

A photograph of a modern interior space. A large wall is covered in a pattern of vertical white slats. The phrase "Be a Good Neighbor" is written across the wall in large, bold, red letters. Two people are walking past the wall, their figures blurred due to motion. In the foreground, there are several red and grey modular sofas.

Be a Good Neighbor

2023 Impact Report



Good Neighbors, Better World

This is our commitment to help more people in more ways, forever. We create a more sustainable organization when we live our mission through strengthening our communities and promoting resiliency and environmentally responsible business practices while fostering a sense of belonging through a diverse, inclusive and ethical work environment. As a mutual company we do what is in the best, long-term interest of those we serve, knowing that a better world tomorrow starts with a stronger neighborhood today.

The State Farm® mission is to help people manage the risks of everyday life, recover from the unexpected and realize their dreams.





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About the report

Throughout this report, terms such as “State Farm,” “Company,” and “we/us/our” shall mean State Farm Mutual Automobile Insurance Company (as the parent of other insurance and financial services subsidiaries) and affiliates that make up the State Farm Group of Companies. These companies provide insurance and financial services, as well as various types of support to those insurance and financial services providers, and specifically include several State Farm-branded companies along with Dover Bay Specialty Insurance Company and HiRoad Assurance Company. State Farm Mutual Automobile Insurance Company acquired GAINSCO, Inc. and its related companies (“GAINSCO”) on Dec. 31, 2020, but GAINSCO activities are not included in this report.

State Farm Mutual Automobile Insurance Company and each of its affiliates operate on an individual entity-by-entity basis without regard to the financial condition of any other affiliated entity. State Farm and the State Farm logo are registered trademarks of State Farm Mutual Automobile Insurance Company.

Numbers throughout this report reflect State Farm at calendar year-end 2023, unless otherwise noted.



CEO Message

“Like a good neighbor, State Farm is there.®” Our mission is to help people manage the risks of everyday life, recover from the unexpected and realize their dreams.

As the leading auto and home insurer in the U.S., we service more than 94 million policies and accounts, helping customers protect what matters most and prepare for their futures. Our 65,000 employees and over 19,000 agents live and work in thousands of communities across the country, bringing diverse perspectives and experiences as they deliver on the promises we make.

The 2023 State Farm Impact Report highlights our collective good neighbor efforts to support local communities, strengthen our environmental

and resiliency efforts, and responsibly manage our business.

In 2023, State Farm employees and agents volunteered 155,000 hours of their time to causes focused on building stronger, safer and better educated communities. We continued our commitment to protecting the planet through efforts that include reducing waste in our facilities and promoting paperless options for customers. We helped more customers prevent losses by offering products through companies like Ting and ADT.

As we build for the future, we’re deploying artificial intelligence (AI) solutions to increase productivity and better serve our customers.

We’re researching resilient and environmentally friendly products to help customers in new and different ways. We’re leveraging technology to incorporate a “predict and prevent” mindset into our existing “repair and replace” model.

In everything we do, we’ll make responsible decisions guided by our values.

We’re proud of the many ways we served our customers in 2023 — and we’re excited about the opportunities ahead to make a meaningful difference in more lives.

We know a better world tomorrow begins with the actions we take today.



“State Farm was founded on the core values of honesty, integrity and doing the right thing — and that won’t change.”

Jon Farney

President & Chief Executive Officer
State Farm Mutual Automobile Insurance Company



2023 By The Numbers

We help more people in more ways.

Policies & Accounts

3M+ Policies and accounts added across all product lines in 2023

94M+ Total policies and accounts serviced by 65K+ employees and 19K+ agent offices

Life

\$118B Individual life insurance issued

\$1.1T Amount of individual life insurance in force at the end of 2023

Property & Casualty Claims

28K+ Claims received per day on average, to help our customers recover from the unexpected

\$12B Paid in catastrophic loss claims

20K+
Grants

155K

Employee and independent contractor agent volunteer hours



We make a difference in communities.

Employee and independent contract agent volunteer hours and grants provided by State Farm and State Farm Companies Foundation support non-profit organizations focused on building safer, stronger and better-educated communities.

8K

Organizations supported





2023 By The Numbers

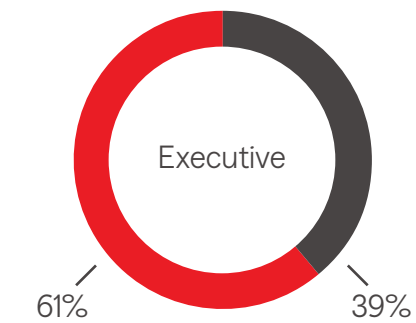
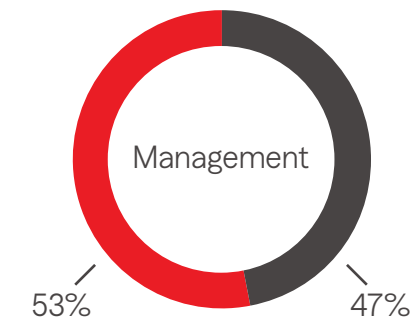
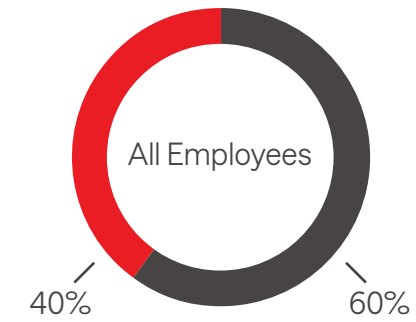
At State Farm, we value the diverse perspectives that are shaped by each individual's background and experiences. We believe in the philosophy that diversity is a fact, inclusion is an action and belonging is an outcome.

2023 Diversity and Inclusion Awards and Recognitions

- **AAPD/Disability: IN**
Best Places to Work for Disability Inclusion
- **Black Enterprise**
Best Companies for Diversity, Equity & Inclusion
- **GI Jobs**
Top Military Friendly Employers
- **Hispanic Association on Corporate Responsibility**
Corporate Inclusion Index
- **Human Rights Campaign**
Corporate Equality Index – Equality 100 Award
- **LATINA Style**
50 Best Companies for Latinas to Work
- **Seramount**
 - 100 Best Companies
 - Best Companies for Multicultural Women
 - Inclusion Index – Leading Index Company
 - Top Companies for Executive Women

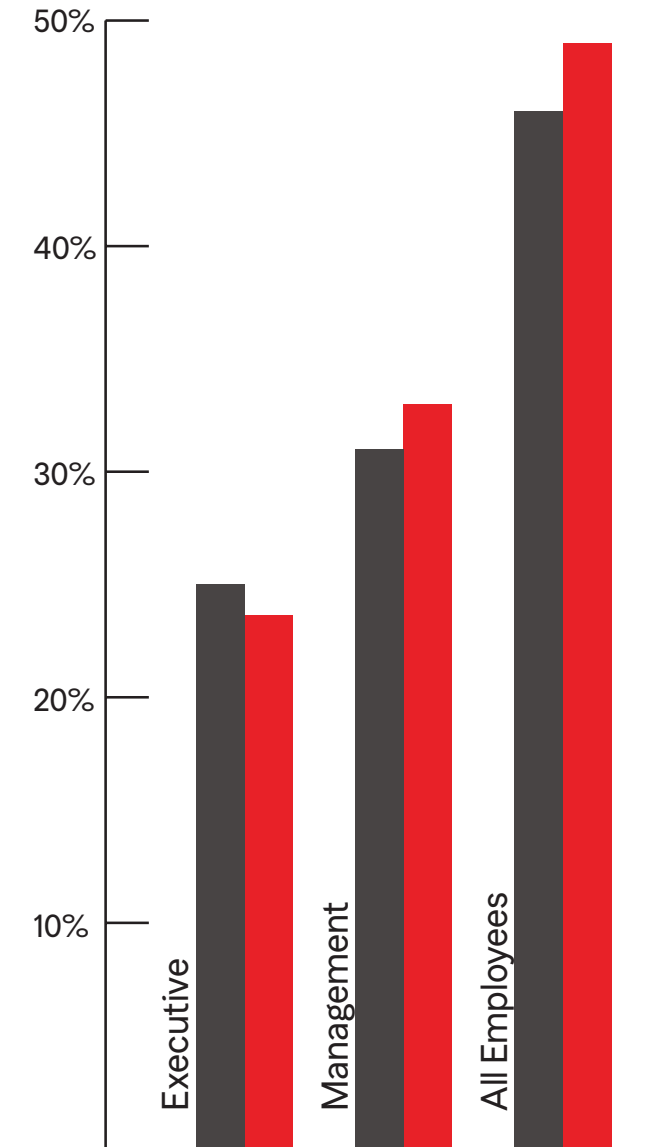
Gender diversity

Male Female



Racial and ethnic diversity

2022 2023



Employment demographic numbers for State Farm are as of year-end 2023 and do not include Dover Bay Specialty Insurance Company or HiRoad Assurance Company.

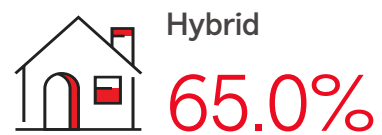
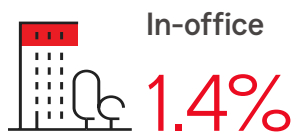
State Farm agents are independent contractors who hire their own employees. State Farm agents' employees are not employees of State Farm.



A Mission-driven Workforce

Growing our workforce to meet the needs of our customers will allow us to help more people in more ways. We aspire to create an environment where employees and agents feel supported and experience a sense of belonging. In 2023, State Farm had over 65,000 employees and 19,000 independent contractor agents and their team members who are driven by our mission and are committed to meeting the needs of customers. When we serve our employees well, we serve our customers well.

State Farm Ways of Working is part of our commitment to creating a work environment where everyone can be their best.



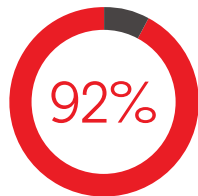


Employee Perspectives

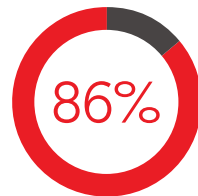
Together, we support a culture where people can be themselves the moment they walk through the door; a place where each of us is valued and respected. Our goal is to foster a trusting environment where complex conversations and learning take place, which can result in providing outstanding products and service to our customers.

Internal Employee Survey Results:

Belonging: The people I work with accept me



Job Satisfaction: In general, I like my work as a State Farm employee



Mike Horan
Claims Manager

“My ‘why’ is to pay forward the inspiration, development and support provided to me by many wonderful State Farm leaders over my 30-year career. When you feel valued as an employee, it shines through in your work and that positivity impacts the way you interact with customers to deliver on the promise. Nothing better than winning with a team of people you respect and enjoy!”



Suzanne Roberts
Talent Management Analyst

“At the core of who we are, it’s about the people. We are there for our customers during times of celebration, planning for the future, challenging situations, and even heartbreak. Our message to customers is that ‘we stand beside you,’ we aren’t going anywhere, and you can depend on us! I am here to do all I can to support State Farm, what we do, and who we are for as long as I can.”



Junies Williams
Claim Specialist

“One thing that sets State Farm apart from other companies that I’ve worked for is Diversity and Inclusion. State Farm allows everyone to have a voice and everyone’s opinions are valued.”



Phantasia Terrell
Business Analyst

“I stay with State Farm, first and foremost, because they care about us. And I just have always felt a sense of belonging with the company. It’s a caring culture, a culture that wants to know about you and what you care about.”



Employee Experiences

Positive employee experiences lay the foundation for positive customer experiences. We want everyone to feel included at State Farm and know they belong — we are made better every day by the diversity of thought and experience across this company.

Surveys are administered quarterly so that every employee has the opportunity to respond to each topic once a year. State Farm employees were asked to rank their responses to each of the following topics on a scale from 1 (strongly disagree) to 5 (strongly agree).

Results from these surveys informed our leadership approach to creating inclusive environments where employees can perform their best. State Farm welcomed thousands of new employees who strengthened our organization through their diversity of backgrounds, values and viewpoints. Their enthusiasm to learn our business and embrace our mission of helping others was reflected in the survey results.

Topic/Definition	2021	2022	2023
Diversity			
The perception that the organization has an environment where people are accepted, appreciated and valued for diversity of background, values and viewpoints.	4.0	4.0	4.1
Inclusion			
Employees' perceptions that they belong and are included among their workgroup.	4.3	4.3	4.3
Developmental opportunities			
Employees' perceptions that they have developmental opportunities at State Farm	3.9	4.0	4.0
Job Satisfaction			
Employees' overall satisfaction with their job.	3.9	3.9	4.0

23% of employees are members of one or more State Farm Employee Resource Groups.

- Advocacy for Disabilities and Education (ADE)
- Minority Men Affinity Network (M².A.N.)
- African American Forum (AAF)
- My Generations (MY Gen)
- AsiaNET
- Pride
- Helping Others Parent Effectively (HOPE)
- Women and Technology (W&T)
- Hispanic Employee Resource Organization (HERO)
- Women's Networking Group (Wn)
- Military Affinity Group (MAG)
- Young Business Professionals (YBP)

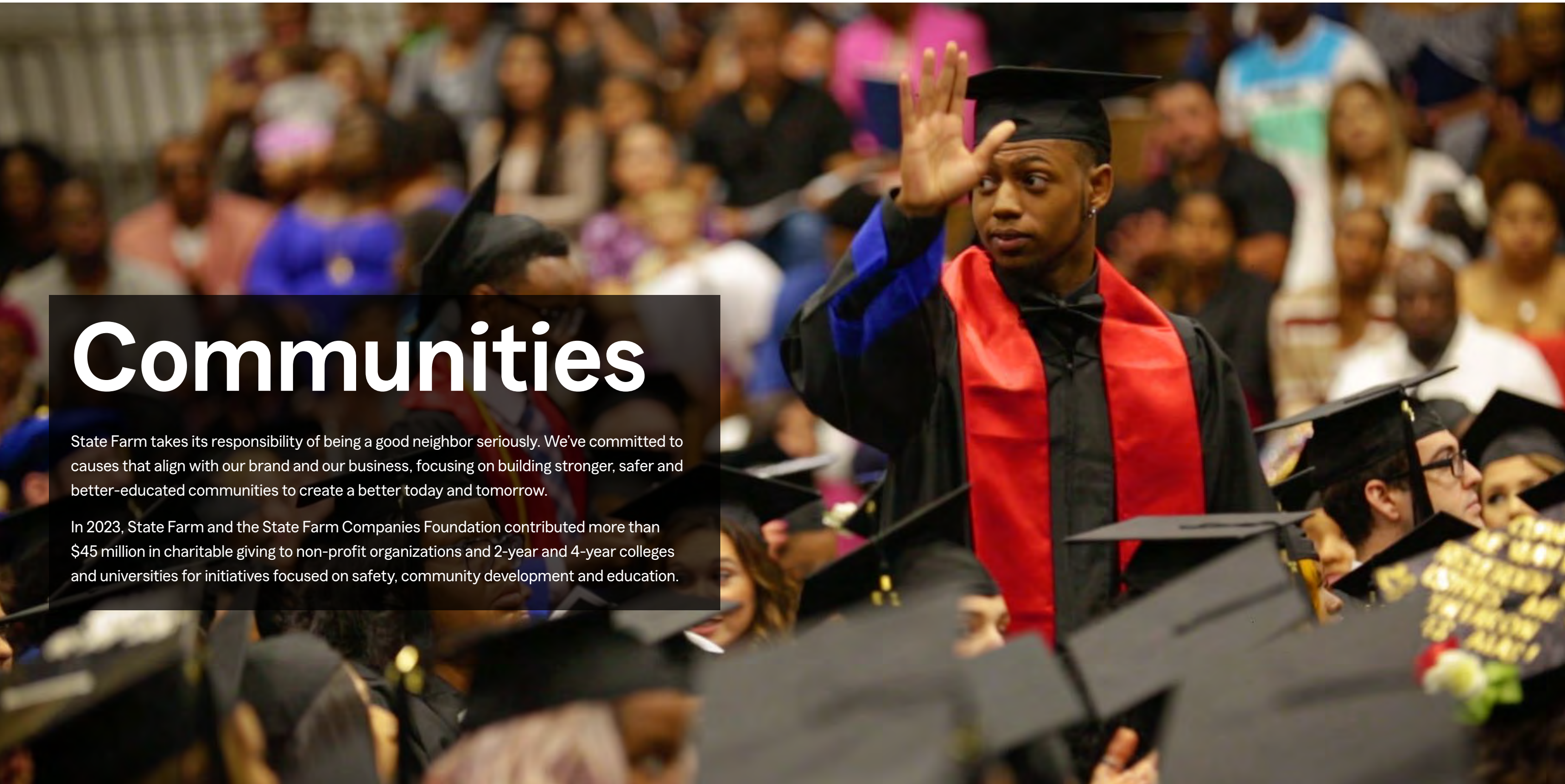
Our ERGs serve as a source of diverse perspectives for the company. The ERG Incubator, which started in 2021, provides insights on a variety of business topics and influences enterprise direction.



Communities

State Farm takes its responsibility of being a good neighbor seriously. We've committed to causes that align with our brand and our business, focusing on building stronger, safer and better-educated communities to create a better today and tomorrow.

In 2023, State Farm and the State Farm Companies Foundation contributed more than \$45 million in charitable giving to non-profit organizations and 2-year and 4-year colleges and universities for initiatives focused on safety, community development and education.





Safety

In our mission is our promise to help customers manage the risks of everyday life and recover from the unexpected. One way we're able to do that is by helping people build safer communities. As an insurance company, we're uniquely positioned to be able to help build safer communities – whether that's keeping people safe on our nation's roads or in their homes, we protect lives.

Auto Safety

Improving driver, passenger, vehicle or roadway safety

Home Safety

Helping to shield homes from fire, crime or natural disasters

Disaster Recovery

Disaster preparedness, mitigation and recovery – natural disasters



In our continued commitment to auto safety, **State Farm** trademarked **From Car Seat to Driver's Seat™** for promoting public awareness of the importance of vehicle driver and passenger safety.



440+

Car seats were inspected during car seat checkup events



Safe Kids Worldwide® and State Farm launched the Good Neighbor Car Seat Safety Program, bringing car seat checkup events to more than 20 communities across the country and increasing access to education and resources to help inspire behavior change and create a culture of safety for children and families. Through these events, over 230 certified child passenger safety technicians worked with nearly 390 families to inspect over 400 car seats — more than 215 of which were replaced on the spot — to ensure children are buckled up in the right seat, every ride, every time.

215+

Car seats replaced on the spot by passenger safety technicians



Safety



Drive Safe & Save™ Mobile App Accident Assistance

Drive Safe & Save provides an auto insurance discount for participating customers based on how they drive (acceleration, braking, cornering, speed and in some states, annual mileage).

In 2023, Drive Safe & Save mobile app customers in Florida, Georgia and Texas began opting into a free safety feature called Accident Assistance that uses the customer’s phone sensors to detect possible accidents, and when needed, assist with arranging wellness checks, emergency services or towing. Accident Assistance was made available nationwide in 2024 wherever State Farm offers Drive Safe & Save.*

*Not available in California, Massachusetts and Rhode Island

State Farm Ventures® Safety-Related Investment

State Farm Ventures is an investor in PreAct Technologies, which is developing new ways to keep drivers and pedestrians safe using improved LiDAR (Light Detection and Ranging) impact sensors. The technology may enable automotive safety features to be developed, which could help a car respond before a driver, thereby reducing the severity of crashes or preventing them altogether.



“State Farm Ventures was able to leverage our relationship with Mcity [an auto safety laboratory at the University of Michigan] and through that test, we confirmed PreAct sensors were able to accurately predict and measure the ‘time to impact’ of a vehicle moving at various speeds hitting an object, a pedestrian, a bicyclist or an animal.”



Corey Schieler
Ventures Director



Prevention and Recovery

In keeping with the Good Neighbor spirit, **State Farm provided \$1.15 million in disaster relief** to non-profit organizations impacted by the Maui wildfires and Hurricane Idalia.

State Farm helped provide 4,666 National Fire Protection Association (NFPA) fire prevention kits focused on cooking safety. These kits are used to provide education about cooking safety in communities across the country, impacting an estimated 466,600 people.



\$1.15M

Disaster relief to non-profits impacted by Maui wildfires and Hurricane Idalia



4,600+

National Fire Protection Association fire prevention kits distributed





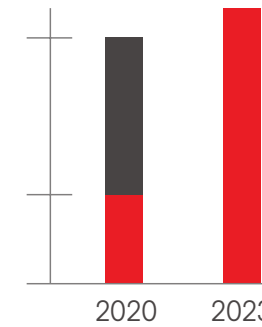
Community Development

We have over 19,000 State Farm agents across the country who are working as Good Neighbors in their communities because thriving communities are where neighbors can realize their dreams. We focus on community revitalization efforts and support endeavors that create long-term opportunities for advancement and development. When we have vibrant, inclusive and flourishing communities, we all benefit from the outcomes.

Our community development giving encompasses job training, neighborhood reinvestment, affordable housing, food insecurities, personal financial literacy and sustainable housing & transportation.



2023 Highlights



In 2020, State Farm committed \$100 million in support for at risk communities over five years in collaboration with Business Roundtable. Through 2023, State Farm already more than doubled this commitment, with more than \$214 million in charitable contributions and community investments, including small business support, funding for affordable housing programs and educational advancement programs.

~20
Participating organizations

Nearly 20 multi-family affordable housing owners, operators and developers participated in the Rocky Mountain Enterprise Community Partners Climate Resilience Academies to discuss how to make local affordable homes and housing developments more resilient to environmental risks, with a geographic focus on improving the resiliency of homes across Colorado, Utah, New Mexico, Montana and Wyoming.

\$1M+
Fighting hunger

State Farm helped feed hungry families across the U.S. through the support of local and national organizations like U.S. Hunger, Midwest Food Bank, and dozens of local food banks within the Feeding America network, totaling over \$1 million.

1,500+
Volunteer Hours

Junior Achievement USA honored State Farm with its 16th Bronze-Level U.S. President's Volunteer Service Award in recognition of our associates contributing more than 1,500 volunteer hours during the 2022-2023 school year to educate the community in financial literacy.



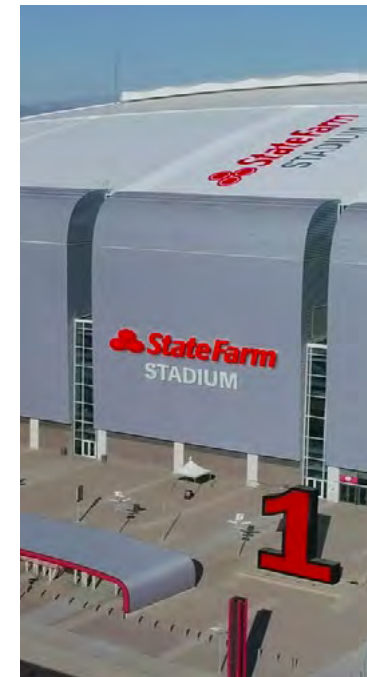
Community Development

In partnership with U.S. Hunger:

- State Farm and the Atlanta Hawks NBA basketball team hosted their 2023 Million Meal Pack at State Farm Arena. Over 5,000 community volunteers (including more than 900 State Farm employees and over 20 State Farm agents) packed over 1 million meals for distribution to Metro Atlantans through various community food bank organizations.
- As part of our 2023 Season of Giving, over 11,000 State Farm employees in Atlanta, Dallas, Phoenix and Bloomington packed 100,000 meals at each location, providing a total of 400,000 meals to local families.

And in partnership with United Food Bank, State Farm matched \$25,000 of the almost \$50,000 in cash donations for the State Farm and Arizona Cardinals Turkey Drive to help ensure Arizona families in need have a holiday meal.

Together, we have the power to spread joy, kindness and good will by giving back and making a positive impact in our communities.



5,000+
Community
volunteers





Education

Education is one pathway toward building robust communities for today and tomorrow because it creates opportunity for economic security. We support efforts that help build the skills critical for jobs of today and tomorrow, providing another way we're helping neighbors reach their potential and realize their dreams.

Our education funding is directed toward initiatives that support higher education, K-12 STEM and academic performance, and college and career success.

2023 Highlights

~275

Participating
Scholars

Learners at Georgia State and Arizona State universities prepared for the workforce of the future with State Farm Education Assist[®]. Combined, the two programs have more than 275 scholars. Since launching, nearly 110 students graduated with associate degrees, 68 with bachelor's degrees and seven completed their certificate programs.

\$1M

Grant to Heartland
Community College

State Farm provided a \$1 million grant to support the new Advanced Manufacturing Center at Heartland Community College in Normal, Illinois. The State Farm Electric Vehicle Lab provides an innovative hands-on learning environment that will equip students for future in-demand job opportunities in Central Illinois and beyond.





Education

Science, Technology, Engineering and Mathematics (STEM)

State Farm supports K-12 and undergraduate educational programs that build students' skills and knowledge in STEM fields and prepares them for the workforce of the future. In Illinois, STEM learning soared to 100,000 feet through a hands-on student mentoring project that launched a plush Jake from State Farm attached to a high-altitude weather balloon into space.

State Farm provides a \$25,000 grant to The Actuarial Foundation for the STEM Stars Actuarial Scholars Program, created with support from the Society of Actuaries. The program supports four-year college scholarships awarded to high school seniors. State Farm is also actively involved in the organization's mentoring programs.

100K feet
Students helped send Jake into space



\$25K
Grant to support the STEM Stars Actuarial Scholars Programs



Environmental & Resiliency

The work for better tomorrows begins today. This means building resiliency efforts into our business to help more people, in more ways, across a lifetime of moments. We're identifying new ways to act responsibly with our natural resources, predict and prevent losses, and meet the needs of our future customers.





Environmental Stewardship

People. Planet. Purpose. Being a good steward of our environmental resources just makes sense for everyone. By focusing on our environmental sustainability efforts, we contribute to helping make the world a better place and reducing costs along the way. Last year, we advanced our efforts of reducing waste, preserving resources and reducing cost as a result of facility, energy and workplace efficiencies.

Reduced Emissions

Market-Based goal: Reduce Scope 1 and 2 Greenhouse Gas (GHG) emissions* 50% by 2030, using 2019 as a baseline year.

2019	202,004	
2020	173,144	(14.3% reduction)
2021	125,522	(37.8% reduction)
2022	108,842	(46.1% reduction)
2023**	100,492	(50.3% reduction)

Data trends reflect energy decreases from our data centers, our first year using on-site solar on our Bloomington campus and a further reduction in facilities. A breakdown of reductions will be available in the 2023 TCFD Report.

*We engaged an independent third party to perform an attest review engagement over our total Scope 1 greenhouse gas (GHG) emissions, Scope 2 GHG emissions (market-based) and Scope 2 GHG emissions (location-based), as represented in State Farm Mutual Automobile Insurance Company's Management Assertion, for the years ending Dec. 31, 2019; Dec. 31, 2020; Dec. 31, 2021; Dec. 31, 2022; and Dec. 31, 2023.

**These numbers are estimates. We will publish an assurance statement for 2023 when it is available.



Paperless Preferences

We are seeing that more customers of all ages are interested in receiving communications digitally. We are responding with reliable, swift and secure communications that reduce paper and costs.

We promote resource preservation by offering a variety of paperless options to our customers. By honoring customer preferences in 2023 we:

\$102M+

Reduced costs by \$102M

184M+

Converted 184M+ to paperless communications

494M+

Saved 494M+ sheets of paper or the equivalent of 49,400 trees***

~5M

Signed up 5M customers for formal delivery preferences, including paperless, by selecting global email opt-in for a total of 10.2 million customers

*** Source: Ribble Converter (<https://ribble-pack.co.uk/blog/much-paper-comes-one-tree>)



Environmental Stewardship

Zero Waste

As part of our environmental sustainability efforts, State Farm is working toward having zero waste facilities, where 90% or more of our waste is diverted from landfill.

- State Farm is the first property and casualty (P&C) insurance company to earn TRUE certifications for zero waste.
- Achieved zero waste certifications for both Multi-Regional Services Facilities (MRSF), with each diverting 96% of waste from landfills.
- Expanded the Centralized Waste Program at State Farm Corporate Headquarters in Bloomington, Illinois to 210 zero waste stations for landfill diversion.
- Composted almost 11 tons of food waste from our headquarters cafeteria in collaboration with our food vendor.

Managing e-waste

Through repurposing efforts, State Farm also gave back to the community in the following ways:

- Donated nearly 6,000 pieces of information technology (IT) equipment to local schools and nonprofit organizations
- Sold more than 90,000 pieces of IT equipment
- Recycled nearly 195,000 pieces of IT equipment

State Farm makes history with TRUE certification for zero waste



State Farm supervisor Robin Hester is proud of the zero waste accomplishments and work our teams have done to implement waste management practices.

“With the attention given to sustainability, we can now celebrate the achievement of helping our community and the planet. We were able to advance what we had been doing to a higher degree over the past year.”



Robin Hester
Administrative Services
Service Delivery Supervisor



Innovation

When we look toward the future, we're excited about the ways we can continue to help customers in new and environmentally sustainable ways. So, we're researching resilient and environmentally friendly product offerings to deepen the value we bring to our customers to meet their future needs.

Life: Life Enhanced®

In 2021, State Farm introduced a mobile application for new life insurance customers. Life Enhanced provides customers with tools and rewards to encourage them to build holistic healthy habits and uses telematics to support a more personalized wellness journey. Additionally, Life Enhanced allows customers to access estate and end-of-life planning tools like FreeWill, the largest digital estate planning tool in the U.S.; and Lantern, which helps them document, store and share their end of life wishes with those they love, as well as steps to set up charitable giving to organizations in their local communities. By the end of 2023, Life Enhanced gained nearly 15,000 users.*

*Neither State Farm nor its agents provide tax or legal advice. Life Enhanced participation subject to program eligibility and varies by state.

**WattBuy is responsible for the calculations of the carbon footprint.



Consumers want to adopt and maintain more sustainable habits and tell us they look to insurance companies to help with their sustainability efforts -- particularly in the renewable energy marketplace. WattBuy is one way we are committed to test new offerings for customers.

In 2023, State Farm introduced a new collaboration with WattBuy to bring personalized, renewable energy options to homeowners and renters in four states. Anyone in Illinois, Ohio, Pennsylvania and Texas can see the carbon footprint from their home through validating their address. The platform allows

them to compare their energy usage to others, easily switch to a 100% renewable energy plan, and potentially save money on their monthly bill if available in their area.**



Innovation

As a mutual company we do what is in the best, long-term interest of those we serve. Our investments in innovation and relationships with external companies increases our ability to meet the needs of our customers today and into the future.

State Farm Ventures

State Farm Ventures focuses on investing in startups developing technologies and products to fulfill customer needs in ways they may not expect from their insurance company. State Farm Ventures, LLC is a wholly-owned subsidiary and registered trademark of State Farm Mutual Automobile Insurance Company.

Since 2018, investments include:

- Pre-Act Technologies – LiDAR enhanced sensors for automotive safety systems (See Safety)
- Whisker Labs – Ting, a service that includes a smart plug, which monitors a home’s electrical networks for faults that could lead to fires. (See Resiliency Products & Services)
- HopSkipDrive – Safe, reliable youth transportation solution for schools, districts and families
- Owl Autonomous Imaging – 3D thermal imaging sensor for automotive safety systems
- May Mobility – Autonomous vehicle solutions, which include ADA-compliant wheelchair ramps



Strategic Alliances and Relationships

State Farm employees and agents are always looking for ways to help customers, which is why we have built relationships with external companies and offer a variety of quality products and services to meet customer needs.

As of year-end 2023, relationships include:

- Hagerty (Hagerty Drivers Club) – State Farm Classic+® policy available in Arizona, Connecticut, Illinois and Indiana
- HSB (Business and Personal Fire & Casualty products)
- Humana (Medicare Advantage and Prescription Drug Plans)
- Jackson (Annuities)
- LightStream (Consumer Loans)
- Trupanion (Pet insurance)
- U.S. Bank (Business banking, consumer checking, savings and credit cards)



Resiliency Products & Services

Managing the risks of everyday life begins with preparation. We're looking at ways we predict and prevent losses, protecting customers and their investments.



Resiliency Coverage Options

State Farm offers several endorsements and discounts to help homeowners potentially avoid or minimize damages sustained and reduce or prevent insurance losses.

2023 Highlights include

27K+ Premium Discounts

2K+ Efficiency Upgrade endorsements

State Farm provided nearly **27,900** customers premium discounts for impact-resistant roofs, bringing the total over **269,000**. Availability and amount of discount varies by state. Fewer roof repairs reduces discarded building material.

Over **2,200** Homeowners insurance customers chose to add Energy Efficiency Upgrade coverage to their homeowners policies, totaling nearly **47,000** homes that now have it.

In addition, we offer coverage options by peril to help educate and encourage customers to take measures to make their homes more resilient.

- **Wildfire** – includes the Wildfire Mitigation Discount.
- **Coastal States** – includes the Wind Mitigation Discount, Roof Surfaces Impact Resistant Roof discount and the Seacoast Building Code discount.
- **Wind/Hail** – includes the Wind Mitigation Discount, Roof Surfaces Impact Resistant Roof discount.



Resiliency Products & Services

We're identifying ways to leverage technology to help more people in more ways. By leveraging smart home technologies, we're able to incorporate a "predict and prevent" mindset into our existing "repair and replace" model.

In 2023, State Farm has worked with Ting to provide more than 355,000 Ting sensors to State Farm customers in 45 states, bringing the total number of sensors provided to about 556,000 since 2020.

State Farm has an affinity relationship with ADT where State Farm customers have access to an ADT smart home security system at a significant reduced cost. This program and package of devices varies by state and is designed to help mitigate the risk of theft, fire and water losses for State Farm customers, and provides savings on the customer's homeowners insurance premium. In 2023, the program went live in 13 states and more than 27,000 water sensors were installed in State Farm insured homes.



"I was aware of this incident and am extremely happy with the Ting service and the effect it will have on keeping policyholders safe! My team and I do our best to share Ting information with policyholders and most are impressed that State Farm goes the extra mile to aid in fire prevention. Thank you for this wonderful program!"



Lisa Caughey
Agent
Freedom, PA



Resiliency Products & Services

IBHS Relationship

State Farm collaborates with the Insurance Institute for Business & Home Safety (IBHS), a leader in conducting building safety research. This research leads to safer communities by improving building codes and standards. IBHS shares its findings within the legislative process, construction industry organizations, building product manufacturers and material suppliers. State Farm integrates IBHS initiatives into our business, including the Fortified Home Designation and Wildfire Prepared Home programs.

In 2023:

- Approximately 50,000 homes were awarded a Fortified designation, which applies to homes in the path of storms
- IBHS introduced Wildfire Prepared Home in California for properties in wildfire-prone areas and is working to develop community standards for wildfire resistance

Community Resilience

In the U.S., 2023 saw the largest number of billion-dollar disasters since records have been kept.* State Farm plays a key role in community resilience by insuring people's cars and homes. In 2024, we are seeking a greater role in helping communities fight back against natural hazards and accidents by providing tools for planning and insurance products that allow them to pursue resilience proactively. This includes identifying ways to mitigate catastrophe prone risk and help people recover more quickly after an event.

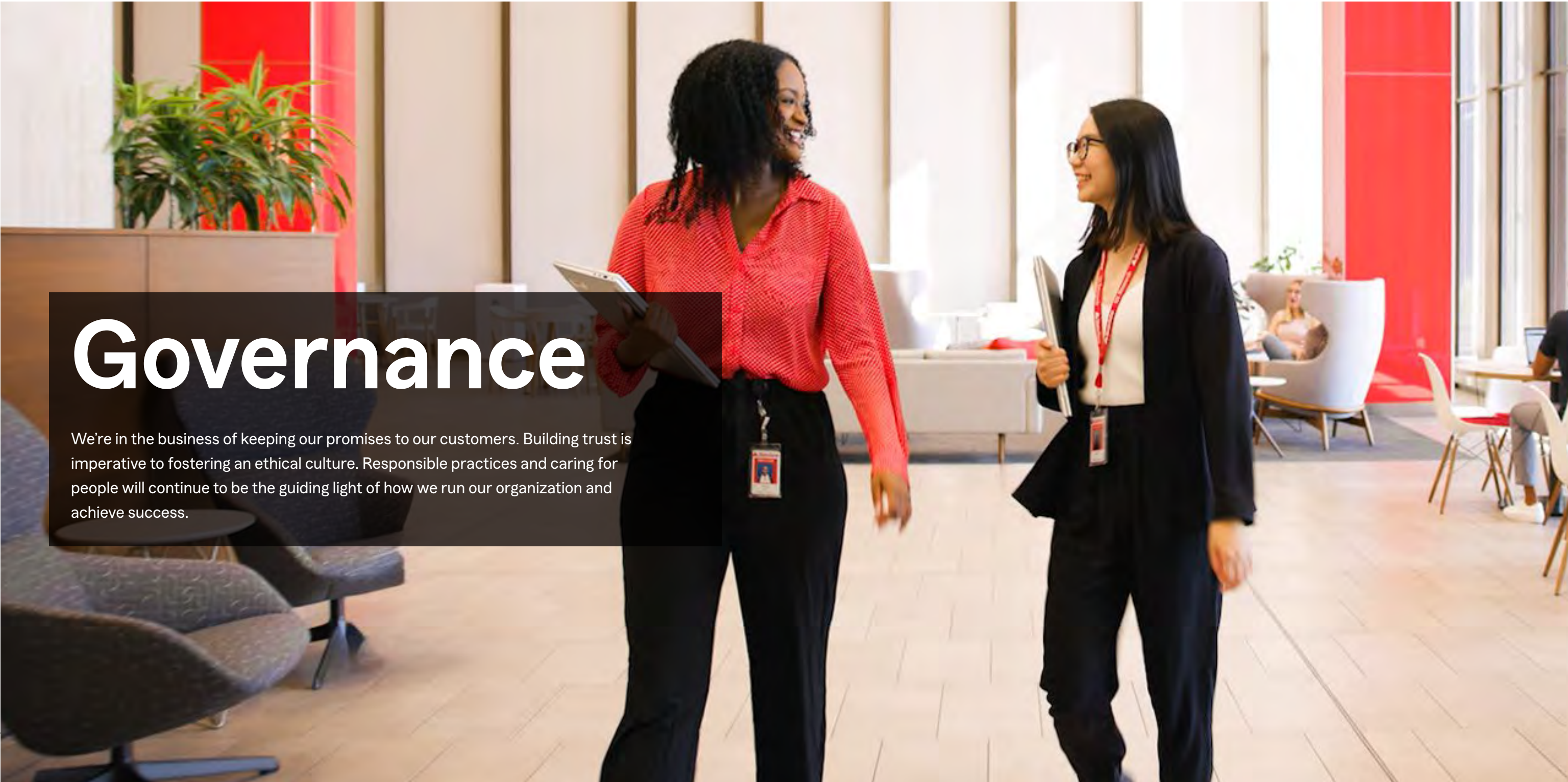


*Billion-dollar disaster seasons (2024). Climate Central. Available at: <https://www.climatecentral.org/climate-matters/billion-dollar-disaster-seasons-2024> (Accessed: 11 April 2024)



Governance

We're in the business of keeping our promises to our customers. Building trust is imperative to fostering an ethical culture. Responsible practices and caring for people will continue to be the guiding light of how we run our organization and achieve success.





Oversight

Responsible oversight of our business practices helps build trust with our customers. Our reputation is our promise. Caring for people, customers and employees remains at the core of who we are now and in the future. Each day we strive to fulfill our mission of helping people manage the risks of everyday life, recover from the unexpected and realize their dreams.

Sustainability Executive Steering Committee

The State Farm Sustainability Executive Steering Committee oversees all of our sustainability efforts in the three focus areas (community, environmental & resiliency, governance). The committee includes the CEO and several executives from across the organization. This oversight group helps ensure sustainability opportunities meet the State Farm mission, vision and values.

Investment Strategy

State Farm evaluates and monitors risks and opportunities associated with our investment portfolios to preserve the Company's financial strength to keep our promises to our policyholders. We evaluate all material risk factors that may have an impact on a company's future prospects, operating performance or valuation. Investment policies align with our sustainability framework and other objectives.

Task Force on Climate-Related Financial Disclosures (TCFD)

A changing climate introduces more risk and uncertainty into the lives of policyholders, particularly regarding the frequency, severity and location of catastrophic weather events. State Farm believes our primary role is to be there for customers as they face these risks by maintaining the financial strength necessary to help them recover. To provide insight into how we govern, evaluate and address climate risks on behalf of policyholders, State Farm produces a TCFD report. We anticipate the 2023 TCFD Report will be published mid-2024.





Responsible Practices

Building a better world tomorrow means starting with a firm foundation today. Our responsibility to customers drives our mission and purpose every day. Through various practices, we maintain our commitment and integrity.

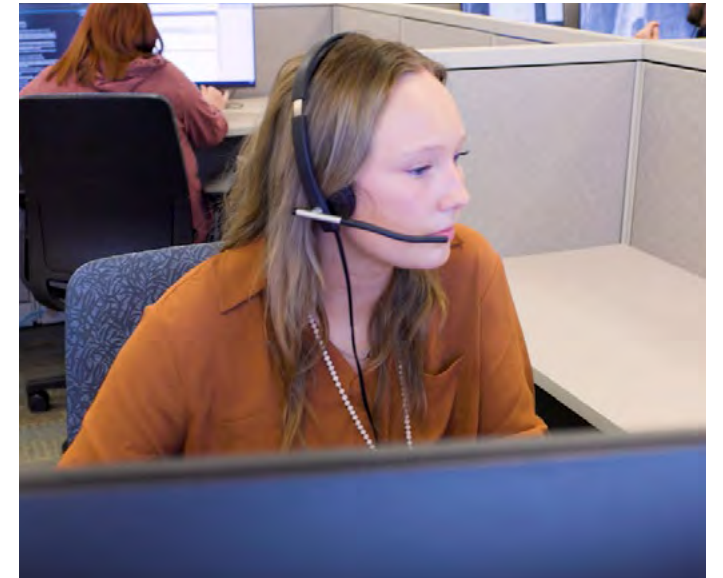
2023 Highlights

State Farm associates are required to complete **Mandatory & Compliance Training** each year to comply with applicable laws, regulations or other authoritative guidance and mitigate significant risks. Courses include Code of Conduct and Information Security and Privacy, which are designed to improve business conduct, help ensure ethical and legal behavior, and empower employees to take prompt action if a problem is identified.

The Operational Resiliency Program helps develop and mature capabilities that promote a resilient culture to deliver core operations and business processes that meet customer expectations, as well as prepare and adapt to changes in a constantly evolving environment. The program takes a business-led, risk-informed, technology-enabled, and customer-centric approach to managing resiliency priorities and enhancements. This is helping to ensure our services and technologies are durable and available for customers when they need them.

Supplier Diversity

Intentional effort was made in vendor management in 2023 to optimize opportunities for all to compete for business. We believe that a competitive and diverse pool of vendors ensures we're identifying qualified suppliers to meet our business needs, strengthening our supply chain, and creating economic opportunities for the communities we serve. We view diversity broadly including local, regional, and national suppliers who bring different product and service options and perspectives to best meet our business needs.



Internal and external auditing

Our internal audit team provides business areas with an independent and objective review of the adequacy and effectiveness of their operations' internal controls. In accordance with professional auditing standards, government regulations and applicable laws, the internal audit function helps maintain a financially solvent organization, minimizes significant risk of losses and drives positive changes. The Vice President – Internal Audit is appointed by and reports to the Audit Committee of the Board of Directors, a committee consisting only of directors who are not employees or officers of State Farm. State Farm also engages external auditing firms to supplement internal controls, policies and procedures related to financial reporting.



Responsible Practices

Responsible use of artificial intelligence (AI)

State Farm innovation with artificial intelligence (AI) is guided by our mission, vision and values and supported by our governance and accountability framework. Customers are at the heart of our decisions about applying AI solutions to strengthen decision-making, increase productivity, lower costs and enrich experiences. At State Farm, AI is used in accordance with responsible AI principles and involves human engagement throughout the lifecycle, as appropriate.

We Protect Consumer Information

We are committed to maintaining the highest level of consumer trust and confidence. We maintain physical, electronic and procedural safeguards to protect customer information and to comply with federal and state laws. We review our policies and practices, monitor our computer networks and test the strength of our security. Our Notice of Privacy Policy is provided the first time we conduct business with a customer, and we retain customer information in accordance with the policy for legal, auditing, regulatory and business purposes.





Corporate Governance & Risk Management

As a mutual company, we do what is in the best, long-term interest of our policyholder group as a whole. The core of our reputation depends on persistent focus on culture, accountability and compliance. People look to us for consistency and as a trustworthy company that treats customers and employees well. As we continue to grow and serve more people than we ever have, we will always be committed to doing the right thing above all.

State Farm Policy Framework

The State Farm Policy Framework supports a consistent policy management process for the organization with a governance structure that serves as a forum for executive collaboration, education and discussion concerning State Farm policy management, including mitigation of risk.

Enterprise Risk Management

Enterprise Risk Management (ERM) continues to provide a framework for risk management activities, which promotes and helps ensure a risk management culture throughout State Farm. ERM aggregates, analyzes and provides consultation related to and reports on enterprise risks and opportunities. This helps inform strategic and operational planning and assists leaders in helping to ensure that State Farm maintains capital commensurate with its risk exposure.

Enterprise Compliance & Ethics

Employee conduct and behavior expectations are clearly outlined in the State Farm Code of Conduct. A broad system of controls and continuous monitoring helps ensure business operations and practices are in accordance with our Code of Conduct guidelines.

Roles and Responsibilities for the Three Lines of Defense Model

State Farm also uses the Three Lines of Defense model, a common industry framework that conceptually helps define compliance and risk management roles and responsibilities. The responsibilities of each line of defense are carefully delineated to help maximize effectiveness and align risk management responsibilities with risk ownership to help eliminate gaps in compliance and risk management activities. The objective of the Three Lines of Defense model is to provide an increased level of assurance to executive leadership and the State Farm Board of Directors that risk is being managed effectively.

Information Security

We track cyber threats to State Farm networks in real time, using the latest technologies and professional teams to protect, detect and respond to threats and incidents.



Our Leadership

In 2023 there were several retirements and promotions announced within our senior executive group.

Senior Vice President, Treasurer and CFO **Jon Farney** was promoted to **President** in December 2023 and **assumed the role of CEO** on June 1, 2024. **Michael Tipsord** remains the **Chairman of the Board**.

In late 2023, **Mary Schmidt** (Executive Vice President and Chief Administrative Officer) and **Paul Smith** (Executive Vice President and Chief Operating Officer) announced their retirements.



Michael Tipsord
Chairman



Jon Farney
President and
Chief Executive Officer



Kristyn Cook
Executive Vice President,
Chief Agency,
Sales & Marketing Officer



Chris Schell
Executive Vice President,
Chief Operating Officer



Fawad Ahmad
Senior Vice President and
Chief Digital Officer



Wensley J. Herbert
Senior Vice President –
P&C Claims



Keesha-Lu Mitra
Senior Vice President and
General Counsel



Steve McManus
Chief Legal Officer



Joe Monk
Senior Vice President –
Financial Services



Ashley Pettit
Senior Vice President and
Chief Information Officer



Michele Russo
Senior Vice President



Mark Schwamberger
Senior Vice President,
Treasurer, and
Chief Financial Officer



Cathy Wallace
Senior Vice President and
Chief Risk Officer



Board of Directors

In service to State Farm customers, several accomplished business leaders provide advice, perspective and direction to help guide our Company's future.

Dan E. Arvizu
Former Chancellor, New Mexico State University System

Keith Block
CEO and Founder, Smith Point Capital

Charles K. Bobrinsky
Vice Chairman and Head of Investment Group,
Ariel Investments

Jon Farney
President and Chief Executive Officer,
State Farm Mutual Automobile Insurance Company

Kate Gebo
Executive Vice President,
Human Resources and Labor Relations, United Airlines

Caroline S. Grace
President & CEO, AMN Healthcare

James Hackett
Former President and Chief Executive Officer,
Ford Motor Company

W.H. Knight Jr. (Presiding Director)
Retired Professor of Law, Seattle University School of Law

Vicki A. O'Meara
Strategic Advisor, AdSwerve

Gary L. Perlin
Former Chief Financial Officer,
Capital One Financial Corporation

Michael L. Tipsord (Chair)
Former President and 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.



Front row, from left, Charles K. Bobrinsky, Kenneth J. Worzel, Vicki A. O'Meara, Keith Block, Steven C. Williams, James Hackett
Back row, from left, Dan E. Arvizu, Kate Gebo, Jon Farney, Michael L. Tipsord, W. H. Knight Jr., Caroline S. Grace, Gary L. Perlin



Our Affiliates

The State Farm Group of Companies

Visit statefarm.com® to explore all products and services offered through local State Farm agents.



Parent Company

State Farm Mutual Automobile Insurance Company

Affiliates Offering State Farm-branded Products

State Farm Life Insurance Company

State Farm Life and Accident Assurance Company

State Farm Fire and Casualty Company

State Farm Indemnity Company

State Farm Guaranty Insurance Company

State Farm General Insurance Company

State Farm Florida Insurance Company

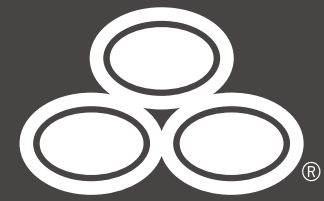
State Farm Lloyds

State Farm County Mutual Insurance Company of Texas

State Farm Classic Insurance Company

State Farm Investment Management Corp.

State Farm VP Management Corp.



2023 State Farm Impact Report