



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Director

June 23, 2022

Mr. Michael L. Tipsord, President
State Farm Mutual Group
One State Farm Plaza
Bloomington, IL. 61710

Re: MGA Insurance Company Inc., NAIC 40150
State Farm Mutual Automobile Insurance Company, NAIC 25178
Market Conduct Examination Verified Report

Dear Mr. Tipsord,

A Market Conduct Examination of your companies was conducted by an authorized examiner designated by the Director of the Illinois Department of Insurance (“Department”) pursuant to Illinois Insurance Code (“Code”) Sections 132, 132.5(f), 404(1)(a) and 404(1)(c). This examination covered the period of January 1, 2019, through March 31, 2022. Enclosed with this letter is a copy of the verified examination report.

The examination report is a public document under the Freedom of Information Act (“FOIA”) [5 ILCS 140/1 *et seq.*] and will be posted on the Department’s website. To the extent that the examination report contains information that your Company deems private, personal, or trade secret pursuant to Sections 7(1)(b), (c), or (g) of FOIA [5 ILCS 140/7(b), (c), and (g)], your Company may request that the Department redact such information from the report prior to making it public. In making a request for confidentiality, your Company must provide a factual basis for its assertion of confidentiality. The Department will consider the request and determine whether such information is exempt from disclosure under Section 7 of FOIA.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
Erica.Weyhenmeyer@Illinois.gov

Company Name: MGA Insurance Company, Inc.	CoCode:	40150	Group Code:	176									
Private Passenger Auto Liability	Accident Quarter												
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021	
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	0	0	0	0	0	0	0	0	2,764	10,519	13,778	17,179	
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	0	0	0	0	0	0	0	0	8,799	33,484	43,856	54,679	
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	0	0	0	0	0	0	0	
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense	0	0	0	0	0	0	0	0	0	0	0	0	
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	0	0	0	0	0	0	0	0	0	35,809	4,135	5,055	
(7) Net Ultimate Adjusting & Other	0	0	0	0	0	0	0	0	0	151	0	0	
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	0	0	0	0	0	0	0	0	2	7	11	6	
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	0	1	1	
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	31.4%	138.8%	40.8%	40.7%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	31.4%	138.8%	40.8%	40.7%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0	5,116	376	842

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

All data provided in rows (2)-(9) will be considered public.

"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Company Name: MGA Insurance Company, Inc.	CoCode:	40150	Group Code:	176								
Private Passenger Auto Physical Damage	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below	0	0	0	0	0	0	0	0	602	2,594	3,994	6,796
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend	0	0	0	0	0	0	0	0	1,905	8,205	12,633	21,494
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium	0	0	0	0	0	0	0	0	0	0	0	0
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense	0	0	0	0	0	0	0	0	0	0	0	0
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses	0	0	0	0	0	0	0	0	10,629	2,847	2,407	28,926
(7) Net Ultimate Adjusting & Other	0	0	0	0	0	0	0	0	0	0	0	402
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)	0	0	0	0	0	0	0	0	1	3	5	9
(9) Open Claim Counts	0	0	0	0	0	0	0	0	0	0	0	1
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	589.5%	66.3%	50.7%	168.1%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	589.5%	66.3%	50.7%	168.1%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	10,629	949	481	3,214

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Claim counts should be reported net of quota share reinsurance.

Company Name: State Farm Mutual Automobile Insurance Company	CoCode:	25178	Group Code:	176								
Private Passenger Auto Liability	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 -2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below				320,158,512				316,346,300				294,635,608
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				1,255,003,998				1,217,788,474				1,154,036,592
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				-				68,281,257				-
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				-				-				-
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				855,478,432				693,948,791				861,688,612
(7) Net Ultimate Adjusting & Other				145,127,427				120,862,385				155,407,276
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				119,327				81,335				97,448
(9) Open Claim Counts				2,801				3,686				12,653
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	105.2%	#DIV/0!	#DIV/0!	#DIV/0!	98.4%	#DIV/0!	#DIV/0!	#DIV/0!	113.7%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	105.2%	#DIV/0!	#DIV/0!	#DIV/0!	92.9%	#DIV/0!	#DIV/0!	#DIV/0!	113.7%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	7,169	#DIV/0!	#DIV/0!	#DIV/0!	8,532	#DIV/0!	#DIV/0!	#DIV/0!	8,843

Notes:

Data from row (1) will be made available on an all company weighted average frequency basis. Data will not be publicly released on an individual company basis.

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"Net" refers to net of reinsurance and salvage & subrogation.

Claim counts should be reported net of quota share reinsurance.

Submission Notes:

- Earned Vehicle Exposures for insureds is considered proprietary and is to remain confidential pursuant to the issued integratory and the authority of the Department of Insurance.

- Experience includes both State Farm Mutual Automobile Insurance Company (State Farm Mutual) and State Farm Fire and Casualty Company (State Farm Fire) as 100% of State Farm Fire Private Passenger business is assumed by State Farm Mutual under reinsurance agreements. State Farm Mutual represents approximately 97 percent of IL Private Passenger book of business.

- State Farm Mutual provided COVID-19 related relief in the form of Dividends while State Farm Fire provided premium refunds. Both are represented in item (4) accounted for as premium.

Company Name: State Farm Mututal Automobile Insurance Company	CoCode:	25178	Group Code:	176								
Private Passenger Auto Physical Damage	Accident Quarter											
Statewide data (Illinois only) as of 3/31/2022	Q1 - 2019	Q2 - 2019	Q3 - 2019	Q4 - 2019	Q1 - 2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 - 2021	Q2 - 2021	Q3 - 2021	Q4 - 2021
(2) All expenses other than loss adjustment expenses, excluding amounts from item 5 below				262,550,816				272,745,008				264,645,992
(3) Net Earned Premium Before Application of any COVID-19 Related Premium Credit/Refund/Dividend				1,052,542,322				1,067,967,717				1,060,251,598
(4) The Amount of any COVID-19 Related Premium Credit/Refund/Dividend accounted for as premium				-				59,833,103				-
(5) The Amount of any COVID-19 Related Credit/Refund/Dividend accounted for as expense				-				-				-
(6) Net Ultimate Incurred Losses and Defense and Cost Containment Expenses				746,020,284				664,286,070				901,719,653
(7) Net Ultimate Adjusting & Other				112,670,719				103,691,734				117,248,698
(8) Ultimate Reported Claim Counts (excluding Claims Closed without Payment)				491,616				391,702				456,624
(9) Open Claim Counts				51				148				3,443
Post-refund combined ratio (6+7+2+5)/(3-4)	#DIV/0!	#DIV/0!	#DIV/0!	106.5%	#DIV/0!	#DIV/0!	#DIV/0!	103.2%	#DIV/0!	#DIV/0!	#DIV/0!	121.1%
Pre-refund combined ratio (6+7+2)/(3)	#DIV/0!	#DIV/0!	#DIV/0!	106.5%	#DIV/0!	#DIV/0!	#DIV/0!	97.4%	#DIV/0!	#DIV/0!	#DIV/0!	121.1%
Claims severity (6)/(8)	#DIV/0!	#DIV/0!	#DIV/0!	1,517	#DIV/0!	#DIV/0!	#DIV/0!	1,696	#DIV/0!	#DIV/0!	#DIV/0!	1,975

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