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Via Electronic Delivery

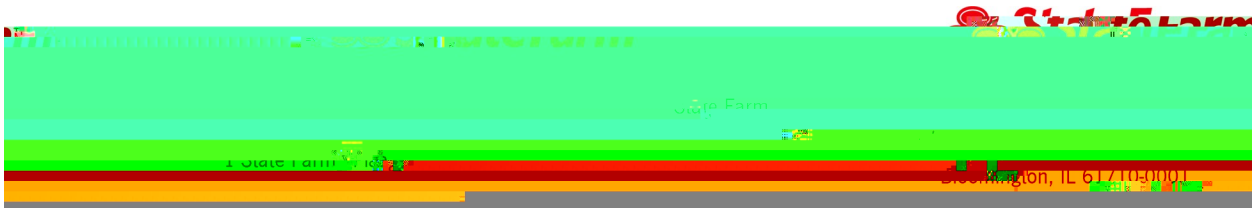
Mr. Damion Hughes, Chair
Director of Market Regulation
Department of Regulatory Agencies
Division of Insurance
1560 Broadway, Suite 850
Denver, Colorado, 80202

Attention: Ms. Petra Wallace

RE: NAIC Market Conduct Examination Guidelines (D) Working Group Chapter 20 Proposed Changes

Mr. Hughes:

State Farm Mutual® Automobile Insurance Company and its affiliates ("State Farm"), appreciate the opportunity to submit these comments concerning the exposed draft of revisions to Chapter 2



The MCE should not duplicate efforts of the lead state's or domestic regulator's financial solvency review of domestic regulated insurers. The lead state or domestic regulator maintains the authority to provide exemptions from the GCC and liquidity stress tests and are given the responsibility of compliance for these provisions and the annual review of these filings. As a national writer of property and casualty insurance, State Farm could possibly be under examination by multiple states simultaneously that are not a domestic or lead state regulator and who ultimately does not have responsibility for compliance and/or evaluation of the GCC or liquidity stress filings. State Farm believes that the MCE should be focused on applicable state marketplace laws of the state conducting the MCE and whether there is compliance in those marketplace laws. The MCE should not concern financial solvency and its evaluation tools when the authority and responsibility has been given to the lead state or domestic regulator. State Farm respectfully requests that the revisions to Chapter 21 under the Operations/Management Standards on pages 7 and 8 be removed.

However, State Farm supports the revisions to include the listing of the Insurance Holding Cos 0.8 (i)-4.6 (n.6 (d)).