State Farm® Variable Annuity and Variable Universal Life

Scope of Service

At State Farm, we put your needs first. We value our relationship with you and want you to make informed decisions about your investments. It’s important for investors to understand the service we provide, the fees and costs you may pay, and how State Farm and your registered agent earn money on the sale and service of those products. The disclosures will give you important facts about our relationship as well as potential conflicts between your interest and that of State Farm and/or your agent. We encourage you to review these disclosures to help you understand and make informed investment decisions.

Future Income Flex (Variable Annuity) and Flexible Choice Life (Variable Universal Life)

State Farm provides securities products through its broker-dealer, State Farm VP Management Corp., which this document will refer to as “State Farm” or the “firm.” State Farm and its registered agents do not provide investment advisory services/accounts and do not monitor your accounts. While State Farm registered agents may recommend transactions or investment strategies, the ultimate decision on your investment strategy and the purchase and sale of investments is yours. State Farm and its agents do not provide tax advice. Transactions in securities can have significant tax consequences and you should discuss your accounts and transactions with your tax professional.

Effective September 27, 2008, State Farm discontinued offering its own Variable Annuity (VA) and Variable Universal Life (VUL) contracts. However, we continue to service State Farm VA and VUL insurance through registered agents. Customers can continue to request transactions to these policies, including purchases, withdrawals and account maintenance. The subaccounts provided are managed by BlackRock®.

Product Details at a Glance

Variable Annuity — Future Income Flex

- A tax-deferred retirement vehicle that allows you to choose from a selection of investments whose performance determines the cash value that builds in the account.
- Accepts transfers to existing VA policies — transfers up to $30,000 are allowed on all types of VA policies.
- Annuitization: You can choose to convert the cash surrender value and receive a monthly payment for a fixed number of years or for life.
- Minimum additional premium: $50
- Maximum yearly premium: $30,000 for non-tax qualified accounts. Tax-qualified (i.e., IRA) contributions subject to IRAs maximums.

Variable Universal Life — Flexible Choice Life

- A type of permanent life insurance policy that allows you to choose from a selection of investments whose performance determines the cash value that builds in the account.
- Base increases, base decreases, Guaranteed Insurability Option (GIO) elections and option changes are still available.
- A flexible premium adjustable variable life insurance policy, which provides insurance benefits with a long-term investment element.
- No minimum additional premium. Total premiums paid in a policy year may not exceed the premium limitations set forth by law.
Variable Annuity and Variable Universal Life Subaccounts
State Farm VA and VUL are funded with investments, called
subaccounts.

There are six subaccounts, all managed by BlackRock Advisors
LLC, as well as a State Farm fixed account option.

You may invest in one or more of the subaccounts or you can
invest in the fixed account.

Fees and Costs

Expenses Shared by both Variable Annuities and Variable
Universal Life

Investment Management/Fund Fees:
Each of the BlackRock subaccounts, which are utilized by both
the State Farm Variable Annuity as well as Variable Universal
Life, has an associated annual fund expense. These expenses
include fees covering administration and investment
management. Fund expenses range from .15% to .61%
annually as of May 1, 2020.

The following link contains the fee information for
the subaccount funds shared by the Variable Annuity and Variable
Universal Life. www.statefarm.com/insurance/life/variable-
universal-life/prospectuses-reports. Click on the specific
Blackrock subaccount fund to view the fund expenses. In the

Expenses specific to Variable annuities

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortality &amp; Expense Risk</td>
<td>1.15% of average daily net asset value of each subaccount in which</td>
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<tr>
<td>Charge</td>
<td>you have allocated premiums. Guaranteed not to exceed 1.25%.</td>
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<tr>
<td>Annual Administrative Charge</td>
<td>$30 per year – deducted from the Policy Accumulation Value – waived if</td>
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<tr>
<td></td>
<td>the sum of all premiums paid is $50,000 or more.</td>
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<tr>
<td>Transfer Processing Fees</td>
<td>$25 per transfer if more than 12 transfers are made during a policy</td>
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<tr>
<td></td>
<td>year, though currently this charge is not enforced. Systematic transfers</td>
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<tr>
<td></td>
<td>do not result in fees and are not applicable to the 12 transfers made</td>
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<td>within a policy year.</td>
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Note: All existing State Farm VA contracts are outside the
surrender charge period — no surrender charges apply.

Expenses specific to Variable Universal Life Policies

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Expense</th>
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<tbody>
<tr>
<td>Premium Charge</td>
<td>5% of each premium payment.</td>
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<tr>
<td>Surrender Charges</td>
<td>If you increase the basic insurance amount in your policy by completing</td>
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<td></td>
<td>a new application, converting coverage, or exercising a Guaranteed</td>
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<td></td>
<td>Insurability Option (GIO), you are charged a fee when you surrender</td>
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<tr>
<td></td>
<td>your policy or let your policy lapse during the first 10 years after</td>
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<td></td>
<td>the basic insurance amount is increased.</td>
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<tr>
<td>Mortality and Expense</td>
<td>Currently .80% of the average daily net assets of the sub accounts you</td>
</tr>
<tr>
<td>Risk Charge</td>
<td>are invested in. Guaranteed to not exceed .90%.</td>
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<tr>
<td>Cost of Insurance</td>
<td>You are charged a monthly cost of insurance expense based on a</td>
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<tr>
<td></td>
<td>percentage of the net amount of risk you’ve purchased in your policy.</td>
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<td></td>
<td>The cost of insurance percentage used varies based on a number of</td>
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<td></td>
<td>factors, including your age, sex and rate class.</td>
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<tr>
<td></td>
<td>Example: Cost for a 30-year-old male in the non-tobacco rate class:</td>
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<td></td>
<td>$.1180 per $1,000 of net amount of risk per month.</td>
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<tr>
<td>Monthly Expense Charge</td>
<td>You are charged a monthly expense of $8 if you purchased your policy</td>
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<td></td>
<td>on July 1, 2004 or later, and charged $6</td>
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</tbody>
</table>
Important Customer Information

General Information

- When moving funds (through transfer or 1035 Exchange) to an existing VA, surrender charges applied to the account being moved can cause the transaction to be costly and therefore not in the customer’s best interest.

Firm Compensation

**Variable Annuities and Variable Universal Life**

- We earn revenue when you make premium payments. The more premium you pay, the more revenue we receive. As a result, there can be a conflict between our interests and yours. If not addressed, that conflict could influence the recommendations we make to you.

- The amount you pay for Mortality and Expense Risk Charge and Investment Management/Fund Fees is based on how much premium you’ve invested. As a result, the more premium you’ve invested, the more revenue we earn from the payment of the fees.

- State Farm may use profit from the Mortality and Expense Risk Charge to pay expenses related to the policies.

- State Farm’s revenue may increase or decrease based on your decision to take a distribution and is impacted by external factors and account features, including but not limited to investment returns and market interest rates.

- State Farm has an Administrative Fee Agreement with BlackRock Advisors LLC, the manager of the funds used in the subaccounts, which pays State Farm a quarterly administrative fee based on the premium invested in the BlackRock subaccounts.

**Variable Universal Life Only**

- When you make a premium payment for a VUL policy, our registered agent may be paid a commission that’s a percentage of the amount of your premium. Commissions for VUL are different than commissions for VAs.

- The agent may also earn credit toward cash and non-cash (i.e., travel) incentive programs. The credit for the non-cash incentives is calculated as a percentage of the amount of your purchase(s) into the VUL policy. Not all agents will qualify for the programs.

Other Associated Persons Compensation

State Farm may provide its employees, such as its field sales leaders with the opportunity to earn credit towards cash and non-cash incentive programs based on State Farm registered agents’ level of engagement with the State Farm financial products offered including the State Farm Variable Universal Life product for the prior year. Not all will qualify for the program.

When you invest in a State Farm Variable Annuity or Variable Universal Life policy, your investments are subject to inherent risks including market risk, which is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved.

Registered Agent Compensation Paid by State Farm

**Variable Annuities**

- When you make a premium payment for a VA, our registered agent may be paid a commission that is a percentage of the amount of your premium. The rate the agent is paid for a VA can be different from the rate the agent is paid for other annuities or brokerage accounts sold at State Farm. Our agents are required to recommend the product that’s in your best interest, regardless of the commission rates paid to the agent.

**Variable Universal Life Only**

- When you make a premium payment for a VUL policy, our registered agent may be paid a commission that’s a percentage of the amount of your premium. Commissions for VUL are different than commissions for VAs.

- The agent may also earn credit toward cash and non-cash (i.e., travel) incentive programs. The credit for the non-cash incentives is calculated as a percentage of the amount of your purchase(s) into the VUL policy. Not all agents will qualify for the programs.

**Important Customer Information**

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**Firm Compensation**

- We earn revenue when you make premium payments. The more premium you pay, the more revenue we receive. As a result, there can be a conflict between our interests and yours. If not addressed, that conflict could influence the recommendations we make to you.

- The amount you pay for Mortality and Expense Risk Charge and Investment Management/Fund Fees is based on how much premium you’ve invested. As a result, the more premium you’ve invested, the more revenue we earn from the payment of the fees.

- State Farm may use profit from the Mortality and Expense Risk Charge to pay expenses related to the policies.

- State Farm’s revenue may increase or decrease based on your decision to take a distribution and is impacted by external factors and account features, including but not limited to investment returns and market interest rates.

- State Farm has an Administrative Fee Agreement with BlackRock Advisors LLC, the manager of the funds used in the subaccounts, which pays State Farm a quarterly administrative fee based on the premium invested in the BlackRock subaccounts.

- The amount you pay for Cost of Insurance Expense is based on the percentage of net amount of risk you’ve purchased in your policy. Because the net amount of risk you’ve purchased increases with increases in premium and market value of the policy, State Farm may profit when you increase premium.

**Registered Agent Compensation Paid by State Farm**

- When you make a premium payment for a VA, our registered agent may be paid a commission that is a percentage of the amount of your premium. The rate the agent is paid for a VA can be different from the rate the agent is paid for other annuities or brokerage accounts sold at State Farm. Our agents are required to recommend the product that’s in your best interest, regardless of the commission rates paid to the agent.

- When you make a premium payment for a VUL policy, our registered agent may be paid a commission that’s a percentage of the amount of your premium. Commissions for VUL are different than commissions for VAs.

- The agent may also earn credit toward cash and non-cash (i.e., travel) incentive programs. The credit for the non-cash incentives is calculated as a percentage of the amount of your purchase(s) into the VUL policy. Not all agents will qualify for the programs.
Additional Disclosures
State Farm agents are independent contractors who hire their own employees. Neither State Farm agents nor employees of State Farm agents are employees of State Farm.

Variable annuities are long-term investments designed for retirement purposes.

Guarantees based on the claims paying ability of the issuing State Farm life insurance company.

Securities, insurance and annuity products are not FDIC insured, are not bank guaranteed and are subject to investment risk, including possible loss of principal.

Neither State Farm nor its agents provide tax or legal advice.

In a tax-qualified retirement plan, federal income tax deferral treatment is provided by the plan. No additional tax deferral treatment is provided by the annuity.

State Farm VP Management Corp. is a separate entity from those State Farm entities which provide banking and insurance products.

BlackRock mutual funds are distributed by BlackRock Investments, LLC (together with its affiliates, “BlackRock”). BlackRock is not affiliated with SFVPMC or any other entity mentioned herein. BlackRock is a registered trademark of BlackRock, Inc.

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