of the two coastal counties, State Farm will require a 5 percent hurricane deductible unless a house is armored against wind in ways that few local houses now are. That means a policy holder would have to pay for damage equal to 5 percent of the insured value of a house after a storm before insurance would kick in.

Shore area homeowners shunned by State Farm

By ELAINE ROSE Staff Writer,

Press of Atlantic City

Monday, April 21, 2008

If you call a State Farm Insurance Company agent in Ventnor after office hours, you get a tape-recorded message saying, "Like a good neighbor, we are there for you 24/7."

Don't try and sell the "good neighbor" bit to Mary Nugent, of Pennsylvania, who has a home in Longport.

After paying premiums to State Farm for 25 years with no claims, Nugent got a letter from the company last week saying it will not renew her policy as part of a program "to reduce our exposure to catastrophic property losses." The state Department of Banking and Insurance approved their "block nonrenewal plan."

"Since your property is located on a barrier island, your policy is being nonrenewed" and will expire June 9, the letter said.

That got Nugent mad, and not only because she has to hunt down a new insurance policy at, most likely, a much higher price.

"You can't take the cream-of-the-crop (policies) and say, 'If we have to take a risk, we're not going to do it. We want all profit all the time,'" Nugent said.

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Oberon Avenue bungalow has been in her family for 100 years, and it has never taken in water, Nugent said. Meanwhile, her friends who live on the Delaware River in Bucks County, Pa., which has been subject to flooding, are getting renewed.

Officials

say Nugent and other State Farm customers in New Jersey shore communities are the latest victims in a trend that has been going on for years.