

State Farm Insurance Companies®

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SECRETARY OF THE SENATE

05 FEB 15 PM 10:40



1900 M Street  
Washington, I

Alan Maness,  
Associate Ge  
Federal Affair  
Phone: (202)  
Fax (202) 263

February 14, 2005

Secretary of the Senate  
Office of Public Records  
232 Hart Building  
Washington, DC 20510

RE: 2004 Second Half Federal Lobbying Report

Attached is State Farm's Federal Lobbying Report for the second half of 2004 (July 1-  
December 31, 2004).

Sincerely,

A handwritten signature in cursive script that reads "Alan Maness".

Alan Maness  
Associate General Counsel

HOME OFFICES: BLOOMINGTON, ILLINOIS 61710-0001

Clerk of the House of Representatives Legislative Resource Center B-106 Cannon Building Washington, DC 20515	Secretary of the Senate Office of Public Records 232 Hart Building Washington, DC 20510
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## LOBBYING REPORT

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

1. Registrant Name <b>State Farm Insurance Companies</b>			
2. Address <input type="checkbox"/> Check if different than previously reported <b>1900 M STREET, N.W., SUITE 730</b>			
3. Principal Place of Business (if different from line 2) <b>WASHINGTON, DC 20036</b> City: _____ State/zip (or Country) _____			
4. Contact Name <b>ALAN MANESS</b>	Telephone <b>(202) 263-4400</b>	E-mail (optional) <b>alan.maness.grnd@statefarm.com</b>	5. Senate ID # <b>36537-12</b>
7. Client Name <input checked="" type="checkbox"/> Self			6. House ID # <b>31426000</b>

**TYPE OF REPORT** 8. Year 2004 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

INCOME OR EXPENSES - Complete Either Line 12 OR Line 13	
<p align="center"><b>12. Lobbying Firms</b></p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇔ \$ _____ Income (nearest \$20,000)</p> <p>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).</p>	<p align="center"><b>13. Organizations</b></p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input checked="" type="checkbox"/> ⇔ \$ <u>600,000.00</u> Expenses (nearest \$20,000)</p> <p><b>14. REPORTING METHOD.</b> Check box to indicate exp accounting method. See instructions for description of op</p> <p><input checked="" type="checkbox"/> <b>Method A.</b> Reporting amounts using LDA definition</p> <p><input type="checkbox"/> <b>Method B.</b> Reporting amounts under section 6033(c) Internal Revenue Code</p> <p><input type="checkbox"/> <b>Method C.</b> Reporting amounts under section 162(e) Internal Revenue Code</p>

Signature Alan Maness Date February 14, 2005



Registrant Name State Farm Insurance Companies Client Name \_\_\_\_\_

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

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

16. Specific lobbying issues

House Capital Markets, Insurance and Government Sponsored Enterprises hearing on "Investing for the Future: 529 State Tuition Savings Plans.

Treasury Department meetings to discuss improvements to 529 plan provisions to prevent abuses.

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Treasury Department

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

Name	Covered Official Position (if applicable)
Regina K. Dillard	
Alan Maness	

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

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name and Title Alan Maness, Associate General Counsel



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

16. Specific lobbying issues

H.R. 1375, Financial Services Regulatory Relief Act of 2003 - 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 guidelines for the federal agencies regulating the industry.

Senate Banking Committee released matrix listing 130 reform proposals.

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Senate

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

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Regina K. Dillard	
Alan Maness	

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

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name and Title Alan Maness, Associate General Counsel



Registrant Name State Farm Insurance Companies Client Name \_\_\_\_\_

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

16. Specific lobbying issues

On December 16, 2004, the Federal Trade Commission's adopted regulations to implement the provisions of Public Law 108-187, Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM) that deals with unsolicited e-mails.

H.R. 4661, 2929 and S. 2145 are Internet spyware bills that would prohibit the unauthorized access to a computer which would cause a program or code to be added to monitor an individual's Internet activities.

17. House(s) of Congress and Federal agencies contacted  Check if None

Federal Trade Commission  
House of Representatives  
Senate

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

Name	Covered Official Position (if applicable)
Regina K. Dillard	
Alan Maness	

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

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name and Title \_\_\_\_\_



**Government - continued**

The Federal Communications Commission (FCC) has delayed adopting new rules regarding business-related faxes until June 30, 2005.

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.

R-411005 - would require consumer reporting agencies to provide, upon request by a consumer a free copy of the individual's credit report.

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 market purposes. Comments submitted August 16, 2004.

R-411007 - requires a person who maintains or possesses consumer information for a business purpose to properly dispose of such information. Final rule published in December 2004.

R-411010 – requires the Federal Trade Commission to adopt a rule providing guidance to how disclosures permitting a consumer to opt-out of a firm offer can be simplified. Study completed September 2004. Comments submitted October 28, 2004.

R-411011 – would provide protection for victims of identity theft and active military personnel.

R-411013 – requires consumer reporting agencies to provide a general summary of risk to individuals who are victims of identity theft. The final rule is effective as of December 1, 2004.

FTC and Federal Reserve Board's (Feds) proposed, interim and final rulemaking to implement Public Law 108-159, Fair and Accurate Credit Transaction Act, that establishes uniform national standards for certain consumer credit insurance and employment transactions.

P044804 and R-1203 require the FTC and Feds to conduct a study on the effects of credit scores and credit-based insurance scores on the availability and affordability of financial products. Comments submitted August 16, 2004.

Feds proposed 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.



Docket No. OP-1195 is a study on further restrictions on firm offers of credit or insurance. Study completed December 2004.

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. 2004-16 would prohibit a creditor's use of medical information in connection with the determination of a consumer's eligibility for credit.

Docket No. 2004-31 would require companies to provide a consumer with notice and opportunity to opt-out before consumer reports are shared with an affiliate for market purposes. Comments submitted August 16, 2004.



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15. General issue area code HOU (one per page)

16. Specific lobbying issues

House and Senate hearings on Government-Sponsored Enterprises (Fannie Mae, Freddie Mac and the Federal Home Loan Banks) oversight and reform that would establish an independent agency for oversight and would allow funding not to be subject to appropriations.  
Housing and Urban Development's final rule on the Real Estate Settlement Procedures Act (RESPA) and the Good Faith Estimate Changes.  
Preservation of arbitration process for resolution of non-prime lending disputes.  
House plans for legislation to establish uniform national standards for non-prime lending and the prevention of predatory lending.

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Senate  
Housing and Urban Development Department

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

Name	Covered Official Position (if applicable)
Regina K. Dillard	
Alan Maness	

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

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name and Title Alan Maness, Associate General Counsel



Registrant Name State Farm Insurance Companies Client Name \_\_\_\_\_

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

16. Specific lobbying issues

Improving the efficiency of the current insurance regulatory system, whether by modifying the existing state system or creating an optional federal charter for insurance companies.  
Public Law 108-264 Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004  
Public Law No. 107-297 (Terrorism Risk Insurance Act of 2002) - implementation of the Act's requirements.  
State Modernization and Regulatory Transparency Act (discussion draft)

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Treasury Department

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15. General issue area code LBR (one per page)

16. Specific lobbying issues

Department of Labor final rule establishing exemptions from minimum wage and overtime pay for certain executive, administrative and professional and outside sales employees under the Fair Labor Standards Act (FLSA) was effective August 23, 2004. Senate action to deny funding to implement the changes was defeated.

17. House(s) of Congress and Federal agencies contacted  Check if None

Senate  
Department of Labor

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

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Regina K. Dillard	
Alan Maness	

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

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15. General issue area code NAT (one per page)

16. Specific lobbying issues

Examining ways to promote the adoption and enforcement of statewide building codes.

17. House(s) of Congress and Federal agencies contacted  Check if None

FEMA

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

Name	Covered Official Position (if applicable)
Regina K. Dillard	
Alan Maness	
Cathy Nyce	

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

Signature \_\_\_\_\_ Date \_\_\_\_\_

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Registrant Name State Farm Insurance Companies Client Name \_\_\_\_\_

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

16. Specific lobbying issues

Postal Reform - urge reform of the USPS pension system and modernization of our postal system, particularly as it relates to large corporate users of the system.

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Senate

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

Name	Covered Official Position (if applicable)
Regina K. Dillard	
Alan Maness	
Cathy Nyce	

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

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

16. Specific lobbying issues

H.R. 2096 and S. 1335, Long-Term Care and Retirement Security Act of 2003 - would provide a \$3,000 tax credit to individuals with long-term care needs or their caregivers, and an above-the-line federal income tax deduction for the premiums individuals pay to purchase long-term care insurance.  
H.R. 2896, American Jobs Creation Act of 2003 and S. 1637, Public Law 108-357 the Jumpstart Our Business Strength Act - would modify corporate income tax policy, including rate reductions for certain businesses.  
IRS Revenue Rulings 2004-75 and 2004-97 governing tax withholding on payments made to foreign policyholders of branches of U.S. based life insurance companies.

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Senate  
Treasury Department

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Regina K. Dillard	
Alan Maness	

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

16. Specific lobbying issues

H.R. 1115, S. 274 and S. 1751, S. 2062 - Class Action Fairness Act of 2003 - would allow class action suits involving at least 100 plaintiffs to be removed from state courts and sent to federal courts when at least \$5 million is at stake, and when fewer than one-third of the plaintiffs are from the defendant's home state.

S. 1125, Fairness in Asbestos Injury Resolution Act of 2003 - would establish a trust fund, financed from contributions made by defendant companies and insurers, to pay no-fault claims arising from physical injuries linked to asbestos.

17. House(s) of Congress and Federal agencies contacted  Check if None

House of Representatives  
Senate  
Executive Office of the President

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Alan Maness	

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15. General issue area code TRA (one per page)

16. Specific lobbying issues

S. 1978 - Legislation authorizing funds for the safety programs of the National Highway Traffic Safety Administration and the Motor Carrier Safety Administration.

S. 1072 - provisions related to improving vehicle design, highway safety and occupant protection including support for a national primary seat belt law.

17. House(s) of Congress and Federal agencies contacted  Check if None

Senate

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Alan Maness	

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