

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers [here](#) or use the "Reprints" tool that appears above any article. [Order a reprint of this article now.](#)

## State Farm to Drop Insurance Policies on Manufactured Homes

**Insurer plans to mail final non-renewal notices next month.**

By [John Ceballos](#)

THE LEDGER

Published: Monday, August 25, 2014 at 12:01 a.m.

LAKE WALES | Judi Sprague doesn't feel like State Farm has been very neighborly lately.

For the past 45 years, Sprague and her husband Dan have alternately maintained car, homeowners, and manufactured home insurance policies with the company, famous for its "Like a good neighbor, State Farm is there" slogan.

This month, the Spragues received a letter from the company informing them that their manufactured home insurance policy would not be renewed in December.

"I'm really kind of annoyed with them because it seems like my loyalty doesn't mean very much," Sprague said.

The letter received by the Spragues, however, is part of a companywide mandate that began last year.

Michal Brower, Florida spokesperson for State Farm, said the company notified the Florida Office of Insurance Regulation (OIR) of its intent to discontinue writing and renewing its manufactured home policies in May 2013.

The OIR approved State Farm's plan, and the company began mailing non-renewal letters — like the one received by the Spragues — in September 2013.

Brower, who is based in Winter Haven, said the last non-renewal letter will be mailed next month with a non-renewal effective date of January 2015.

"We continually evaluate and monitor our ongoing effort to responsibly manage our business in Florida, and are taking steps that align our resources with our core



PIERRE DUCHARME | THE LEDGER

The Spragues were recently notified their State Farm homeowners policy was being discontinued effective December.

business," Brower said via email. "We understand the impact these changes will have on our customers and do not make such changes without a thorough review and examination."

Lynne McChristian is the Florida representative for the Insurance Information Institute, which seeks to improve public understanding of insurance among consumers, researchers and more.

She said that State Farm is among several insurance companies shying away from manufactured home policies in an effort to manage their exposure to risk.

"It's been happening for many years now, especially after a number of them were damaged with those back-to-back storms 10 years ago," said McChristian, who is based in Tampa.

"And with a lot of the older manufactured homes, there's just not a lot you can do in terms of strengthening them or fixing them up to make them safer," she added.

According to the U.S. Census Bureau, about 6 percent of Americans were living in manufactured homes in 2012. That same year, the Tampa-based Insurance Institute for Business & Home Safety released a Manufactured Home Inspection checklist that stated that many of those homes were built before wind standards were improved in 1994.

The number of new manufactured homes placed in Florida has also decreased in the past decade, according to the U.S. Census Bureau. In 2003, there were 11,000 new manufactured homes placed within the state. Last year, that number fell to 2,800.

Sprague, however, has found her own dwelling to be remarkably steady and dependable.

In the 30 years she has had a manufactured home insurance policy with State Farm — which covered two houses on the same 1-acre plot of land in Lake Wales — she said that she only filed two claims: one for a tornado more than 20 years ago, and a claim totaling less than \$1,000 to replace a few shingles on her roof after the 2004 hurricanes.

Although she is disappointed with State Farm's decision, there might be a silver lining.

"My husband has been looking at policies with other companies, and we may have found a comparable one for about \$600 or \$700 less per year," Sprague said. "So maybe State Farm did us a favor."

[ John Ceballos can be reached at [john.ceballos@theledger.com](mailto:john.ceballos@theledger.com) or 863-802-7515. ]