



2022 ANNUAL REPORT TO STATE FARM® MUTUAL POLICYHOLDERS

In 2022, State Farm celebrated 100 years of helping people. We experienced significant growth at State Farm but also reported record underwriting losses. While State Farm experienced unfavorable operating results in Auto, State Farm Mutual Automobile Insurance Company remains financially strong. We continue to be the leading Auto and Home insurer in the United States. We offer products and services to meet multiple needs, along with digital capabilities that allow customers to connect with us in a variety of ways.

The A.M. Best Co., which provides an independent opinion of an insurance company's ability to meet obligations to policyholders, continues to give State Farm Mutual its highest rating (A++).

In our next century, we will continue to help people through our service to customers and communities. State Farm employees and independent contractor agents are dedicated to encouraging and empowering others to get involved and take action. Working together, we believe we can make a meaningful difference in our world – and inspire others to do the same.

We look forward to building on our success in the years ahead by helping more people in more ways. Thank you for putting your trust in State Farm. We are honored to serve you.

Michael L. Tipsord
Chairman, President and Chief Executive Officer

Notice of Annual Meeting

The annual meeting of State Farm Mutual Automobile Insurance Company is held each year at 10 a.m. on the second Monday of June at the Company's Corporate Headquarters, One State Farm Plaza, Bloomington, Illinois. All members may attend the annual meeting, and the first named insured has a right to vote by proxy or in person. You may receive a proxy by writing to Customer Service, One State Farm Plaza, Bloomington, Illinois 61710. Please include your State Farm Mutual Automobile Insurance Company policy number in your request. A return envelope will be provided for your convenience and proxies must be on file with the Corporate Secretary 20 days before the annual meeting. Please visit statefarm.com® for any changes to the annual meeting location, date or time.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

Statement of Condition (In Millions of Dollars)

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Cash and Short Term Investments	\$ 1,568	\$ 43
Bonds	56,551	60,753
Unaffiliated Common & Preferred Stocks	75,880	83,626
Equity in Insurance Subsidiaries	51,851	50,769
Other Assets	19,962	19,302
Total Assets	\$205,812	\$214,493

<u>Liabilities</u>		
Claims and Claim Expenses	\$ 44,154	\$ 36,467
Unearned Premiums	13,559	11,458
Other Liabilities	16,890	23,388

<u>Surplus</u>		
Funds for Protection of State Farm Mutual Policyholders, including the Investment Fluctuation Reserve	\$ 75,702	\$ 89,124
Funds Assigned for Protection of Customers of Subsidiaries	51,828	50,743
Special Surplus Segregation from Retroactive Reinsurance	2	-
Funds Assigned for Catastrophe Reinsurance Assumed from Affiliates	3,677	3,313
Total Liabilities and Surplus	\$205,812	\$214,493

Summary of Operating Data (In Millions of Dollars)

	<u>2022</u>	<u>2021</u>
Premium Earned	\$ 46,592	\$ 42,230
Less: Dollars for Claims	43,752	31,372
Expenses for Paying Claims	5,490	4,793
Service and Administrative Fees	10,680	10,265
Underwriting Gain or (Loss)	(13,330)	(4,200)
Plus: Investment Gain ¹ and Other Income	3,475	3,427
Income before Dividends and Taxes	(9,855)	(773)
Less: Dividends to Policyholders	0	401
Income Taxes Incurred (Recoverable)	(1,153)	(452)
Net Income	\$ (8,702)	\$ (722)

¹Investment Gain is reported net of capital gains tax.

The financial statements of the Company are audited by an independent public accounting firm.

Board of Directors

Dan E. Arvizu – Chancellor, New Mexico State University System
Keith Block – Chief Executive Officer and Founder, Smithpoint Capital
Charles K. Bobrinsky – Vice Chairman & Head of Investment Group, Ariel Investments
Kate Gebo – Executive Vice President, Human Resources and Labor Relations, United Airlines
Caroline S. Grace – President and Chief Executive Officer, AMN Healthcare Services, Inc.
James Hackett – Former President and CEO, Ford Motor Company
W. H. Knight, Jr. – Former Professor of Law & Distinguished Academic in Residence, Seattle University School of Law
Vicki A. O'Meara – Strategic Advisor and Former Chairman, AdSwerve
Gary L. Perlin – Former Chief Financial Officer, Capital One Financial Corp.
Michael L. Tipsord – Chairman, President & Chief Executive Officer, State Farm Mutual Automobile Insurance Company
Steven C. Williams – Chief Executive Officer, PepsiCo Foods North America
Kenneth J. Worzel – Chief Customer Officer, Nordstrom, Inc.

State Farm Mutual Automobile Insurance Company
Bloomington, IL

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