



QUARTERLY STATEMENT

As of June 30, 2002
of the Condition and Affairs of the

STATE AUTO INSURANCE COMPANY

NAIC Group Code..... 175, 175 (Current Period) (Prior Period) NAIC Company Code..... 11017 Employer's ID Number..... 31-1651026

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO
Country of Domicile US
Incorporated..... May 17, 1999 Commenced Business..... January 1, 2000

Statutory Home Office	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	STATEAUTO.COM	
Statement Contact	CYNTHIA ANN POWELL <i>(Name)</i> cindy.powell@stateauto.com <i>(E-Mail Address)</i>	614-464-5000 EXT 5473 <i>(Area Code) (Telephone Number) (Extension)</i> 614-464-0342 <i>(Fax Number)</i>
Policyowner Relations Contact	518 EAST BROAD STREET COLUMBUS OH 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 ext 501 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

President ROBERT HARLON MOONE Treasurer STEVEN JUSTUS JOHNSTON Secretary JOHN ROBERT LOWTHER

VICE PRESIDENTS

MARK ALLEN BLACKBURN, SVP	TERRENCE LEE BOWSHIER	JAMES ELIAS DUEMEY	WILLIAM DUANE HANSEN
STEVEN RAY HAZELBAKER	TERRENCE PAUL HIGERD	NOREEN WILLS JOHNSON	STEVEN JUSTUS JOHNSTON, SVP
ROBERT ALAN LETT	JOHN ROBERT LOWTHER, SVP	JOHN BUCHANAN MELVIN	CATHY BERNATH MILEY
RICHARD LEE MILEY	JOHN MICHAEL PETRUCCI	CYNTHIA ANN POWELL	

DIRECTORS OR TRUSTEES

DAVID JAMES D'ANTONI	URLIN GILBERT HARRIS, JR.	PAUL WILLIAM HUESMAN	WILLIAM JOHN LHOTA
JOHN ROBERT LOWTHER	GEORGE ROBERT MANSER	ROBERT HARLON MOONE	RICHARD KEITH SMITH, JR.

State of..... OHIO
County of..... FRANKLIN

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature) ROBERT HARLON MOONE (Printed Name) President	(Signature) JOHN ROBERT LOWTHER (Printed Name) Secretary	(Signature) STEVEN JUSTUS JOHNSTON (Printed Name) Treasurer
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Subscribed and sworn to before me this
.....9TH.....day ofAUGUST....., 2002

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	14,696,296	.0	14,696,296	14,703,596
2. Stocks:				
2.1 Preferred stocks.....	.0	.0	.0	.0
2.2 Common stocks.....	.0	.0	.0	.0
3. Mortgage loans on real estate:				
3.1 First liens.....	.0	.0	.0	.0
3.2 Other than first liens.....	.0	.0	.0	.0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	.0	.0	.0	.0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	.0	.0	.0	.0
4.3 Properties held for sale (less \$.....0 encumbrances).....	.0	.0	.0	.0
5. Cash (\$.....1,000) and short-term investments (\$.....929,881).....	930,881	.0	930,881	344,452
6. Other invested assets.....	.0	.0	.0	.0
7. Receivable for securities.....	.0	.0	.0	.0
8. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	15,627,178	.0	15,627,178	15,048,048
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	.0	.0	.0	.0
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....53,328 earned but unbilled premiums).....	53,328	.0	53,328	51,397
10.3 Accrued retrospective premiums.....	.0	.0	.0	.0
11. Funds held by or deposited with reinsured companies.....	.0	.0	.0	.0
12. Bills receivable, taken for premiums.....	.0	.0	.0	.0
13. Amounts receivable under high deductible policies.....	.0	.0	.0	.0
14. Reinsurance recoverables on loss and loss adjustment expense payments.....	.0	.0	.0	.0
15. Federal and foreign income tax recoverable and interest thereon (including \$.....689,859 net deferred tax asset) -	1,086,571	379,577	706,994	700,166
16. Guaranty funds receivable or on deposit.....	.0	.0	.0	.0
17. Electronic data processing equipment and software.....	.0	.0	.0	.0
18. Interest, dividends and real estate income due and accrued.....	217,222	.0	217,222	221,943
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	.0	.0	.0	.0
20. Receivable from parent, subsidiaries and affiliates.....	108,859	.0	108,859	.0
21. Amounts due from/to protected cells.....	.0	.0	.0	.0
22. Equities and deposits in pools and associations.....	.0	.0	.0	.0
23. Amounts receivable relating to uninsured accident and health plans.....	.0	.0	.0	.0
24. Other assets nonadmitted.....	.0	.0	.0	.0
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0	.0
26. Total assets excluding protected cell assets (Lines 9 through 25).....	17,093,158	379,577	16,713,581	16,021,554
27. Protected cell assets.....	.0	.0	.0	.0
28. TOTALS (Lines 26 and 27).....	17,093,158	379,577	16,713,581	16,021,554

DETAILS OF WRITE-INS

0801. ....	.0	.0	.0	.0
0802. ....	.0	.0	.0	.0
0803. ....	.0	.0	.0	.0
0898. Summary of remaining write-ins for Line 8 from overflow page.....	.0	.0	.0	.0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	.0	.0	.0	.0
2501. ....	.0	.0	.0	.0
2502. ....	.0	.0	.0	.0
2503. ....	.0	.0	.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.0	.0	.0	.0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....0).....	5,859,106	5,468,010
2. Reinsurance payable on paid losses and loss adjustment expenses.....	0	0
3. Loss adjustment expenses.....	1,084,208	1,020,564
4. Commissions payable, contingent commissions and other similar charges.....	0	0
5. Other expenses (excluding taxes, licenses and fees).....	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	0	0
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....1,465,593 and including warranty reserves of \$.....0).....	4,154,014	3,885,657
10. Advance premium.....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	0	0
13. Funds held by company under reinsurance treaties.....	0	0
14. Amounts withheld or retained by company for account of others.....	0	0
15. Remittances and items not allocated.....	0	0
16. Provision for reinsurance.....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	109,071
20. Payable for securities.....	0	0
21. Liability for amounts held under uninsured accident and health plans.....	0	0
22. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	11,097,328	10,483,302
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	11,097,328	10,483,302
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	2,300,000	2,300,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	3,823,680	3,823,680
33. Unassigned funds (surplus).....	(507,427)	(585,428)
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....	0	0
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	5,616,252	5,538,252
36. TOTALS.....	16,713,580	16,021,554

DETAILS OF WRITE-INS

2301.	0	0
2302.	0	0
2303.	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....1,828,606).....	1,506,732	604,522	8,452,064
1.2 Assumed..... (written \$.....5,325,451).....	5,059,027	3,569,266	0
1.3 Ceded..... (written \$.....1,840,915).....	1,519,041	614,648	0
1.4 Net..... (written \$.....5,313,142).....	5,046,718	3,559,140	8,452,064
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	1,144,451	741,394	5,706,552
2.2 Assumed.....	3,326,579	2,143,915	0
2.3 Ceded.....	1,224,903	716,638	0
2.4 Net.....	3,246,127	2,168,671	5,706,552
3. Loss expenses incurred.....	522,326	395,153	888,810
4. Other underwriting expenses incurred.....	1,600,716	1,293,156	3,166,751
5. Aggregate write-ins for underwriting deductions.....	2,796	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,371,964	3,856,980	9,762,113
7. Net income of protected cells.....	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(325,246)	(297,840)	(1,310,049)
INVESTMENT INCOME			
9. Net investment income earned.....	387,283	317,418	700,103
10. Net realized capital gains (losses).....	0	0	0
11. Net investment gain (loss) (Lines 9 + 10).....	387,283	317,418	700,103
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....3,108 amount charged off \$.....13,476).....	(10,368)	(3,989)	(26,206)
13. Finance and service charges not included in premiums.....	21,826	11,251	32,572
14. Aggregate write-ins for miscellaneous income.....	334	(39)	1,303
15. Total other income (Lines 12 through 14).....	11,792	7,223	7,669
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	73,829	26,801	(602,277)
17. Dividends to policyholders.....	2,656	30	7,314
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	71,173	26,771	(609,591)
19. Federal and foreign income taxes incurred.....	24,416	(86,911)	(41,159)
20. Net income (Line 18 minus Line 19) (to Line 22).....	46,757	113,682	(568,432)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year.....	5,538,252	5,425,723	5,425,723
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	46,757	113,682	(568,432)
23. Net unrealized capital gains or losses.....	0	0	0
24. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
25. Change in net deferred income taxes.....	107,041	21,379	363,714
26. Change in nonadmitted assets.....	(75,798)	0	(27,509)
27. Change in provision for reinsurance.....	0	0	0
28. Change in surplus notes.....	0	0	0
29. Surplus (contributed to) withdrawn from protected cells.....	0	0	0
30. Cumulative effect of changes in accounting principles.....	0	344,756	344,756
31. Capital changes:			
31.1 Paid in.....	0	0	0
31.2 Transferred from surplus (Stock Dividend).....	0	0	0
31.3 Transferred to surplus.....	0	0	0
32. Surplus adjustments:			
32.1 Paid in.....	0	0	0
32.2 Transferred to capital (Stock Dividend).....	0	0	0
32.3 Transferred from capital.....	0	0	0
33. Net remittances from or (to) Home Office.....	0	0	0
34. Dividends to stockholders.....	0	0	0
35. Change in treasury stock.....	0	0	0
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	78,000	479,817	112,529
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	5,616,252	5,905,540	5,538,252
DETAILS OF WRITE-INS			
0501. 2002 NC PRIVATE PASSENGER RATE REFUND ASSUMED.....	2,796	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	2,796	0	0
1401. MISCELLANEOUS INCOME (EXPENSE).....	334	(39)	1,303
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	334	(39)	1,303
3601. MISCELLANEOUS.....	0	0	0
3602.	0	0	0
3603.	0	0	0
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	5,313,144	9,669,608
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	3,313,713	4,547,715
3. Underwriting expenses paid.....	1,600,716	3,166,751
4. Other underwriting income (expenses).....	(2,796)	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	395,920	1,955,142
6. Net investment income.....	399,304	772,948
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(10,368)	(26,206)
7.2 Net funds held under reinsurance treaties.....	0	0
7.3 Net amount withheld or retained for account of others.....	0	0
7.4 Aggregate write-ins for miscellaneous items.....	22,160	4,824
7.5 Total other income (Lines 7.1 to 7.4).....	11,792	(21,382)
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....	2,656	7,314
9. Federal and foreign income taxes (paid) recovered.....	0	(187,100)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	804,360	2,512,294
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	0	0
11.2 Stocks.....	0	0
11.3 Mortgage loans.....	0	0
11.4 Real estate.....	0	0
11.5 Other invested assets.....	0	0
11.6 Net gains or (losses) on cash and short-term investments.....	0	0
11.7 Miscellaneous proceeds.....	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	0	0
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	0	2,522,455
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Miscellaneous applications.....	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6).....	0	2,522,455
13. Net cash from investments (Line 11.8 minus Line 12.7).....	0	(2,522,455)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....	(0)	0
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....	0	0
14.3 Net transfers from affiliates.....	0	93,085
14.4 Borrowed funds received.....	0	0
14.5 Other cash provided.....	0	0
14.6 Total (Lines 14.1 to 14.5).....	0	93,085
15. Cash applied:		
15.1 Dividends to stockholders paid.....	0	0
15.2 Net transfers to affiliates.....	217,930	0
15.3 Borrowed funds repaid.....	0	0
15.4 Other applications.....	0	0
15.5 Total (Lines 15.1 to 15.4).....	217,930	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(217,930)	93,085
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16).....	586,430	82,924
18. Cash and short-term investments:		
18.1 Beginning of year.....	344,452	261,528
18.2 End of period (Line 17 plus Line 18.1).....	930,882	344,452
DETAILS OF WRITE-INS		
07.401 Miscellaneous Income/(Expense).....	334	1,303
07.402 Finance & Service Charges.....	21,826	32,572
07.403 Earned But Unbilled Premiums.....	0	(29,051)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	22,160	4,824

Statement as of June 30, 2002 of the **STATE AUTO INSURANCE COMPANY**
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

A. The accompanying quarterly condensed financial statements of State Auto Insurance Company (the "Company") have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. In accordance with the *NAIC Annual Statement Instructions* for quarterly presentation, these financial statements do not include all of the information and footnotes required under an annual presentation. For further information, the reader is referred to the Company's annual statement filed for the period ended December 31, 2001.

9. Income Taxes:

A. The components of the net deferred tax asset (liability) at June 30, 2002, are as follows:

Description	Amount (\$)
Gross deferred tax assets	1,122,665
Gross deferred tax liabilities	53,229
Net deferred tax assets	1,069,436
Nonadmitted deferred tax assets	379,577
Admitted deferred tax assets	689,859
Increase (decrease) in nonadmitted deferred tax assets	75,797

B. Unrecognized deferred tax liabilities: Not applicable.

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

Description	Amount (\$)	
	2002	2001
Current income tax expense	24,416	(41,551)
Prior year underaccrual	0	392
Current income taxes incurred	24,416	(41,159)

The main components of the 2002 deferred tax amounts are as follows:

DTAs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Loss and LAE reserves	6,943,314	6,034,434	908,880	318,108
Unearned premiums	4,154,014	3,318,032	835,982	292,594
Salvage and subrogation	0	(287,321)	287,321	100,562
Other	519,541	23,400	496,141	173,649
AMT credit carryforwards	0	(237,752)	237,752	237,752
Gross DTAs				1,122,665
Nonadmitted DTAs				379,577

DTLs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Investments	14,696,296	14,691,109	5,187	1,815
Other	146,896	0	146,896	51,414
Gross DTLs				53,229

The changes in main components of DTAs and DTLs are as follows:

DTAs Resulting from Book/Tax Differences in	Amounts (\$)		
	June 30, 2002	December 31, 2001	Change
Losses and LAE reserves	318,108	297,225	20,883
Unearned premiums	292,594	272,784	19,810
Salvage and subrogation	100,562	101,789	(1,227)
Other	173,649	164,417	9,233
AMT credit carryforwards	237,752	179,593	58,159
Gross DTAs	1,122,665	1,015,808	106,858
Nonadmitted DTAs	379,577	303,780	75,797

	Amount (\$)
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Statement as of June 30, 2002 of the **STATE AUTO INSURANCE COMPANY**
NOTES TO FINANCIAL STATEMENTS

DTLs Resulting from Book/Tax Differences in	June 30, 2002	December 31, 2001	Change
Investments	1,815	1,817	(1)
Other	51,414	51,596	(183)
Gross DTLs	53,229	53,413	(184)

E. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant book to tax adjustments were as follows:

Description	Amount (\$)	Tax Effect at 35%
Income before taxes	71,173	24,911
Book over tax reserves	59,663	20,882
Salvage and subrogation change	(3,504)	(1,226)
Change in unearned premium reserve	50,695	17,743
Tax-exempt interest	(291,317)	(101,961)
Other	16,880	5,908
AMT	0	58,159
Taxable income (loss)	(96,410)	24,416

F. Operating Loss and Tax Credit Carryforwards

- At December 31, 2001 the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for 2001, 2000 and 1999 that is available for recoupment in the event of future net losses:

Year	Amount (\$)
2001	0
2000	187,100
1999	0

G. Consolidated Federal Income Tax Return

- For 2002, the Company's federal income tax return will be consolidated with the following entities:

State Auto Financial Corporation
State Auto Property and Casualty Insurance Company
Milbank Insurance Company
Farmers Casualty Insurance Company
State Auto National Insurance Company
Mid-Plains Insurance Company
Stateco Financial Services, Inc.
Strategic Insurance Services, Inc.

- The method of allocation among the companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.

17. Sale, Transfer and Servicing of Financial Instruments and Extinguishments of Liabilities:

C. Wash Sales: Not applicable.

20. Other Items

Certain items in the 2001 financial statements have been reclassified to conform to the 2002 presentation.

25. Intercompany Pooling Arrangements:

As more fully described in footnote 25 of the Company's December 31, 2001 annual statement, the Company entered into a stop loss reinsurance arrangement (the "Stop Loss") with State Auto Mutual and certain other State Auto Pool participants. For the three months ended March 31, 2002, the State Auto Pool produced a statutory loss and loss adjustment expense ratio under the Stop Loss that was less than 69.25%, but more than 59.99%, thereby the Company ceded to State Auto Mutual under the Stop Loss, \$5,316 in premiums written. For the three months ended June 30, 2002, the State Auto Pool produced a statutory loss and loss adjustment expense ratio under the Stop Loss that was greater than 80.00% thereby the Company ceded to State Auto Mutual under the Stop Loss \$79,937 in losses.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]

1.2 If yes, explain:..... _____

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No []

2.2 If yes, has the report been filed with the domiciliary state? Yes [X] No []

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. N/A.....

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. N/A.....

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). N/A.....

7.4 By what department or departments?..... _____

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

9.2 If yes, explain:..... _____

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

12. Amount of real estate and mortgages held in short-term investments: \$.....0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds.....	\$.....0	\$.....0
13.22 Preferred Stock.....	\$.....0	\$.....0
13.23 Common Stock.....	\$.....0	\$.....0
13.24 Short-Term Investments.....	\$.....0	\$.....0
13.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
13.26 All Other.....	\$.....0	\$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$.....0	\$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$.....0	\$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above.....	\$.....0	\$.....0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
BANK ONE COLUMBUS	1111 POLARIS PARKWAY, BLDG 54101-2B, COLUMBUS, OH 43240

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A		

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
N/A		

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] N/A []
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....0.0	.....0.0	.....0.0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
Total.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

STATE AUTO INSURANCE COMPANY
SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period.....	0	0	0	0
2. Increase (decrease) by adjustment.....	0	0	0	0
3. Cost of acquired.....	0	0	0	0
4. Cost of additions to and permanent improvements.....	0	0	0	0
5. Total profit (loss) on sales.....	0	0	0	0
6. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
7. Amount received on sales.....	0	0	0	0
8. Book/adjusted carrying value at end of current period.....	0	0	0	0
9. Total valuation allowance.....	0	0	0	0
10. Subtotal (Lines 8 plus 9).....	0	0	0	0
11. Total nonadmitted amounts.....	0	0	0	0
12. Statement value, current period (Page 2, real estate lines, current period).....	0	0	0	0

NONE

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period.....	0	0	0	0
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions.....	0	0	0	0
2.2 Additional investment made after acquisitions.....	0	0	0	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0	0	0	0
4. Increase (decrease) by adjustment.....	0	0	0	0
5. Total profit (loss) on sale.....	0	0	0	0
6. Amounts paid on account or in full during the period.....	0	0	0	0
7. Amortization of premium.....	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0	0	0
10. Total valuation allowance.....	0	0	0	0
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....	0	0	0	0
13. Statement value of mortgages owned at end of current period.....	0	0	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period.....	0	0	0	0
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions.....	0	0	0	0
2.2 Additional investment made after acquisitions.....	0	0	0	0
3. Accrual of discount.....	0	0	0	0
4. Increase (decrease) by adjustment.....	0	0	0	0
5. Total profit (loss) on sale.....	0	0	0	0
6. Amounts paid on account or in full during the period.....	0	0	0	0
7. Amortization of premium.....	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	0	0	0	0
10. Total valuation allowance.....	0	0	0	0
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....	0	0	0	0
13. Statement value of long-term invested assets at end of current period.....	0	0	0	0

NONE

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
BONDS								
1. Class 1.....	15,193,500	2,438,432	2,002,502	(3,253)	15,193,500	15,626,177	0	15,047,047
2. Class 2.....	0	0	0	0	0	0	0	0
3. Class 3.....	0	0	0	0	0	0	0	0
4. Class 4.....	0	0	0	0	0	0	0	0
5. Class 5.....	0	0	0	0	0	0	0	0
6. Class 6.....	0	0	0	0	0	0	0	0
7. Total Bonds.....	15,193,500	2,438,432	2,002,502	(3,253)	15,193,500	15,626,177	0	15,047,047
PREFERRED STOCK								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	15,193,500	2,438,432	2,002,502	(3,253)	15,193,500	15,626,177	0	15,047,047

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....	929,881	XXX.....	929,881	0	0

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period.....	343,452	493,951	0	260,528
2. Cost of short-term investments acquired.....	1,358,221	2,438,432	0	5,083,045
3. Increase (decrease) by adjustment.....	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
5. Total profit (loss) on disposal of short-term investments.....	0	0	0	0
6. Consideration received on disposal of short-term investments.....	1,207,722	2,002,502	0	5,000,121
7. Book/adjusted carrying value, current period.....	493,951	929,881	0	343,452
8. Total valuation allowance.....	0	0	0	0
9. Subtotal (Lines 7 plus 8).....	493,951	929,881	0	343,452
10. Total nonadmitted amounts.....	0	0	0	0
11. Statement value (Lines 9 minus 10).....	493,951	929,881	0	343,452
12. Income collected during period.....	1,593	2,412	0	16,318
13. Income earned during period.....	1,788	2,916	0	15,446

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

**Sch. F
NONE**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	No	0	0	0	0	0	0
2. Alaska.....AK	No	0	0	0	0	0	0
3. Arizona.....AZ	No	0	0	0	0	0	0
4. Arkansas.....AR	No	0	0	0	0	0	0
5. California.....CA	No	0	0	0	0	0	0
6. Colorado.....CO	No	0	0	0	0	0	0
7. Connecticut.....CT	No	0	0	0	0	0	0
8. Delaware.....DE	No	0	0	0	0	0	0
9. District of Columbia.....DC	No	0	0	0	0	0	0
10. Florida.....FL	No	0	0	0	0	0	0
11. Georgia.....GA	No	0	0	0	0	0	0
12. Hawaii.....HI	No	0	0	0	0	0	0
13. Idaho.....ID	No	0	0	0	0	0	0
14. Illinois.....IL	No	0	0	0	0	0	0
15. Indiana.....IN	No	0	0	0	0	0	0
16. Iowa.....IA	No	0	0	0	0	0	0
17. Kansas.....KS	No	0	0	0	0	0	0
18. Kentucky.....KY	No	(104)	0	0	0	0	0
19. Louisiana.....LA	No	0	0	0	0	0	0
20. Maine.....ME	No	0	0	0	0	0	0
21. Maryland.....MD	No	0	0	0	0	0	0
22. Massachusetts.....MA	No	0	0	0	0	0	0
23. Michigan.....MI	No	0	0	0	0	0	0
24. Minnesota.....MN	No	0	0	0	0	0	0
25. Mississippi.....MS	No	0	0	0	0	0	0
26. Missouri.....MO	No	0	0	0	0	0	0
27. Montana.....MT	No	0	0	0	0	0	0
28. Nebraska.....NE	No	0	0	0	0	0	0
29. Nevada.....NV	No	0	0	0	0	0	0
30. New Hampshire.....NH	No	0	0	0	0	0	0
31. New Jersey.....NJ	No	0	0	0	0	0	0
32. New Mexico.....NM	No	0	0	0	0	0	0
33. New York.....NY	No	0	0	0	0	0	0
34. North Carolina.....NC	No	0	0	0	0	0	0
35. North Dakota.....ND	No	0	0	0	0	0	0
36. Ohio.....OH	Yes	1,828,710	965,015	845,942	477,108	732,670	425,362
37. Oklahoma.....OK	No	0	0	0	0	0	0
38. Oregon.....OR	No	0	0	0	0	0	0
39. Pennsylvania.....PA	No	0	0	0	0	0	0
40. Rhode Island.....RI	No	0	0	0	0	0	0
41. South Carolina.....SC	No	0	0	0	0	0	0
42. South Dakota.....SD	No	0	0	0	0	0	0
43. Tennessee.....TN	No	0	0	0	0	0	0
44. Texas.....TX	No	0	0	0	0	0	0
45. Utah.....UT	No	0	0	0	0	0	0
46. Vermont.....VT	No	0	0	0	0	0	0
47. Virginia.....VA	No	0	0	0	0	0	0
48. Washington.....WA	No	0	0	0	0	0	0
49. West Virginia.....WV	No	0	0	0	0	0	0
50. Wisconsin.....WI	No	0	0	0	0	0	0
51. Wyoming.....WY	No	0	0	0	0	0	0
52. American Samoa.....AS	No	0	0	0	0	0	0
53. Guam.....GU	No	0	0	0	0	0	0
54. Puerto Rico.....PR	No	0	0	0	0	0	0
55. US Virgin Islands.....VI	No	0	0	0	0	0	0
56. Canada.....CN	No	0	0	0	0	0	0
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....	(a).....1	1,828,606	965,015	845,942	477,108	732,670	425,362

DETAILS OF WRITE-INS

5701.....	XXX	0	0	0	0	0	0
5702.....	XXX	0	0	0	0	0	0
5703.....	XXX	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page...	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above).....	XXX	0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	256,816	381,051	148.4	196.8
2. Allied lines.....	146,630	103,585	70.6	90.9
3. Farmowners multiple peril.....	0	0	0.0	0.0
4. Homeowners multiple peril.....	197,113	125,253	63.5	260.6
5. Commercial multiple peril.....	0	0	0.0	0.0
6. Mortgage guaranty.....	0	0	0.0	0.0
8. Ocean marine.....	79,643	8,232	10.3	36.7
9. Inland marine.....	20,503	12,486	60.9	36.8
10. Financial guaranty.....	0	0	0.0	0.0
11.1. Medical malpractice-occurrence.....	0	0	0.0	0.0
11.2. Medical malpractice-claims made.....	0	0	0.0	0.0
12. Earthquake.....	4,611	0	0.0	0.0
13. Group accident and health.....	0	0	0.0	0.0
14. Credit accident and health.....	0	0	0.0	0.0
15. Other accident and health.....	0	0	0.0	0.0
16. Workers' compensation.....	0	0	0.0	0.0
17.1. Other liability-occurrence.....	244,850	(5,827)	(2.4)	32.9
17.2. Other liability-claims made.....	0	0	0.0	0.0
18.1. Products liability-occurrence.....	0	0	0.0	0.0
18.2. Products liability-claims made.....	0	0	0.0	0.0
19.1, 19.2 Private passenger auto liability.....	290,765	348,670	119.9	133.5
19.3, 19.4 Commercial auto liability.....	0	0	0.0	0.0
21. Auto physical damage.....	265,801	171,001	64.3	56.9
22. Aircraft (all perils).....	0	0	0.0	0.0
23. Fidelity.....	0	0	0.0	0.0
24. Surety.....	0	0	0.0	0.0
26. Burglary and theft.....	0	0	0.0	0.0
27. Boiler and machinery.....	0	0	0.0	0.0
28. Credit.....	0	0	0.0	0.0
29. International.....	0	0	0.0	0.0
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	0.0
34. Totals.....	1,506,732	1,144,451	76.0	122.6
DETAILS OF WRITE-INS				
3301.....	0	0	0.0	0.0
3302.....	0	0	0.0	0.0
3303.....	0	0	0.0	0.0
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	168,773	304,645	177,308
2. Allied lines.....	94,912	172,748	101,820
3. Farmowners multiple peril.....	0	0	0
4. Homeowners multiple peril.....	138,873	231,335	121,512
5. Commercial multiple peril.....	0	0	0
6. Mortgage guaranty.....	0	0	0
8. Ocean marine.....	77,481	99,303	57,054
9. Inland marine.....	11,828	21,855	14,441
10. Financial guaranty.....	0	0	0
11.1. Medical malpractice-occurrence.....	0	0	0
11.2. Medical malpractice-claims made.....	0	0	0
12. Earthquake.....	3,461	5,211	3,360
13. Group accident and health.....	0	0	0
14. Credit accident and health.....	0	0	0
15. Other accident and health.....	0	0	0
16. Workers' compensation.....	0	0	0
17.1. Other liability-occurrence.....	172,481	311,094	159,113
17.2. Other liability-claims made.....	0	0	0
18.1. Products liability-occurrence.....	0	0	0
18.2. Products liability-claims made.....	0	0	0
19.1, 19.2 Private passenger auto liability.....	197,235	361,733	175,498
19.3, 19.4 Commercial auto liability.....	0	0	0
21. Auto physical damage.....	175,711	320,683	154,910
22. Aircraft (all perils).....	0	0	0
23. Fidelity.....	0	0	0
24. Surety.....	0	0	0
26. Burglary and theft.....	0	0	0
27. Boiler and machinery.....	0	0	0
28. Credit.....	0	0	0
29. International.....	0	0	0
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0
34. Totals.....	1,040,755	1,828,607	965,015
DETAILS OF WRITE-INS			
3301.....	0	0	0
3302.....	0	0	0
3303.....	0	0	0
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	1,459	734	2,193	421	12	433	1,096	68	420	1,584	58	(234)	(176)
2. 2000	944	530	1,474	305	11	316	718	66	290	1,074	79	(163)	(84)
3. Subtotals 2000 + Prior	2,403	1,264	3,667	726	23	749	1,814	134	710	2,658	137	(397)	(260)
4. 2001	1,868	954	2,822	682	235	917	962	302	529	1,793	(224)	112	(112)
5. Subtotals 2001 + Prior	4,271	2,218	6,489	1,408	258	1,666	2,776	436	1,239	4,451	(87)	(285)	(372)
6. 2002	XXX	XXX	XXX	XXX	1,649	1,649	XXX	1,245	1,248	2,493	XXX	XXX	XXX
7. Totals	4,271	2,218	6,489	1,408	1,907	3,315	2,776	1,681	2,487	6,944	(87)	(285)	(372)
8. Prior Year-End's Surplus As Regards Policyholders	5,538										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (2.0)%	2. (12.8)%	3. (5.7)%
													Col. 13, Line 7 Line 8
													4. (6.7)%

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(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.
 (b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.
 (c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

STATE AUTO INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	<u>YES</u>
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	<u>NO</u>
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	<u>NO</u>

EXPLANATIONS:

BAR CODE:



**Overflow Page
NONE**

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 1
NONE**

**Sch. B-Part 2
NONE**

**Sch. BA-Part 1
NONE**

**Sch. BA-Part 2
NONE**

**Sch. D-Part 3
NONE**

**Sch. D-Part 4
NONE**

**Sch. DB-Part A-Section 1
NONE**

**Sch. DB-Part B-Section 1
NONE**

**Sch. DB-Part C-Section 1
NONE**

**Sch. DB-Part D-Section 1
NONE**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2	3	4	Book Balance at End of Each Month During Current Quarter			8
				5	6	7	
	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories							
Park National Bank..... Mt Vermon, Ohio.....	0.000	.0	0	1,000	1,000	1,000	.....
0199999. Total Open Depositories.....	XXX	.0	0	1,000	1,000	1,000	XXX
0399999. Total Cash on Deposit.....	XXX	.0	0	1,000	1,000	1,000	XXX
0599999. Total Cash.....	XXX	.0	0	1,000	1,000	1,000	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins