

State Farm Insurance Companies

P.O. Box 2380

Bloomington, IL 61702-2380



November 10, 2008

Dear Plan Sponsor:

As a result of changes to regulations imposed by the Internal Revenue Service and certain third-party administrator requirements, State Farm® will no longer sell new TSA/403(b) policies/accounts.

In addition, effective January 1, 2009 State Farm Life and State Farm Mutual Funds® will no longer accept contributions to existing TSA/403(b) policies/accounts.

We are notifying you of this decision, because your organization currently sends contributions to State Farm or has sent contributions to State Farm in the past. After January 1, 2009, we will no longer accept these contributions.

Contributions received on or after January 1, 2009 will be returned.

Employees that currently have payroll deductions into a State Farm TSA/403(b) policy/account, must cease salary deferrals with State Farm as soon as possible. Please encourage employees to make this change to prevent the return of funds in January. Employees with a TSA/403(b) account will receive an individual letter informing them of this decision and the action they must take.

Customers may leave their existing policy/account with State Farm even though future contributions cannot be made into the policy/account.

This was a difficult decision and we regret any inconvenience this may cause. We anticipate you will receive questions from your employees in regards to this decision. Please direct them to their State Farm agent.

Sincerely,
State Farm

Securities through registered representatives of State Farm VP Management Corp. State Farm VP Management Corp. is a separate entity from those State Farm entities which provide banking and insurance products.