



State Farm Insurance Companies
Group Life and Accidental Death &
Dismemberment Insurance Plan
for United States Employees

Summary Plan Description

Effective January 1, 2018

Certificate of Coverage

(Pending approval by the Illinois Department of Insurance)

THE STATE FARM LIFE INSURANCE COMPANY (hereafter called State Farm Life), Bloomington, Illinois, hereby certifies that the holder of this certificate is insured under and subject to the terms and conditions contained in Policy No. 2,745,632, issued to:

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

(hereafter called the Policyholder) while he or she is within the classes eligible for insurance hereunder provided enrollment has been made and accepted and that the necessary contributions are made toward premiums for such insurance.

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Introduction

The State Farm Insurance Companies Group Life and Accidental Death & Dismemberment Insurance Plan for United States Employees ("Group Life Plan" or "Plan") is one of the benefit plan options offered under the State Farm Insurance Companies Group Health and Welfare Plan for United States Employees (Group Health and Welfare Plan). The Group Health and Welfare Plan together with all of the benefit plan options, including the Group Life Plan, constitute a welfare benefit plan under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This Summary Plan Description describes the basic features of the Group Life Plan and how it operates.

The Plan described in this SPD is the Plan in effect as of January 1, 2018. Be sure to keep this SPD, along with notices of any Plan changes (summary of material modifications or SMM), in a safe and convenient place where you and your family can find and refer to them. It is provided for information purposes only and is not a contract of employment. It does not cover all provisions, limitations, and exclusions.

The Group Life Plan is insured by the State Farm Life Insurance Company (State Farm Life) under Policy Number 2,745,632. The Policy provides life insurance coverage for insured active employees and their eligible dependents. It also provides coverage for eligible retirees who are covered on the day prior to retirement. The employee or retiree may name their beneficiary. For active employees who enroll their eligible dependents the employee is the beneficiary. Active employees are responsible for paying the premiums for Dependent insurance.

Active employees who are enrolled in the Group Life Plan also have group accidental death and dismemberment or loss of sight coverage (AD&D) under this Policy. This coverage pays a benefit if an employee sustains certain injuries resulting from a qualifying accident and it pays the life insurance beneficiary an additional benefit if death occurs because of a qualifying accident.

If you are an eligible retiree, this SPD provides details of the life insurance coverage (without AD&D coverage) for which you may be eligible. As a retiree, coverage may be provided by State Farm or you may be eligible to continue your coverage at your cost.

Words that have a specific meaning are capitalized and are defined in Appendix A: Terms.

In the case of a conflict between the information presented here and the Policy, the terms of the Policy shall govern. A complete copy of the State Farm benefit plans may be obtained from the State Farm Benefits Center.

NOTE: The Welfare Benefit Administrative Committee, as Plan Administrator, determines enrollment eligibility, effective date, and termination date of employees and their dependents. The insurer administers plan benefits, which includes the determination of eligible benefits, the computation of benefits, claim processing and appeal procedures.

Eligibility

Who Is Eligible

Eligible Employees

You are eligible to become a participant in the Group Life Plan if, based on the payroll records of State Farm Mutual Automobile Insurance Company (“State Farm” or the “Company”), you are employed by State Farm (or one of the participating Companies) and you are:

- A Full-time Employee whose customary weekly employment is the hours in the standard workweek and whose customary annual employment is 12 months;
- A Part-time Employee whose customary weekly employment averages 18 or more hours per week per pay period and whose customary annual employment is five continuous months or more, who is not eligible as a full-time Employee or a retired Employee;
- An Agent Intern;
- A Retired Employee who was insured under the Plan on the day before his or her Retirement Date; or
- A Retired Employee who is rehired as a full-time Employee.*

*If a Retired Employee returns to active work as a Full-time Employee, the Employee becomes a member of the Full-time Employee class and is subject to the *Schedule of Insurance for Full-time and Part-time Employees*. Upon subsequent retirement, the benefit amount (if any) will be based on the Employee’s Base Salary as a Full-time Employee.

Eligible Dependents for Full and Part-time Employees

A Full or Part-time Employee who has Group Life Plan coverage may elect to cover his or her eligible Dependents. The following individuals are considered Dependents if they are not on active military duty. You will be required to provide the Dependent’s Social Security Number (SSN) to the State Farm Benefits Center. This requirement is waived for children that are less than 6 months old and foreign born individuals that have not obtained a SSN.

Dependents are:

- The Employee’s Spouse or Partner (Dependent Adult);
- A child who is under 26 years of age and who is:
 - The Employee’s biological child;
 - The Employee’s legally adopted child (a child is considered ‘legally adopted’ on the earlier of the date the child is in the Employee’s custody pursuant to an interim order of adoption or the date the child is lawfully placed with the Employee for purposes of adoption);
 - The Employee’s stepchild;
 - The Employee’s foster child who is placed with the Employee by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction;

- The Employee's ward who is in the care of the Employee under a court-appointed legal guardianship if the child is unmarried and meets the definition of dependent under Internal Revenue Code Section 152 (the Employee provides over one-half of the child's support without regard to the earned income limit or the custodial rules applicable in divorce situations); or
- The Employee's unmarried grandchild who is in the care of the Employee pursuant to a court order of temporary custody and meets the definition of dependent under Internal Revenue Code Section 152 (the Employee provides over one-half of the grandchild's support without regard to the earned income limit or the custodial rules applicable in divorce situations).

However, a child who is eligible for insurance as an Employee under this Plan or as an agent under State Farm Group Life Policy 1,297,201 or 2,890,767 is not eligible as a dependent under this Plan.

Proof of Eligibility

Proof of Dependent eligibility will be required. The Employee must submit the appropriate documentation required for proving eligibility within the established timeframe or coverage will not become effective. If coverage is already in effect and Dependent eligibility has not been provided, coverage will be terminated (retroactive, if necessary, to the date the person is no longer eligible).

Duplication of Coverage

If you and your Spouse or Partner are both eligible for State Farm group life insurance (as either an employee or as an agent), you may be covered as both:

- An active employee, agent, or retiree; and
- A dependent of your Spouse or Partner (provided your Spouse or Partner is covered as a State Farm employee, agent, or retiree).

For Dependents, if both parents are eligible for State Farm Group Life Insurance, and each parent separately enrolls in the Group Life Plan, both parents may cover the eligible Dependent children.

Who Is Not Eligible

You are not eligible for coverage under this Plan and are excluded from participation if you fit any of the following descriptions, regardless of whether a court or administrative agency determines at any time that any such individual is a common law employee:

- Any director, unless he is otherwise regularly employed by the Companies;
- Any person whose terms and conditions of employment are determined by a collective bargaining agreement between the Companies and a labor union which does not make the Plan applicable to them;
- Any State Farm independent contractor agent, or employee of a State Farm independent contractor agent;
- Any individual performing services for the Companies who is classified as an external associate per the Companies' records, including but not limited to any external claim

resource, any external resource of any kind, any contingent worker, any leased employee or any person otherwise operating or performing under a service provider agreement. The term “leased employee” means an individual who is a “leased employee” within the meaning of Section 414(n)(2) of the Internal Revenue Code and any other person who provides services to the Companies pursuant to an agreement between the Companies and a leasing organization or similar organization;

- Any person operating under a Staff Assistance Agreement; and
- Any Retired Employee who is rehired as a Part-time Employee*

*If a Retired Employee returns to active work as a Part-time Employee, the Employee remains a member of the Retired Employees class and subject to the *Schedule of Insurance for Retired Employees*.

Enrollment

As a New Hire or Newly Eligible for Benefits

To participate, you must enroll in the Plan within 31 days of the date you first become eligible.

If you do not enroll within 31 days after your date of hire or if you canceled coverage at some point, evidence of insurability is required in order to participate in the Plan.

In addition, if you do not enroll your Dependents within 31 days of first becoming eligible or fail to return any required documentation to the State Farm Benefits Center within 60 days of the documentation request, and you want to enroll them at a later date, you may have to provide evidence of insurability.

During the Year for Full and Part-time Employees

If you do not enroll yourself when you were first eligible or you subsequently cancel your coverage, you may enroll yourself and/or your Spouse or Partner at any time during the year by providing evidence of insurability. Dependent children can be added during the Annual Enrollment Period.

To enroll by providing evidence of insurability, contact the State Farm Benefits Center at 1-866-935-4015 for an application.

It is important to consider benefit coverage carefully because the benefit election you make will be in effect for the entire calendar year.

You may terminate your coverage at any time. However, because your coverage (the Employee's) is paid with pre-tax dollars, the terms of the Flexible Compensation Plan apply. Under the Flexible Compensation Plan, you cannot change the amount being taken from your salary unless you have a Qualifying Event and satisfy the other requirements of the Plan. If you terminate your coverage without satisfying these requirements, you will forfeit the remaining salary dollars you allocated under the Plan. For more information, refer to the Flexible Compensation Summary Plan Description.

However, since Dependent coverage is paid with after-tax dollars, you may cancel coverage for Dependents at any time, provided you give proper notice. Cancellation will be effective the first of the month following receipt and processing of your cancellation request.

You Gain a New Dependent

If you gain a new Dependent due to marriage, birth, adoption, or placement for adoption, after your own life insurance is in effect, you may enroll the Dependent (without evidence of insurability) within 31 days of the date you gain the Dependent. To enroll your Dependent, you must notify the State Farm Benefits Center at 1-866-935-4015 or by accessing My State Farm Benefits Resource at www.resources.hewitt.com/statefarm within 31 days of the date of marriage, birth, adoption, or placement for adoption and return any required documentation to the State Farm Benefits Center within 60 days of the documentation request.

If you do not enroll yourself or your Spouse or Partner when first eligible, you may enroll yourself and/or your Spouse or Partner at any time during the year by providing evidence of insurability. Dependent children can be added during the Annual Enrollment Period without evidence of insurability.

Evidence of Insurability

For Active Employee Life Insurance

When applying by evidence of insurability, you must complete an Individual Application for Group Insurance and you may be required to have a medical examination at your expense.

For Dependent Life Insurance

To enroll by providing evidence of insurability for a Spouse or Partner, you must complete the dependent section of the Individual Application for Group Insurance. Your Spouse or Partner may be required to have a medical examination at your expense.

Application packets can be obtained by contacting the State Farm Benefits Center at 1-866-935-4015.

Dependent children can only be added during the Annual Enrollment Period. No evidence of insurability will be required.

Confirmation Statements

If you enroll, you will receive a confirmation statement after your elections or changes have been processed. It is your responsibility to review your confirmation statement for accuracy. Immediately notify the State Farm Benefits Center by calling 1-866-935-4015 of any discrepancies or errors.

When Coverage Begins

For a New Hire or Newly Eligible Employee

You Enroll Within 31 Days of Your Date of Hire

If you are hired on the first day of the month and enroll within 31 days of the date you were hired, your coverage will begin on your date of hire provided that you are Actively at Work on that day.

If you are hired after the first of the month and enroll within 31 days of the date you were hired, your coverage will begin on the first day of the month following your date of hire provided that you are Actively at Work on that day.

AD&D insurance, including loss of sight benefits, automatically begin when your life insurance begins.

Actively at Work Requirement

For Full and Part-Time Employee Life Insurance

If you are a Full-time or Part-time Employee and you are not Actively at Work on the day your coverage would otherwise become effective, you will not become insured until the day following the date you are Actively at Work again. If you return to active work following a military leave, you will be eligible for coverage on the date you return to active work with that date considered to be the first workday of the month.

For Dependents of Employees

You Enroll Your Dependents When You First Become Eligible

If you enroll your dependents (Spouse or Partner and/or children) within 31 days of the date you first become eligible, and return any required documentation to the State Farm Benefits Center within 60 days of the documentation request, their coverage will begin when your life insurance coverage becomes effective.

If you are not Actively at Work on the day that Dependent's coverage would otherwise become effective, the Dependent's coverage will become effective when you return to Actively at Work.

Enrollment Through Evidence of Insurability

If you enroll yourself or your Spouse or Partner through evidence of insurability, if approved, coverage will begin the first of the month following the date State Farm Life approves the application.

You Gain a New Dependent

If you gain a new Dependent due to marriage, birth, adoption, or placement for adoption, after your own life insurance is in effect, you must enroll the Dependent within 31 days of the date you gain the Dependent and return any documentation to the State Farm Benefits Center within 60 days of the documentation request in order for your Dependent's coverage to begin on the date of marriage, birth, adoption, or placement for adoption.

If you do not enroll your Dependents within 31 days of first becoming eligible or fail to return any required documentation to the State Farm Benefits Center within 60 days of the documentation request, or you waive or cancel Dependent coverage and you want to enroll them at a later date, you may have to provide evidence of insurability as noted in the Evidence of Insurability section.

Dependent children can only be added during the next Annual Enrollment Period and coverage will be effective January 1 of the following calendar year. No evidence of insurability will be required.

Plan Costs

The formulas below are used to calculate the amount of your monthly premium. State Farm Life may change these premium rates on:

- Any policy anniversary;
- Any premium due date, if the current premium rates have been in effect for at least 12 months; or
- The date of any change in terms of the policy.

Any changes in premiums will be disclosed in the annual enrollment materials prior to their effective date. Depending upon underwriting results from year to year, the premium charged may result in income to State Farm Life.

Monthly Premiums

Coverage Type	Monthly Premium Formula
Employee Life Insurance	\$0.10 per \$1,000 of coverage per month
Dependent Children of Employee Life Insurance	\$0.08 per \$1,000 of coverage per month, regardless of the number of children insured (\$0.80 per month)
Spouse or Partner of Employee Life Insurance	\$0.22 per \$1,000 of coverage per month
Employee AD&D Insurance	The premiums for AD&D and loss of sight benefits are paid by State Farm.
Retired Employee Life Insurance	Premium formula is dependent upon many factors as determined by the eligibility requirements and the <i>Schedule of Insurance for Retired Employees</i> and timing of retirement.

Payment of Monthly Premiums for Employee Life Insurance

You and State Farm share the cost of your life insurance coverage. For active employees, your share of the premium will be paid with pre-tax Flex Dollars.

Under IRS rules, employers must include in the employee's wages the value of group-term life insurance in excess of \$50,000 of coverage, reduced by the amount the employee paid toward

the insurance. This amount is reported as wages on the employee's Form W-2 and subject to Social Security and Medicare taxes.

Payment of Monthly Premiums for Dependent Life Insurance

Employees pay the entire premium for Dependent coverage with after-tax contributions.

How the Plan Works

Plan Benefits, Exclusions, and Limitations

Schedule of Insurance

For Full-time and Part-time Employees and their Dependents

Coverage Type	Benefit
Employee Life Insurance	Employee's Base Salary multiplied by 2, and rounded up to the next multiple of \$2,000. The minimum benefit is \$10,000.
Spouse or Partner of Employee Life Insurance	50% of your Base Salary rounded up to the next \$1,000, but not less than \$10,000 and not more than \$45,000.
Dependent Children of Employee Life Insurance	\$10,000 per child, from birth to age 26.

Coverage Changes Due to Compensation Changes

If your Base Salary changes, your life insurance coverage will be automatically adjusted effective on the first of the month following the change in your Base Salary.

If You Are Not Actively at Work

If you are an Employee and your insurance is continued during disability, approved leave of absence, military leave for other than full-time active military duty, or temporary layoff, the amount of your insurance will be the amount for which you were insured on your last day of active work, except as follows:

- If the Schedule of Insurance provides a reduction in the amount of insurance on a specified date, age, policy anniversary or at any other specified time, the amount of your insurance will be reduced as provided by such schedule.
- If the Schedule of Insurance provides an increase in the amount of insurance on a specific date, the amount of your insurance will be increased as provided by such schedule, unless you've been totally disabled continuously for six months.

If You Are Totally Disabled

If you are continuously and Totally Disabled for at least six months, your insurance amount will not be increased if the Schedule of Insurance provides for one.

Schedule of Insurance for Retired Employees

The Company will provide the coverage amount or access to coverage as follows for Employees who retire from an active employee status on or after January 1, 2012:

Hire/Rehire Date	Company Service	Age as of January 1, 2012	Benefit
Prior to January 1, 2007	Less than 5 years	All ages	<ul style="list-style-type: none"> • None; coverage may be converted upon termination due to retirement
Prior to January 1, 2007	At least 5 but less than 10 years	50 or over	<ul style="list-style-type: none"> • 25% of the amount of coverage in effect on the first of the month prior to retirement, with a minimum of \$5,000 • Coverage is paid 100% by the Company
Prior to January 1, 2007	At least 5 but less than 10 years	Under 50	<ul style="list-style-type: none"> • 25% of the amount of coverage in effect on the first of the month prior to retirement, with a minimum of \$5,000 • Coverage is paid 100% by the Retired Employee at age-banded rates
Prior to January 1, 2007	10 or more years	50 or over	<ul style="list-style-type: none"> • 50% of the amount of coverage in effect on the first of the month prior to retirement, with a minimum of \$5,000 • Coverage is paid 100% by the Company
Prior to January 1, 2007	10 or more years	Under 50	<ul style="list-style-type: none"> • 50% of the amount of coverage in effect on the first of the month prior to retirement, with a minimum of \$5,000 • Coverage is paid 100% by the Retired Employee at age-banded rates
On or after January 1, 2007 but prior to January 1, 2012	Less than 15 years	All ages	<ul style="list-style-type: none"> • None; coverage may be converted upon termination due to retirement

Hire/Rehire Date	Company Service	Age as of January 1, 2012	Benefit
On or after January 1, 2007 but prior to January 1, 2012	15 or more years	All ages	<ul style="list-style-type: none"> • 50% of the amount of coverage in effect on the first of the month prior to retirement, with a minimum of \$5,000 • Coverage is paid 100% by the Retired Employee at age-banded rates
On or after January 1, 2012	All Employees	All ages	<ul style="list-style-type: none"> • None; coverage may be converted upon termination due to retirement

If You Retire with Insurance of More Than \$50,000

If the amount of your group life insurance coverage on and after your Retirement Date is more than \$50,000 and you are not insured by the Extension of Death Benefits Provision, you may request to irrevocably reduce your amount of life insurance to \$50,000. Your request must be in writing and in a form acceptable to State Farm Life. Such change will be effective on the first of the month following the date your request is received.

You may convert the amount of group life insurance terminated.

Schedule of Insurance – Optional Group Life Insurance for Retired Employees

Employees will have an opportunity to continue an optional amount of group life insurance in excess of the amount provided by the Companies if the Employee:

- Retires on or after January 1, 2012;
- Is age 50 or older as of January 1, 2012; and
- Is eligible for an amount of group life insurance on and after the Employee's Retirement Date.

This amount of group life insurance is the difference between the amount of group life insurance in effect immediately preceding the Employee's Retirement Date and the amount of group life insurance provided by the Company, as specified in the *Schedule of Insurance for Retired Employees* section.

Prior to the Employee's Retirement Date, the Employee must:

- Elect to continue the amount of group life insurance and agree to pay the full monthly premium for the coverage at age-banded rates; or
- Irrevocably waive this optional amount of group life insurance.

A Retired Employee may request to irrevocably terminate this group life insurance. Any request to terminate this additional group life insurance must be in writing and in a form acceptable to State Farm Life.

Pricing for the Optional Group Life Insurance will be based on age-banded rates, which may be subject to change annually. Currently the age banded rates are:

Age	Monthly Premium Per \$1,000 of Coverage
55-59	\$0.39
60-64	\$0.60
65-69	\$0.93
70-74	\$1.56
75-79	\$2.82
80-84	\$5.02
85-89	\$8.54
90-94	\$13.94
95-99	\$25.34
100+	\$85.43

Rates will increase for the retired Employee on the January 1 following a birthday that moves them into a different age bracket.

The Group Life Policy can be amended, changed, or terminated at any time by written agreement between the Policyholder and State Farm Life. Retirees can be notified by letter in advance of any future changes to the plan or rate. If a retiree elects to cancel the Optional Group Life Insurance at a future date, conversion to a State Farm individual policy will be available.

Assigning Your Life Insurance

You may transfer your entire interest in your group life insurance policy by making an absolute assignment. With an absolute assignment, you transfer all your rights under the Policy, including the right to name a beneficiary. This assignment includes your certificate of insurance and all renewals including, but not limited to, the right to have an individual policy issued in accordance with the Policy's conversion privilege. You cannot make an assignment for providing collateral. State Farm Life assumes no responsibility for the validity or effect of any absolute assignment or your interest in the Policy and certificate. No such absolute assignment will be recognized until a copy of the absolute assignment has been duly filed with State Farm Life.

AD&D and Loss of Sight Insurance Benefits

Schedule of Insurance

If you are an insured Employee, the amount of group accidental death and dismemberment (AD&D) and loss of sight insurance coverage is determined according to the following schedules.

Coverage Type	Benefit
Employee AD&D Insurance coverage	100% of the amount of Group Life Insurance with a maximum of \$100,000. The minimum benefit is \$10,000.

Upon receipt of due proof that an Employee, while insured, suffers any of the losses listed below within 180 days of the date of an accidental injury, State Farm Life will pay to the Employee, in one sum, the applicable benefit amount shown below.

Loss	Benefit
Thumb and index finger of the same hand	¼ the amount of AD&D insurance
One hand	½ the amount of AD&D insurance
One foot	½ the amount of AD&D insurance
Sight of one eye	½ the amount of AD&D insurance
Both hands or both feet	Full amount of AD&D insurance
Sight of both eyes	Full amount of AD&D insurance
One hand and one foot	Full amount of AD&D insurance
One hand and sight of one eye	Full amount of AD&D insurance
One foot and sight of one eye	Full amount of AD&D insurance

With respect to hands or feet, "loss" means dismemberment by severance at or above the wrist or ankle joint. With respect to eyes, "loss" means the entire and irrecoverable loss of sight. With respect to the thumb and index finger, "loss" means actual severance through or above metacarpophalangeal joints.

Loss of Use Benefit

Upon receipt of due proof that an Employee, while insured, suffers any of the losses listed below within 180 days of the date of an accidental injury, State Farm Life will pay the applicable Benefit amount shown below.

Loss of Use	Benefit
Four limbs	Full amount of AD&D insurance
Three limbs	¾ amount of AD&D insurance
Two limbs	⅔ amount of AD&D insurance
One limb	½ amount of AD&D insurance

"Loss of Use" shall mean total paralysis of a limb (a jointed appendage, as an arm or leg) which is determined by State Farm Life to be permanent, complete and irreversible.

If more than one Loss arises out of the same accident, State Farm Life will pay only one Benefit, the largest one the Employee is entitled to.

Seat Belt Benefit

State Farm Life will pay an additional accidental death benefit of 10% of the AD&D amount which will be payable to the designated beneficiary. This benefit is payable for loss of life as the result of an accident which occurs while the insured Employee is driving or is an occupant in an Automobile if:

- The Automobile is equipped with seat belts;
- The Seat Belt was in actual use and properly fastened at the time of the accident;
- The position of the Seat Belt is certified in the official report of the accident or by the investigating officer. A copy of the accident report must be submitted with the claim; and
- The insured Employee was driving or riding in an Automobile driven by a licensed driver who was neither:
 - Intoxicated or driving while impaired. Intoxication and impairment shall be determined by the law of the jurisdiction in which the accident occurs, with or without conviction; nor
 - Under the influence of a narcotic, hallucinogen, barbiturate, amphetamine, gas or fumes, poison or any other controlled substance as defined in Title II of the Comprehensive Drug Abuse prevention and Control Act of 1970, as now or thereafter amended, unless as prescribed by a licensed physician and used in the manner prescribed. Conviction is not necessary for determination of being under the influence.

When AD&D Death Benefits are Payable

The full amount of your AD&D insurance benefit is payable for loss of life, in addition to any other life insurance death benefit, if your death:

- Occurs while you are insured;
- Results directly, and independently of all other causes, from bodily injury incurred while you are insured; and
- Occurs within 180 days of the date of such injury.

No more than the full amount of AD&D insurance will be paid for all losses resulting from any one accident.

If you die before State Farm Life receives due proof of loss, payment will be made to your beneficiary, subject to the provisions of the Policy.

When AD&D Death Benefits are Not Payable

No AD&D insurance benefit will be paid for any death that results from:

- Suicide while sane, or self-destruction while insane;
- The voluntary, not to include purely accidental or unintentional, taking of a drug or drug-containing substance, unless taken as prescribed by a physician;
- The voluntary, not to include purely accidental or unintentional, taking of a poison;
- The voluntary, not to include purely accidental or unintentional, inhaling of a gas, fume or vapor;
- Any disease of mind or body;
- Committing an assault or felony;
- Taking part in a riot;
- Flight in an aircraft for the purpose of descent from such aircraft;
- Descent from an aircraft while in flight;
- Operating or riding in an aircraft controlled or chartered by a military service; or
- Any act due to War, whether or not the employee is in the military service.

When Dismemberment or Loss of Sight Benefits are Not Payable

No dismemberment or loss of sight benefits will be payable for any loss which results from:

- Attempted self-destruction or intentionally self-inflicted injury while sane or insane;
- Any act due to War; or
- The commission of any assault or felony.

Physical Examination

State Farm Life will have the right to designate a physician to examine the Employee whose injury or loss is the basis of a claim when and as often as it may reasonably require. It will also have the right to request an autopsy in the case of death, where it is not prohibited by law.

Claiming Benefits

Filing a Claim

In order for you or your beneficiary to file a claim, you must take the follow actions:

- Contact the State Farm Benefits Center to initiate the process. A claim form will be mailed to you by State Farm Life Company. It is important that the form be filled out carefully and completely, since missing or incomplete answers may delay payment;
- Complete and sign your section of the claim form;
- If filing for claims other than death, your doctor should complete and sign his or her section; and
- Return the completed form to State Farm Life Company at:

State Farm Insurance Companies
Illinois Operations Center
Life Claims
2702 Ireland Grove Road
Bloomington, IL 61704-9975

Payment of a Claim

If payment is authorized, State Farm Life will release whatever benefits are payable to the person named as a beneficiary. These benefits will be paid immediately after receipt of proof of loss. Benefits will be paid in one sum. Interest will be credited from the date of death until the date payment is made. Payment by any other method may be made if State Farm Life agrees.

Beneficiaries are determined as follows:

Naming a Beneficiary

Naming Your Beneficiary When You Enroll

You should name your beneficiary or beneficiaries at the time you enroll by completing an electronic beneficiary designation through the My State Farm Benefits Resource website.

Changing Your Beneficiary

You may change your beneficiary by completing an electronic beneficiary designation through the My State Farm Benefits Resource website. A change of beneficiary can only be made during your lifetime. The change will be effective on the date you complete the electronic designation.

Naming More Than One Beneficiary

If you designate more than one beneficiary, but no respective interest is specified (for example, one receives 60% and one 40%), those beneficiaries will share equally, and the interest of any beneficiary who predeceases the Employee will pass to the survivors equally or to the survivor.

If No Beneficiary Survives You or You Do Not Name a Beneficiary

If no designated beneficiary survives you or you fail to designate a beneficiary, payment of insurance will be made to your surviving Spouse or Partner. If no Spouse or Partner survives you, equal payment will be made to your surviving child or children born to or legally adopted by you. If neither Spouse or Partner nor children survive you, equal payment will be made to your surviving parent or parents. If none of the above is applicable, State Farm Life may make payment to the duly qualified executor or administrator of your estate.

Beneficiary Is a Minor or Incapable of Giving Release for Payment

Any amount payable to a beneficiary who is a minor or is otherwise incapable of giving a valid release for any payment due may be paid to the legally appointed guardian of that beneficiary.

If there is no guardian, the amount payable may be paid to the person or institution that has, in the opinion of State Farm Life, assumed the custody and principal support of the beneficiary.

Beneficiary for Dependent Life Insurance

If living, you are the beneficiary of your Dependent's life insurance coverage. Otherwise, a Dependent's death benefit will be paid to your life insurance beneficiary. If the beneficiary of your life insurance is not living, the Dependent's beneficiary will be the Dependent's estate.

Claims and Appeals Procedures

Claims Procedures

State Farm Life will process claims in a timely fashion, within the time frames listed below. Benefits under this Plan will be paid only if State Farm Life (the insurer) or the Plan Administrator decides, in its discretion, that you are entitled to them.

Claims other than Disability Claims under the Extension of Death Benefits Provision

Claim Processing Step	Process and Timing
Step 1	The Plan has 90 days after receiving your initial claim to notify you if your claim is denied. If the Plan needs an extension for special circumstances and provides an extension notice during the initial 90-day period, the Plan has 180 days after receiving your claim to notify you if your claim is denied. The time the plan waits for claimant information is not counted in totals.
Step 2	You have 60 days after receiving the claim denial to appeal the Plan's decision.
Step 3	The Plan has 60 days after receiving your appeal to notify you of its appeal decision. If the Plan needs an extension, it has 120 days after receiving the appeal to notify you of its appeal decision.

Disability Claims under the Extension of Death Benefits Provision

Claim Processing Step	Process and Timing
Step 1	The Plan has 45 days after receiving your initial claim to notify you if your claim is denied.
Step 2	If your claim is denied, you have 180 days after receiving the claim denial to appeal the Plan's decision.
Step 3	The Plan has 45 days after receiving your appeal to notify you of the appeal decision. If the Plan needs an extension, it has 90 days to notify you of its decision.

Denial of a Claim

If your or your beneficiary's claim is denied, State Farm Life will send notice to you or your beneficiary. The written notice will provide the following information:

- The specific reason or reasons for the denial;
- Specific reference to pertinent plan provisions on which the denial is based;
- A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and
- Appropriate information regarding the steps to be taken to submit the claim for appeal.

How to Appeal a Denied Claim

If your or your beneficiary's claim is denied, you, your beneficiary or an authorized representative may request a review of the claim. Your written request should be sent to:

State Farm
Welfare Benefit Appeal Committee
Total Rewards - Benefits, C-1
One State Farm Plaza
Bloomington, IL 61710-0001

Your request should include documents, reports or other evidence to support your claim. To help you prepare your request, you may examine any pertinent plan documents.

Your request must be submitted within 180 days of the receipt of notice of the denial of your claim. If your request is not submitted within 180 days, you will be deemed to have waived your right to review by the Appeal Committee.

The State Farm Welfare Benefit Appeal Committee will make a decision no later than 60 days (45 days for disability claims) after your request is submitted, unless special circumstances require an extension of time for processing. In this case, a decision will be rendered as soon as possible, but no later than 120 days (90 days for disability claims) after your request for review is received.

The decision will be provided in writing, and will include all of the following that pertain to the determination:

- The specific reason or reasons for the adverse determination;
- Reference to the specific plan provisions on which the determination is based;
- A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and
- A description of the review procedures and the time limits applicable, including a statement of a claimant's rights to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal; upon request and free of charge, a copy of any internal rule, guideline, protocol or other similar criterion that was relied upon in making the adverse determination regarding your claim, and an explanation of the scientific or clinical judgment for a determination that is based on a medical necessity, experimental treatment or other similar exclusion or limit.

When Coverage Ends

For an Employee

Life Insurance Coverage

Your life insurance coverage will automatically end on the earliest of the following:

- The date the Policy terminates;
- The last day of the month in which you cease to be eligible;
- The date of the expiration of the last period for which you have made a required premium contribution;
- The last day of the month in which your Reemployment Rights expire, as set forth in the Uniformed Services Employment and Reemployment Rights Act (USERRA); or
- The date of your death.

Your termination of employment will be deemed to have occurred upon cessation of active work within the eligible classes, except if you're on an approved leave of absence, temporarily laid off or unable to work because of disability. In these cases, you will be considered still employed within the eligible classes until the Policyholder, acting in accordance with rules precluding individual selection, terminates your insurance by notifying State Farm Life to that effect or by discontinuing payments for your insurance.

AD&D and Loss of Sight Insurance Coverage

Your AD&D insurance coverage automatically terminates when your life insurance terminates. AD&D benefits also automatically terminate when your life insurance is continued under the Extension of Death Benefits Provision, the day before your Retirement Date, or the date the Policy terminates, whichever is earlier.

For a Dependent

Life insurance coverage for a Dependent will automatically end on the earliest of the following:

- The date the Dependent Group Life Insurance provision terminates;
- The date the Employee's life insurance terminates;
- The date of the expiration of the last period for which you have made a required premium contribution;
- The last day of the month in which he or she ceases to be an eligible Dependent;
- The last day of the month in which the Dependent enlists or is drafted into the armed services of any country, if the service is expected to continue for two or more years;
- The end of the month after which 45 days of continuous active military duty is completed; however, coverage can be reinstated on the day the Dependent returns to civilian status provided he or she meets the requirements of a Dependent and the Employee is still a plan member;
- With respect to a covered child, the last day of the calendar year during which the child reaches age 26;
- Regarding a Dependent Adult, the last day of the month in which the divorce, dissolution or termination of a marriage or partnership from the Employee is final; or
- The day preceding your Retirement Date.

Extension of Death Benefits Provision

If your insurance is being continued under the Extension of Death Benefits Provision provided by the Plan, benefits will be continued for your Dependents. However, benefits for Dependents will not continue beyond the date of termination as described above. All such benefits will be based on the Schedule of Insurance in effect at the time of termination of employment of the Employee.

Converting Your Group Life Insurance Coverage

Group Life Insurance Terminates Because of Your Loss of Eligibility

If Employee group life insurance coverage is terminated because of termination of membership within an eligible class, you may convert to an individual life insurance policy. The following conditions apply to the individual policy:

- It must be on any one of the forms of individual life insurance policy, except term insurance, customarily issued by State Farm Life at the time* based upon unisex premium rates;
- No evidence of insurability will be required;
- No supplementary benefits or riders are allowed on the individual policy, e.g. AD&D coverage;
- The amount of the individual policy cannot exceed the amount of group life insurance you had before termination of your coverage; and
- Premium for the individual life insurance policy will be at State Farm Life's then customary rate applicable to the form and amount of the individual life insurance policy, the class of risk to which the Employee then belongs, and the Employee's attained age.

*New York residents may have such a policy preceded by up to one year of preliminary term insurance.

Employees residing in Minnesota have other rights to continue their life coverage as provided in [Appendix D](#).

If your group life insurance coverage is terminated because of termination of membership within an eligible class and the coverage is replaced by group life insurance under any other group life insurance policy provided by the Company; i.e. you become a State Farm Agent, you may convert only the amount of terminating life insurance that exceeds the amount of group life insurance for which you are eligible for in your new position.

Termination of the Group Life Insurance Policy

If the Employees' group life insurance coverage terminates (or is amended so as to terminate your insurance), and you have been continuously insured by State Farm Life under a group life insurance policy for at least five years* immediately preceding the policy's termination or amendment, you may convert your group life insurance to an amount that does not exceed the smaller of:

- The amount of your terminated group life insurance, less any amount of life insurance for which you may be eligible under any other policy that replaces it within 31 days after termination of your insurance; or
- \$10,000.*

*Residents of Minnesota and New York are not subject to the five-year limit or \$10,000 maximum.

When You Must Apply for Conversion Coverage

You have 31 days to apply for conversion coverage and pay the required premium following termination of your coverage under the Group Life Plan.

The policy date of your conversion policy will be the day after the end of the 31-day period. If you die during this 31-day period, the amount of group life insurance that you're entitled to convert will be paid to your beneficiary, even if you have not applied for conversion.

Conversion and the Extension of Death Benefits Provision

Conversion to an individual insurance policy will not preclude the establishment of rights under the Extension of Death Benefits provision, provided all the conditions of that provision are fulfilled within the required time, and the individual policy is surrendered without claim to State Farm Life for cancellation, except for a refund of premiums.

Converting Your Dependent Group Life Insurance Coverage

Your dependents have the same rights of conversion if their insurance terminates. You must apply for conversion within 31 days after their coverage under the plan terminates.

Converting Your AD&D and Loss of Sight Insurance Coverage

The AD&D and loss of sight coverage cannot be converted under the conversion of group life insurance provision nor does the Extension of Death Benefits Provision apply to AD&D and loss of sight coverage.

Administrative Information

Official Plan Document

This summary provides general information about the Group Life Plan, who is eligible to receive benefits under the Plan, what those benefits are, and how to obtain benefits. In the event of a conflict between this summary and the terms of the Policy, the terms of the Policy control. A copy of the Policy is available upon request to the State Farm Benefits Center.

Modification or Termination of the Plan

The Compensation Committee of the Board of Directors of State Farm Mutual Automobile Insurance Company, as Plan Sponsor fully intends to continue the Group Health and Welfare Plan and its component benefit programs, including the Group Life Plan. Nevertheless, the Compensation Committee of the Board of Directors reserves the right, in its sole and unfettered discretion, to amend, modify or terminate the Group Health and Welfare Plan or its component benefit options at any time, in whole or in part, without the consent of Plan participants and their beneficiaries.

Rules and Regulations

Benefits under this Plan will be paid only if the Insurer and/or the Plan Administrator decide in its discretion that the person is entitled to them. The Plan Administrator has the power to make all reasonable rules and regulations required in the administration of the Plan and for the conduct of its affairs, to make all determinations that the Plan requires for its administration, and to construe and interpret the Plan whenever necessary to carry out its intent and purpose and to facilitate its administration. All such rules, regulations, determinations, constructions, and interpretations made by the Plan Administrator shall be binding upon the Companies and the employees and their beneficiaries, and all other interested parties.

Additional Information

For general questions about the Group Life Plan, please contact the State Farm Benefits Center at 1-866-935-4015.

Annual dividends, such as State Farm Life may apportion for the purpose, will be payable during the continuation of the Policy. The dividends will be applied in abatement of the Policyholder's share of premium payments. If the aggregate of annual dividends is in excess of the Policyholder's share of the aggregate cost, such excess will be applied by the Policyholder for the sole benefit of the insured Employees.

The Policy may be amended or altered at any time, subject to the laws of Illinois, without the consent of the insured Employees or of their beneficiaries, by written agreement between the Policyholder and State Farm Life.

You may examine Plan documents during normal business hours at the Human Resources Department, Corporate Headquarters. Upon written request to the State Farm Benefits Center, see address below, copies of any or all of the documents will be furnished to you at a reasonable charge.

Summary Plan Description

The information contained in this document and the Summary Plan Description for the Group Health and Welfare Plan for United States Employees constitute a Summary Plan Description recognized by the Employee Retirement Income Security Act of 1974 (ERISA §102).

Plan Information	Details
Name of Plan	State Farm Insurance Companies Group Health and Welfare Plan for United States Employees
Name of Component Benefit Option	State Farm Group Life and Accidental Death and Dismemberment Insurance Plan for United States Employees
Employer I.D. Number	37-0533100
Plan Number	524
Plan Sponsor	Compensation Committee State Farm Mutual Automobile Insurance Company One State Farm Plaza, C-1 Bloomington, Illinois 61710
Type of Plan	Welfare – Life Insurance Benefits
Effective Date	January 1, 2018
Plan Year Ends	A calendar year beginning on January 1 and ending on December 31
Plan Administrator	<p>The Plan Administrator is the Welfare Benefit Administrative Committee.</p> <p>Questions regarding participation should be directed to:</p> <p>State Farm Benefits Center 4 Overlook Point P.O. Box 1413 Lincolnshire, IL 60069-1413 1-866-935-4015</p> <p>All communication concerning the Plan can be directed to:</p> <p>Welfare Benefit Administrative Committee State Farm Mutual Automobile Insurance Company One State Farm Plaza, C-1 Bloomington, IL 61710 1-309-766-2623</p>
Type of Administration	Employer Administration
Plan Funding	Insured

Plan Information	Details
Agent for Service of Legal Process	<p>Service of legal process may be made upon the Plan Administrator or the designated agent:</p> <p>Michael Trout Vice President-Human Resources One State Farm Plaza Bloomington, Illinois 61710</p>
Contact Information	<p>State Farm Benefits Center 1-866-935-4015 My State Farm Benefits Resource www.resources.hewitt.com/statefarm Monday – Friday, 7 a.m. – 6 p.m., CT 4 Overlook Point, P.O. Box 1413, Lincolnshire, IL 60069-1413</p>
Participating Companies	<ol style="list-style-type: none"> 1. State Farm Mutual Automobile Insurance Company 2. State Farm Life Insurance Company 3. State Farm Life and Accident Assurance Company 4. State Farm Fire and Casualty Company 5. State Farm General Insurance Company 6. State Farm Indemnity Company 7. State Farm VP Management Corp. 8. State Farm Florida Insurance Company 9. State Farm International Holding Company

Your Rights Under ERISA

As a participant in the Group Health and Welfare Plan and its component benefit options, including the Group Life Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all participants shall be entitled to the following.

Receive Information About Your Plans and Benefits

You may:

- Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as worksites, all documents governing the benefit plans and a copy of the latest annual report (Form 5500 Series) filed for the Group Health and Welfare Plan and its component benefit options with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefit Security Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the benefit plans and copies of the latest annual report (Form 5500 Series) and an updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the annual financial report for the Group Health and Welfare Plan and its component benefit options. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plans, called “fiduciaries” of the plans, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit, or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal to any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim of benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or:

The Division of Technical Assistance and Inquiries
U.S. Employee Benefits Security Administration
Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Appendix A: Terms

The following are definitions for words and phrases used in this summary plan description. Additional terms are defined in the Policy, which is available for review by request to the Human Resources Department.

Actively at Work

The effective date of employment as an employee performing substantially all the normal and customary duties of the employee's work at the employee's normal place of work. An employee will be deemed actively at work on each day of a regular paid vacation or on a regular non-workday on which the employee is not disabled, provided the employee was actively at work on the last preceding regular workday.

Automobile

As used in the Seat Belt Benefit, means a self-propelled private passenger motor vehicle with four or more wheels which is a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to a sedan, station wagon, Jeep-type vehicle, or a motor vehicle of the pickup, panel, van, camper or motor home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.

Base Salary

For Employees, including those Employees who are appointed on or after April 1, 2013 as Sales Leaders or Agency Administration Leaders, Base Salary means the Employee's annual compensation (annual pay rate) in effect on the last day of the preceding month.

For Employees appointed before April 1, 2013, as Sales Leaders or Agency Administration Leaders who were Agency Field Executives or Agency Field Consultants immediately prior to their appointment, Base Salary means the greater of:

- The Employee's annual compensation (annual pay rate) in effect on the date immediately preceding the date of appointment; or
- The Employee's new annual compensation (annual pay rate) in effect on the last day of the preceding month.

Base Salary does not include commissions, bonuses, overtime pay or other forms of compensation

Company Service

Accumulated service time as an employee of the State Farm Mutual Automobile Insurance Company and its subsidiaries and affiliates.

Dependent

Persons who are eligible as Dependents are described in the section entitled Eligible Dependents.

Employee

Persons who are eligible as Employees are described in the section entitled Eligible Employees.

Flex Dollars

Flex Dollars credited to an Employee's Flex Dollar Account according to the provisions of the State Farm Insurance Companies Flexible Compensation Plan for United States Employees.

Military Service

Service in the armed forces of any country either on full-time active military duty or military duty classified as training, emergency or extended active. An employee is on military leave when that employee is in the military service.

Partner

The person to whom the Employee has legally entered into a relationship under the laws of the State in which the relationship is registered whether referred to as a civil union, domestic Partnership or substantially similar legal relationship. In the event of a discrepancy between the definition of Partner under the laws of another State and the definition of Partner under the Illinois Religious Freedom Protection and Civil Union Act (the Illinois "Civil Union Law"), the Illinois Civil Union Law will control. An Employee may only have one Spouse or Partner enrolled at one time.

Retirement

For the purposes of life insurance, retirement is the termination of work if, at the time of such termination, if meet one of the following criteria:

- Hired or rehired prior to January 1, 2007, are age 55 or older, have at least 5 years of Company Service, and elect immediate income under the Retirement Plan.
- Hired or rehired on or after January 1, 2007, but prior to January 1, 2012, are age 55 or older, have at least 15 years of Company Service, and elect immediate income under the Retirement Plan.
- Effective January 1, 2009, an Employee age 55 or older with non-qualified plan benefits and at least 5 years of Company Service, who returns to personal Agency production and delays election of retirement income under the qualified Retirement Plan, will be eligible for the retiree group life benefit in effect at the time of termination as an Employee.

Retirement Date

Your Retirement Date is the first day of the calendar month next following the date of your actual retirement, as defined above.

Retirement Plan

The State Farm Insurance Companies Retirement Plan for U.S. Employees.

Spouse

The person to whom the Employee is legally married under the laws of the State in which the marriage is registered.

Seat Belt

Seat Belt means the belts that form an occupant restraint system of an Automobile.

State

Any of the fifty states of the United States of America, the District of Columbia or any similar unit of government in any other country.

War

Any declared or undeclared war or conflict involving the armed forces of one or more countries, governments or international organizations.

Appendix B: Extension of Death Benefits Provision

Benefits

To be eligible for the Extension of Death Benefits provision, an Employee had to be hired prior to January 1, 2007.

State Farm Life will pay a death benefit under this section if either of the following two conditions is met:

- Prior to the Employee's 65th birthday while insured under this Policy, the Employee becomes Totally Disabled and remains continuously disabled until death; or
- The Employee dies within one year after premium payments stop for the Employee's group life insurance if written proof is received within one year after date of death indicating total disability continued without interruption until the date of death.

If the first condition above is met, State Farm Life will extend the group life insurance on such Employee without payment of premiums, during the continuance of such total and permanent disability, for a period of one year from the date of receipt of such proof, and for further successive periods of one year each during the continuance of total and permanent disability, the amount of group life insurance determined in accordance with this section.

The amount of group life insurance, which will be extended under this section, will be based on the Schedule of Insurance in effect at the time of the Employee's termination.

No benefit is provided if a claim is otherwise established under the Converting Your Group Life Insurance Coverage or Minnesota Continuation of Coverage sections because of the Employee's death. No benefit is provided if the Total Disability results from intended self-injury.

Termination

Extended coverage will continue until the earlier of:

- The first of the month next following the date the Employee is no longer totally and permanently disabled; or
- The first of the month on or next following the date the Employee attains age 65.

If extended coverage is terminated because the Employee is no longer totally disabled, the Employee's group life insurance will terminate unless the Employee:

- is at least age 55,
- has five or more years of Company Service,
- and elects to receive immediate income under the Retirement Plan.

An Employee who meets the above requirements will have an amount of group life coverage based on the *Schedule of Insurance for Retired Employees* and the *Schedule of Insurance - Optional Group Life Insurance for Retired Employees*, if applicable, in effect on the Employee's last day of employment with the Companies.

If extended coverage is terminated because the Employee attains age 65, the Employee's group life insurance will terminate unless the Employee had five or more years of Company Service and the Employee's age plus years of Company Service was greater than or equal to 55 on the Employee's last day of employment with the Companies. An Employee who meets these requirements will have an amount of group life coverage based on *Schedule of Insurance for Retired Employees* and the *Schedule of Insurance - Optional Group Life Insurance for Retired Employees*, if applicable, in effect on the Employee's last day of employment with the Companies.

The rights and benefits under the Converting Your Group Life Insurance Coverage section shall apply to any amount of group life insurance coverage in excess of the amount provided in the schedules, unless the Employee returns to active employment with the Employer during such period and is again eligible for insurance under this Policy.

Proof of Total Disability and Death

State Farm Life must be furnished with due proof of Total Disability, continuing Total Disability, and death. Such proof must be submitted within 12 months from the date of Employee's termination.

If an Employee dies within one year after the date of termination of the Employee's group life insurance under this Policy but before written proof of Total Disability has been received by State Farm Life, then written proof that Total Disability continued without interruption until the date of death must be furnished to State Farm Life within one year after death occurs.

If an Employee dies at any time after initial proof of Total Disability has been received by State Farm Life, further written proof that Total Disability without interruption until the date of death must be furnished to State Farm Life. State Farm Life may also require that proof of the Employee's continuing Total Disability be submitted at reasonable intervals. Proof will not be required more than once a year after the Total Disability has lasted more than two years.

Examination

State Farm Life has the right to designate a physician to examine the Employee when and as often as it may reasonably require during any period that Total Disability is claimed to exist. Examinations will not occur more often than once each year after insurance has been extended under this section for two full years. Examinations will be at the expense of State Farm Life.

As used in this Appendix, the following terms have these specific meanings:

Total Disability

Total Disability is a condition caused by injury or disease. During the first 24 months after total disability starts, this condition must prevent the Employee from performing substantially all of the work of the Employee's regular occupation. After the first 24 months, the condition must prevent the Employee from performing substantially all of the work in any occupation for which the Employee is, or becomes, reasonably qualified based upon education, training, or experience. The condition must commence after the date the Employee becomes insured under this Policy and must not result from an intended self-injury.

Total and Permanent Disability

Total and Permanent Disability is Total Disability that has existed continuously for at least six months. Total and Permanent Disability will be recognized to exist and no further proof of disability will be required if State Farm Life is furnished with due proof that an Employee has suffered the entire and irrecoverable loss, caused by injury or disease, of the sight of both eyes, or the loss by severance of both hands at or above the wrists, or both feet at or above the ankle joints, or one hand at or above the wrist and one foot at or above the ankle joint.

Appendix C: Schedule of Insurance History – Retired Employees

Schedule of Insurance for Retired Employees

Employees who Retired prior to March 10, 1980

If the Employee retired on or prior to the first of the month following attainment of age 65, the Employee's amount of group life insurance was a reducing percentage of the amount in force immediately prior to retirement as shown in the following table:

Time Following Attainment of Age	Percentage of Amount in Force Prior to Retirement
First 12 Months	50.0%
Next 12 Months	42.5%
Next 12 Months	35.0%
Next 12 Months	27.5%
Next 12 Months	20.0%
Thereafter	12.5%

If the Employee retired after the first of the month following attainment of age 65, the Employee's amount of group life insurance was based on attained age and was a percentage of the amount in force prior to retirement as shown in the following table:

From First of Month Following Attainment of Age	To the First of the Month Following Attainment of Age	Percentage of Amount in Force Prior to Retirement
65	66	50.0%
66	67	42.5%
67	68	35.0%
68	69	27.5%
69	70	20.0%
Thereafter	N/A	12.5%

The amount of group life insurance in force on any Retired Employee as of March 10, 1980 based on the table above will be held constant for the Retired Employee's lifetime.

Benefit Changes

Retired prior to March 10, 1980:

- If you retired on or before the first of the month following attainment of age 65, a change in insurance will occur on your Retirement Date and on the anniversaries of such date as specified in the *Schedule of Insurance for Retired Employees*.
- If you retired after the first of the month following attainment of age 65, a change in insurance will occur on the first of the month following your birthday and on the anniversaries of such date as specified in the *Schedule of Insurance for Retired Employees*.

Employees Who Retired after March 10, 1980 and before January 1, 1987

If the Employee has at least 5 but less than 10 years credited service on the Retirement Plan, the Employee's amount of group life insurance on and after the Employee's Retirement Date will be equal to 25% of the highest amount of group life insurance for which the Employee was eligible during the Employee's last period of continuous employment prior to age 65.

If the Employee has at least 10 years credited service on the Retirement Plan, the Employee's amount of group life insurance on and after the Employee's Retirement Date will be equal to 50% of the highest amount of group life insurance for which the Employee was eligible during the Employee's last period of continuous employment prior to age 65.

Employees Who Retired on or after January 1, 1987 and prior to September 1, 1989

If the Employee has at least 5 but less than 10 years credited service on the retirement plan, the Employee's amount of group life insurance on and after the Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Employee's annual base salary rate in effect on the first of the month preceding the Employee's retirement times any applicable cost-of-living adjustment in effect on that date; or
- 25% of the greatest amount of group life insurance for which the Employee was eligible during the Employee's last period of continuous employment prior to the Employee's Retirement Date.

If the Employee has at least 10 years credited service on the retirement plan, the Employee's amount of group life insurance on and after the Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Employee's annual base salary rate in effect on the first of the month preceding the Employee's retirement times any applicable cost-of-living adjustment in effect on that date; or
- 50% of the greatest amount of group life insurance for which the Employee was eligible during the Employee's last period of continuous employment prior to the Employee's Retirement Date.

Minimum Death Benefit Effective January 1, 1992

An Employee eligible for an amount of group life insurance on and after the Employee's Retirement Date will have an amount of group life insurance equal to at least \$5,000. If an Employee retired prior to January 1, 1992 and that Employee had an amount of group life insurance less than \$5,000, effective January 1, 1992, the amount of group life insurance increased to \$5,000.

Employees who Retired on or after September 1, 1989 and prior to October 1, 1996

If the Employee has at least 5 but less than 10 years of Company Service, the Employee's amount of group life insurance on and after the Employee's Retirement Date will be the greater of:

- 25% of an amount of insurance based on the Employee's annual base salary rate in effect on the first of the month preceding the Employee's retirement times any applicable cost-of-living adjustment in effect on that date; or
- 25% of the greatest amount of group life insurance for which the Employee was eligible during the Employee's last period of continuous employment prior to the Employee's Retirement Date.

If the Employee has at least 10 years Company Service, the Employee's amount of group life insurance on and after the Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Employee's annual base salary rate in effect on the first of the month preceding the Employee's retirement times any applicable cost-of-living adjustment in effect on that date; or
- 50% of the greatest amount of group life insurance for which the Employee was eligible during the Employee's last period of continuous employment prior to the Employee's Retirement Date.

Full-time MA-7 through MA-10 Employees who Retired on or after October 1, 1996 and prior to April 1, 1999, and MA-6 and under Full-time Employees Who Retire on or after October 1, 1996 and prior to April 1, 2000

If the Full-time Employee has less than 5 years of Company Service, no insurance is provided on and after the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 5 but less than 10 years of Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement times any applicable cost-of-living adjustment in effect on that date; or
- 25% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 10 years Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement times any applicable cost-of-living adjustment in effect on that date; or
- 50% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Employee's Retirement Date.

MA-7 through MA-10 Full-time Employees Who Retired on or after April 1, 1999 and prior to October 12, 2002

If the Full-time Employee has less than 5 years of Company Service, no insurance is provided on and after the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 5 but less than 10 years of Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement; or
- 25% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 10 years Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement; or
- 50% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Employee's Retirement Date.

MA-6 and under Full-time Employees Who Retired on or after April 1, 2000 and prior to October 12, 2002

If the Full-time Employee has less than 5 years of Company Service, no insurance is provided on and after the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 5 but less than 10 years of Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement; or
- 25% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 10 years Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement; or
- 50% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Employee's Retirement Date.

Full-time Employees Who Retired on or after October 12, 2002 and prior to January 1, 2012

If the Full-time Employee has less than 5 years of Company Service, no insurance is provided on and after the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 5 but less than 10 years of Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement; or
- 25% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Full-time Employee's Retirement Date.

If the Full-time Employee has at least 10 years Company Service, the Employee's amount of group life insurance on and after the Full-time Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Full-time Employee's annual base salary rate in effect on the first of the month preceding the Full-time Employee's retirement; or
- 50% of the greatest amount of group life insurance for which the Full-time Employee was eligible during the Full-time Employee's last period of continuous employment prior to the Employee's Retirement Date.

Part-time Employees Who Retired on or after October 1, 1996 and prior to April 1, 2000

If the Part-time Employee has less than 5 years of Company Service, no insurance is provided on and after the Part-time Employee's Retirement Date.

If the Part-time Employee has at least 5 but less than 10 years of Company Service, the Part-time Employee's amount of group life insurance on and after the Part-time Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Part-time Employee's annual base salary rate in effect on the first of the month preceding the Part-time Employee's retirement using any applicable cost-of-living adjustment in effect on that date instead of any applicable cost-of-living adjustment used in determining the Part-time Employee's Salary; or
- 25% of the greatest amount of group life insurance for which the Part-time Employee was eligible during the Part-time Employee's last period of continuous employment prior to the Part-time Employee's Retirement Date.

If the Part-time Employee has at least 10 years Company Service, the Part-time Employee's amount of group life insurance on and after the Part-time Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Part-time Employee's annual base salary rate in effect on the first of the month preceding the Part-time Employee's retirement using any applicable cost-of-living adjustment in effect on that date instead of any applicable cost-of-living adjustment used in determining the Part-time Employee's Salary; or
- 50% of the greatest amount of group life insurance for which the Part-time Employee was eligible during the Part-time Employee's last period of continuous employment prior to the Part-time Employee's Retirement Date.

Part-time Employees Who Retired on or after April 1, 2000 and prior to January 1, 2012

If the Part-time Employee has less than 5 years of Company Service, no insurance is provided on and after the Part-time Employee's Retirement Date.

If the Part-time Employee has at least 5 but less than 10 years of Company Service, the Part-time Employee's amount of group life insurance on and after the Part-time Employee's Retirement Date will be the greater of:

- 25% of an amount of group life insurance based on the Part-time Employee's annual base salary rate in effect on the first of the month preceding the Part-time Employee's retirement; or
- 25% of the greatest amount of group life insurance for which the Part-time Employee was eligible during the Part-time Employee's last period of continuous employment prior to the Part-time Employee's Retirement Date.

If the Part-time Employee has at least 10 years Company Service, the Part-time Employee's amount of group life insurance on and after the Part-time Employee's Retirement Date will be the greater of:

- 50% of an amount of group life insurance based on the Part-time Employee's annual base salary rate in effect on the first of the month preceding the Part-time Employee's retirement; or
- 50% of the greatest amount of group life insurance for which the Part-time Employee was eligible during the Part-time Employee's last period of continuous employment prior to the Part-time Employee's Retirement Date.

Employees Hired or Rehired on or after January 1, 2007 and prior to January 1, 2012 Who Terminate Due to Disability

If the Employee has at least 15 years of Company Service and terminates from the Company due to disability, the Employee can continue 50% of the amount of coverage in effect prior to termination, but must pay 100% of the premium at age-banded rates. Coverage continues until the earlier of the Employee's failure to pay the required premium or is no longer disabled.

Retention of Life Insurance Upon Retirement – Optional Retiree Group Life Insurance

Employees Who Retired or between January 1, 2002 and January 1, 2003

An Employee who had 5 years or more of Company Service who retired between January 1, 2002 and January 1, 2003 was given an opportunity to retain his or her total group life insurance benefit by electing to pay 100% of the premium for the coverage amount in excess of the amount of insurance provided by the Company. An Employee, at the time of retirement, was given an irrevocable option to elect or waive this coverage. The 2018 monthly premium rate is \$0.29 per \$1,000 of coverage and is subject to change.

Employees Who Retired on or after January 1, 2003 and prior to January 1, 2012

An Employee who was hired prior to January 1, 2007, who retired on or after January 1, 2003, but prior to January 1, 2012, who had 5 years or more of Company Service was given the irrevocable option of purchasing the amount of life insurance they would otherwise lose at retirement (Optional Group Life Insurance) or converting to a whole life, universal, or estate protector policy with a State Farm Agent. Pricing for the Optional Group Life Insurance will be based on age-banded rates, which may be subject to change annually.

Appendix D: Minnesota Continuation of Coverage Section

This section will apply only if the Employee is a resident of Minnesota

This section will not apply if such Employee converts to a policy of individual insurance as provided under the Converting Your Group Life Insurance Coverage section.

An Employee who is voluntarily or involuntarily terminated or laid off may elect to continue coverage under this Policy if this Policy remains in force. This also applies to any coverage on the Employee's Dependents. Coverage must have been in force at the time of such termination or layoff. An Employee is considered laid off from employment if there is a reduction in hours to the point where the Employee ceases to be member of an eligible class. Termination does not include discharge for gross misconduct.

Upon termination of or layoff from employment of an Employee, the Employer must inform the Employee of:

1. The Employee's right to elect to continue the coverage;
2. The amount that the Employee must pay monthly to the Employer to retain coverage;
3. The manner in which and the office of the Employer to which the payment must be made; and
4. The time by which the payment to the Employer must be made to retain the coverage.

Notice must be in writing and sent by first-class mail to the Employee's last known address, which the Employee has provided to the former Employer. If the Employer fails to notify an Employee of the options set forth above, or if after timely receipt of the monthly payment for a former Employee, the Employer fails to make the payment to the insurer, with the result that the former Employee's coverage is terminated, the Employer is still liable for the former Employee's coverage to the same extent as State Farm Life would be if the coverage were still in effect.

The Employee has 60 days to elect coverage. The 60-day period starts on the later of (a) the date coverage would otherwise terminate or (b) the date upon which notice of the right to continue coverage is received. If the Employee dies during the 60-day period, a death benefit will be paid. The amount of that death benefit will be the amount the Employee was eligible to continue. If an Employee elects to continue coverage, coverage will be continued as if the Employee remained in the same eligible class that the Employee was a member prior to such termination or layoff. Such Employee must pay the Employer, on a monthly basis, the total premium for the continued coverage. The premium cannot exceed the total premium charged the Policyholder by State Farm Life for such coverage for Employees of the Employer that are in the same eligible class as the Employee prior to termination or layoff.

If the Employee elects the continued coverage, that coverage ends the earliest of the following dates:

1. The date of group life insurance is obtained under another policy,

2. The end of an 18-month period that starts on the date the Employee is voluntarily or involuntarily terminated or laid off,
3. The last day of the month in which the Employee fails to make the necessary premium payment, or
4. The date the coverage under this Policy would have terminated had the Employee remained in the eligible class.

The Employee must notify the Employer if coverage is obtained under another policy. At the expiration of the continued coverage, the Converting Your Group Life Insurance Coverage section will apply.

An individual term life insurance policy will be available.