



# COMMISSIONER OF SECURITIES AND INSURANCE

Troy Downing  
Commissioner

Office of the  
Montana State Auditor

FOR IMMEDIATE RELEASE

## **Commissioner Downing Announces Historic Settlement with State Farm Regarding Unfair Claim Settlement Practices**

*The parties agreed that certain auto accident claimants were inappropriately denied payment.*

**Helena, MT, February 6, 2024**—Troy Downing, the Montana Commissioner of Securities and Insurance (CSI), announced today a settlement with State Farm Mutual Automobile Insurance Co. (State Farm), wherein State Farm agrees to pay a \$2 million fine and to be subject to an additional suspended fine of \$2 million that will be discharged upon State Farm satisfactorily implementing corrective actions.

*“Today we send a clear message that Montana will not tolerate unsupported fault being placed on victims of auto accidents,” said Commissioner Downing. He continued, “I expect insurance companies to complete a full, fair, and transparent examination of the facts and law and to pay what is owed as required by law.”*

The settlement arises out of CSI’s two-year examination of State Farm’s claim handling practices that revealed State Farm had underpaid some drivers who were in accidents with State Farm’s insureds from November 1, 2018, through April 15, 2022. This is one of the largest settlements of its kind in the CSI’s history.

In addition, CSI’s settlement and associated order will require State Farm to re-evaluate all affected claims between November 1, 2018, through the end date of the examination, in a manner consistent with Montana law and pay any additional money that may be owed to Montana consumers. As a result of the CSI’s examination, State Farm reports that it has already reviewed over 2,436 Montana claims and made an additional \$1,182,927.43 in payments to Montana consumers.

*While Commissioner Downing is “troubled by State Farm’s past conduct,” he expressed his appreciation to State Farm for their cooperation with CSI and efforts “to make this right.”*

For inquiries: Laura Shirliff, CSI Communications, at 406.444.0903 or [laura.shirliff@mt.gov](mailto:laura.shirliff@mt.gov).

*The Montana State Auditor, Commissioner of Securities and Insurance is the state regulator of the insurance and securities industries for the state of Montana. The State Auditor is also an ex officio member of the Montana Board of Land Commissioners. Troy Downing was elected State Auditor in 2020.*

###