



# ANNUAL STATEMENT

For the Year Ended December 31, 2002  
of the Condition and Affairs of the

## STATE AUTO NATIONAL INSURANCE COMPANY

NAIC Group Code..... 175, 175 (Current Period) (Prior Period) NAIC Company Code..... 19530 Employer's ID Number..... 31-1334827

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO  
Country of Domicile US  
Incorporated..... October 4, 1991 Commenced Business..... January 10, 1992

Statutory Home Office	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5200 <i>(Area Code) (Telephone Number)</i>
Mail Address	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <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 <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> 614-719-0342 <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 5017 <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	NELSON EDWARD MCCANTS	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	SHARON ELAINE ROBERTS #
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  
.....24TH.....day of .....FEBRUARY....., 2003  
.....

- a. Is this an original filing? Yes [ X ] No [ ]
- b. If no:
  1. State the amendment number
  2. Date filed.....
  3. Number of pages attached.....

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	35,147,904	0	35,147,904	30,069,690
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	0	0	0	0
2.2 Common stocks (Schedule D, Part 2, Section 2).....	2,598,416	0	2,598,416	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
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 (\$.....33,135 Schedule E, Part 1) and short-term investments (\$.....6,948,401 Schedule DA, Part 2).....	6,981,536	0	6,981,536	5,281,109
6. Other invested assets (Schedule BA).....	0	0	0	0
7. Receivable for securities.....	0	0	0	5,688
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	44,727,855	0	44,727,855	35,356,487
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	23,551,666	1,917,000	21,634,666	11,721,389
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
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 (Schedule F, Part 3, Cols. 7 and 8).....	1,995,880	0	1,995,880	1,269,072
15. Federal and foreign income tax recoverable and interest thereon (including \$.....2,571,623 net deferred tax asset) - .....	3,234,655	663,032	2,571,623	1,263,646
16. Guaranty funds receivable or on deposit.....	12,940	0	12,940	51,175
17. Electronic data processing equipment and software.....	0	0	0	0
18. Interest, dividends and real estate income due and accrued.....	536,193	0	536,193	463,386
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates.....	4,696,613	0	4,696,613	653,394
21. Amount due from/to protected cells.....	0	0	0	0
22. Equities and deposits in pools and associations.....	46	0	46	117
23. Amounts receivable relating to uninsured accident and health plans.....	0	0	0	0
24. Other assets nonadmitted (Exhibit 1).....	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).....	78,755,849	2,580,032	76,175,817	50,778,666
27. Protected cell assets.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	78,755,849	2,580,032	76,175,817	50,778,666

**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

# STATE AUTO NATIONAL INSURANCE COMPANY

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	22,580,585	11,805,006
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6).....	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	4,444,887	2,924,987
4. Commissions payable, contingent commissions and other similar charges.....	410,234	175,000
5. Other expenses (excluding taxes, licenses and fees).....	224,000	122,000
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,699,341	848,700
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	852,607	327,208
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....4,010,933 and including warranty reserves of \$.....0).....	24,318,439	12,932,547
10. Advance premiums.....	162,511	84,386
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2,049,398	1,177,322
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	20,822	10,905
15. Remittances and items not allocated.....	0	0
16. Provision for reinsurance (Schedule F, Part 7).....	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.....	2,651,642	1,437,864
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).....	59,414,466	31,845,924
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	59,414,466	31,845,924
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	2,400,000	2,400,000
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.....	12,600,000	12,600,000
33. Unassigned funds (surplus).....	1,761,351	3,932,742
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) (Page 4, Line 38).....	16,761,351	18,932,742
36. TOTALS (Page 2, Line 28, Col. 3).....	76,175,817	50,778,666

### 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

# STATE AUTO NATIONAL INSURANCE COMPANY

## UNDERWRITING AND INVESTMENT EXHIBIT

	1	2
<b>STATEMENT OF INCOME</b>	Current Year	Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4).....	62,711,063	31,105,160
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	46,570,936	21,629,338
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	5,974,484	3,080,707
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	18,142,874	10,031,680
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	70,688,294	34,741,725
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(7,977,231)	(3,636,565)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,817,122	1,511,361
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)).....	535,292	61,397
11. Net investment gain (loss) (Lines 9 + 10).....	2,352,414	1,572,758
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$..... 130,809 amount charged off \$..... 1,020,318).....	(889,509)	(415,182)
13. Finance and service charges not included in premiums.....	5,562,703	2,688,291
14. Aggregate write-ins for miscellaneous income.....	5,699	4,826
15. Total other income (Lines 12 through 14).....	4,678,893	2,277,935
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	(945,924)	214,128
17. Dividends to policyholders.....	0	0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	(945,924)	214,128
19. Federal and foreign income taxes incurred.....	859,624	327,208
20. Net income (Line 18 minus Line 19) (to Line 22).....	(1,805,548)	(113,080)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2).....	18,932,740	14,071,654
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20).....	(1,805,548)	(113,080)
23. Net unrealized capital gains or (losses).....	(255,312)	0
24. Change in net unrealized foreign exchange capital gains (loss).....	0	0
25. Change in net deferred income tax.....	1,457,409	427,991
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3).....	(1,567,938)	(202,948)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
28. Change in surplus notes.....	0	0
29. Surplus (contributed to) withdrawn from protected cells.....	0	0
30. Cumulative effect of changes in accounting principles.....	0	749,123
31. Capital changes:		
31.1 Paid in.....	0	0
31.2 Transferred from surplus (Stock Dividend).....	0	0
31.3 Transferred to surplus.....	0	0
32. Surplus adjustments:		
32.1 Paid in.....	0	4,000,000
32.2 Transferred to capital (Stock Dividend).....	0	0
32.3. Transferred from capital.....	0	0
33. Net remittances from or (to) Home Office.....	0	0
34. Dividends to stockholders.....	0	0
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1).....	0	0
36. Aggregate write-ins for gains and losses in surplus.....	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36).....	(2,171,389)	4,861,086
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35).....	16,761,351	18,932,740

DETAILS OF WRITE-INS		
0501. ....	0	0
0502. ....	0	0
0503. ....	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. SECURITIES LENDING INCOME.....	5,699	4,826
1402. ....	0	0
1403. ....	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	5,699	4,826
3601. Lines 23 and 29 from 2000 Annual Statement.....	0	0
3602. ....	0	0
3603. ....	0	0
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0

# STATE AUTO NATIONAL INSURANCE COMPANY

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	63,774,724	31,632,110
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	40,976,749	21,716,540
3. Underwriting expenses paid.....	16,956,108	9,500,388
4. Other underwriting income (expenses).....	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	5,841,866	415,182
6. Net investment income.....	1,824,001	1,504,637
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(889,509)	(415,182)
7.2 Net funds held under reinsurance treaties.....	0	0
7.3 Net amount withheld or retained for account of others.....	9,917	5,189
7.4 Aggregate write-ins for miscellaneous items.....	5,606,707	2,641,826
7.5 Total other income (Lines 7.1 to 7.4).....	4,727,115	2,231,832
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....	0	0
9. Federal and foreign income taxes (paid) recovered.....	(334,225)	184,435
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	12,058,758	4,336,087
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	18,626,795	5,911,914
11.2 Stocks.....	229,074	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.....	5,688	0
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	18,861,557	5,911,914
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	23,249,864	9,764,403
12.2 Stocks.....	3,218,707	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	5,688
12.7 Total investments acquired (Lines 12.1 to 12.6).....	26,468,571	9,770,091
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(7,607,014)	(3,858,177)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....	0	4,000,000
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....	0	0
14.3 Net transfers from affiliates.....	1,213,778	0
14.4 Borrowed funds received.....	0	0
14.5 Other cash provided.....	78,125	84,387
14.6 Total (Lines 14.1 to 14.5).....	1,291,903	4,084,387
15. Cash applied:		
15.1 Dividends to stockholders paid.....	0	0
15.2 Net transfers to affiliates.....	4,043,219	96,657
15.3 Borrowed funds repaid.....	0	0
15.4 Other applications.....	0	0
15.5 Total (Lines 15.1 to 15.4).....	4,043,219	96,657
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(2,751,316)	3,987,730
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16).....	1,700,427	4,465,640
18. Cash and short-term investments:		
18.1 Beginning of year.....	5,281,109	815,469
18.2 End of year (Line 17 plus Line 18.1).....	6,981,536	5,281,109
<b>DETAILS OF WRITE-INS</b>		
7.401 FINANCE AND SERVICE CHARGES.....	5,562,703	2,688,291
7.402 MISCELLANEOUS INCOME.....	5,699	4,826
7.403 EQUITY IN POOLS AND ASSOCIATIONS.....	71	(117)
7.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	38,235	(51,175)
7.499 Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above).....	5,606,707	2,641,826

# STATE AUTO NATIONAL INSURANCE COMPANY

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3 Last Year's Part 2	Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0	.0
11.1 Medical malpractice - occurrence.....	.0	.0	.0	.0
11.2 Medical malpractice - claims-made.....	.0	.0	.0	.0
12. Earthquake.....	.0	.0	.0	.0
13. Group accident and health.....	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	.0	.0
16. Workers' compensation.....	.0	.0	.0	.0
17.1 Other liability - occurrence.....	.0	.0	.0	.0
17.2 Other liability - claims-made.....	.0	.0	.0	.0
18.1 Products liability - occurrence.....	.0	.0	.0	.0
18.2 Products liability - claims-made.....	.0	.0	.0	.0
19.1, 19.2 Private passenger auto liability.....	54,413,342	8,977,322	17,995,142	45,395,522
19.3, 19.4 Commercial auto liability.....	(2)	.3	.0	.1
21. Auto physical damage.....	19,683,615	3,955,222	6,323,297	17,315,540
22. Aircraft (all perils).....	.0	.0	.0	.0
23. Fidelity.....	.0	.0	.0	.0
24. Surety.....	.0	.0	.0	.0
26. Burglary and theft.....	.0	.0	.0	.0
27. Boiler and machinery.....	.0	.0	.0	.0
28. Credit.....	.0	.0	.0	.0
29. International.....	.0	.0	.0	.0
30. Reinsurance - nonproportional assumed property.....	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed liability.....	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
34. TOTALS.....	74,096,955	12,932,547	24,318,439	62,711,063

#### DETAILS OF WRITE-INS

3301. ....	.0	.0	.0	.0
3302. ....	.0	.0	.0	.0
3303. ....	.0	.0	.0	.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0

# STATE AUTO NATIONAL INSURANCE COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running more than One Year from Date of Policy) (b)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
Line of Business					
1. Fire.....	.0	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence.....	.0	.0	.0	.0	.0
11.2 Medical malpractice - claims-made.....	.0	.0	.0	.0	.0
12. Earthquake.....	.0	.0	.0	.0	.0
13. Group accident and health.....	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	.0	.0	.0
16. Workers' compensation.....	.0	.0	.0	.0	.0
17.1 Other liability - occurrence.....	.0	.0	.0	.0	.0
17.2 Other liability - claims-made.....	.0	.0	.0	.0	.0
18.1 Products liability - occurrence.....	.0	.0	.0	.0	.0
18.2 Products liability - claims-made.....	.0	.0	.0	.0	.0
19.1, 19.2 Private passenger auto liability.....	17,995,142	.0	.0	.0	17,995,142
19.3, 19.4 Commercial auto liability.....	.0	.0	.0	.0	.0
21. Auto physical damage.....	6,323,297	.0	.0	.0	6,323,297
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	.0	.0	.0	.0	.0
24. Surety.....	.0	.0	.0	.0	.0
26. Burglary and theft.....	.0	.0	.0	.0	.0
27. Boiler and machinery.....	.0	.0	.0	.0	.0
28. Credit.....	.0	.0	.0	.0	.0
29. International.....	.0	.0	.0	.0	.0
30. Reinsurance - nonproportional assumed property.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed liability.....	.0	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed financial lines.....	.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
34. TOTALS.....	24,318,439	.0	.0	.0	24,318,439
35. Accrued retrospective premiums based on experience.....					.0
36. Earned but unbilled premiums.....					.0
37. Balance (sum of Lines 34 through 36).....					24,318,439

### DETAILS OF WRITE-INS

3301. ....	.0	.0	.0	.0	.0
3302. ....	.0	.0	.0	.0	.0
3303. ....	.0	.0	.0	.0	.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0	.0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0

- (a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes [ X ] No [ ].  
 (b) State here basis of computation used in each case: Pro Rata Method

# STATE AUTO NATIONAL INSURANCE COMPANY

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	.0	.0	.0	.0	.0	.0
2. Allied lines.....	.0	.0	.0	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0	.0	.0	.0
8. Ocean marine.....	.0	.0	.0	.0	.0	.0
9. Inland marine.....	.0	.0	.0	.0	.0	.0
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.....	.0	.0	.0	.0	.0	.0
13. Group accident and health.....	.0	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.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.....	.0	.0	.0	.0	.0	.0
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.....	61,660,996	.0	19,227	7,177,409	89,472	54,413,342
19.3, 19.4 Commercial auto liability.....	.0	.0	(2)	.0	.0	(2)
21. Auto physical damage.....	24,732,519	.0	6,208	5,055,112	.0	19,683,615
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	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed liability.....	.XXX	.0	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed financial lines.....	.XXX	.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
34. TOTALS.....	86,393,515	.0	25,433	12,232,521	89,472	74,096,955

#### 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. Summary 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 above).....	.0	.0	.0	.0	.0	.0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$.0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.0.

**STATE AUTO NATIONAL INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	0	0	0	0	0	0	0	0.0
2. Allied lines.....	0	0	0	0	0	0	0	0.0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0.0
5. Commercial multiple peril.....	0	0	0	0	0	0	0	0.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	0	0	0	0	0	0	0.0
9. Inland marine.....	0	0	0	0	0	0	0	0.0
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence.....	0	0	0	0	0	0	0	0.0
11.2 Medical malpractice - claims-made.....	0	0	0	0	0	0	0	0.0
12. Earthquake.....	0	0	0	0	0	0	0	0.0
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	0	0	0	0	0	0	0.0
16. Workers' compensation.....	0	0	0	0	0	0	0	0.0
17.1 Other liability - occurrence.....	0	0	0	0	0	0	0	0.0
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence.....	0	0	0	0	0	0	0	0.0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	27,360,819	27,928	3,185,901	24,202,846	21,089,355	10,851,885	34,440,316	75.9
19.3, 19.4 Commercial auto liability.....	0	25	0	25	12	21	16	1,600.0
21. Auto physical damage.....	14,480,052	6,584	2,894,150	11,592,486	1,491,218	953,100	12,130,604	70.1
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	0	0	0	0	0	0	0	0.0
24. Surety.....	0	0	0	0	0	0	0	0.0
26. Burglary and theft.....	0	0	0	0	0	0	0	0.0
27. Boiler and machinery.....	0	0	0	0	0	0	0	0.0
28. Credit.....	0	0	0	0	0	0	0	0.0
29. International.....	0	0	0	0	0	0	0	0.0
30. Reinsurance - nonproportional assumed property.....	.XXX	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed liability.....	.XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed financial lines.....	.XXX	0	0	0	0	0	0	0.0
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
34. TOTALS.....	41,840,871	34,537	6,080,051	35,795,357	22,580,585	11,805,006	46,570,936	74.3
<b>DETAILS OF WRITE-INS</b>								
3301. ....	0	0	0	0	0	0	0	0.0
3302. ....	0	0	0	0	0	0	0	0.0
3303. ....	0	0	0	0	0	0	0	0.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0	0	0.0

**STATE AUTO NATIONAL INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	0	0	0	0	0	0	0	0	0
2. Allied lines.....	0	0	0	0	0	0	0	0	0
3. Farmowners multiple peril.....	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0	0	0	0	0	0
5. Commercial multiple peril.....	0	0	0	0	0	0	0	0	0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	0	0	0	0	0	0	0	0
9. Inland marine.....	0	0	0	0	0	0	0	0	0
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	0	0	0	0	0	0	0	0	0
11.2 Medical malpractice - claims-made.....	0	0	0	0	0	0	0	0	0
12. Earthquake.....	0	0	0	0	0	0	0	0	0
13. Group accident and health.....	0	0	0	0	0	0	0	(a)	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0	0	(a)	0
16. Workers' compensation.....	0	0	0	0	0	0	0	0	0
17.1 Other liability - occurrence.....	0	0	0	0	0	0	0	0	0
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence.....	0	0	0	0	0	0	0	0	0
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	16,790,716	10,889	3,184,793	13,616,812	8,160,000	2,975	690,432	21,089,355	4,206,982
19.3, 19.4 Commercial auto liability.....	0	11	0	11	0	1	0	12	0
21. Auto physical damage.....	1,517,895	136	326,997	1,191,034	375,000	15	74,831	1,491,218	237,905
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	0	0	0	0	0	0	0	0	0
24. Surety.....	0	0	0	0	0	0	0	0	0
26. Burglary and theft.....	0	0	0	0	0	0	0	0	0
27. Boiler and machinery.....	0	0	0	0	0	0	0	0	0
28. Credit.....	0	0	0	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0	0	0	0
30. Reinsurance - nonproportional assumed property.....	XXX	0	0	0	XXX	0	0	0	0
31. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	XXX	0	0	0	0
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
34. TOTALS.....	18,308,611	11,036	3,511,790	14,807,857	8,535,000	2,991	765,263	22,580,585	4,444,887

**DETAILS OF WRITE-INS**

3301. ....	0	0	0	0	0	0	0	0	0
3302. ....	0	0	0	0	0	0	0	0	0
3303. ....	0	0	0	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0	0	0	0

(a) Including \$.....0 for present value of life indemnity claims.

## STATE AUTO NATIONAL INSURANCE COMPANY

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	2,798,758	0	0	2,798,758
1.2 Reinsurance assumed.....	0	0	0	0
1.3 Reinsurance ceded.....	186,618	0	0	186,618
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	2,612,140	0	0	2,612,140
2. Commission and brokerage:				
2.1 Direct excluding contingent.....	0	11,022,466	0	11,022,466
2.2 Reinsurance assumed excluding contingent.....	0	9,799	0	9,799
2.3 Reinsurance ceded excluding contingent.....	0	4,243,369	0	4,243,369
2.4 Contingent - direct.....	0	446,193	0	446,193
2.5 Contingent - reinsurance assumed.....	0	0	0	0
2.6 Contingent - reinsurance ceded.....	0	0	0	0
2.7 Policy and membership fees.....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	7,235,089	0	7,235,089
3. Allowances to managers and agents.....	0	407,806	0	407,806
4. Advertising.....	938	6,361	0	7,299
5. Boards, bureaus and associations.....	10,410	35,538	0	45,948
6. Surveys and underwriting reports.....	0	2,362,392	0	2,362,392
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	1,939,094	3,000,394	0	4,939,488
8.2 Payroll taxes.....	220,110	380,857	0	600,967
9. Employee relations and welfare.....	352,434	290,171	0	642,605
10. Insurance.....	34,531	58,201	0	92,732
11. Directors' fees.....	4,694	170,768	0	175,462
12. Travel and travel items.....	69,869	687,683	0	757,552
13. Rent and rent items.....	204,610	253,334	0	457,944
14. Equipment.....	290,278	180,832	0	471,110
15. Cost or depreciation of EDP equipment and software.....	33,265	47,372	0	80,637
16. Printing and stationery.....	51,056	60,154	0	111,210
17. Postage, telephone and telegraph, exchange and express.....	129,102	281,657	0	410,759
18. Legal and auditing.....	8,441	55,122	181,624	245,187
19. Totals (Lines 3 to 18).....	3,348,832	8,278,642	181,624	11,809,098
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....38,235.....	0	2,166,930	0	2,166,930
20.2. Insurance department licenses and fees.....	0	300,903	0	300,903
20.3. Gross guaranty association assessments.....	0	18,907	0	18,907
20.4. All other (excluding federal and foreign income and real estate).....	0	2,484	0	2,484
20.5. Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	2,489,224	0	2,489,224
21. Real estate expenses.....	0	0	0	0
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured accident and health plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	13,512	139,919	0	153,431
25. Total expenses incurred.....	5,974,484	18,142,874	181,624	(a).....24,298,982
26. Less unpaid expenses - current year.....	4,444,887	2,331,974	1,601	6,778,462
27. Add unpaid expenses - prior year.....	2,924,987	1,145,208	492	4,070,687
28. Amounts receivable relating to uninsured accident and health plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	4,454,584	16,956,108	180,515	21,591,207

## DETAILS OF WRITE-INS

2401. Miscellaneous.....	13,512	139,919	0	153,431
2402. ....	0	0	0	0
2403. ....	0	0	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	13,512	139,919	0	153,431

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

**STATE AUTO NATIONAL INSURANCE COMPANY**

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....219,227	.....213,959
1.1 Bonds exempt from U.S. tax.....	(a).....1,089,290	.....1,049,392
1.2 Other bonds (unaffiliated).....	(a).....546,621	.....660,311
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....21,049	.....24,005
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash/short-term investments.....	(e).....49,752	.....51,079
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....0	.....0
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....1,925,939	.....1,998,746
11. Investment expenses.....		(g).....181,624
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....181,624
17. Net investment income (Line 10 minus Line 16).....		.....1,817,122

**DETAILS OF WRITE-INS**

0901. ....	.....0	.....0
0902. ....	.....0	.....0
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....0	.....0
1502. ....	.....0	.....0
1503. ....	.....0	.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	.....0

- (a) Includes \$....4,874 accrual of discount less \$....83,451 amortization of premium and less \$....187,250 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....400,533	.....0	.....0	.....0	.....400,533
1.2 Other bonds (unaffiliated).....	.....133,188	.....0	.....0	.....0	.....133,188
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....1,571	.....0	.....(392,788)	.....0	.....(391,217)
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash/short-term investments.....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....0	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....535,292	.....0	.....(392,788)	.....0	.....142,504

**DETAILS OF WRITE-INS**

0901. ....	.....0	.....0	.....0	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page..	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2.....	2,580,032	1,012,094	(1,567,938)
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....	.0	.0	.0
2.2 Furniture, equipment and supplies.....	.0	.0	.0
2.3 Leasehold improvements.....	.0	.0	.0
2.4 Loans on personal security, endorsed or not.....	.0	.0	.0
3. Total (Lines 2.1 to 2.4).....	.0	.0	.0
4. Aggregate write-ins for other assets.....	.0	.0	.0
5. Total (Line 1 plus Lines 3 and 4).....	2,580,032	1,012,094	(1,567,938)

**DETAILS OF WRITE-INS**

0401. Line 5 from 2000 Annual Statement.....	.0	.0	.0
0402. ....	.0	.0	.0
0403. ....	.0	.0	.0
0498. Summary of remaining write-ins for Line 4 from overflow page.....	.0	.0	.0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above).....	.0	.0	.0

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies:

#### A. Accounting Practices:

The accompanying financial statements of State Auto National Insurance Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (the "Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

The Company is a member of the State Auto Holding Company System ("State Auto Group") that is defined at Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group. See Schedule Y Part 1 – Organizational Chart. The following member companies of the State Auto Group referred to throughout these footnotes are defined as follows: State Automobile Mutual Insurance Company ("State Auto Mutual"), State Auto Insurance Company of Wisconsin ("State Auto Wisconsin"), State Auto Florida Insurance Company ("State Auto Florida"), State Auto Financial Corporation ("State Auto Financial"), Strategic Insurance Software, Inc. ("SIS"), State Auto Property & Casualty Insurance Company ("State Auto P&C"), Stateco Financial Services, Inc. ("Stateco"), Milbank Insurance Company ("Milbank"), Farmers Casualty Insurance Company ("Farmers"), Mid-Plains Insurance Company ("Mid-Plains"), State Auto Insurance Company of Ohio ("State Auto Ohio"), Meridian Citizens Mutual Insurance Company ("Meridian Citizens Mutual"), Meridian Insurance Group, Inc. ("MIGI"), Meridian Security Insurance Company ("Meridian Security"), Meridian Citizens Security Insurance Company ("Meridian Citizens Security"), Meridian Service Corporation ("Meridian Service") and Insurance Company of Ohio ("ICO").

#### B. Use of Estimates in the Preparation of the Financial Statements:

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and revenue and expense for the period then ended. It also requires estimates in the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

#### C. Accounting Policy:

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Short-term bonds are stated at amortized cost. Money market investments are reflected at cost.
2. Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
3. Common stocks are stated at fair value.
4. Preferred stocks: Not applicable.
5. Mortgage loans: Not applicable.
6. Loan-backed securities are stated at the lower of amortized cost or fair value. The retrospective adjustment method is used to determine the fair value of all loan-backed securities.
7. Investments in subsidiaries and affiliated companies: Not applicable.
8. Investments in joint ventures, partnerships and limited liability companies: Not applicable.
9. Derivatives: Not applicable
10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53 Property-Casualty Contracts - Premiums.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

### 2. Accounting Changes and Corrections of Errors:

#### A. Change in Accounting Principle and/or Correction of Errors:

The Company has reported changes in accounting principles related to Codification, as described below.

#### B. Disclosure for Insurers Upon Initial Implementation of Codification:

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio requires that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC SAP.

Accounting changes adopted to conform to the provisions of the NAIC SAP are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned surplus in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a cumulative effect of changes in accounting principles from the recording of net deferred tax assets that increased unassigned surplus by \$749,123, as of January 1, 2001.

### 3. Business Combinations and Goodwill: Not Applicable.

### 4. Discontinued Operations: Not applicable.

### 5. Investments:

#### A. Mortgage Loans: Not applicable.

#### B. Debt Restructuring: Not applicable.

#### C. Reverse Mortgages: Not applicable.

#### D. Loan-Backed Securities:

1. The Company has elected to use book value on January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.
2. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data, Inc.
3. The Company used the Hub Data, Inc., pricing service to determine the market value of its loan backed securities.
4. The Company had no negative yield situations requiring a change from the retrospective to prospective method.

#### E. Repurchase Agreements: Not applicable.

### 6. Joint Ventures, Partnerships and Limited Liability Companies: Not Applicable.

### 7. Investment Income:

- A. Accrued Investment Income: The Company nonadmits investment income due and accrued if amounts are over 90 days past due.
- B. Amounts Nonadmitted: Not applicable.

### 8. Derivative Instruments: None.

## 9. Income Taxes:

A. The components of the net deferred tax asset/(liability) at December 31, 2002 and 2001 are as follows:

Description	Amount (\$)	
	2002	2001
Gross deferred tax assets	3,300,457	1,652,324
Gross deferred tax liabilities	65,802	12,553
Net deferred tax assets	3,234,655	1,639,771
Nonadmitted deferred tax assets	663,032	376,125
Admitted deferred tax assets	2,571,623	1,263,646
Increase (decrease) in nonadmitted deferred tax assets	286,907	(86,531)

B. Unrecognized Deferred Tax Liabilities: None.

C. Current Tax and Change in Deferred Tax:

Current income taxes incurred consist of the following major components:

Description	Amount (\$)	
	2002	2001
Current tax expense	852,607	327,208
Prior year underaccrual of tax expense	7,017	0
Current income taxes incurred	859,624	327,208

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

DTAs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Loss and LAE reserves	27,025,000	24,883,195	2,141,805	749,632
Unearned premiums	24,318,439	19,454,751	4,863,688	1,702,291
Salvage and subrogation	0	(1,750,672)	1,750,672	612,735
Investments	(2,598,416)	(2,991,203)	392,787	137,475
Other	58,891	(222,034)	280,925	98,324
Gross DTAs				3,300,457
Nonadmitted DTAs				663,032

DTLs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Investments	42,132,395	42,125,140	7,255	2,539
Other	0	(180,752)	180,752	63,263
Gross DTLs				65,802

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

DTAs Resulting from Book/Tax Differences in	Amounts (\$)		
	2002	2001	Change
Unpaid Losses and LAE	749,632	470,967	278,665
Unearned premiums	1,702,291	933,174	769,117
Salvage and subrogation	612,735	225,864	386,871
Other	235,799	22,319	213,480
Gross DTAs	3,300,457	1,652,324	1,648,133
Nonadmitted DTAs	663,032	376,125	286,907

DTLs Resulting from Book/Tax Differences in	Amount (\$)		
	2002	2001	Change
Other	65,802	12,553	53,249
Gross DTLs	65,802	12,553	53,249

D. 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 tax	(945,925)	(331,074)
Book over tax reserves	861,709	301,598
Salvage and subrogation change	1,105,347	386,871
Change in unearned premium reserve	2,277,178	797,012
Tax-exempt interest	(891,253)	(311,939)
Dividends received deduction	(12,524)	(4,383)
Other	41,488	14,522
Total adjustments	3,381,945	1,183,681
Taxable income	2,436,020	852,607

E. Operating Loss and Tax Credit Carryforwards:

- At December 31, 2002, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- For 2002, 2001, and 2000, the income tax expense that is available for recoupment in the event of future net losses:

Year	Amount (\$)
2002	790,330
2001	302,878
2000	0

F. Consolidated Federal Income Tax Return:

- The Company's federal income tax return is consolidated with the following entities:
  - State Auto Financial
  - State Auto P&C
  - Farmers
  - State Auto Ohio
  - Milbank
  - Mid-Plains
  - Stateco
  - Strategic Insurance Software, 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.

**10. Information Concerning Parent, Subsidiaries and Affiliates:****A. Nature of the Relationships:**

See Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group, Part 1 Organizational Chart.

**B. Description of Transactions:**

Effective December 31, 2001, the Company received a \$4,000,000 capital contribution from its parent State Auto Financial.

**C. Change in Terms of Intercompany Agreements:**

Effective October 1, 2001, the Management and Operations Agreement dated January 1, 2000 (the "2000 Agreement"), between the Company and State Auto P&C, a wholly owned subsidiary of State Auto Financial, and certain affiliated companies was amended. The 2000 Agreement was amended to eliminate the service fee that was charged by State Auto P&C to the Company during 2000 and for the nine months ended September 30, 2001. The amended 2000 Agreement continues to allocate costs and apportions those costs among the parties to the agreement in accordance with terms outlined in the agreement.

**D. Amounts Due to or from Related Parties:**

At December 31, 2002, the Company reported \$2,603,533 due to State Auto Mutual, \$48,019 to Stateco, \$4,692,829 due from State Auto Mutual and \$3,784 from Mid-Plains. At December 31, 2001, the Company reported \$1,404,186 due to State Auto Mutual and \$33,678 due to Stateco. The terms of settlement require these amounts to be settled within 15 days after request for payment.

**E. Guarantees or Contingencies for Related Parties: Not applicable.****F. Management, Service Contracts, Cost Sharing Agreements:**

During 2002 and 2001, Stateco, a wholly owned subsidiary of State Auto Financial, provided investment management services to the Company for a fee calculated as a percent of the average fair value of the investment portfolio of the Company.

**G. Nature of Relationships that Could Affect Operations:**

The Company is a member of the State Auto Holding Company System that is defined at Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group. See Schedule Y Part 1 – Organizational Chart. The Company is a wholly owned subsidiary of State Auto Financial, a publicly traded insurance holding company, domiciled in the state of Ohio. State Automobile Mutual, an Ohio domiciled property and casualty mutual insurance company, owns approximately 67.35% common shares outstanding of State Auto Financial.

**H. Amount Deducted for Investment in Upstream Company: Not applicable.****I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets: Not applicable.****J. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies: Not applicable.****11. Debt: None****12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:**

All employees of the State Auto Group are employees of State Auto P&C, who holds assets and liabilities related to the employee benefit plans of the State Auto Group. State Auto Mutual, the ultimate controlling entity within the State Auto Group, remains as the plan sponsor of the employee benefit plans.

**A. Defined Benefit Plan:**

State Auto Mutual sponsors a defined benefit plan and a postretirement health care benefit plan covering substantially all employees of the State Auto Group. See Note 12D.

**B. Defined Contribution Plans:**

State Auto Mutual sponsors a defined contribution plan covering substantially all employees of the State Auto Group. See Note 12 D.

**C. Multiemployer Plans: None.****D. Consolidated/Holding Company Plans:**

State Auto Mutual sponsors a defined benefit pension plan covering substantially all State Auto Group employees. Participants are eligible to receive pension benefits upon reaching age 65, or if certain age and length of service requirements are met prior to age 65. Benefits are determined by applying factors specified in the Plan to a participant's defined average annual compensation and are recognized when paid. Each affiliate is charged for its allocable share of net periodic pension cost based on a percentage of salary. Pension benefit allocated to the Company amounted to \$132,571 and \$223,755 in 2002 and 2001, respectively. The Company has no legal obligation for benefits under this plan.

State Auto Mutual sponsors a postretirement health care benefit plan covering substantially all State Auto Group employees and their beneficiaries if they retire from the State Auto Group upon reaching retirement age. The Company's share of health care plan expenses amounted to \$160,730 and \$144,586 in 2002 and 2001, respectively.

State Auto Mutual sponsors a defined contribution capital accumulation plan covering substantially all State Auto Group employees. Each participant may contribute any full percentage of their salary between 1% and 50% ("basic contribution"). Subject to certain limitations, State Auto Mutual matches the first 2% of basic contributions of participant salary at the rate of 75 cents for each dollar contributed. Basic contributions of 3% to 6% are matched at a rate of 50 cents for each dollar contributed. The Company's match is allocated based on a percentage of salary. The Company's share of this capital accumulation plan expense was \$95,595 and \$89,390 for 2002 and 2001, respectively. The Company has no legal obligation for benefits under this plan.

**E. Postemployment Benefits and Compensated Absences:**

The Company has no obligations for postemployment benefits. A liability for earned but untaken vacation has been accrued.

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations:****A. Capital Stock Authorized, Issued and Outstanding as of the Balance Sheet Date:**

The Company has 100,000 shares of \$40 par value common stock authorized and 60,000 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

**B. Dividend Rate of Preferred Stock: Not applicable.****C. Dividend Restrictions:**

Dividends on common stock are paid as declared by the Board of Directors of the Company. Under the insurance regulations of Ohio, the maximum amount of dividends that the Company may pay out of earned surplus to shareholders within a twelve month period without prior approval of the Department is limited to the greater of 10% of the most recent year-end policyholders' surplus or net income for the twelve-month period ending the 31st day of December of the previous year-end. Accordingly, the maximum dividend payout to shareholders that may be made without prior approval of the Department in 2003 is \$1,676,135. There were no shareholder dividends declared or paid during the year ended December 31, 2002.

**D. Portion of the Company's Profits that may be paid as Ordinary Dividends to Stockholders:**

Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.

**E. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held: Not applicable.****F. Mutual Surplus Advances: Not applicable.****G. Company Stock Held for Special Purposes: Not applicable.****H. Changes in Special Surplus Funds: Not applicable.**

## I. Changes in Unassigned Funds:

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Amount (\$)	
	Cumulative Increase (Decrease) in Surplus	Current Year Increase (Decrease) in Surplus
Unrealized gain (loss)	(392,787)	(392,787)
Nonadmitted assets	(2,580,032)	(1,567,938)
Provision for reinsurance	-	-
Total increase (decrease)	(2,972,819)	(1,960,725)

The unrealized gain (loss) excludes any applicable deferred taxes. The nonadmitted assets include the nonadmitted deferred tax assets.

## J. Surplus Notes: Not applicable.

## K. Impact of Restatement Due to Quasi Reorganizations: Not applicable.

## L. Effective Date of Quasi Reorganizations: Not applicable.

**14. Contingencies:**

## A. Contingent Commitments:

The Company has no commitments or contingent commitments to affiliates or other entities. As indicated in footnote 10E, the Company has made no guarantees on behalf of affiliates.

## B. Guaranty Fund and Other Assessments:

The Company is subject to guaranty fund assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. The Company has reflected a liability for guaranty fund assessments of \$43,291 at December 31, 2002. This represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the company's share of the ultimate cost of current insolvencies.

## C. Gain Contingencies: Not applicable.

## D. All Other Contingencies:

The Company is involved in litigation arising in the ordinary course of business. In the opinion of management, the effects, if any, of such litigation are not expected to be material to the statutory-basis financial statements.

**15. Leases:** None.**16. Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk:** Not applicable.**17. Sale, Transfer and Servicing of Financial Instruments and Extinguishments of Liabilities:**

## A. Transfers of Receivables Reported as Sales: Not applicable.

## B. Transfers and Servicing of Financial Assets:

The Company participates in a security lending program administered through Bank One Trust Company, N.A. (the "Agent"). The Agent is required to hold non-restricted collateral assets with a fair value of not less than 102% of the fair value of any loaned securities. Permitted collateral investments are listed in the Securities Lending Agreement. The collateral value is reviewed daily and adjusted accordingly by the Agent to ensure compliance. Any loaned stocks or bonds of the Company are identified in Schedule D by a "LS" designation in the description field of the security. At December 31, 2002, the Company had investments with a book/adjusted carrying value of \$4,867,278 on loan to others.

## C. Wash Sales: None

**18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans :** Not applicable.**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:** Not applicable.**20. Other Items:**

## A. Extraordinary Items: Not applicable.

## B. Trouble Debt Restructuring: Not applicable.

## C. Other Disclosures:

Certain items in the 2001 financial statements have been reclassified to conform to the 2002 presentation. Where applicable, the five year historical schedule for the 2001 year has been adjusted to reflect these reclassifications.

The Company elected to use rounding in reporting amounts in this Annual Statement. The Company also set a tolerance for rounding errors at 10 for validation purposes.

## D. Uncollectible Premiums Receivable:

At December 31, 2002 and 2001 the Company had admitted assets of \$ 21,634,667 and \$11,721,389 in premiums receivable due from policyholders, respectively. The Company routinely assesses the collectibility of these receivables. The Company has established a provision for uncollectible amounts of \$1,917,000 and \$635,969 at December 31, 2002 and 2001, respectively. The potential for any additional loss is not believed to be material to the Company's financial condition.

## E. Reinsurance Accounted for as a Deposit: Not applicable.

## F. Multiple Peril Crop Insurance: Not applicable.

## G. Mezzanine Real Estate Loans: Not applicable.

## H. Health Care Receivables: Not applicable.

## I. September 11 Events:

No losses were incurred as a result of the terrorist attacks of September 11, 2001.

## J. Participating Policies: Not applicable.

## K. Premium Deficiency Reserves: Not applicable.

**21. Events Subsequent:**

There were no events occurring subsequent to December 31, 2002 meriting disclosure.

**22. Reinsurance:****A. Unsecured Reinsurance Recoverable:**

The only recoverable in excess of 3% of policyholder surplus is the recoverable from State Auto Mutual, an affiliate company.

NAIC Co.	Federal ID #	Name of Reinsurer	Amount
25135	31-4316080	State Automobile Mutual Insurance Company	6,272,932

**B. Reinsurance Recoverable in Dispute: None.****C. Reinsurance Assumed and Ceded:**

1. The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2002, stated in dollars:

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	-	-	3,981,350	1,393,473	(3,981,350)	(1,393,473)
All other	1,645	324	29,583	-	(27,938)	324
Totals	1,645	324	4,010,933	1,393,473	(4,009,288)	(1,393,149)
Direct Unearned Premium Reserve: 28,327,727						

2. The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

Description	Amount (\$)			
	Direct	Assumed	Ceded	Net
Contingent commissions	410,234	-	-	410,234
Sliding scale commissions	-	-	-	-
Other profit commissions	-	-	-	-
Totals	410,234	-	-	410,234

3. Protected Cells: Not applicable.

**D. Uncollectible Reinsurance: None.****E. Commutation of Ceded Reinsurance: Not applicable.****F. Retroactive Reinsurance: Not applicable.****23. Retrospectively Rated Contracts and Contracts Subject to Redetermination: None.****24. Changes in Incurred Losses and Loss Adjustment Expenses:**

Losses and loss adjustment expenses attributable to accident years prior to 2002 decreased \$2,061,580 during 2002 from December 31, 2001. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are adjusted as additional information becomes known regarding individual claims.

**25. Intercompany Pooling Arrangements: Not applicable.****26. Structured Settlements: None.****27. High Deductibles: Not applicable.****28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses:**

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

**29. Asbestos/Environmental Reserves: None.****30. Subscriber Savings Accounts: Not applicable.****31. Financial Guaranty Insurance Exposures: Not applicable.**

# STATE AUTO NATIONAL INSURANCE COMPANY

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	3,332,986	7.5	3,332,986	7.5
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	6,943,352	15.5	6,943,352	15.5
1.22 Issued by U.S. government sponsored agencies.....	496,225	1.1	496,225	1.1
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....	0	0.0	0	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	1,561,051	3.5	1,561,051	3.5
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	9,373,188	21.0	9,373,188	21.0
1.43 Revenue and assessment obligations.....	8,872,888	19.8	8,872,888	19.8
1.44 Industrial development and similar obligations.....	2,056,991	4.6	2,056,991	4.6
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....	135,068	0.3	135,068	0.3
1.512 Issued by FNMA and FHLMC.....	0	0.0	0	0.0
1.513 Privately issued.....	0	0.0	0	0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....	0	0.0	0	0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....	0	0.0	0	0.0
1.523 All other privately issued.....	0	0.0	0	0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	2,376,155	5.3	2,376,155	5.3
2.2 Unaffiliated foreign securities.....	0	0.0	0	0.0
2.3 Affiliated securities.....	0	0.0	0	0.0
3. Equity interests:				
3.1 Investments in mutual funds.....	0	0.0	0	0.0
3.2 Preferred stocks:				
3.21 Affiliated.....	0	0.0	0	0.0
3.22 Unaffiliated.....	0	0.0	0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....	0	0.0	0	0.0
3.32 Unaffiliated.....	2,598,416	5.8	2,598,416	5.8
3.4 Other equity securities:				
3.41 Affiliated.....	0	0.0	0	0.0
3.42 Unaffiliated.....	0	0.0	0	0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....	0	0.0	0	0.0
3.52 Unaffiliated.....	0	0.0	0	0.0
4. Mortgage loans:				
4.1 Construction and land development.....	0	0.0	0	0.0
4.2 Agricultural.....	0	0.0	0	0.0
4.3 Single family residential properties.....	0	0.0	0	0.0
4.4 Multifamily residential properties.....	0	0.0	0	0.0
4.5 Commercial loans.....	0	0.0	0	0.0
5. Real estate investments:				
5.1 Property occupied by company.....	0	0.0	0	0.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....	0	0.0	0	0.0
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....	0	0.0	0	0.0
6. Policy loans.....	0	0.0	0	0.0
7. Receivables for securities.....	0	0.0	0	0.0
8. Cash and short-term investments.....	6,981,536	15.6	6,981,536	15.6
9. Other invested assets.....	0	0.0	0	0.0
10. Total invested assets.....	44,727,856	100.0	44,727,856	100.0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ]      No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ]      No [ ]      N/A [ ]

1.3 State regulating? Ohio

2.1 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 ]

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

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1998

3.2 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. 12/31/1998

3.3 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). 07/13/2000

3.4 By what department or departments? Ohio

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ]      No [ X ]

4.12 renewals? Yes [ ]      No [ X ]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ]      No [ X ]

4.22 renewals? Yes [ ]      No [ X ]

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 the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	00000	

6.1 Has the 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 ]

6.2 If yes, give full information: \_\_\_\_\_

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ]      No [ X ]

7.2 If yes,  
7.21 State the percentage of foreign control. .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

## GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Ernst & Young LLP  
 1100 Huntington Center, 41 South High Street, Columbus, Ohio 43215
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 William Hansen, FCAS, 518 East Broad Street, Columbus, Ohio 43215  
 Vice President and Director of Actuarial Services
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

## BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [ X ] No [ ]
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [ X ] No [ ]
13. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

## FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers \$.....0
- 14.12 To stockholders not officers \$.....0
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$.....0
- 14.22 To stockholders not officers \$.....0
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others \$.....0
- 15.22 Borrowed from others \$.....0
- 15.23 Leased from others \$.....0
- 15.24 Other \$.....0
- Disclose in the Notes to Financial the nature of each obligation.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 16.2 If answer is yes:
- 16.21 Amount paid as losses or risk adjustment \$.....0
- 16.22 Amount paid as expenses \$.....0
- 16.23 Other amounts paid \$.....0

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred.....	0.000	0.000	0.00	0	Yes [ ].....No [ X ].....	Yes [ ].....No [ X ]..
Common.....	100,000.000	60,000.000	40.00	XXX	XXX.....XXX.....	XXX.....XXX.....

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 2-Special Deposits? Yes [ ] No [ X ]

18.2 If no, give full and complete information relating thereto.

The Company participates in a securities lending program which is administered by its costodian, Bank One Trust Co., NA

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 2-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [ X ] No [ ]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	\$.....4,867,278
19.22 Subject to repurchase agreements	\$.....0
19.23 Subject to reverse repurchase agreements	\$.....0
19.24 Subject to dollar repurchase agreements	\$.....0
19.25 Subject to reverse dollar repurchase agreements	\$.....0
19.26 Pledged as collateral	\$.....0
19.27 Placed under option agreements	\$.....0
19.28 Letter stock or securities restricted as to sale	\$.....0
19.29 Other	\$.....0

19.3 For each category above, if any of these assets are held by others, identify by whom held:

19.31 Various Brokers	_____
19.32	_____
19.33	_____
19.34	_____
19.35	_____
19.36	_____
19.37	_____
19.38	_____
19.39	_____

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

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

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

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

21.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

22. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Bank One - Columbus	1111 Polaris Parkway, Bldg 54101-2L, Columbus, Ohio 43240
Bank of America	200 W. Capitol Ave, Flr 6, Little Rock, AR 72201
Wachovia Bank	One West Fourth St, NC6252, Winston-Salem NC 27101
Wachovia Bank	1525 W. W.T. Harris Blvd, Charlotte, NC 28288-1151

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

22.02 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)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes [ ] No [X]

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

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

22.05 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 Number(s)	2 Name	3 Address

**OTHER**

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$.....36,454

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office	28,918

24.1 Amount of payments for legal expenses, if any? \$.....0

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	0

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	0

**GENERAL INTERROGATORIES (continued)**

**Part 2 - Property and Casualty Interrogatories**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ]	No [ X ]
1.2	If yes, indicate premium earned on U.S. business only.	\$.....	0
1.3	What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$.....	0
1.31	Reason for excluding:		
<hr/>			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$.....	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$.....	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$.....	0
1.62	Total incurred claims	\$.....	0
1.63	Number of covered lives	.....	0
	All years prior to most current three years:		
1.64	Total premium earned	\$.....	0
1.65	Total incurred claims	\$.....	0
1.66	Number of covered lives	.....	0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$.....	0
1.72	Total incurred claims	\$.....	0
1.73	Number of covered lives	.....	0
	All years prior to most current three years:		
1.74	Total premium earned	\$.....	0
1.75	Total incurred claims	\$.....	0
1.76	Number of covered lives	.....	0
2.1	Does the reporting entity issue both participating and non-participating policies?	Yes [ ]	No [ X ]
2.2	If yes, state the amount of calendar year premiums written on:		
2.21	Participating	\$.....	0
2.22	Non-participating policies	\$.....	0
3.	For Mutual Reporting Entities and Reciprocal Exchange only:		
3.1	Does the reporting entity issue assessable policies?	Yes [ ]	No [ ]
3.2	Does the reporting entity issue non-assessable policies?	Yes [ ]	No [ ]
3.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	.....	0.0 %
3.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$.....	0
4.	For Reciprocal Exchanges only:		
4.1	Does the exchange appoint local agents?	Yes [ ]	No [ ]
4.2	If yes, is the commission paid:		
4.21	Out of Attorney's-in-fact compensation	Yes [ ]	No [ ] N/A [ ]
4.22	As a direct expense of the exchange	Yes [ ]	No [ ] N/A [ ]
4.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?		
4.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred?	Yes [ ]	No [ ]
4.5	If yes, give full information:		
<hr/>			
5.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? Company does not currently write Workers Compensation on a direct basis		
<hr/>			
5.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: Catastrophe modeling is done annually on a group basis, using the combined property exposures of each State Auto company. Natural perils that could impact the Companies include a New Madrid earthquake, a north Atlantic hurricane, and severe thunderstorm systems that would include tornado/hail damage. Catastrophe modeling firms used in the past include Applied Insurance Research (AIR), BenfieldBlanch, and Risk Management Solutions (RMS).		
<hr/>			
5.3	What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable property insurance loss? All the State Auto affiliated companies are parties to traditional reinsurance agreements that provide \$80 million in coverage for covered losses above a \$40 million retention, with a 5% co-participation on each layer of the program. Another \$100 million is available above the \$80 million of traditional reinsurance by means of a structured financing arrangement that State Auto Financial Corporation effected with Bank One, N.A. and other lenders.		
<hr/>			
5.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes [ X ]	No [ ]
5.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.		
<hr/>			
6.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [ ]	No [ X ]
6.2	If yes, indicate the number of reinsurance contracts containing such provisions.	.....	0

**GENERAL INTERROGATORIES (continued)**

**Part 2 - Property and Casualty Interrogatories (continued)**

7.1 Has this 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 this risk, or portion thereof, reinsured? Yes [ ] No [X]

7.2 If yes, give full information:

8. If the reporting entity has assumed risks from another entity, there should be a charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

9.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

9.2 If yes, give full information:

10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

10.11 Unpaid losses \$.....0  
 10.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0

10.2 Of the amount on Line 10.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$.....0

10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A [X]

10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

10.41 From .....0.0 %  
 10.42 To .....0.0 %

10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

10.6 If yes, state the amount thereof at December 31 of the current year:

10.61 Letters of credit \$.....0  
 10.62 Collateral and other funds \$.....0

11.1 What amount of installment notes is owned and now held by the reporting entity? \$.....0

11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [ ] No [X]

11.3 If yes, what amount? \$.....0

12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....50,000

12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount. ....1

13.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

13.2 If yes, give full information:

14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

14.11 Name of real estate holding company \_\_\_\_\_  
 14.12 Number of parcels involved .....0  
 14.13 Total book/adjusted carrying value \$.....0

14.2 If yes, provide explanation

15.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
15.11 Home.....	.....0	.....0	.....0	.....0	.....0
15.12 Products.....	.....0	.....0	.....0	.....0	.....0
15.13 Automobile.....	.....0	.....0	.....0	.....0	.....0
15.14 Other*.....	.....0	.....0	.....0	.....0	.....0

\* Disclose type of coverage: .....

# STATE AUTO NATIONAL INSURANCE COMPANY

## FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	61,680,221	29,012,152	16,368,645	17,284,032	20,421,689
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	24,738,727	14,462,538	8,241,908	8,647,099	9,947,210
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.0	.0	.0	.0	.0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	.0	.0	.0	.0	.0
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	.0	.0	.0	.0	.0
6. Total (Line 34).....	86,418,948	43,474,689	24,610,553	25,931,131	30,368,899
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	54,413,340	25,604,103	14,453,552	15,395,512	15,445,468
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	19,683,615	11,456,964	6,473,143	6,703,147	9,847,263
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.0	.0	.0	.0	.0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	.0	.0	.0	.0	.0
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	.0	.0	.0	.0	.0
12. Total (Line 34).....	74,096,955	37,061,067	20,926,695	22,098,659	25,292,731
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (Loss) (Line 8).....	(7,977,231)	(3,636,565)	(940,047)	641,051	465,264
14. Net investment gain (loss) (Line 11).....	2,352,414	1,572,758	1,361,584	1,426,411	1,384,228
15. Total other income (Line 15).....	4,678,891	2,277,935	(441,411)	(978,453)	(410,098)
16. Dividends to policyholders (Line 17).....	.0	.0	.0	.0	.0
17. Federal and foreign income taxes incurred (Line 19).....	859,624	327,208	(184,433)	189,397	556,029
18. Net income (Line 20).....	(1,805,550)	(113,080)	164,559	899,612	883,365
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3).....	76,175,817	50,778,666	33,895,207	32,718,992	31,672,164
20. Agents' balances or uncollected premiums (Page 2, Col. 3):					
20.1 In course of collection (Line 10.1).....	21,634,666	11,721,389	5,404,590	5,039,312	6,291,632
20.2 Deferred and not yet due (Line 10.2).....	.0	.0	.0	.0	.0
20.3 Accrued retrospective premiums (Line 10.3).....	.0	.0	.0	.0	.0
21. Total liabilities excluding Protected Cell (Page 3, Line 24).....	59,414,466	31,845,924	19,823,552	18,851,444	19,401,198
22. Losses (Page 3, Lines 1 & 2).....	22,580,585	11,805,006	8,617,345	8,013,220	6,840,324
23. Loss adjustment expenses (Page 3, Line 3).....	4,444,887	2,924,987	2,543,888	2,412,656	2,063,585
24. Unearned premiums (Page 3, Line 9).....	24,318,439	12,932,547	6,976,640	6,622,420	8,052,468
25. Capital paid up (Page 3, Lines 28 & 29).....	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
26. Surplus as regards policyholders (Page 3, Line 35).....	16,761,351	18,932,742	14,071,655	13,867,548	12,270,966
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital.....	16,761,351	18,932,742	14,071,655	13,867,548	12,270,966
28. Authorized control level risk-based capital.....	5,154,502	2,769,898	1,663,155	2,162,712	2,189,319
<b>Percentage Distribution of Cash and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1).....	78.6	85.0	97.0	88.9	91.4
30. Stocks (Lines 2.1 & 2.2).....	5.8	.0	.0	.0	.0
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....	.0	.0	.0	.0	.0
32. Real estate (Lines 4.1, 4.2 & 4.3).....	.0	.0	.0	.0	.0
33. Cash and short-term investments (Line 5).....	15.6	14.9	3.0	11.1	8.6
34. Other invested assets (Line 6).....	.0	.0	.0	.0	.0
35. Receivable for securities (Line 7).....	.0	.0	.0	.0	.0
36. Aggregate write-ins for invested assets (Line 8).....	.0	.0	.0	.0	.0
37. Cash and invested assets (Line 9).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
38. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....	.0	.0	.0	.0	.0
39. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....	.0	.0	.0	.0	.0
40. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2).....	.0	.0	.0	.0	.0
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11).....	.0	.0	.0	.0	.0
42. Affiliated mortgage loans on real estate.....	.0	.0	.0	.0	.0
43. All other affiliated.....	.0	.0	.0	.0	.0
44. Total of above lines 38 to 43.....	.0	.0	.0	.0	.0
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0).....	.0	.0	.0	.0	.0

# STATE AUTO NATIONAL INSURANCE COMPANY

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
<b>Capital and Surplus Accounts</b> (Page 4)					
46. Net unrealized capital gains (losses) (Line 23).....	(255,312)	0	0	0	0
47. Dividends to stockholders (Line 34).....	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37).....	(2,171,391)	4,861,086	204,108	1,596,581	561,537
<b>Gross Losses Paid</b> (Page 9, Part 2, Cols. 1 & 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	27,388,772	13,462,982	10,100,532	9,935,335	10,827,122
50. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	14,486,636	8,262,529	6,056,202	6,444,129	7,351,605
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	0	0	0	0	0
53. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	0	0	0	0	0
54. Total (Line 34).....	41,875,408	21,725,511	16,156,734	16,379,464	18,178,727
<b>Net Losses Paid</b> (Page 9, Part 2, Col. 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	24,202,871	11,835,812	8,796,561	8,178,840	7,984,976
56. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	11,592,486	6,605,865	4,846,843	5,618,964	7,351,605
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0	0	0	0	0
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	0	0	0	0	0
59. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	0	0	0	0	0
60. Total (Line 34).....	35,795,357	18,441,677	13,643,404	13,797,804	15,336,581
<b>Operating Percentages</b> (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
62. Losses incurred (Line 2).....	74.3	69.5	69.3	63.6	63.4
63. Loss expenses incurred (Line 3).....	9.5	9.9	13.1	10.1	11.6
64. Other underwriting expenses incurred (Line 4).....	28.9	32.3	22.2	23.5	23.2
65. Net underwriting gain (loss) (Line 8).....	(12.7)	(11.7)	(4.6)	2.7	1.8
<b>Other Percentages</b>					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0).....	18.2	20.9	24.0	29.5	25.0
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	83.8	79.4	82.4	73.8	75.0
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0).....	442.1	195.8	148.7	159.4	206.1
<b>One Year Loss Development (000 omitted)</b>					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(1,086)	(2,076)	(814)	(1,082)	(665)
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Col. 1 x 100).....	(5.7)	(14.8)	(5.9)	(8.8)	(5.7)
<b>Two Year Loss Development (000 omitted)</b>					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(1,749)	(1,764)	(1,101)	(944)	55
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second year end (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(12.4)	(12.7)	(9.0)	(8.1)	0.5

**STATE AUTO NATIONAL INSURANCE COMPANY**

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States.....	8,811,395	9,314,473	8,831,314	8,508,925
	2. Canada.....	0	0	0	0
	3. Other Countries.....	0	0	0	0
	4. Totals.....	8,811,395	9,314,473	8,831,314	8,508,925
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	1,028,231	1,028,231	1,033,850	1,000,000
	6. Canada.....	0	0	0	0
	7. Other Countries.....	0	0	0	0
	8. Totals.....	1,028,231	1,028,231	1,033,850	1,000,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	9,906,007	9,932,390	9,938,045	9,640,000
	10. Canada.....	0	0	0	0
	11. Other Countries.....	0	0	0	0
	12. Totals.....	9,906,007	9,932,390	9,938,045	9,640,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	10,969,123	11,198,903	10,995,925	10,560,000
	14. Canada.....	0	0	0	0
	15. Other Countries.....	0	0	0	0
	16. Totals.....	10,969,123	11,198,903	10,995,925	10,560,000
Public Utilities (unaffiliated)	17. United States.....	0	0	0	0
	18. Canada.....	0	0	0	0
	19. Other Countries.....	0	0	0	0
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	4,433,146	4,835,129	4,446,561	4,300,000
	22. Canada.....	0	0	0	0
	23. Other Countries.....	0	0	0	0
	24. Totals.....	4,433,146	4,835,129	4,446,561	4,300,000
Parent, Subsidiaries and Affiliates	25. Totals.....	0	0	0	0
	26. <b>Total Bonds.....</b>	<b>35,147,902</b>	<b>36,309,126</b>	<b>35,245,695</b>	<b>34,008,925</b>
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....	0	0	0	0
	28. Canada.....	0	0	0	0
	29. Other Countries.....	0	0	0	0
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....	0	0	0	0
	32. Canada.....	0	0	0	0
	33. Other Countries.....	0	0	0	0
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....	0	0	0	0
	36. Canada.....	0	0	0	0
	37. Other Countries.....	0	0	0	0
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....	0	0	0	0
	40. <b>Total Preferred Stocks.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....	0	0	0	0
	42. Canada.....	0	0	0	0
	43. Other Countries.....	0	0	0	0
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	338,370	338,370	377,359	0
	46. Canada.....	0	0	0	0
	47. Other Countries.....	0	0	0	0
	48. Totals.....	338,370	338,370	377,359	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	2,260,046	2,260,046	2,613,845	0
	50. Canada.....	0	0	0	0
	51. Other Countries.....	0	0	0	0
	52. Totals.....	2,260,046	2,260,046	2,613,845	0
Parent, Subsidiaries and Affiliates	53. Totals.....	0	0	0	0
	54. <b>Total Common Stocks.....</b>	<b>2,598,416</b>	<b>2,598,416</b>	<b>2,991,204</b>	<b>0</b>
	55. <b>Total Stocks.....</b>	<b>2,598,416</b>	<b>2,598,416</b>	<b>2,991,204</b>	<b>0</b>
	56. <b>Total Bonds and Stocks...</b>	<b>37,746,318</b>	<b>38,907,542</b>	<b>38,236,899</b>	<b>0</b>

(a) The aggregate value of bonds which are valued at other than actual fair value is \$....18,934,561.

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year.....	30,069,692	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	26,468,571	6.1 Column 17, Part 1.....	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	0
3.1 Column 16, Part 1.....	(69,302)	6.3 Column 11, Part 2, Section 2.....	0
3.2 Column 12, Part 2, Section 1.....	0	6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....	(392,788)	7. Book/adjusted carrying value at end of current period.....	37,746,319
3.4 Column 10, Part 4.....	(9,278)	8. Total valuation allowance.....	0
4. Total gain (loss), Column 14, Part 4.....	535,293	9. Subtotal (Lines 7 plus 8).....	37,746,319
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4.....	18,855,869	10. Total nonadmitted amounts.....	0
		11. Statement value of bonds and stocks, current period.....	37,746,319

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
2. 1993.....	4,217.....	721.....	3,496.....	2,182.....	307.....	58.....	9.....	82.....	0.....	107.....	2,006.....	XXX.....	
3. 1994.....	4,743.....	828.....	3,915.....	3,283.....	785.....	224.....	86.....	194.....	0.....	404.....	2,830.....	XXX.....	
4. 1995.....	10,890.....	1,806.....	9,084.....	6,543.....	801.....	349.....	49.....	442.....	0.....	270.....	6,484.....	XXX.....	
5. 1996.....	16,394.....	2,729.....	13,665.....	11,791.....	1,808.....	569.....	69.....	670.....	0.....	681.....	11,153.....	XXX.....	
6. 1997.....	25,643.....	4,219.....	21,424.....	16,102.....	2,245.....	725.....	102.....	1,570.....	0.....	874.....	16,050.....	XXX.....	
7. 1998.....	30,579.....	5,077.....	25,502.....	18,413.....	2,513.....	908.....	148.....	1,674.....	0.....	1,162.....	18,334.....	XXX.....	
8. 1999.....	27,852.....	4,323.....	23,529.....	17,481.....	2,764.....	817.....	114.....	1,652.....	0.....	968.....	17,072.....	XXX.....	
9. 2000.....	24,196.....	3,624.....	20,572.....	16,068.....	2,321.....	441.....	65.....	1,778.....	0.....	907.....	15,901.....	XXX.....	
10. 2001.....	36,511.....	5,406.....	31,105.....	23,164.....	3,361.....	295.....	73.....	2,046.....	0.....	1,030.....	22,071.....	XXX.....	
11. 2002.....	73,224.....	10,513.....	62,711.....	32,591.....	4,372.....	154.....	89.....	3,178.....	0.....	515.....	31,462.....	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	147,618.....	21,277.....	4,540.....	804.....	13,286.....	0.....	6,918.....	143,363.....	XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
2. 1993.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
3. 1994.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
4. 1995.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	XXX.....
5. 1996.....	12.....	2.....	0.....	0.....	1.....	0.....	0.....	0.....	0.....	0.....	0.....	11.....	XXX.....
6. 1997.....	85.....	23.....	1.....	0.....	6.....	0.....	0.....	0.....	4.....	0.....	0.....	73.....	XXX.....
7. 1998.....	218.....	53.....	(7).....	(2).....	17.....	0.....	(1).....	0.....	4.....	0.....	0.....	180.....	XXX.....
8. 1999.....	278.....	48.....	(41).....	(6).....	21.....	0.....	(5).....	0.....	16.....	0.....	0.....	227.....	XXX.....
9. 2000.....	735.....	163.....	38.....	5.....	58.....	0.....	4.....	0.....	12.....	0.....	0.....	679.....	XXX.....
10. 2001.....	2,685.....	839.....	595.....	61.....	214.....	0.....	69.....	0.....	44.....	0.....	0.....	2,707.....	XXX.....
11. 2002.....	15,001.....	2,384.....	7,257.....	709.....	1,094.....	0.....	827.....	0.....	2,059.....	0.....	0.....	23,145.....	XXX.....
12. Totals.....	19,014.....	3,512.....	7,843.....	767.....	1,411.....	0.....	894.....	0.....	2,139.....	0.....	0.....	27,022.....	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	0.....	0.....
2. 1993.....	2,322.....	316.....	2,006.....	55.1.....	43.8.....	57.4.....	0.....	0.....	0.00.....	0.....	0.....
3. 1994.....	3,701.....	871.....	2,830.....	78.0.....	105.2.....	72.3.....	0.....	0.....	0.00.....	0.....	0.....
4. 1995.....	7,334.....	850.....	6,484.....	67.3.....	47.1.....	71.4.....	0.....	0.....	0.00.....	0.....	0.....
5. 1996.....	13,043.....	1,879.....	11,164.....	79.6.....	68.9.....	81.7.....	0.....	0.....	0.00.....	10.....	1.....
6. 1997.....	18,493.....	2,370.....	16,123.....	72.1.....	56.2.....	75.3.....	0.....	0.....	0.00.....	63.....	10.....
7. 1998.....	21,226.....	2,712.....	18,514.....	69.4.....	53.4.....	72.6.....	0.....	0.....	0.00.....	160.....	20.....
8. 1999.....	20,219.....	2,920.....	17,299.....	72.6.....	67.5.....	73.5.....	0.....	0.....	0.00.....	195.....	32.....
9. 2000.....	19,134.....	2,554.....	16,580.....	79.1.....	70.5.....	80.6.....	0.....	0.....	0.00.....	605.....	74.....
10. 2001.....	29,112.....	4,334.....	24,778.....	79.7.....	80.2.....	79.7.....	0.....	0.....	0.00.....	2,380.....	327.....
11. 2002.....	62,161.....	7,554.....	54,607.....	84.9.....	71.9.....	87.1.....	0.....	0.....	0.00.....	19,165.....	3,980.....
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	22,578.....	4,444.....

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

## STATE AUTO NATIONAL INSURANCE COMPANY

## SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year
1. Prior.....	239	123	129	143	143	142	142	142	142	142	0	0
2. 1993.....	2,132	2,168	1,978	1,940	1,932	1,926	1,928	1,925	1,924	1,924	0	(1)
3. 1994.....	XXX	2,875	2,605	2,566	2,606	2,629	2,636	2,646	2,636	2,636	0	(10)
4. 1995.....	XXX	XXX	6,611	5,972	6,046	6,091	6,083	6,077	6,042	6,042	0	(35)
5. 1996.....	XXX	XXX	XXX	10,706	10,586	10,594	10,490	10,507	10,459	10,494	35	(13)
6. 1997.....	XXX	XXX	XXX	XXX	15,576	14,842	14,666	14,721	14,585	14,549	(36)	(172)
7. 1998.....	XXX	XXX	XXX	XXX	XXX	17,915	17,112	17,020	16,719	16,836	117	(184)
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	16,733	15,938	15,519	15,631	112	(307)
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,817	14,691	14,790	99	(1,027)
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,101	22,688	(1,413)	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	49,370	XXX	XXX
12. Totals.....											(1,086)	(1,749)

## SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior.....	000	104	108	143	143	142	142	142	142	142	XXX	XXX
2. 1993.....	1,253	1,738	1,866	1,897	1,917	1,926	1,928	1,925	1,924	1,924	XXX	XXX
3. 1994.....	XXX	1,471	2,135	2,351	2,491	2,606	2,619	2,624	2,636	2,636	XXX	XXX
4. 1995.....	XXX	XXX	3,831	5,313	5,699	5,988	6,026	6,019	6,038	6,042	XXX	XXX
5. 1996.....	XXX	XXX	XXX	7,145	9,490	10,078	10,259	10,365	10,425	10,483	XXX	XXX
6. 1997.....	XXX	XXX	XXX	XXX	10,264	13,405	14,007	14,378	14,558	14,480	XXX	XXX
7. 1998.....	XXX	XXX	XXX	XXX	XXX	11,647	14,996	16,036	16,404	16,660	XXX	XXX
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	10,110	13,477	14,704	15,420	XXX	XXX
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,420	12,993	14,123	XXX	XXX
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,664	20,025	XXX	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,284	XXX	XXX

## SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior.....	107	14	6	0	0	0	0	0	0	0
2. 1993.....	315	139	21	12	1	0	0	0	0	0
3. 1994.....	XXX	632	125	29	22	5	1	0	0	0
4. 1995.....	XXX	XXX	1,060	85	60	14	6	19	0	0
5. 1996.....	XXX	XXX	XXX	1,150	266	157	35	42	1	0
6. 1997.....	XXX	XXX	XXX	XXX	1,539	428	199	112	7	1
7. 1998.....	XXX	XXX	XXX	XXX	XXX	1,868	545	260	17	(6)
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	1,916	631	95	(40)
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,923	369	37
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,173	603
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,375

**STATE AUTO NATIONAL INSURANCE COMPANY**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	YES	4,464,373	4,506,369	0	2,500,155	2,681,827	1,653,716	208,436	0
2. Alaska.....AK	NO	0	0	0	0	0	0	0	0
3. Arizona.....AZ	NO	0	0	0	0	0	0	0	0
4. Arkansas.....AR	YES	2,993,064	2,689,384	0	1,823,575	1,956,318	1,041,690	206,079	0
5. California.....CA	NO	0	0	0	0	0	0	0	0
6. Colorado.....CO	NO	0	0	0	0	0	0	0	0
7. Connecticut.....CT	NO	0	0	0	0	0	0	0	0
8. Delaware.....DE	NO	0	0	0	0	0	0	0	0
9. District of Columbia.....DC	NO	0	0	0	0	0	0	0	0
10. Florida.....FL	YES	2,202,352	1,593,939	0	593,213	1,229,470	718,249	47,933	0
11. Georgia.....GA	YES	1,229,533	1,228,906	0	697,921	671,231	428,868	44,730	0
12. Hawaii.....HI	NO	0	0	0	0	0	0	0	0
13. Idaho.....ID	NO	0	0	0	0	0	0	0	0
14. Illinois.....IL	YES	1,212,071	958,939	0	486,245	604,116	243,095	63,808	0
15. Indiana.....IN	YES	2,179,126	1,284,305	0	711,790	1,102,561	434,825	166,118	0
16. Iowa.....IA	YES	0	0	0	0	0	0	0	0
17. Kansas.....KS	NO	0	0	0	0	0	0	0	0
18. Kentucky.....KY	YES	22,136,200	18,354,485	0	11,092,599	16,311,801	6,617,982	1,823,850	0
19. Louisiana.....LA	NO	0	0	0	0	0	0	0	0
20. Maine.....ME	NO	0	0	0	0	0	0	0	0
21. Maryland.....MD	YES	1,159,638	851,444	0	462,151	617,818	256,828	53,608	0
22. Massachusetts.....MA	NO	0	0	0	0	0	0	0	0
23. Michigan.....MI	NO	0	0	0	0	0	0	0	0
24. Minnesota.....MN	YES	10,644,022	7,961,917	0	3,926,316	6,214,301	3,426,099	635,243	0
25. Mississippi.....MS	YES	1,707,212	1,670,817	0	986,707	1,016,552	348,775	104,692	0
26. Missouri.....MO	YES	2,760,904	2,241,382	0	1,312,547	1,823,668	800,173	138,624	0
27. Montana.....MT	NO	0	0	0	0	0	0	0	0
28. Nebraska.....NE	NO	0	0	0	0	0	0	0	0
29. Nevada.....NV	NO	0	0	0	0	0	0	0	0
30. New Hampshire.....NH	NO	0	0	0	0	0	0	0	0
31. New Jersey.....NJ	NO	0	0	0	0	0	0	0	0
32. New Mexico.....NM	NO	0	0	0	0	0	0	0	0
33. New York.....NY	NO	0	0	0	0	0	0	0	0
34. North Carolina.....NC	YES	0	0	0	0	0	0	0	0
35. North Dakota.....ND	YES	0	0	0	0	0	0	0	0
36. Ohio.....OH	YES	9,241,616	8,264,126	0	4,821,770	6,223,191	3,217,091	693,203	0
37. Oklahoma.....OK	YES	0	0	0	0	0	0	0	0
38. Oregon.....OR	NO	0	0	0	0	0	0	0	0
39. Pennsylvania.....PA	YES	4,848,389	4,553,750	0	2,604,945	3,056,730	1,669,142	302,948	0
40. Rhode Island.....RI	NO	0	0	0	0	0	0	0	0
41. South Carolina.....SC	YES	5,649,555	5,705,171	0	3,491,009	3,315,767	2,282,715	246,135	0
42. South Dakota.....SD	YES	157,676	143,618	0	130,882	194,997	96,696	7,761	0
43. Tennessee.....TN	YES	6,878,186	5,457,826	0	2,966,858	3,516,530	1,759,267	519,687	0
44. Texas.....TX	NO	0	0	0	0	0	0	0	0
45. Utah.....UT	YES	1,749,557	1,063,064	0	426,390	648,078	317,948	126,663	0
46. Vermont.....VT	NO	0	0	0	0	0	0	0	0
47. Virginia.....VA	NO	0	0	0	0	0	0	0	0
48. Washington.....WA	NO	0	0	0	0	0	0	0	0
49. West Virginia.....WV	YES	2,958,807	2,494,086	0	1,394,775	1,619,091	886,933	40,154	0
50. Wisconsin.....WI	YES	2,221,234	2,163,024	0	1,411,024	1,422,717	643,521	133,031	0
51. Wyoming.....WY	NO	0	0	0	0	0	0	0	0
52. American Samoa.....AS	NO	0	0	0	0	0	0	0	0
53. Guam.....GU	NO	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	NO	0	0	0	0	0	0	0	0
55. US Virgin Islands.....VI	NO	0	0	0	0	0	0	0	0
56. Canada.....CN	NO	0	0	0	0	0	0	0	0
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
58. Totals.....	(a).....23	86,393,515	73,186,553	0	41,840,871	54,226,763	26,843,613	5,562,703	0
<b>DETAILS OF WRITE-INS</b>									
5701.....	XXX	0	0	0	0	0	0	0	0
5702.....	XXX	0	0	0	0	0	0	0	0
5703.....	XXX	0	0	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	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

(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

**ORGANIZATIONAL STRUCTURE OF  
STATE AUTO HOLDING COMPANY SYSTEM  
State Auto Group #175**

