



State Farm Life Insurance Company

Bloomington, IL

State Farm Insurance

State Farm® is a family of insurance and financial services companies that together service 81 million policies and accounts throughout the U.S. and Canada. State Farm is ranked No. 37 on the Fortune 500 list of largest companies. State Farm Mutual Automobile Insurance Company® is the largest auto insurer in the U.S. since 1942.

State Farm Life Insurance Company was founded in 1929 and is a wholly-owned subsidiary of State Farm Mutual Automobile Insurance Company. With over 7.8 million policies in force, State Farm Life Insurance Company is the largest life insurer in terms of written term life insurance premium, second in the number of policies in force, and eighth-largest in total written premium.

Products

State Farm Life Insurance Company offers a full suite of life insurance products including term life, whole life, and universal life insurance, as well as deferred and immediate annuities. State Farm Life regularly updates its product offerings, and in the past two years has introduced six new Life and Annuity products and product enhancements. Additional new products are planned over the next 18 months.

People

State Farm supports employee continuing education by paying the costs of numerous industry education designations and by reimbursing tuition for courses taken in pursuit of an associate's, bachelors, or master's degree from an accredited university.

State Farm offers a combination of wellness programs and resources for nutrition and weight management, exercise, tobacco cessation and preventive care benefits. It was recently selected as a Platinum winner for the 2011 Best Employers for Healthy Lifestyles awards.

More than 10 State Farm employee resource groups foster employee growth and development and meet the need for a more diverse customer base and employee workforce. The State Farm Hispanic Employee Resource Organization (HERO) was the

first recipient of the LATINA Style Employee Resource Group of the Year award.

State Farm tracks employee engagement through annual surveys. Surveys measure employee perceptions of the work environment including diversity and inclusion, development, and mentoring. Results from 2011 show that engagement of Life employees remains consistently high.

Operations Centers

The State Farm Life Operation has 1,389 employees at four offices in Bloomington, IL, Greeley, CO, New Albany, OH, and Austin, TX. On an annual basis, these employees underwrite over 800,000 Life applications, service over 7.8 million policies in force, process over 30,000 claims, and handle over 2.5 million Agent and customer phone calls.

Continuous Improvement Philosophy & Results

State Farm's continuous improvement philosophy is rooted in the State Farm mission. Our mission is to help people manage the risks of everyday life, recover from the unexpected, and realize their dreams. We are people who make it our business to be like a good neighbor; who built a premier company by selling and keeping promises through our marketing partnership; who bring diverse talents and experiences to our work of serving the State Farm customer. Our success is built on a foundation of shared values -- quality service and relationships, mutual trust, integrity and financial strength. Our vision for the future is to be the customer's first and best choice in the products and services we provide. Our customers' needs will determine our path. Our values will guide us.

Through an intense focus on driving value from the customer lens, Lean principles have been systematically applied across the office environment to transform the State Farm Life Operation over the past several years. Our focus on helping our employees build capabilities to think and act differently in order to maximize customer value has been driven by the following:



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- Creation of ongoing educational program for all employees focused on Lean principles
- Successful delivery of transformational process redesign efforts across all value streams, including the implementation of Lean single piece flow processing
- Introduction of employee-driven Kaizen Program across all State Farm Life Operations Centers
- Implementation of consistent, standardized processes and procedures across all State Farm Life Operations Centers
- Formal strategy deployment process which creates line of sight from front-line associates to Executive leadership
- Creation of defined targets and ongoing monitoring of cost, quality, and service metrics supported by a visual workplace

Examples of the results realized through this ongoing quest for Operational Excellence since 2007 include:

- \$35 million reduction (25%) in labor expense attributable to Lean process improvements while total policies serviced grew nearly 250k over the same period
- Over 1,000 employees engaged in Kaizen Program with a 209% increase in employee idea generation and a 167% increase in Kaizen Events completed in 2011
- Policies Per Employee increased from 2,704 to 3,414
- 27% improvement in employee productivity
- Product development lifecycle reduced from over 500 days to less than 200 days
- Increased throughput of policies assembled per day per employee from 25 to 145
- Reduced inventory of customer Beneficiary changes by 75%
- Improved on-time completion of customer service requests by 11%
- Decreased time service for customer Cash Surrenders and Disbursements from 10 days to 3 days
- Redesign of call center prompts leading to a 13% increase in IVR accuracy
- 24% decrease in number of call center escalations

Environmental Achievements

- Electronic billing options for State Farm customers have resulted in 46 million fewer notices each year, equating to nearly 2 million pounds of paper saved.
- Ranked 41st in the 2009 U.S. EPA's ranking of the top Fortune 500 purchasers of power generated from renewable resources.
- Illinois Recycling Association's Excellence in Recycling Award – 2009 Outstanding Corporate Recycling Program.
- Greeley, Colorado Operations Center received the 2008 & 2009 Environmental Stewardship Award from the City of Greeley.

Awards & Recognition

- Named one of FORTUNE Magazine's World's Most Admired Companies – 2009 to 2011
- State Farm Life 2009 Embrace Life campaign awarded a Communicator Award of Distinction, Gold Aurora Award, and 3 Bronze Telly Awards
- Received American Cancer Society Corporate Impact: Award of Excellence – 2011
- For the seventh consecutive year, *G.I. Jobs* magazine recognized State Farm as a Top 100 Military Friendly Employer in 2011
- Named one of BLACK ENTERPRISE 40 Best Companies for Diversity – 2011, 5th Straight Year
- Recognized by Working Mother Magazine as a Best Company for Multicultural Women - 2011
- American Heart Association (AHA) Start! Fit-Friendly Company – 2010, Third Straight Year
- Asian MBA Top 10 Companies for Asian Americans – 2010
- Ranked #46 on the Corporate Social Responsibility Index by the Center for Corporate Citizenship and Reputation Institute

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