

State Farm, Plaintiffs Reach Compromise in Hale Class Action

Plaintiffs and State Farm Mutual Automobile Insurance Company (“State Farm”) announce they have reached a compromise agreement to resolve the *Hale v. State Farm* class-action litigation pending in the United States District Court for the Southern District of Illinois.

The *Hale* litigation arose from the earlier class-action lawsuit, *Avery v. State Farm*. *Avery* involved a challenge to the quoting or specification of aftermarket non-Original Equipment Manufacturer vehicle repair parts in the 1980s and 1990s. *Avery* resulted in a jury verdict in 1999, amounting to a \$1 billion judgment against State Farm. That judgment was reversed by the Illinois Supreme Court in August 2005. In *Hale*, the plaintiffs allege that State Farm violated federal law by improperly influencing the Illinois Supreme Court’s decision to reverse the *Avery* judgment.

Plaintiffs and State Farm have agreed to settle the *Hale* litigation for \$250 million because they believe it is in the best interest of all the parties and to avoid protracted litigation and appeals that could continue for several more years. The settlement provides benefits to the over four million current and former State Farm policyholders who were members of the class in *Avery*.

As a part of the settlement, Plaintiffs have agreed to dismiss, upon final approval, their RICO claims and unjust enrichment claims. The settlement agreement will include recitals that State Farm denies liability, that it considers the claims to be without merit, that it considers that it is settling under the unjust enrichment claim, and that the settlement is made simply to bring an end to the entire litigation.

About State Farm®:

The mission of State Farm is to help people manage the risks of everyday life, recover from the unexpected, and realize their dreams. State Farm and its affiliates are the largest providers of [auto](#) and [home](#) insurance in the United States. Its nearly 19,000 agents and approximately 65,000 employees serve approximately 83 million policies and accounts – approximately 81 million auto, fire, life, health and commercial policies and approximately 2 million [bank](#) accounts. [Commercial auto insurance](#), along with coverage for [renters](#), [business owners](#), [boats](#) and [motorcycles](#), is available. State Farm Mutual Automobile Insurance Company is the parent of the State Farm family of companies. State Farm is ranked No. 36 on the 2018 Fortune 500 list of largest companies. For more information, please visit <http://www.statefarm.com>.