

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY  
NEVADA

G. ESTIMATED INVESTMENT INCOME FROM RESERVE FOR  
UNEARNED PREMIUM AND ADVANCE PREMIUMS

1.	Mean Reserve for Unearned Premium and Advance Premiums, as a ratio to Earned Premium		
		<u>Auto Liability</u>	<u>Auto Physical Damage</u>
	a. 2021	0.2614	0.2652
	b. 2022	0.2704	0.2750
	c. 2023	0.2685	0.3409
	d. 3 -Year Average	0.2668	0.2937
2.	Delayed Remission of Premiums		
	Ratio of Agents' Balances of Uncollected Premiums to Unearned Premium & Advanced Premiums	65.1%	
3.	Expenses Incurred at the Beginning of the Policy Term (as a % of Written Premium)		
	a. Commissions & Other Acquisition	18.9%	
	b. 50% of General Expenses	1.5%	
	c. Taxes	2.0%	
	d. Total	22.4%	
4.	Mean Unearned Premium & Advance Premium Reserve Adjusted for Agents' Balances, Unallocated Premiums, and Prepaid Expenses		
	= (1d) x [1.00 - (2) -(3d)]	0.0334	0.0367
5.	Investment Yield, Before Tax	5.3%	
6.	Investment Income from Unearned Premium Reserves and Advanced Premiums (as a Percent of Earned Premiums)	0.18%	0.19%
	= (4) x (5)		

DATA SOURCES:

- Note: Advance Premiums from Page 3, line 10 of the AS have been allocated by ASLN and included with the unearned premium reserve.
- Item 1 - Insurance Expense Exhibit, Part II, Columns 2 and 19, Lines 19 thru 21 plus Annual Statement, Page 3, Line 10
- Item 2 - Insurance Expense Exhibit, Part II, Columns 19 and 21, Lines 19 thru 21 plus Annual Statement, Page 3, Line 10
- Item 3 - Insurance Expense Exhibits, Part II, (three year average of the mean ratios)
- Item 5 - From Private Passenger SFM Exhibit 9C in prior filing SFMA-133866614
- Note: See Private Passenger SFM Exhibit 9 for full analysis of the provision for underwriting profit and contingencies in prior filing SFMA-133866614

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

NEVADA

G. ESTIMATED INVESTMENT INCOME FROM RESERVE FOR LOSSES  
AND LOSS ADJUSTMENT EXPENSES

1.	Mean Reserve for Losses and Loss Adjustment Expenses, as a Ratio to Incurred Losses and Loss Adjustment Expenses		
		<u>Auto Liability</u>	<u>Auto Physical Damage</u>
a.	2021	1.3512	0.2127
b.	2022	1.0155	0.2226
c.	2023	1.1294	0.2402
d.	3 -Year Average	1.1654	0.2252
2.	Permissible Loss and Loss Adjustment Expense (% Earned Premium) = (1.000 – Expense Ratio – Underwriting Profit Provision)	78.1%	
3.	Mean Reserves for Losses and Loss Adjustment Expenses as a Ratio to Earned Premium = (1d) x (2)	0.9102	0.1759
4.	Investment Yield, Before Tax	5.3%	
5.	Estimated Investment Income from Losses and Loss Adjustment Expense Reserves (as a % of Earned Premiums) = (3) x (4)	4.82%	0.93%

DATA SOURCES:

- Item 1 - Insurance Expense Exhibit, Part II, Columns 7, 9, 11, 13, 15, 17, Lines 19 thru 21
- Item 2 - 1.000 minus the provision for expenses and underwriting profit.  
Expense Provision is the latest three year average of commissions, other acquisition, general expenses, and taxes, licenses, and fees from the Insurance Expense Exhibit, Part II.
- Item 4 - From Private Passenger SFM Exhibit 9C in prior filing SFMA-133866614
- Note: See Private Passenger SFM Exhibit 9 for full analysis of the provision for underwriting profit and contingencies in prior filing SFMA-133866614