



**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:* )  
 )  
STATE FARM FIRE AND CASUALTY ) **Market Conduct Investigation No. 372987**  
COMPANY (NAIC #25143) )  
STATE FARM GENERAL INSURANCE )  
COMPANY (NAIC #25151) )

**ORDER**

NOW, on this 07<sup>th</sup> day of February, 2022, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and State Farm Fire and Casualty Company (NAIC #25143) and State Farm General Insurance Company (NAIC #25151) (hereinafter collectively “State Farm”), relating to the market conduct investigation no. 372987, does hereby issue the following orders:

This order, issued pursuant to §§374.046.15<sup>1</sup> 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 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.

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<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

**IT IS FURTHER ORDERED** that State Farm shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$750.00, payable to the Missouri State School Fund.

**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 07<sup>th</sup> day of February, 2022.



*Chlora Lindley-Myers*  
Chlora Lindley-Myers  
Director

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

*In Re:* )  
 )  
STATE FARM FIRE AND CASUALTY ) **Market Conduct Investigation No. 372987**  
COMPANY (NAIC #25143) )  
STATE FARM GENERAL INSURANCE )  
COMPANY (NAIC #25151) )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and State Farm Fire and Casualty Company (NAIC #25143) and State Farm General Insurance Company (NAIC #25151) (hereinafter collectively “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 Fire and Casualty Company and State Farm General Insurance Company have each 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. 372987; and

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

1. In three instances, State Farm failed to notify the Department of the reason for termination, of its insurance producers, within 30 days following the effective date of the termination

in violation of §375.022.5 (4)<sup>1</sup>.

2. State Farm failed to include an appointed insurance producer on its register in violation of §375.022.1 and 20 CSR 100-8.040(3)(C).

**WHEREAS**, the Division and State Farm have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (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, but are not limited to, the following:

1. State Farm agrees to submit future notices of producer terminations for reasons set forth in §375.141, within 30 days following the effective date of the termination.

2. State Farm agrees to maintain an accurate register of all insurance producers who are authorized to sell, solicit or negotiate contracts of insurance on behalf of the insurer pursuant to §375.022.1.

C. **Compliance.** State Farm agrees to file documentation with the Division, in a format acceptable to the Division, within 10 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation.

E. **Voluntary Forfeiture.** State Farm agrees, voluntarily and knowingly, to surrender

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<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations.

and forfeit the sum of \$750.00 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. **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.

G. **Waivers.** State Farm, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for 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. 372987.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and State Farm.

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

J. **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.

K. **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.

L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director approving this Stipulation.

M. **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: January 19, 2022



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Teresa Kroll, Chief Market Conduct Examiner  
Division of Insurance Market Regulation

DATED: 1-17-2022



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Bill Roundtree  
VP-Agency Sales for Missouri, NE Arkansas, and  
SE Kansas  
State Farm Mutual Automobile Insurance Company