

MASTER SERVICES AND FACILITIES AGREEMENT
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY
AS SERVICING COMPANY

This agreement is entered into and made effective this 15th day of January, 2005, by and between State Farm Mutual Automobile Insurance Company ("the Servicing Company") and the following (collectively referred to herein as the "Client Companies"): State Farm Fire and Casualty Company, State Farm Life Insurance Company, State Farm Life and Accident Assurance Company, Insurance Placement Services Inc., State Farm International Services, Inc., and State Farm Investor Services (Canada) Holding Company.

Whereas, in December 2001, the parties to this agreement entered into a written Master Service and Facilities Agreement and the parties have mutually agreed to modify certain terms of that agreement;

Whereas, the Client Companies are wholly-owned subsidiaries of the Servicing Company;

Whereas, the Client Companies need various services and the use of office space and facilities in their business operations at Bloomington, Illinois, and other locations;

Whereas, federal, state and provincial laws affect information sharing among affiliates of a financial organization requiring clarification of the duties and responsibilities of affiliates in the sharing of facilities and services among affiliates; and

Whereas, the parties to this Agreement contemplate that the Agreement will achieve certain operating economies and the parties desire to assure that all charges for services and use of facilities pursuant to the terms of this Agreement are reasonable and in accordance with the requirements of the appropriate regulator.

Now, therefore, the Servicing Company and Client Companies agree as follows:

Section 1 - Control and Ownership

The Client Companies shall retain ultimate control and responsibility over the functions delegated to the Servicing Company and shall own and have custody of all their general corporate accounts and records. This Agreement does not create a joint venture or partnership between or among the Client Companies and the Servicing Company.

Section 2 - Services to be Provided

The Servicing Company agrees to render the services and provide the facilities (collectively, the "Services and Facilities") set out in Schedule 1, attached hereto and made a part of this Agreement. In addition to those services identified in Schedule 1, the Servicing Company agrees to render such additional services as the Client Companies may request from time to time and that Servicing Company determines it is willing and able to perform.

Section 3 - Compensation to Servicing Company

In consideration of the Services and Facilities to be rendered and provided by the Servicing Company under the terms of this Agreement and any related Schedules, the Client Companies shall reimburse all reasonable joint expenses incurred and allocated by the Servicing Company to the performance and provision of such Services and Facilities on an equitable and reasonable basis in conformity with statutory accounting principles consistently applied. The Servicing Company shall render to the Client Companies a regular accounting for all expenses allocated to or paid on behalf of the Client Companies upon request in writing. The Client Companies shall reimburse the Servicing Company for these expenses incurred within 60 days of the end of the calendar month in which such expenses were incurred.

Section 4 - Confidentiality

(a) The parties expressly acknowledge that in the course of their performance hereunder, they may learn or have access to certain confidential, patent, copyright, business, trade secret, proprietary or other like information or products of the other party or of third parties, including, but not limited to, another party's vendors, consultants, suppliers or customers (the "Information"). The parties expressly agree that they will keep strictly confidential any such Information. Further, each party agrees to notify the other parties in writing if it becomes aware of any use or disclosure of the Information in a manner inconsistent with the requirements of this Agreement.

(b) The parties agree that, for purposes of this Agreement, third parties whose services the Servicing Company may use to perform the Servicing Company's duties under this Agreement may require access to the Information provided under the Agreement shall have access to the Information, provided that: (i) such third parties have agreed in writing with the Servicing Company to keep the Information confidential in terms no less protective than the confidentiality obligations of this Agreement; and (ii) such third parties have agreed in writing with the Servicing Company not to use the Information for the third party's benefit or for the benefit of any person or entity besides the Servicing Company or Client Companies.

(c) The Servicing Company agrees not to use a third party's Information for its own benefit or the benefit of any person besides the Client Companies.

(d) For purposes of this Section, the term "Disclosing Party" shall refer to the party to the Agreement providing the Information to any other party, and the term "Receiving Party" shall refer to the party receiving the Information in the course of its performance under the Agreement. The term "Information" shall not include products or information that: (i) are in the public domain or in the possession of the Receiving Party without restriction at the time of receipt; (ii) are used or released with the prior written approval of the Disclosing Party; (iii) are independently developed by the Receiving Party, or (iv) are ordered to be produced by a court of competent jurisdiction or appropriate regulatory authority, but in such case the Receiving Party producing the Information agrees to notify the Disclosing Party immediately and cooperate with the Disclosing Party in asserting a confidential or protected status for the Information.

(e) Each party further expressly agrees that it shall return to the Disclosing Party upon the Disclosing Party's request any such Information and copies thereof.

Section 5 - Information Security

The parties represent and agree that they have implemented or will implement appropriate security measures to prevent the use or disclosure of the Information other than provided for in this Agreement, and to comply with all applicable guidelines, laws and regulations, including, but not limited to, Title V of the Financial Modernization Act of 1999, the Health Insurance Portability and Accountability Act of 1996, and Canada's Personal Information Protection and Electronic Documents Act. For purposes of this Section, "the Information" is defined in the same manner as defined in Section 4 of this Agreement.

Section 6 - Marketing Initiatives

In accordance with federal, state and provincial laws, the Servicing Company may use and disclose information provided to it by the Client Companies to its affiliates for the purposes of planning, developing, or executing a marketing initiative in respect of products and/or services that the Servicing Company considers appropriate or of interest to the customers of the Client Companies. The Client Companies may use and disclose information provided by the Servicing Company or its affiliates for the purposes of planning, developing, or executing a marketing initiative in respect of products and/or services that the Client Companies considers appropriate or of interest to the customers of the Servicing Company or its affiliates.

Section 7 - Trademark Use Authorization

The Servicing Company hereby authorizes the Client Companies to use its logos and other trademarks, as appropriate, in the Client Companies' business. The Servicing Company may, in its sole discretion, revoke this authorization on providing thirty days' written notice to any or all of the Client Companies. The Client Companies are further authorized to license outside entities in writing to use these logos and other trademarks in marketing and advertising subject to the Client Companies' prior written approval of each item.

Section 8 - Liability and Indemnification

(a) A Client Company shall not make any claim against the Servicing Company for any alleged errors in judgment or acts of omission or commission by the Servicing Company or its officers, directors or employees if those acts or judgments were made in good faith in the course of providing the Services and Facilities to that Client Company. Further, a Client Companies may not object to any expenditure by the Servicing Company made in good faith in the course of its activities hereunder on behalf of that Client Company.

(b) Except to the extent required by applicable law, the Servicing Company shall not be liable to any of the Client Companies and the Client Company for which services and facilities are provided under this Agreement agrees to indemnify and hold harmless the Servicing Company, its officers, directors and employees, from all liabilities, losses, damages, costs and expense (including, without limitation, reasonable legal and accountant's fees), or claims of whatever nature arising from or related in any way to the Services and Facilities, including, without limitation, any claims by any party against the Servicing Company or its officers, directors or employees as a result of any actions or omissions by an employee arising in

connection with the provision of Services or Facilities or any breach by the Client Company of any obligation hereunder.

(c) Except to the extent required by applicable law, a Client Company to which services and facilities are provided under the terms of this Agreement shall not be liable to the Servicing Company and the Servicing Company agrees to indemnify and hold the Client Company, its officers, directors and employees harmless from all liabilities, losses, damages, costs and expenses (including, without limitation, reasonable legal and accountant's fees), or claims of whatever nature arising from any breach of the Servicing Company of its obligations hereunder.

Section 9 - Termination

This Agreement shall be effective as of the date first set forth above and shall continue in force until terminated by the Servicing Company or any of the Client Companies by giving thirty (30) days' prior written notice to the other parties.

Section 10 - Amendment

This Agreement may be amended in writing at any time by a mutual agreement of the Servicing Company and any of the Client Companies, subject to the approval of the appropriate regulator, and provided that prior notice of the amendment is provided to the other Client Companies in a manner consistent with Section 14 of this Agreement.

Section 11 - Governing Law

This Agreement shall be construed, interpreted, and the rights of the parties determined in accordance with the laws of the State of Illinois.

Section 12 - Entire Agreement

With respect to the subject matter of this Agreement, this Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements and understandings.

Section 13 - Successors and Assigns

This Agreement will inure to the benefit of and be binding upon the parties to this Agreement, their respective successors and assigns.

Section 14 - Notices

Any notice, requests, demands or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been given if delivered by hand, electronic communication, overnight courier, or if mailed by registered or certified U.S. mail with postage prepaid, as follows:

If to State Farm Mutual Automobile Insurance Company:
State Farm Mutual Automobile Insurance Company
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

If to State Farm Fire and Casualty Company:
State Farm Fire and Casualty Company
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

If to State Farm Life Insurance Company:
State Farm Life Insurance Company
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

If to State Farm Life and Accident Assurance Company:
State Farm Life and Accident Assurance Company
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

If to Insurance Placement Services, Inc.:
State Farm Fire and Casualty Company
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

If to State Farm International Services, Inc.:
State Farm International Services, Inc.
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

If to State Farm Investor Services (Canada) Holding Company:
State Farm Investor Services (Canada) Holding Company
One State Farm Plaza
Bloomington, IL 61710
Attention: Corporate Secretary

Section 15 - Headings

The headings of the several paragraphs of this Agreement are intended solely for reference and are not intended for any other purpose whatsoever or to explain, modify, or place any construction on any of the provisions of this Agreement.

Section 16 - Severability

In the event that any provision of this Agreement should be found by a court or regulator of competent jurisdiction to be invalid, void, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed and by duly authorized representatives as of the date and year first above written.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

By: 

Name: Vincent J. Trosino

Title: President, Vice Chairman and
Chief Operating Officer

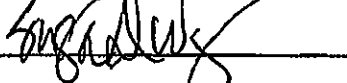
STATE FARM FIRE AND CASUALTY COMPANY

By: 

Name: Brian V. Boyden

Title: Executive Vice President


STATE FARM LIFE INSURANCE COMPANY

By: 

Name: Susan D. Waring

Title: Executive Vice President and
Chief Administrative Officer

STATE FARM LIFE AND ACCIDENT ASSURANCE COMPANY

By: 

Name: Susan D. Waring

Title: Executive Vice President and
Chief Administrative Officer

INSURANCE PLACEMENT SERVICES, INC.

By: 

Name: John J. Killian

Title: President

STATE FARM INTERNATIONAL SERVICES, INC.

By: 

Name: John J. Killian

Title: Secretary

STATE FARM INVESTOR SERVICES (CANADA) HOLDING COMPANY

By: 

Name: John J. Killian

Title: President

SCHEDULE 1

The Services and Facilities expected to be provided by the Service Company include the following:

- (a) underwriting advice and services;
- (b) policy issuing and billing services;
- (c) actuarial services;
- (d) form and rate filing and related services;
- (e) internal auditing and records retention services;
- (f) preparation of reports to federal, state or provincial governmental agencies;
- (g) collection of premiums;
- (h) provision of policies and other printed supplies used in the conduct of the business;
- (i) office space and accommodations, including, but not limited to, furniture, fixtures, equipment and telephone lines;
- (j) qualified personnel required to perform the services provided herein and the salaries and associated expenses of such personnel;
- (k) investment, advisory, finance and custodian services;
- (l) information systems services, including, but not limited to, data processing, network and data security, and disaster recovery;
- (m) marketing services;
- (n) legal services;
- (o) human resources services;
- (p) mail, courier and delivery services;
- (q) security services;
- (r) allocation of expenses as required by applicable federal, state or provincial law; and
- (s) any and all such other activities, services and facilities the Client Companies may request from time to time.