

File No. 32601/TLB
E-Case 1282

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority
of State Farm Mutual Automobile Insurance
Company, an Illinois corporation licensed
to do business in the State of Minnesota
NAIC No. 25151

CONSENT ORDER

To: State Farm Mutual Automobile Insurance Company
One State Farm Plaza
Bloomington, Illinois 61710

Commissioner of Commerce Mike Rothman ("Commissioner") has determined as follows:

1. The Commissioner has advised State Farm Mutual Automobile Insurance Company ("Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2016), and other applicable law, against Respondent's Certificate of Authority to engage in the business of insurance in Minnesota based on allegations that certain of Respondent's Minnesota insurance producers purchased leads from a "lead-generator" company, with the lead generator obtaining leads by providing false and misleading information to Minnesota consumers by improperly identifying itself as acting on behalf of a government agency in violation of Minn. Stat. §§ 45.027 and 72A.20, subd. 2 (2016) and Minn. Rules 2790.0800, subp. 3, and 2790.2100 (2015).
2. Respondent acknowledges that it has been advised of its rights 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 an informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2016) and Minn. R. 1400.5900 (2015).

4. With respect to the foregoing allegations, there have been no hearings, findings of fact or conclusions of law. This Consent Order constitutes a negotiated settlement of these disputed allegations.

5. By entering into this Consent Order, Respondent shall not be deemed to have waived any rights in any subsequent action, civil or regulatory, or be estopped from raising any issue or argument in any subsequent proceeding.

6. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. § 45.027, subd. 6 (2016), that Respondent shall pay to the state of Minnesota a civil penalty of \$50,000.

IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, subd. 5(a) (2016), that Respondent shall not knowingly use a "lead generator" that provides false and/or misleading information to Minnesota consumers and shall provide written notice to its Minnesota insurance producers prohibiting the use of a "lead generator" that provides such information.

IT IS FURTHER ORDERED, that Respondent shall instruct its Minnesota insurance producers to comply with all Minnesota laws and regulations, which include Minn. Stat. §§ 45.027 and 72A.20, subd. 2 (2016) and Minn. Rules 2790.0800, subp. 3, and 2790.2100 (2015).

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

Dated: 2-9-2017

MIKE ROTHMAN
Commissioner

By: 

MARTIN FLEISCHHACKER
Assistant Commissioner of Enforcement

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

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of State Farm Mutual Automobile Insurance Company ("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 these matters, or has been advised of its right to be represented by legal counsel and expressly waives that right; 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.

State Farm Mutual Automobile Insurance Company

By: Suzanne Shambrook / Suzanne Shambrook

Its: Vice President Agency - Sales / Administration

STATE OF Arizona

COUNTY OF Maricopa

Signed or attested before me on 1/26/17 (date)

(stamp)

Catherine Thompson
(Signature of notary officer)

Executive Secretary
Title (and Rank)

My Commission expires: 12/16/17

