

File Nos. 31060/TJP  
31061/JMB  
31781/JMB  
31782/JMB  
31783/JMB  
34425/TJP  
E-Case No. 1236

**STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority  
of Farmers Insurance Exchange  
a California entity licensed  
to do business in the State of Minnesota  
NAIC No. 21652

**CONSENT ORDER**

To: Farmers Insurance Exchange  
6303 Owensmouth Avenue  
Woodland Hills, CA 91367

1. Commissioner of Commerce Mike Rothman (hereinafter, the "Commissioner") has advised Farmers Insurance Exchange (hereinafter, "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2014) and other applicable law against Respondent's Certificate of Authority to engage in the business of insurance in Minnesota, based on allegations that Respondent (1) failed to fully comply with multiple requests from the Commissioner and (2) provided inaccurate and incomplete information in response to a request from the Commissioner, in violation of Minn. Stat. § 45.027, subs. 1(a), 7(a)(3) (2014).

2. Respondent acknowledges that it has been advised of its right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination

after a hearing. Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2014) and Minn. R. 1400.5900 (2013).

4. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 6 (2014), Respondent shall pay to the State of Minnesota a civil penalty in the amount of \$10,000.00.

**IT IS FURTHER ORDERED**, Respondent shall:

- A. Develop and implement a corrective action plan (the "Plan") to ensure that requests from the Commissioner are fully and timely complied with within sixty (60) days of the effective date of this Order; and
- B. Provide a detailed report regarding the Plan to the Commissioner within ninety (90) days of the effective date of this Order.

**IT IS FURTHER ORDERED**, Respondent shall pay all costs associated with the implementation of the Plan.

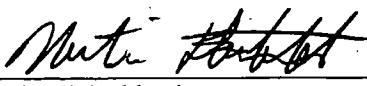
**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5(a) (2014), Respondent shall cease and desist from any further violations of Minn. Stat. § 45.027 (2014).

This Order shall be effective upon signature on behalf of the Commissioner.

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Dated: 4-24-2015

MIKE ROTHMAN  
Commissioner

By:   
Martin Fleischhacker  
Assistant Commissioner of Enforcement

85 Seventh Place East, Suite 500  
Saint Paul, MN 55101  
(651) 539-1538

**CONSENT TO ENTRY OF ORDER**

The undersigned, acting on behalf of Farmers Insurance Exchange ("Respondent"), states that s/he has read the foregoing Consent Order; that s/he knows and fully understands its contents and effect; that s/he has been advised of Respondent's right to a hearing in this matter and expressly waives that right; that Respondent has been represented by legal counsel in this matter; and that s/he consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

**Farmers Insurance Exchange**

By: *Nicholas L. McLarty*

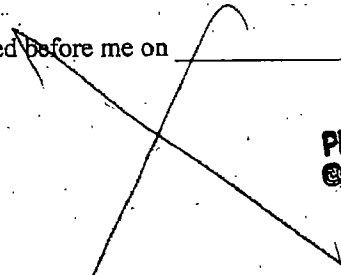
Its: *Vice President and Head of State and Federal Affairs of Farmers Group, Inc., attorney in fact for Farmers Insurance Exchange*

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Signed or attested before me on \_\_\_\_\_ (date)

(stamp)



**Please See Attached  
CA Notary Certificate**

\_\_\_\_\_  
(Signature of notary officer)

\_\_\_\_\_  
Title (and Rank)

My Commission expires: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

\*\*\*\*\*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

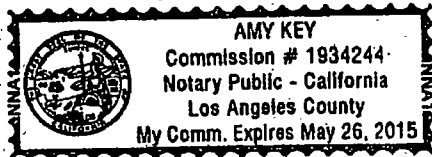
On April 20, 2015 before me, Amy Key, Notary Public

personally appeared Victoria L. McCarthy

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: Amy Key  
Signature of Notary Public

Place Notary Seal and/or Stamp Above  
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