



State Farm®
Providing Insurance and
Financial Services

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STATE FARM[®] ANNOUNCES CHANGES TO ITS AUTO DAMAGE SERVICE PROGRAMS MIGRATES TO SINGLE MOTOR VEHICLE REPAIR DAMAGE PROGRAM

Bloomington, Ill., ~~Nov. XX, 2005~~ Jan. 16, 2006 – State Farm Mutual Automobile Insurance Company, the largest insurer of autos in the nation, ~~is announcing a migration to a single~~ changes in its programs for motor vehicle damage repair. ~~This program, which will be~~ initiating changes in its auto damage service repair programs. for motor vehicle damage repairs in d Designated markets located in California, Indiana, Illinois and Michigan will test an agreement that will replace that A new program carrying the name “Select Service[®]”, will replace existing Service First[®] and Select Service[®] agreements programs in those markets. This program will carry the Select Service name. This new program will carry the “Select Service[®]” name. and, a As with State Farm’s current programs, customers will maintain freedom of choice when selecting a to have repairs performed at a repair facility. of their choice.

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~~Through the new agreement with participating repair facilities. With this effort,~~

State Farm will extend ~~at~~their premier level of vehicle repair service to all State Farm customers having repair work performed in the market areas where the program will be implemented. In addition to the one-stop convenience of State Farm's current repair programs, customers will receive other ~~value added~~premium services including national limited lifetime repair warranties, guaranteed completion dates, wash and vacuum of repaired vehicles, and pick-up and delivery service.

~~As State Farm expands access to Select Service benefits to its customers, it will extend Select Service eligibility to the most qualified, most competitive repairers in the industry — large or small. This performance driven program will provide customers with the best value in vehicle repairs with a focus on quality, efficiency and competitive price.~~

Later this month, repairers ~~in in the~~ designated markets will have an opportunity to review the ~~new agreement~~contract and decide whether to ~~seek~~ apply to participationone in the new program. ~~Repairers desiring to participate will go through an application process. These best suited to meet the repair value and capacity needs of State Farm customers will be invited to participate. Select Service eligibility will be extended to the most qualified, most competitive repairers in the industry — large or small. These Repairers who are best suited to meet the repair value and capacity needs of State Farm customers will be invited to participate following the application process. This~~The revised performance-driven Select Service program

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will provide customers with the best value in vehicle repairs with a continued focus on quality, efficiency and competitive price.

State Farm will evaluate their ability to continue providing the best value to its customers.

The collision repair industry consistently ranks State Farm as one of the best insurers. ~~and~~ State Farm intends to maintain its quality relationships with repair facilities and continue to places a high valvalues this on the relationship it has with auto repair facilities and wants to maintain it that relationship while providing the highest level of service to our shared as we work toward meeting the needs of our common-cucustomers. State Farm will monitor results in these designated markets and will continue to seek input from collision repair industry representatives, and customers -as- ~~As~~ future changes are considered, State Farm will continue to seek input from collision repair industry representatives.

As with State Farm's current programs, customers maintain freedom of choice when selecting a repair facility.

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