

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required To Complete This Page**

1. Registrant Name:

STATE FARM INSURANCE

2. Address:

1900 M STREET NW SUITE 730, WASHINGTON, DC 20036

3. Principal place of business (if different from line 2):

City: Bloomington State/Zip(or Country): IL 61710-0001

4. Contact Name: ALAN MANESS

Telephone: 2022634400

E-mail (optional): alan.maness.grnd@statefarm.com

Senate ID #: 36537-12

House ID #: 31426000

7. Client Name: Self

TYPE OF REPORT

8. Year 2006 Midyear (January 1 - June 30): **OR** Year End (July 1 - December 31):

9. Check if this filing amends a previously filed version of this report:

10. Check if this is a Termination Report: => Termination Date: _____ 11. No Lobbying Activity:

INCOME OR EXPENSES

Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than \$10,000:

\$10,000 or more: => Income (nearest \$20,000): _____

Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than \$10,000:

\$10,000 or more: => Expenses (nearest \$20,000): 640,000.00

14. Reporting Method.

Check box to indicate expense accounting method. See instructions for description of options.

- Method A.** Reporting amounts using LDA definitions only
 Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
 Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: DIS (one per page)

16. Specific lobbying issues:

Examining ways to promote a federal incentive for states to adopt and enforce statewide building codes. H.R. 4366, Homeowners Insurance Protection Act of 2005/S. 3117, Homeowners Protection Act of 2006 - authorizes the Secretary of Treasury to provide reinsurance coverage to state disaster funds.

17. House(s) of Congress and Federal agencies contacted:

Executive Office of the President (EOP)
Federal Emergency Management Agency (FEMA)
HOUSE OF REPRESENTATIVES
SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

Name: NYCE, CATHY

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: EDU (one per page)

16. Specific lobbying issues:

H.R. 2386 and S. 112 would make qualifying withdrawals from a 529 College Savings Plan tax free on a permanent basis. Included in the Pension Reform Act of 2006, Public Law 109-280.

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES

SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: FIN (one per page)

16. Specific lobbying issues:

guidelines for the federal agencies regulating the industry. S. 2856, a narrower bill, passed and was signed into law 10/31/2006. The legislation was passed by Congress as the Financial Services Regulatory Relief Act of 2006. It is Public Law 109-351. Worked with House Financial Services Committee and Senate Banking Committee on legislation that would modify and/or eliminate a number of outdated laws that govern the financial services industry (banks, thrifts and credit unions) and would establish clearer

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES

SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: GOV (one per page)

16. Specific lobbying issues:

R-411006 - would require companies to provide a consumer with notice and an opportunity to opt-out before consumer reports are shared with an affiliate for marketing purposes. Final rule has not been issued. FTC and Federal Reserve Board's (Fed) proposed interim and final rulemaking to implement Public Law 108-159, Fair and Accurate Credit Transactions Act, that establishes uniform national standards for certain consumer credit insurance and employment transactions. P-044804 and R-1023 require the FTC and Fed to conduct a study on the effects of credit scores and credit-based insurance scores on the availability of financial products. Final study has not been issued. Office of Thrift Supervision's proposed rules to implement Public Law 108-159, Fair and Accurate Credit Transactions Act, that establishes uniform national standards for certain consumer credit, insurance and employment transactions. Docket No. 204-31 would require companies to provide a consumer with notice and an opportunity to opt-out before consumers' reports are shared with an affiliate for marketing purposes. Final rule has not been issued. H.R. 3997, Financial Data Protection Act and S. 3568, Data Security Act of 2006 would impose notice requirements on entities when an individual's sensitive information has been subjected to security breach. Federal Trade Commission's (FTC) proposed rules to implement Public Law 108-159, Fair and Accurate Credit Transactions Act, that establishes uniform national standards for certain consumer credit insurance and employment transactions.

17. House(s) of Congress and Federal agencies contacted:

Federal Trade Commission (FTC)
HOUSE OF REPRESENTATIVES
Office of Thrift Supervision (OTS)
SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA
Covered Official Position (if applicable): N/A
Name: MANESS, ALAN
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: HCR (one per page)

16. Specific lobbying issues:

H.R. 5262 would increase contribution limits to health plans out-of-pocket risk limit for health savings accounts. It would allow flexibility in coordinating flexible savings accounts and health retirement accounts. Included in the Pension Reform Act of 2006, Public Law 109-280.

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES
SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: INS (one per page)

16. Specific lobbying issues:

Implementation of Public Law 109-144, Terrorism Risk Insurance Act Extension - extends the TRIA law's provisions for two years. Discussion re further extension of the Act. Flood Insurance Modernization and Reform Act of 2006 - H.R. 4973, S. 3589 and the related issue of whether companies participating as "Write Your Own" carriers for the National Flood Insurance Program have properly processed claims arising out of the 2005 hurricanes. Improving the efficiency of the current regulatory system, whether by modifying the existing state system or creating an optional federal charter for insurance companies. National Insurance Act of 2006 - S. 2509/H.S. 6225.

17. House(s) of Congress and Federal agencies contacted:

Executive Office of the President (EOP)

HOUSE OF REPRESENTATIVES

SENATE

Treasury, Dept of

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: POS (one per page)

16. Specific lobbying issues:

Postal Reform, H.R. 22 and S. 662/Public Law 109-435 - reforms the USPS pension system and modernizes our postal system, particularly as related to large corporate users of the system.

17. House(s) of Congress and Federal agencies contacted:

Executive Office of the President (EOP)

HOUSE OF REPRESENTATIVES

SENATE

Treasury, Dept of

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

Name: NYCE, CATHY

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: RET (one per page)

16. Specific lobbying issues:

H.R. 2830, Pension Protection Act would reform outdated worker pension laws to protect the interests of workers, retirees and taxpayers. Passed in House, December 15, 2005. Passed by Senate, March 3, 2006. Included in Pension Reform Act of 2006, Public Law 109-280.

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES

SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TAX (one per page)

16. Specific lobbying issues:

The application of proposed Internal Revenue Code Section 409A regulations on nonqualified deferred compensation. With respect to independent contractor agents and the definition of "separation from service."

17. House(s) of Congress and Federal agencies contacted:
Treasury, Dept of

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA
Covered Official Position (if applicable): N/A
Name: MANESS, ALAN
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: STATE FARM INSURANCE Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TOR (one per page)

16. Specific lobbying issues:

S. 852, Fairness in Asbestos Injury Resolution Act of 2005 would establish a trust fund, financed from contributions made by defendant companies and insurers, to pay claims arising from physical injuries linked to asbestos.

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES
SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: DILLARD, REGINA

Covered Official Position (if applicable): N/A

Name: MANESS, ALAN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Signature: ON FILE Date: Feb 14, 2007

Printed Name and Title: ALAN MANESS, ASSOCIATE GENERAL COUNSEL -