



## 2021 ANNUAL REPORT TO STATE FARM® MUTUAL POLICYHOLDERS

State Farm is the leading Auto and Home insurer in the United States and continues to offer products, service, digital, and technology capabilities to meet customer needs. In 2021, the year leading to our 100th anniversary, we achieved record growth across product lines and built upon our financial strength that allowed us to be there for our customers when they needed us most. We look forward to our next century of success and helping more people in more 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++).

For 100 years, we have helped people – through our service to customers, in communities around the United States, and in our efforts to improve Auto and Home safety. State Farm employees and independent contractor agents are dedicated people leading a movement to encourage and empower others to get involved and take action. Each day, through Acts of Good, we are making a meaningful difference in our world. We empower people to be good neighbors and protect what matters most.

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](http://statefarm.com)® for any changes to the annual meeting location, date or time.

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## STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

### Statement of Condition (In Millions of Dollars)

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and Short Term Investments	\$ 43	\$ 3,969
Bonds	60,753	58,902
Unaffiliated Common & Preferred Stocks	83,626	65,404
Equity in Insurance Subsidiaries	50,769	46,160
Other Assets	19,302	19,500
<b>Total Assets</b>	<b>\$214,493</b>	<b>\$193,935</b>

### Liabilities

Claims and Claim Expenses	\$ 34,051	\$ 31,701
Unearned Premiums	11,458	12,688
Other Liabilities	25,804	23,494

### Surplus

Funds for Protection of State Farm Mutual Policyholders, including the Investment Fluctuation Reserve	\$ 89,124	\$ 75,649
Funds Assigned for Protection of Customers of Subsidiaries	50,743	46,542
Funds Assigned for Catastrophe Reinsurance Assumed from Affiliates	3,313	3,861
<b>Total Liabilities and Surplus</b>	<b>\$214,493</b>	<b>\$193,935</b>

### Summary of Operating Data (In Millions of Dollars)

	<b>2021</b>	<b>2020</b>
Premium Earned	\$ 42,230	\$ 41,986
Less: Dollars for Claims	31,372	22,748
Expenses for Paying Claims	4,793	4,679
Service and Administrative Fees	10,265	10,144
<b>Underwriting Gain or (Loss)</b>	<b>(4,200)</b>	<b>4,415</b>
Plus: Investment Gain <sup>1</sup> and Other Income	3,427	2,659
Income before Dividends and Taxes	(773)	7,074
Less: Dividends to Policyholders	401	1,929
Income Taxes Incurred (Recoverable)	(452)	927
<b>Net Income</b>	<b>\$ (722)</b>	<b>\$ 4,218</b>

<sup>1</sup>Investment 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** – Former Co-CEO, Salesforce  
**Charles K. Bobrinsky** – Vice Chairman & Head of Investment Group, Ariel Investments  
**James Hackett** – Former President and CEO, Ford Motor Company  
**W. Steven Jones** – Professor of Organizational Behavior & Strategy, University of North Carolina  
**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.  
**Debra L. Reed-Klages** – Former Executive Chairman, Sempra Energy  
**Pamela B. Strobel** – Former Executive Vice President & Chief Administrative Officer, Exelon Corporation  
**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 Operating Officer, Nordstrom, Inc.

State Farm Mutual Automobile Insurance Company  
Bloomington, IL

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