

2015 ANNUAL REPORT TO STATE FARM® MUTUAL POLICYHOLDERS



For nearly 94 years, State Farm has been there when customers need us most.

During 2015, we maintained our financial strength, which enables us to keep this promise. We ended the year profitable, primarily due to an investment gain that offset an underwriting loss.

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

Thank you for putting your trust in State Farm. We are proud to serve you.



Michael L. Tipsord
Vice 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 participate in 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. Proxies must be on file with the Corporate Secretary 20 days before the annual meeting.

State Farm Mutual Automobile Insurance Company
Bloomington, IL

Please see statefarm.com® for additional information about the Company.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

Statement of Condition (In Millions of Dollars)

	2015	2014
Assets		
Cash and Short Term Investments	\$ 1,345	\$ 1,397
Bonds	41,766	43,834
Unaffiliated Common & Preferred Stocks	43,120	47,863
Equity in Insurance Subsidiaries	34,842	31,529
Other Assets	17,422	14,175
Total Assets	\$138,495	\$138,798
Liabilities		
Claims and Claim Expenses	\$ 28,566	\$ 28,534
Unearned Premiums	11,518	11,101
Other Liabilities	15,780	19,286
Surplus		
Funds for Protection of State Farm Mutual Policyholders	\$ 22,884	\$ 19,568
Investment Fluctuation Reserve	20,618	24,933
Funds Assigned for Protection of Customers of Subsidiaries	36,632	33,246
Funds Assigned for Catastrophe Reinsurance Assumed from Affiliates	2,497	2,130
Total Liabilities and Surplus	\$138,495	\$138,798

Summary of Operating Data (In Millions of Dollars)

	2015	2014
Premium Earned	\$ 37,094	\$ 36,297
Less: Dollars for Claims	25,379	23,771
Expenses for Paying Claims	6,272	6,283
Service and Administrative Fees	9,649	9,201
Underwriting Gain or (Loss)	(4,206)	(2,958)
Plus: Investment Gain ¹ and Other Income	5,340	3,512
Income before Dividends and Taxes	1,134	554
Less: Dividends to Policyholders	0	0
Income Taxes Incurred (Recoverable)	(1,003)	(492)
Net Income	\$ 2,137	\$ 1,046

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 – Director Emeritus, National Renewable Energy Laboratory
Christopher C. DeMuth – Distinguished Fellow, Hudson Institute
W. Steven Jones – Professor of Organizational Behavior and Strategy, University of North Carolina
W. H. Knight, Jr. – Professor of Law and Distinguished Academic in Residence, Seattle University School of Law
Allan R. Landon – Former Chairman of the Board and Chief Executive Officer of Bank of Hawaii Corporation
Gary L. Perlin – Former Chief Financial Officer of Capital One Financial Corporation
Susan M. Phillips – Professor Emeritus of Finance, George Washington University in Washington, D.C.
Edward B. Rust Jr. – Chairman of the Board, State Farm Mutual
Paul T. Stecko – Non-Executive Chairman, Packaging Corporation of America
Pamela B. Strobel – Former Executive Vice President and Chief Administrative Officer, Exelon Corporation
Michael L. Tipsord – Vice Chairman, President and Chief Executive Officer, State Farm Mutual
John D. Zeglis – Former Chairman of the Board and Chief Executive Officer, AT&T Wireless