



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:)
)
STATE FARM MUTUAL AUTOMOBILE) **Market Conduct Investigation No. 416864**
INSURANCE COMPANY (NAIC #25178))
)

ORDER OF THE DIRECTOR

NOW, on this 06th day of March, 2024, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and State Farm Mutual Automobile Insurance Company (NAIC #25178) (hereinafter “State Farm”), relating to the market conduct investigation no. 416864, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that State Farm and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that State Farm shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office
in Jefferson City, Missouri, this 06th day of March, 2024.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
STATE FARM MUTUAL AUTOMOBILE) **Market Conduct Investigation No. 416864**
INSURANCE COMPANY (NAIC # 25178))
)

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and State Farm Mutual Automobile Insurance Company.(hereinafter “State Farm”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter the “Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, State Farm has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of State Farm, investigation no. 416864;

WHEREAS, based on the market conduct investigation of State Farm, the Division alleges that:

1. State Farm did not file an annual report or certification of compliance regarding its utilization review program activities in violation of §376.1359¹, §376.1369 and 20 CSR 400-10.020.

WHEREAS, the Division and State Farm have agreed to resolve the issues raised in the

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri, as amended.

market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** State Farm agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. State Farm agrees to file with the Department, within 60 days of the date of the Order approving this Stipulation, an annual report and certification of utilization review activities for the years 2020, 2021 and 2022.

2. State Farm agrees going forward to timely file with the Department an annual report of utilization review activities and an annual certification of utilization review activities.

C. **Compliance.** State Farm agrees to file documentation pursuant to §374.190 with the Division, in a format acceptable to the Division, within 60 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by State Farm, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

E. **Waivers.** State Farm, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have

otherwise applied to the market conduct investigation no. 416864.

F. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and State Farm.

G. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

H. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and State Farm, respectively.

I. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

J. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter "Director") approving this Stipulation.

K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: February 16, 2024



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 2/16/2024

Eric Thome
Name: Eric Thome
Title: Director Total Rewards Benefits
State Farm Mutual Automobile Insurance Company