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IN THE CIRCUIT COURT OF THE NINETEENTH JUDICIAL CIRCUIT
LAKE COUNTY, ILLINOIS

PULERA COLLISION, INC., a Wisconsin)
Corporation, ARMANDO'S COLLISION)
CENTER, INC., a Wisconsin Corporation,)
JAY-BEE COLLISION REPAIR CENTER,)
INC., a Wisconsin Corporation,)

Plaintiffs,)

v.)

STATE FARM MUTUAL AUTOMOBILE)
INSURANCE COMPANY, an Illinois)
Mutual Insurance Company,)

Defendant.)

No. 16 CH 821

FILED
JUL 14 2017
Erica Carlsberg Wisconsin
CIRCUIT CLERK

**STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY'S ANSWER TO
PLAINTIFFS' FIRST AMENDED COMPLAINT**

Defendant State Farm Mutual Automobile Insurance Company ("State Farm"), subject to all its defenses, for its Answer to Plaintiffs' First Amended Complaint ("Complaint") states as follows:

Parties

1. Plaintiff PULERA COLLISION, INC. ("Pulera"), is a Wisconsin Corporation headquartered in Kenosha County in the State of Wisconsin.

Answer: State Farm admits the allegations in paragraph 1 on information and belief.

2. Plaintiff ARMANDO'S COLLISION CENTER, INC. ("Armando's"), is a Wisconsin Corporation headquartered in Kenosha County in the State of Wisconsin.

Answer: State Farm admits the allegations in paragraph 2 on information and belief.

3. Plaintiff JAY-BEE COLLISION REPAIR CENTER, INC. ("Jay-Bee"), is a Wisconsin Corporation headquartered in Kenosha County in the State of Wisconsin. The entities described in the foregoing paragraphs are collectively referred to as "Plaintiffs".

Answer: State Farm admits the allegations in paragraph 3 on information and belief.

4. Defendant STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY (“State Farm”), is an Illinois Mutual Reserve Insurance Company headquartered in Bloomington, Illinois does business throughout the State of Illinois and nationwide.

Answer: State Farm denies that it is an Illinois Mutual Reserve Insurance Company. It is a mutual insurance company organized under the laws of the State of Illinois. State Farm denies that it “does business nationwide,” but admits that it is licensed in every state and the District of Columbia. State Farm admits the remaining allegations in paragraph 4.

VENUE

5. Venue is proper pursuant to 735 ILCS 5/2-101 as State Farm was at all times relevant to this action headquartered in the State of Illinois and remains headquartered in the State of Illinois. Further, Plaintiffs do business with consumers in Lake County, Illinois.

Answer: Paragraph 5 contains legal conclusions to which no response is required. To the extent a response is required, State Farm admits the allegations in paragraph 5.

6. An actual case or controversy has arisen between the parties.

Answer: Paragraph 6 contains legal conclusions to which no response is required. To the extent a response is required, State Farm admits the allegations in paragraph 6.

7. Plaintiffs have been injured by State Farm’s conduct, described herein, and have suffered damages resulting therefrom.

Answer: State Farm denies the allegations in paragraph 7.

STATEMENT OF FACTS

8. Defendant State Farm is the largest provider of automobile insurance in the State of Illinois, State of Wisconsin and in the nation.

Answer: State Farm denies the allegations in paragraph 8.

9. Plaintiffs are engaged in the business of providing collision repair, commonly referred to as a “body shop”, to the general public, including consumers in Lake County, Illinois.

Answer: State Farm admits the allegations in paragraph 9.

10. As a day-to-day aspect of operating a body shop, Plaintiffs repair customer vehicles. The vast majority of those repairs are paid for by automobile insurance.

Answer: State Farm admits that Plaintiffs repair vehicles. State Farm lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 10, and therefore denies the same.

11. Upon information and belief, State Farm is the largest provider of automobile insurance in the area.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 11, and therefore denies the same.

12. A large number of Plaintiffs’ customers are insured by State Farm.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 12, and therefore denies the same.

13. Plaintiffs have been in business for a number of years and have worked hard to establish reputations as high quality body shops.

Answer: State Farm admits that Plaintiffs have been in business for a number of years. State Farm lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 13, and therefore denies the same.

14. As a result of Plaintiffs reputation in the community, they each have a significant number of repeat customers, both individual consumers and “fleet” customers.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 14, and therefore denies the same.

15. Recognizing the above, all Plaintiffs enrolled in State Farm’s “Select Service Agreement” to become “Select Service Providers” (a copy of this agreement is attached hereto as Exhibit “A”).

Answer: State Farm admits that Plaintiffs were previously Select Service Providers and executed Select Service Agreements. State Farm further admits that a copy of the Armando’s Collison Center Select Service Agreement is attached to the Complaint as Exhibit A. State Farm lacks knowledge of information sufficient to form a belief about the truth of the remaining allegations in paragraph 15, and therefore denies the same.

16. As part of being a “Select Service Provider” each of the individual Plaintiffs had to strictly comply with the terms of State Farm’s “Select Service Agreement”.

Answer: State Farm admits that, in general, Select Service Providers are required to comply with the terms of the Select Service Agreement entered into between each provider and State Farm. State Farm is currently without knowledge as to whether any Plaintiff may have been excused from compliance with some particular term, or failed to comply with a particular term, and, therefore, denies the remaining allegations in paragraph 16.

17. As part of maintaining their status as a “Select Service Provider” the individual Plaintiffs had to expend a significant amount of financial resources on training their employees and updating their equipment so as to comply with State Farm’s “Select Service Agreement”.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 17, and therefore denies the same.

18. All Plaintiffs had been State Farm “Select Service Providers” for a number of years.

Answer: State Farm admits the allegations of paragraph 18.

19. Part of maintaining one’s status as a “Select Service Provider” is to charge a Labor Rate, which as determined by State Farm, is appropriate for the region where a body shop is located.

Answer: State Farm admits that the Select Service Agreements agreed to by Plaintiffs contained provisions addressing the ways in which their labor rates would be determined. State Farm states that the provisions of the Agreement speak for themselves, denies these allegations to the extent they are inconsistent with the contract and otherwise denies the remaining allegations in paragraph 19.

20. On November 5, 2015, State Farm sent a correspondence to Pulera indicating that it would be unilaterally reducing the Labor Rate for collision repair for all Select Service Providers from \$56.00 per hour to \$50.00 per hour, a significant reduction.

Answer: State Farm admits that it sent correspondence to Pulera on November 5, 2015, informing Pulera, among other things, that prevailing competitive labor rates identified through State Farm’s survey process for Pulera had been reduced from \$56.00 per hour to \$50.00 per hour. State Farm admits that the communication was sent to multiple Select Service providers, but denies it was sent to all Select Service providers. State Farm states that the letter speaks for itself, denies the allegations to the extent they are inconsistent with the letter, and denies the remaining allegations in paragraph 20.

21. State Farm also reduced the corresponding paint and materials rate by \$6.00 per hour at the same time.

Answer: State Farm admits that it sent correspondence to Pulera on November 5, 2015, informing Pulera, among other things, that prevailing competitive

paint and materials rates identified through State Farm's survey process for Pulera had been set at \$30.00 per hour. State Farm states that the letter speaks for itself, denies the allegations to the extent they are inconsistent with the letter, and denies the remaining allegations in paragraph 21.

22. The last time the Labor Rate assigned to Kenosha County, Wisconsin had been as low as \$50.00 per hour was in 2008.

Answer: State Farm admits that prevailing competitive labor rates for Select Service Providers in Kenosha County, Wisconsin had been set above \$50.00 per hour between 2009 and 2015. State Farm denies the remaining allegations in paragraph 22 of the Complaint.

23. In making their Labor Rate determination, State Farm included Kenosha County, Wisconsin in the Chicago-Naperville-Elgin metro area.

Answer: State Farm admits that Kenosha County, Wisconsin is included in the Chicago-Naperville-Elgin Core-Based Statistical Area ("CBSA") as defined by the United States Office of Management and Budget. State Farm denies the remaining allegations in paragraph 23.

24. State Farm based their inclusion of Kenosha County, Wisconsin in the Chicago-Naperville-Elgin metro area on a survey document referred to as the "Core-Based Statistical Area" or CBSA (attached hereto as Exhibit "B").

Answer: State Farm admits that Kenosha County, Wisconsin is included in the Chicago-Naperville-Elgin CBSA as defined by the United States Office of Management and Budget. State Farm denies that it relied on the document attached to the Complaint as Exhibit B, which shows the Centers for Medicare and Medicaid's Proposed Calendar Year 2014 End Stage Renal

Disease Prospective Payment System Wage Indices for Urban Areas. State Farm denies the remaining allegations in paragraph 24.

25. The CBSA, which is not based on insurance law but, rather, is based on simple demographic data, includes Kenosha County, Wisconsin and Lake County, Illinois in the same demographic area.

Answer: State Farm admits that Kenosha County, Wisconsin and Lake County, Illinois are included in the Chicago-Naperville-Elgin CBSA as defined by the United States Office of Management and Budget. State Farm lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 25, and therefore denies the same.

26. The CBSA was not created to determine Labor Rates.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 26, and therefore denies the same.

27. The CBSA does not factor in differences between the laws of the respective states that it encompasses.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 27, and therefore denies the same.

28. State Farm included Kenosha County, Wisconsin in the aforementioned metro area with Lake County, Illinois despite the significant difference in insurance and general law between the State of Wisconsin and the State of Illinois, including, but not limited to:

- a. Wisconsin charging tax on labor;
- b. Differences in how a vehicle is determined to be a total loss, 70% threshold in Wisconsin whereas Illinois uses a formula cost of repair + salvage > actual cost of vehicle;
- c. Differences in state labor laws; and
- d. Differences in state workers compensation laws.

Answer: Paragraph 28 contains legal conclusions to which no response is required. To the extent a response is required, State Farm denies the allegations in paragraph 28.

29. Plaintiffs, attempted to resolve this issue of the erroneous Labor Rate calculation with State Farm through their respective agents.

Answer: State Farm denies the allegations in paragraph 29.

30. Plaintiffs sent several correspondences to State Farm, through State Farm's agents requesting that the error in the prevailing Labor Rate for Kenosha County, Wisconsin be corrected to properly reflect the differences between Kenosha County, Wisconsin and Lake County, Illinois.

Answer: State Farm admits that Plaintiffs sent correspondence to a State Farm employee concerning labor rates. State Farm denies that there were errors in the prevailing rate, states that the letters speak for themselves, denies the allegations to the extent they are inconsistent with the letters, and denies the remaining allegations in paragraph 30.

31. Upon information and belief, State Farm has left the Labor Rate, as well as the paint and materials rate for neighboring Racine County, Wisconsin unaffected.

Answer: State Farm admits that prevailing competitive labor rate identified through State Farm's survey process for Select Service Providers in Racine County, Wisconsin have not changed since November 2015. State Farm denies the remaining allegations in paragraph 31 of the Complaint.

32. State Farm, to date, has been unwilling to reconsider their erroneous Labor Rate calculation.

Answer: State Farm denies the allegations in paragraph 32.

33. Plaintiffs cannot afford to be competitive, or, indeed maintain their business at the Labor Rate State Farm dictates Plaintiffs may charge State Farm insureds.

Answer: State Farm denies the allegations in paragraph 33.

34. As a result, Plaintiffs are no longer listed as "Select Service Providers" by State Farm and on State Farm's website.

Answer: State Farm admits that Plaintiffs are no longer Select Service Providers and are no longer listed as such by State Farm or on State Farm's website. State Farm denies the remaining allegations in paragraph 34.

35. As a direct consequence of the above and State Farm's unilateral erroneous Labor Rate change, Plaintiffs have lost significant business.

Answer: State Farm denies the allegations in paragraph 35.

36. Upon information and belief, State Farm, through its agents has advised new customers both in Kenosha County, Wisconsin and Lake County, Illinois to not utilize Plaintiffs' body shops for automotive repairs.

Answer: State Farm denies the allegations in paragraph 36.

37. Upon information and belief, State Farm, through its agents have steered its insureds away from utilizing Plaintiffs' body shops for repairs.

Answer: State Farm denies the allegations in paragraph 37.

38. Upon information and belief, State Farm, through its agents has advised existing customers of Plaintiffs to no longer utilize their services.

Answer: State Farm denies the allegations in paragraph 38.

39. Upon information and belief, State Farm, through its agents has been steering business to other Kenosha area body shops who are listed as "Select Service Providers".

Answer: State Farm denies the allegations in paragraph 39.

40. Upon information and belief, State Farm has significantly reduced Plaintiffs' quality rating on State Farm's website.

Answer: State Farm denies the allegations in paragraph 40.

41. Upon information and belief, State Farm, through its agents has ceased sending any customers to Plaintiffs' body shops.

Answer: State Farm denies the allegations in paragraph 41.

COUNT I – DECLARATORY JUDGMENT

Plaintiffs' claim for Declaratory Judgment as set forth in paragraphs 42-53 of the Complaint was dismissed with prejudice per the Court's Order of June 9, 2017.

**COUNT II – TORTIOUS INTERFERENCE
WITH PROSPECTIVE ECONOMIC ADVANTAGE**

54. Plaintiffs incorporate the facts stated in Paragraphs 1 through 53 as if fully set forth herein as this Paragraph 54.

Answer: State Farm admits that Plaintiffs have incorporated the allegations in paragraphs 1 through 53 into this Count and restates its answers to paragraphs 1 through 53. State Farm denies the remaining allegations in Paragraph 54.

55. Plaintiffs had established relationships with numerous clients and businesses that utilized their services to the substantial benefit of Plaintiffs. Defendant State Farm knew of these relationships as a result of their insurance contract with Plaintiffs' clients.

Answer: State Farm denies the allegations in paragraph 55.

56. The conduct of Defendant State Farm as described above was designed to disrupt the economic relationships between Plaintiffs and their clients, and indeed, the relationships were disrupted as a result of Defendant State Farm's interference in that prospective customers and merchants have declined to do business with Plaintiffs as a result of the conduct of Defendant State Farm in advising its insureds to no longer do business with Plaintiffs' body shops.

Answer: State Farm denies the allegations in paragraph 56.

57. As a result of Defendant State Farm's interference with Plaintiffs' economic relationships, Plaintiffs have lost approximately 80% of their business with individual State Farm insured consumers.

Answer: State Farm denies the allegations in paragraph 57.

58. As a result of Defendant State Farm's interference with Plaintiffs' economic relationships, Plaintiffs have lost approximately of their business with State Farm insured "fleet" customers.

Answer: State Farm denies the allegations in paragraph 58.

59. Defendant State Farm's interference with Plaintiffs' economic relationships constitutes an unfair trade practice.

Answer: Paragraph 59 contains legal conclusions to which no response is required. To the extent a response is required, State Farm denies the allegations in paragraph 59.

60. As a proximate result of Defendant State Farm's conduct, Plaintiffs have suffered damages, and continue to suffer damages in an amount to be proven at trial.

Answer: Paragraph 60 contains legal conclusions to which no response is required. To the extent a response is required, State Farm denies the allegations in paragraph 60.

61. The conduct of Defendant State Farm in interfering with Plaintiffs' economic relationships was intentional, willful, and calculated to cause damage to Plaintiffs' lawful business.

Answer: State Farm denies the allegations in paragraph 61.

62. The conduct of Defendant State Farm was perpetrated with actual malice and ill will toward Plaintiffs, and with the intentional and improper purpose of causing damage. There was no justifiable cause for Defendant State Farm's actions. As a result, an award of punitive damages is warranted.

Answer: Paragraph 62 contains legal conclusions to which no response is required. To the extent a response is required, State Farm denies the allegations in paragraph 62 and denies that Plaintiffs are entitled to judgment or any relief.

COUNT III – BREACH OF CONTRACT

63. Plaintiffs incorporate the facts stated in Paragraphs 1 through 62 as if fully set forth herein as this Paragraph 63.

Answer: State Farm admits that Plaintiffs have incorporated the allegations in paragraphs 1 through 62 into this Count and restates its answers to paragraphs 1 through 62. State Farm denies the remaining allegations in Paragraph 63.

64. Each of the named Plaintiffs to this cause of action was a “Select Service Provider” and executed State Farm’s “Select Service Agreement”.

Answer: State Farm admits that each of the named Plaintiffs was a Select Service Provider and that each has previously executed a Select Service Agreement with State Farm. State Farm denies the remaining allegations in paragraph 64.

65. The “Select Service Agreement” described in the preceding paragraphs of this Complaint was a contract between Plaintiffs and State Farm.

Answer: Paragraph 65 contains legal conclusions to which no response is required. To the extent a response is required, State Farm admits that each Select Service Agreement with each named Plaintiff constituted a contract between State Farm and that Plaintiff. State Farm denies the remaining allegations in paragraph 65.

66. Plaintiffs performed each and every obligation they had under the terms of the “Select Service Agreement” with State Farm.

Answer: Paragraph 66 contains legal conclusions to which no response is required. To the extent a response is required, State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 66, and therefore denies the same.

67. Plaintiffs expended significant monies in maintaining compliance with the “Select Service Agreement”.

Answer: State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 67, and therefore denies the same.

68. Plaintiffs complied with the terms of the “Select Service Agreement” in good faith.

Answer: Paragraph 68 contains legal conclusions to which no response is required. To the extent a response is required, State Farm lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 68, and therefore denies the same.

69. Plaintiffs were never consulted by State Farm prior to State Farm unilaterally changing the Labor Rate for Kenosha County, Wisconsin.

Answer: State Farm admits that it did not communicate with Plaintiffs regarding the change to the prevailing competitive labor rates identified through State Farm's survey process prior to the November 5, 2015 correspondence. State Farm denies the remaining allegations in the paragraph.

70. State Farm breached the contract in one or more of the following ways, including, but not limited to:

- a. Unilaterally changed the Labor Rate from \$56.00 per hour to \$50.00 per hour based upon data and information contrary to the terms of the contract;
- b. Unilaterally reduced the paint and materials rate by \$6.00 per hour based upon data and information contrary to the terms of the contract;
- c. Unilaterally reduced Plaintiffs rating on State Farm's corporate website without justification;
- d. Unilaterally advised its insureds to no longer utilize Plaintiffs' services contrary to the terms of the contract; and
- e. Unilaterally began steering its insureds to other Kenosha area body shops contrary to the terms of the contract.

Answer: Paragraph 70 contains legal conclusions to which no response is required. To the extent a response is required, State Farm denies the allegations in paragraph 70.

71. As a result of, and proximately caused by the above breach, Plaintiffs have suffered damages including, but not limited to:

- a. Loss of business;
- b. Diminished reputation;
- c. Loss of goodwill; and
- d. General economic loss

Answer: State Farm denies the allegations in paragraph 71.

72. State Farm's above described breach was intentional and done in bad faith. There was no justifiable cause for Defendant State Farm's actions. As a result, an award of punitive damages is warranted.

Answer: Paragraph 72 contains legal conclusions to which no response is required. To the extent a response is required, State Farm denies the allegations in paragraph 72 and denies that Plaintiffs are entitled to judgment or any relief.

COUNT IV – COMMON LAW FRAUD

Plaintiffs' claim for Fraud as set forth in paragraphs 74-82 of the Complaint was dismissed with prejudice per the Court's Order of June 9, 2017.

AFFIRMATIVE DEFENSES

FIRST DEFENSE

1. Plaintiffs fail to state any claim upon which relief may be granted. In support of this Defense, State Farm incorporates the arguments made in its Motion to Dismiss Plaintiffs' First Amended Complaint.

SECOND DEFENSE

2. State Farm's liability, if any, is limited by the Select Service Agreement(s).
3. State Farm is a purchaser of collision repair services on behalf of those insured under its policies.
4. Plaintiffs are three providers of auto collision repair services (commonly called "body shops") located in Kenosha County, Wisconsin.
5. Plaintiffs are former members of State Farm's "Select Service" program. To participate in that program, each plaintiff entered into a Select Service Agreement with State Farm.

6. Section 5(p) of the Select Service Agreement provides:

Limitation of Liability. EXCEPT FOR THE INDEMNIFICATION LANGUAGE IN SECTION 5.O (HOLD HARMLESS), PROVIDER AGREES THAT: (1) UNDER NO CIRCUMSTANCES SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR ANY REASON WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF FIFTY THOUSAND DOLLARS (\$50,000) AND (2) UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY PROFITS, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.

7. Accordingly, the Select Service Agreement expressly limits State Farm's liability to each Plaintiff to \$50,000.00 for all claims against State Farm.

8. In addition, Plaintiffs cannot recover punitive, exemplary, consequential, indirect or incidental damages from State Farm.

THIRD DEFENSE

9. Each Plaintiff terminated its Select Service Agreement with State Farm. Plaintiffs' damages for breach of contract, if any, are limited by Plaintiffs' voluntary termination of the Select Service Agreements.

10. Plaintiff Armando's Collision Center, Inc. delivered written notice of termination of its Select Service Agreement in a December 29, 2015 letter from Tom Capponi to State Farm agent Tom Stumpf.

11. Plaintiff Jay-Bee Collision Repair Center, Inc. delivered written notice of termination of its Select Service Agreement in a December 31, 2015 letter from Tom Brand to Stumpf.

12. Plaintiff Pulera Collision Center, Inc. delivered written notice of termination of its Select Service Agreement in a January 4, 2016 letter from Randy Pulera to Stumpf.

13. Plaintiffs did not have privity of contract with State Farm after each terminated its Agreement. Nor did State Farm owe any Plaintiff any duty under the Agreements after termination. State Farm is not liable for any damages caused by its alleged breach of contract that were incurred after each Plaintiffs' termination.

14. The Select Services Agreement entered into by each Plaintiff with State Farm provides in pertinent part,

This Agreement shall . . . remain in effect until such time as either Provider or State Farm delivers to the other party written notice of termination of the Agreement. . . . Provider acknowledges this Agreement may be terminated by either party at any time, for any reason.

(Amend. Compl. Ex. A, § 5(b)f.)

15. Therefore, State Farm's liability for breach of contract, if any, is limited to any damage incurred by each Plaintiff between November 4, 2015 and the date that Plaintiff terminated its Select Service Agreement.

FOURTH DEFENSE

16. Plaintiffs' tortious interference with prospective economic advantage claim is barred by the doctrine of justification or privilege.

17. State Farm had a financial interest in transactions between State Farm insureds and Plaintiffs. As an automobile insurer, State Farm enters into contracts with its insureds whereby it agrees to pay for covered repairs performed on its insured's automobiles. State Farm therefore has a direct, financial interest in ensuring that its insureds pay a low price for high quality repairs.

18. Upon information and belief, Plaintiffs did not, and do not have preexisting contracts with State Farm insureds prior to their contracting for a specific repair service.

19. State Farm's contractual interest in its insureds' automobile repairs is equal to or greater than Plaintiffs' non-contractual alleged expectation of future business with State Farm insureds.

20. State Farm did not employ wrongful means when interacting with its insureds.

21. Therefore, to the extent State Farm interfered with any prospective contractual relationship between Plaintiffs and State Farm insureds, State Farm's actions were justified and privileged.

FIFTH DEFENSE

22. Plaintiffs' request for punitive damages is premature.

23. Under Illinois law, punitive damages may not be pleaded in a complaint without prior leave of Court. *See* 735 ILCS § 2-604.1.

24. Plaintiffs have not requested leave of the Court to plead a claim for punitive damages. Therefore, Plaintiffs' request for punitive damages should be stricken.

SIXTH DEFENSE

25. Under Illinois law, punitive damages are not available for breach of contract claims. Therefore, Plaintiffs' request for punitive damages for breach of contract should be stricken.

SEVENTH DEFENSE

26. State Farm reserves the right to assert any additional defenses which may arise as discovery progresses or otherwise in the course of this litigation.

AND NOW, having answered the Complaint, and having pled its defenses, State Farm denies that State Farm is liable in any amount. State Farm demands that all claims against it be dismissed.

Dated: July 14, 2017

Respectfully submitted,

STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY

/s/ Michael L. McCluggage

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