SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into, on the one hand, by Ann Gillespie, in her official capacity as the Director of the State of Illinois Department of Insurance (the "Director") and the Illinois Department of Insurance (the "Department"), and on the other hand, by several State Farm entities, including State Farm Mutual Automobile Insurance Company, State Farm Fire and Casualty Company, State Farm General Insurance Company, and Oglesby Reinsurance Company (collectively "State Farm").

WHEREAS, the Director filed a lawsuit against the aforementioned State Farm entities, entitled Ann Gillespie v. State Farm Fire and Casualty Insurance Company, et al., Case No. 2025CH10454, in the Circuit Court of Cook County, Illinois, on October 10, 2025, naming State Farm Mutual Automobile Insurance Company, State Farm Fire and Casualty Insurance Company, State Farm General Insurance Company, and Oglesby Reinsurance Company, as Defendants, and seeking declaratory and injunctive relief; and

WHEREAS, the Director asserted in that lawsuit that State Farm had failed properly to respond to her requests for homeowners insurance transaction data for all states through the Target Exams (as defined below); and

WHEREAS, State Farm asserted the Director did not have the authority to request extraterritorial data pursuant to the specific circumstances of the Target Exams (as defined below) and raised additional defenses to the Director's claims; and

WHEREAS, the Parties now wish to move beyond the pending litigation; and

NOW, THEREFORE, in accordance with the foregoing recitals, and in consideration of the Parties' mutual agreement to the terms of this Agreement, and in view of such other good and valuable consideration as described herein, the sufficiency of which is hereby acknowledged, the aforementioned Parties hereby agree as follows:

1. The foregoing recitals are incorporated into, and form a material part of, this Agreement.

2. The Director regulates insurers doing business in Illinois, including domestic companies with their headquarters in Illinois.

3. State Farm Mutual Automobile Insurance Company ("State Farm Mutual") is a mutual insurance company organized under the laws of the State of Illinois, is headquartered in Bloomington, Illinois, and maintains its principal place of business in the State of Illinois.

4. State Farm Fire and Casualty Company ("State Farm Fire") is a domestic insurance company organized under the laws of the State of Illinois, is headquartered in Bloomington, Illinois, and maintains its principal place of business in the State of Illinois.

5. State Farm General Insurance Company ("State Farm General") is a domestic insurance company headquartered in Bloomington, Illinois.

6. Oglesby Reinsurance Company ("Oglesby") is a domestic stock reinsurance company, headquartered in Bloomington, Illinois, and doing business in the State of Illinois.

No Admission of Liability

7. The aforementioned Parties have entered into this Agreement without trial of any issue or fact. Nothing contained herein may be taken or construed to be an admission of a violation of any state or federal law or regulation, or of any administrative order, bulletin, or other directive of the Director or any other official. Additionally, nothing contained herein may be taken or construed to be an admission of any matter of fact, or any liability or wrongdoing whatsoever, nor shall it constitute any evidence or finding supporting any of the allegations in this case by the Director or by the Attorney General on her behalf or on behalf of the Department.

Terms Not Already Defined

8. The "Litigation" means the lawsuit entitled Ann Gillespie v. State Farm Fire and Casualty Insurance Company[1], et al., Case No. 2025CH10454, in the Circuit Court of Cook County, Illinois, which the Director filed on October 10, 2025, naming State Farm Mutual Automobile Insurance Company, State Farm Fire and Casualty Company, State Farm General Insurance Company, and Oglesby Reinsurance Company, as Defendants, and seeking declaratory and injunctive relief.

9. The "Target Exams" were four Target Financial Examinations initiated by Target Financial Examination Warrants issued by then Acting Director Gillespie against State Farm Fire and Casualty Insurance Company, Farm Mutual Automobile Insurance Company, State Farm General Insurance Company, and Oglesby Reinsurance Company, on November 15, 2024.

10. The "Part A Data Requests" means the homeowners insurance transaction data the Director sought from State Farm for all states through the Target Exams.

11. The "Parties" are Ann Gillespie, in her official capacity as the Director of the State of Illinois Department of Insurance, the Illinois Department of Insurance, State Farm Mutual, State Farm Fire, State Farm General, and Oglesby.

Acknowledgement of Department's Regulatory Authority

12. The Parties agree that:

a. The Director has broad powers, authorized by and subject to laws such as and including 215 ILCS 5/131.21, 5/132.3, 5/401, and 5/425, and subject to 15 U.S.C. §§ 1011-1015, to examine or investigate insurance companies registered to do business in the State of Illinois;

[1] The Parties agree that although the Director named State Farm Fire and Casualty Insurance Company, the Director intended to name State Farm Fire and Casualty Company, as there is no State Farm entity by the name of State Farm Fire and Casualty Insurance Company.

b. In scheduling and determining the nature, scope, and frequency of financial examinations under 215 ILCS 5/132.3, the Director may consider the results of financial statement analysis and ratios, changes in management or ownership, actuarial opinions, and reports of independent certified public accountants, see 215 ILCS 5/132.3(a);
c. The Director may examine an insurer's practices outside of Illinois if those practices relate to an appropriate subject for examination under the statutes conferring examination powers on the Director;
d. Within the scope of an authorized financial examination, and as provided by law, the Director may demand access to all books, records, accounts, papers, documents, and any or all computer or other recordings relating to the property, assets, business, and affairs of the company being examined, 215 ILCS 5/132.4(b), including as to an insurer's practices outside of Illinois to the extent described in paragraph 12(c); and
e. Within the scope of an authorized insurance holding company system examination, and as provided by law, the Director may order any company registered under 215 ILCS 5/131.13 to produce information not in the possession of the company if the company can obtain access to such information pursuant to contractual relationships, statutory obligations, or other methods, including as to a company's practices outside of Illinois to the extent described in paragraph 12(c).

The Parties agree that the foregoing are correct statements of law applicable to future actions or proceedings arising under the Illinois Insurance Code. This Agreement does not limit or waive any authority otherwise conferred on the Director by law.

Closure of Target Financial Examinations

13. The Director and Department agree to withdraw the warrants initiating the Target Exams and to close the Target Exams without any findings of any kind.

14. The Director and Department state that they do not presently intend to renew the Part A Data Requests.

Dismissal of the Litigation

15. The Parties agree to submit to the Court within five (5) business days of the execution hereof an agreed order of dismissal, with prejudice, with all Parties to bear their own costs and expenses, and with the court to retain jurisdiction to enforce the Agreement. The Agreement is deemed executed only upon the signature of all Parties.

Counterparts

16. This Agreement may be executed in counterparts, each of which shall constitute an original counterpart thereof and all of which shall constitute one and the same document. One or more counterparts of this Agreement may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart thereof.

Complete Agreement

17. This Agreement constitutes the entire understanding and agreement among the Parties with respect to the Litigation. This Agreement may not be amended except by written consent of the Parties.

18. No Party shall be deemed to be the author of this Agreement or any particular term, provision, or condition of this Agreement.

[redacted]

Director Ann Gillespie

Illinois Department of Insurance

Date: 9/8/2026

[redacted]

Illinois Department of Insurance

Date: 9/8/2026

Jenny Mayes

State Farm Mutual Automobile Insurance Company, Vice President-Counsel

State Farm Fire and Casualty Company, Assistant Secretary-Treasurer

State Farm General Insurance Company, Assistant Secretary-Treasurer

Oglesby Reinsurance Company, Assistant Secretary-Treasurer

Date: _____

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Director Ann Gillespie

Illinois Department of Insurance

Date: _____

Illinois Department of Insurance

Date: _____

[redacted]

Jenny Mayes

State Farm Mutual Automobile Insurance Company, Vice President-Counsel

State Farm Fire and Casualty Company, Assistant Secretary-Treasurer

State Farm General Insurance Company, Assistant Secretary-Treasurer

Oglesby Reinsurance Company, Assistant Secretary-Treasurer

Date: September 10, 2026