



2023 ANNUAL REPORT TO STATE FARM® MUTUAL POLICYHOLDERS

In 2023, State Farm experienced significant policy growth in the Auto and Homeowners lines of business yet reported underwriting losses due to elevated claims severity and catastrophe activity. While reporting an operating loss, State Farm Mutual Automobile Insurance Company remains financially strong. The State Farm group of companies continues to be the leading personal Auto and Home insurer in the United States. We offer products and services to meet multiple needs. Local agents combined with digital tools allow you to connect with us in ways that best fit your situation.

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++).

We are good neighbors committed to making a difference. Together, through State Farm employees and independent contractor agents, we will keep doing our part to build and support stronger, safer and better educated communities where people can thrive.

In the years ahead, we will continue delivering on our mission to help more people in more ways. Thank you for choosing State Farm. It's our privilege to serve you.

Jon C. Farney
President

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
Bloomington, IL

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

Statement of Condition (In Millions of Dollars)

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Cash and Short Term Investments	\$ 2,100	\$ 1,568
Bonds	58,861	56,551
Unaffiliated Common & Preferred Stocks	85,789	75,880
Equity in Insurance Subsidiaries	51,903	51,851
Other Assets	22,135	19,962
Total Assets	\$220,788	\$205,812

Liabilities

Claims and Claim Expenses	\$ 50,319	\$ 44,154
Unearned Premiums	17,179	13,559
Other Liabilities	18,538	16,890

Surplus

Funds for Protection of State Farm Mutual Policyholders, including the Investment Fluctuation Reserve	\$ 79,740	\$ 75,702
Funds Assigned for Protection of Customers of Subsidiaries	51,872	51,828
Special Surplus Segregation from Retroactive Reinsurance	0	2
Funds Assigned for Catastrophe Reinsurance Assumed from Affiliates	3,140	3,677
Total Liabilities and Surplus	\$220,788	\$205,812

Summary of Operating Data (In Millions of Dollars)

	<u>2023</u>	<u>2022</u>
Premium Earned	\$ 57,187	\$ 46,592
Less: Dollars for Claims	48,437	43,752
Expenses for Paying Claims	6,336	5,490
Service and Administrative Fees	12,219	10,680
Underwriting Gain or (Loss)	(9,805)	(13,330)
Plus: Investment Gain ¹ and Other Income	4,558	3,475
Income before Dividends and Taxes	(5,247)	(9,855)
Less: Dividends to Policyholders	0	0
Income Taxes Incurred (Recoverable)	(512)	(1,153)
Net Income	\$ (4,735)	\$ (8,702)

¹Investment Gain is reported net of capital gains tax.

An independent public accounting firm audited the Company's financial statements.

Board of Directors

Dan E. Arvizu – Former 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
Jon C. Farney – President of State Farm Mutual Automobile Insurance Company
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 & 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.