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State Division of Insurance Levies Large Monetary Penalty

PIERRE, S.D. – The South Dakota Division of Insurance (DOI) has reached a settlement that will assess the Farmers Insurance Group and Foremost Insurance Group a monetary penalty totaling \$750,000.

The DOI examination of the property and casualty insurer found various deficiencies in the companies' practices that needed to be corrected.

"We have concerns any time an insurance law is violated in our state," said Larry Deiter, State Insurance Director. "The number of violations in this particular report was a significant reason for the monetary penalty."

Specific violations and corrective action are listed in the examination report. The examination report must remain confidential for 30 days pursuant to SDCL 58-3-14. The director will open the report for public inspection on July 6, 2015, at which time it will be available on the [DOI website](#).

"The message today is we have processes in place to protect consumers," said Deiter. "Past wrongs have or will be righted, and potential future harm to South Dakota consumers will be prevented."

Five insurance companies within the Farmers and Foremost groups were examined. The Farmers Insurance Group companies that were part of the examination are Farmers Insurance Exchange, Fire Insurance Exchange and Mid Century Insurance Company. The Foremost Insurance Group companies are Foremost Insurance Company and Foremost Property and Casualty Insurance Company.

"We provide a clear set of rules for all companies to play by and have a duty to hold companies accountable," Deiter added.

The Division's mission is to protect the public and make insurance available and affordable by efficiently providing quality assistance, providing fair regulation for industry, and promoting a healthy, competitive insurance market.