



ANNUAL STATEMENT

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

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

NAIC Group Code..... 175, 175 (Current Period) (Prior Period) NAIC Company Code..... 25135 Employer's ID Number..... 31-4316080

Organized under the Laws of OH State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated..... August 1, 1921

Commenced Business..... September 1, 1921

Statutory Home Office	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	STATEAUTO.COM	
Statement Contact	CYNTHIA ANN POWELL <i>(Name)</i> cindy.powell@stateauto.com <i>(E-Mail Address)</i>	614-464-5000 ext. 5473 <i>(Area Code) (Telephone Number) (Extension)</i> 614-719-0342 <i>(Fax Number)</i>
Policyowner Relations Contact	518 EAST BROAD STREET COLUMBUS OH 43215-3976 <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 JUTUS JOHNSTON, SVP
ROBERT ALAN LETT	JOHN ROBERT LOWTHER, SVP	JOHN BUCHANAN MELVIN	CATHY BERNATH MILEY
RICHARD LEE MILEY	JOHN MICHAEL PETRUCCI	CYNTHIA ANN POWELL	

DIRECTORS OR TRUSTEES

DENNIS RAY BLANK	MICHAEL FRANCIS DODD	URLIN GILBERT HARRIS, JR.	RAMON LYLE HUMKE
MARION DWAYNE HOUK	STEVEN JUSTUS JOHNSTON	JAMES EDWARD KUNK	JOHN ROBERT LOWTHER
ROBERT HARLON MOONE	PAUL JOHN OTTE	MARSHA PASQUINELLI RYAN	

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 ofFEBRUARY....., 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.....

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	128,604,056	0	128,604,056	174,783,547
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).....	567,690,564	8,421,308	559,269,256	615,339,399
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).....	35,701,655	0	35,701,655	36,508,597
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	9,673	0	9,673	9,977
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....51,500,740 Schedule E, Part 1) and short-term investments (\$.....70,163,215 Schedule DA, Part 2).....	121,663,955	0	121,663,955	7,629,113
6. Other invested assets (Schedule BA).....	56,136,680	0	56,136,680	52,337,119
7. Receivable for securities.....	0	0	0	18,018
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	909,806,583	8,421,308	901,385,275	886,625,770
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	153,094,118	2,656,248	150,437,870	122,166,729
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....859,099 earned but unbilled premiums).....	60,732,877	68,860	60,664,017	69,432,500
10.3 Accrued retrospective premiums.....	0	0	0	0
11. Funds held by or deposited with reinsured companies.....	1,073,058	0	1,073,058	1,169,788
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).....	240,597	0	240,597	853,286
15. Federal and foreign income tax recoverable and interest thereon (including \$.....13,372,781 net deferred tax asset) -	39,985,755	22,910,995	17,074,760	26,851,525
16. Guaranty funds receivable or on deposit.....	874,009	0	874,009	1,408,347
17. Electronic data processing equipment and software.....	3,098,687	2,235,677	863,010	1,303,073
18. Interest, dividends and real estate income due and accrued.....	1,989,284	0	1,989,284	2,227,906
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates.....	8,032,366	0	8,032,366	12,406,240
21. Amount due from/to protected cells.....	0	0	0	0
22. Equities and deposits in pools and associations.....	4,920,080	0	4,920,080	4,216,561
23. Amounts receivable relating to uninsured accident and health plans.....	0	0	0	0
24. Other assets nonadmitted (Exhibit 1).....	7,924,365	7,924,365	0	0
25. Aggregate write-ins for other than invested assets.....	4,643,845	4,497,505	146,340	103,959
26. Total assets excluding protected cell assets (Lines 9 through 25).....	1,196,415,624	48,714,958	1,147,700,666	1,128,765,684
27. Protected cell assets.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	1,196,415,624	48,714,958	1,147,700,666	1,128,765,684

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. Miscellaneous Accounts Receivable.....	425,891	279,551	146,340	103,959
2502. Prepaid Expenses.....	3,865,892	3,865,892	0	0
2503. Advances.....	352,062	352,062	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).....	4,643,845	4,497,505	146,340	103,959

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	146,378,927	140,349,018
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,995,879	1,311,672
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	21,922,876	19,390,684
4. Commissions payable, contingent commissions and other similar charges.....	31,122,015	26,964,741
5. Other expenses (excluding taxes, licenses and fees).....	11,432,824	12,076,053
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	16,199,715	15,048,900
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$...354,484,914 and including warranty reserves of \$.....0).....	84,801,215	75,907,961
10. Advance premiums.....	7,044,978	4,551,183
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	731,528	1,100,072
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,653,958	2,566,997
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.....	2,742,378	2,401,273
15. Remittances and items not allocated.....	0	0
16. Provision for reinsurance (Schedule F, Part 7).....	219,800	130,200
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	31,560,896	28,116,626
19. Payable to parent, subsidiaries and affiliates.....	32,603,627	5,797,756
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.....	4,394,825	9,111,391
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	394,805,441	344,824,527
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	394,805,441	344,824,527
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	0	0
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.....	0	0
33. Unassigned funds (surplus).....	752,895,225	783,941,157
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).....	752,895,225	783,941,157
36. TOTALS (Page 2, Line 28, Col. 3).....	1,147,700,666	1,128,765,684

DETAILS OF WRITE-INS

2301. Escheated funds payable.....	724,553	535,710
2302. Deferred gain on asset transfers.....	3,546,393	8,575,681
2303. Miscellaneous liabilities.....	32,602	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	91,277	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	4,394,825	9,111,391
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 AUTOMOBILE MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

	1	2
STATEMENT OF INCOME UNDERWRITING INCOME	Current Year	Prior Year
1. Premiums earned (Part 1, Line 34, Column 4).....	207,930,806	363,136,990
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	141,901,617	274,562,263
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	20,611,270	37,129,248
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	65,305,234	97,953,374
5. Aggregate write-ins for underwriting deductions.....	164,462	0
6. Total underwriting deductions (Lines 2 through 5).....	227,982,583	409,644,885
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(20,051,777)	(46,507,895)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	13,996,357	25,040,667
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)).....	5,953,235	17,605,401
11. Net investment gain (loss) (Lines 9 + 10).....	19,949,592	42,646,068
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....176,175 amount charged off \$.....712,780).....	(536,605)	(923,412)
13. Finance and service charges not included in premiums.....	804,860	1,529,291
14. Aggregate write-ins for miscellaneous income.....	(1,396,190)	(7,980)
15. Total other income (Lines 12 through 14).....	(1,127,935)	597,899
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	(1,230,120)	(3,263,928)
17. Dividends to policyholders.....	133,383	357,220
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	(1,363,503)	(3,621,148)
19. Federal and foreign income taxes incurred.....	(1,737,935)	(12,319,790)
20. Net income (Line 18 minus Line 19) (to Line 22).....	374,432	8,698,642
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2).....	783,941,157	903,844,771
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20).....	374,432	8,698,642
23. Net unrealized capital gains or (losses).....	(24,755,365)	(133,715,923)
24. Change in net unrealized foreign exchange capital gains (loss).....	72,097	(32,113)
25. Change in net deferred income tax.....	12,693,564	(370,809)
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3).....	(21,783,003)	146,292
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(89,600)	170,800
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	10,388,891
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	0
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.....	2,441,943	(5,189,394)
37. Change in surplus as regards policyholders for the year (Lines 22 through 36).....	(31,045,932)	(119,903,614)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35).....	752,895,225	783,941,157

DETAILS OF WRITE-INS

0501. 2002 NC private passenger auto refund assumed.....	164,462	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).....	164,462	0
1401. Miscellaneous income (expense).....	15,696	42,985
1402. Gain (loss) on sale of fixed assets.....	(90,356)	(116,315)
1403. Securities lending income.....	56,747	65,350
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(1,378,277)	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(1,396,190)	(7,980)
3601. Fidelity deferred compensation plan FMV adjustment.....	346,044	0
3602. Deferred gain on asset transfers between parent and affiliates.....	2,095,899	(5,189,394)
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).....	2,441,943	(5,189,394)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	196,593,732	241,353,877
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	149,209,620	398,412,492
3. Underwriting expenses paid.....	60,745,364	86,065,457
4. Other underwriting income (expenses).....	(164,462)	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	(13,525,714)	(243,124,072)
6. Net investment income.....	16,198,237	32,618,249
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(536,605)	(923,412)
7.2 Net funds held under reinsurance treaties.....	96,730	0
7.3 Net amount withheld or retained for account of others.....	687,149	(580,647)
7.4 Aggregate write-ins for miscellaneous items.....	(760,511)	(3,227,249)
7.5 Total other income (Lines 7.1 to 7.4).....	(513,237)	(4,731,308)
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....	501,927	(515,772)
9. Federal and foreign income taxes (paid) recovered.....	12,187,376	(1,954,099)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	13,844,735	(216,675,458)
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	124,350,533	434,157,701
11.2 Stocks.....	51,149,621	214,578,314
11.3 Mortgage loans.....	0	8,817
11.4 Real estate.....	0	0
11.5 Other invested assets.....	75,000	0
11.6 Net gains or (losses) on cash and short-term investments.....	0	24,987
11.7 Miscellaneous proceeds.....	18,018	114,482
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	175,593,172	648,884,301
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	75,537,814	131,451,360
12.2 Stocks.....	29,842,490	355,446,627
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	812,789	1,401,593
12.5 Other invested assets.....	4,721,908	547,212
12.6 Miscellaneous applications.....	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6).....	110,915,001	488,846,792
13. Net cash from investments (Line 11.8 minus Line 12.7).....	64,678,171	160,037,509
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....	0	0
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....	0	0
14.3 Net transfers from affiliates.....	31,179,745	0
14.4 Borrowed funds received.....	0	0
14.5 Other cash provided.....	4,374,573	12,780,450
14.6 Total (Lines 14.1 to 14.5).....	35,554,318	12,780,450
15. Cash applied:		
15.1 Dividends to stockholders paid.....	0	0
15.2 Net transfers to affiliates.....	0	1,887,542
15.3 Borrowed funds repaid.....	0	0
15.4 Other applications.....	42,382	0
15.5 Total (Lines 15.1 to 15.4).....	42,382	1,887,542
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	35,511,936	10,892,908
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16).....	114,034,842	(45,745,041)
18. Cash and short-term investments:		
18.1 Beginning of year.....	7,629,113	53,374,154
18.2 End of year (Line 17 plus Line 18.1).....	121,663,955	7,629,113
DETAILS OF WRITE-INS		
7.401 Finance and service charges.....	804,860	1,529,291
7.402 Miscellaneous income (expense).....	15,696	(7,977)
7.403 Security lending income.....	56,747	0
7.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	(1,637,814)	(4,748,563)
7.499 Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above).....	(760,511)	(3,227,249)

STATE AUTOMOBILE MUTUAL 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.....	13,725,199	5,812,195	7,082,876	12,454,518
2. Allied lines.....	5,970,168	2,514,742	3,014,922	5,469,988
3. Farmowners multiple peril.....	894,814	384,270	399,792	879,292
4. Homeowners multiple peril.....	32,133,854	14,861,215	16,661,124	30,333,945
5. Commercial multiple peril.....	18,702,775	8,203,607	9,093,367	17,813,015
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	472,589	373,776	228,395	617,970
9. Inland marine.....	5,253,415	2,194,509	2,563,637	4,884,287
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.....	935,873	429,250	479,472	885,651
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.....	2,574	20,410	20,342	2,642
16. Workers' compensation.....	9,080,684	3,774,846	3,448,873	9,406,657
17.1 Other liability - occurrence.....	10,657,130	4,080,172	4,920,472	9,816,830
17.2 Other liability - claims-made.....	0	0	0	0
18.1 Products liability - occurrence.....	2,585,906	910,924	1,067,610	2,429,220
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	46,222,916	11,394,146	12,485,616	45,131,446
19.3, 19.4 Commercial auto liability.....	16,517,566	6,932,049	7,770,152	15,679,463
21. Auto physical damage.....	46,246,344	12,618,468	14,258,669	44,606,143
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	222,895	154,173	153,629	223,439
24. Surety.....	458,967	190,368	214,539	434,796
26. Burglary and theft.....	128,473	64,750	62,856	130,367
27. Boiler and machinery.....	40,612	12,432	15,774	37,270
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Reinsurance - nonproportional assumed property.....	6,688,467	0	0	6,688,467
31. Reinsurance - nonproportional assumed liability.....	285	5,112	0	5,397
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.....	216,941,506	74,931,414	83,942,117	207,930,803

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 AUTOMOBILE MUTUAL 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.....	7,082,877	(1)	0	0	7,082,876
2. Allied lines.....	3,014,922	0	0	0	3,014,922
3. Farmowners multiple peril.....	399,792	0	0	0	399,792
4. Homeowners multiple peril.....	16,661,128	(4)	0	0	16,661,124
5. Commercial multiple peril.....	9,301,416	0	(208,049)	0	9,093,367
6. Mortgage guaranty.....	0	0	0	0	0
8. Ocean marine.....	228,395	0	0	0	228,395
9. Inland marine.....	2,563,631	6	0	0	2,563,637
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.....	479,472	0	0	0	479,472
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.....	20,342	0	0	0	20,342
16. Workers' compensation.....	3,825,710	0	(376,837)	0	3,448,873
17.1 Other liability - occurrence.....	5,091,901	319	(171,748)	0	4,920,472
17.2 Other liability - claims-made.....	0	0	0	0	0
18.1 Products liability - occurrence.....	1,170,007	67	(102,464)	0	1,067,610
18.2 Products liability - claims-made.....	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	12,485,616	0	0	0	12,485,616
19.3, 19.4 Commercial auto liability.....	7,770,152	0	0	0	7,770,152
21. Auto physical damage.....	14,258,669	0	0	0	14,258,669
22. Aircraft (all perils).....	0	0	0	0	0
23. Fidelity.....	108,222	45,407	0	0	153,629
24. Surety.....	139,964	74,575	0	0	214,539
26. Burglary and theft.....	62,856	0	0	0	62,856
27. Boiler and machinery.....	15,774	0	0	0	15,774
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.....	84,680,846	120,369	(859,098)	0	83,942,117
35. Accrued retrospective premiums based on experience.....					0
36. Earned but unbilled premiums.....					859,098
37. Balance (sum of Lines 34 through 36).....					84,801,215

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 AUTOMOBILE MUTUAL 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	3	4	5	
		From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	
1. Fire.....	25,983,673	23,045,482	4,945,783	39,397,654	852,085	13,725,199
2. Allied lines.....	16,120,111	15,010,057	437,796	25,202,095	395,701	5,970,168
3. Farmowners multiple peril.....	0	4,697,963	0	3,799,891	3,258	894,814
4. Homeowners multiple peril.....	72,586,633	99,632,099	242,331	139,254,606	1,072,603	32,133,854
5. Commercial multiple peril.....	52,637,858	48,207,547	12,130	81,110,777	1,043,983	18,702,775
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	788,034	1,757,342	0	2,058,560	14,227	472,589
9. Inland marine.....	14,912,668	10,218,161	724,053	20,295,303	306,164	5,253,415
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.....	1,661,159	3,392,024	0	4,084,198	33,112	935,873
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.....	19,906	12	0	10,923	6,421	2,574
16. Workers' compensation.....	32,760,358	13,123,838	2,088,870	38,456,613	435,769	9,080,684
17.1 Other liability - occurrence.....	39,357,006	24,160,191	1,336	45,122,217	7,739,186	10,657,130
17.2 Other liability - claims-made.....	0	0	0	0	0	0
18.1 Products liability - occurrence.....	7,898,748	5,648,230	0	10,948,267	12,805	2,585,906
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	98,621,354	143,744,234	344	195,663,953	479,063	46,222,916
19.3, 19.4 Commercial auto liability.....	47,631,010	39,114,074	244,491	69,929,937	542,072	16,517,566
21. Auto physical damage.....	105,315,576	140,472,167	18,524	199,545,595	14,328	46,246,344
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	938,994	561,547	0	1,169,697	107,949	222,895
24. Surety.....	2,800,806	16,487	0	1,941,304	417,022	458,967
26. Burglary and theft.....	410,885	266,154	1,196	543,751	6,011	128,473
27. Boiler and machinery.....	543,326	(130,671)	119,571	(334,619)	826,233	40,612
28. Credit.....	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0
30. Reinsurance - nonproportional assumed property.....	XXX	0	6,688,467	0	0	6,688,467
31. Reinsurance - nonproportional assumed liability.....	XXX	3	1,484	1,202	0	285
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.....	520,988,105	572,936,941	15,526,376	878,201,924	14,307,992	216,941,506

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 AUTOMOBILE MUTUAL 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.....	9,574,899	13,960,435	16,475,512	7,059,822	7,639,329	4,198,480	10,500,671	84.3
2. Allied lines.....	7,454,335	9,259,230	13,184,631	3,528,934	1,683,184	1,455,332	3,756,786	68.7
3. Farmowners multiple peril.....	218,769	1,950,756	1,724,034	445,491	263,110	301,788	406,813	46.3
4. Homeowners multiple peril.....	51,711,952	71,469,457	97,890,496	25,290,913	9,893,785	9,912,228	25,272,470	83.3
5. Commercial multiple peril.....	33,646,985	21,207,960	44,068,595	10,786,350	15,177,661	12,132,554	13,831,457	77.6
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	121,526	327,395	333,322	115,599	162,269	171,922	105,946	17.1
9. Inland marine.....	5,910,721	3,345,118	7,168,741	2,087,098	1,094,561	730,757	2,450,902	50.2
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence.....	0	16,873	13,667	3,206	127	4,208	(875)	0.0
11.2 Medical malpractice - claims-made.....	0	0	0	0	0	0	0	0.0
12. Earthquake.....	0	67,648	0	67,648	0	27,751	39,897	4.5
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.....	43,355	(370)	35,118	7,867	2,792	5,492	5,167	195.6
16. Workers' compensation.....	22,698,608	8,505,158	24,817,974	6,385,792	15,706,511	15,243,034	6,849,269	72.8
17.1 Other liability - occurrence.....	13,308,564	4,750,573	14,851,898	3,207,239	12,319,531	9,748,746	5,778,024	58.9
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence.....	1,020,636	951,288	1,455,294	516,630	1,380,784	872,626	1,024,788	42.2
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	79,855,222	84,330,940	130,572,868	33,613,294	38,971,272	39,905,940	32,678,626	72.4
19.3, 19.4 Commercial auto liability.....	26,767,586	16,563,224	34,592,007	8,738,803	16,570,154	14,465,764	10,843,193	69.2
21. Auto physical damage.....	55,555,277	71,649,817	100,273,055	26,932,039	2,895,581	4,267,012	25,560,608	57.3
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	88,414	81,996	122,000	48,410	83,502	80,037	51,875	23.2
24. Surety.....	221,892	31,740	181,667	71,965	133,039	101,806	103,198	23.7
26. Burglary and theft.....	101,424	21,416	91,338	31,502	9,996	13,589	27,909	21.4
27. Boiler and machinery.....	96,113	(6,027)	115,800	(25,714)	233,218	54,610	152,894	410.2
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	6,944,531	0	6,944,531	21,904,567	26,339,735	2,509,363	37.5
31. Reinsurance - nonproportional assumed liability.....	.XXX	72,375	58,091	14,284	253,953	315,610	(47,373)	(877.8)
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.....	308,396,278	315,501,533	488,026,108	135,871,703	146,378,926	140,349,021	141,901,608	68.2

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

STATE AUTOMOBILE MUTUAL 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.....	5,684,424	6,234,826	6,977,820	4,941,430	970,859	3,786,046	2,059,006	7,639,329	169,452
2. Allied lines.....	3,384,753	3,314,117	5,406,300	1,292,570	716,540	1,174,480	1,500,406	1,683,184	127,350
3. Farmowners multiple peril.....	342,509	897,708	1,050,523	189,694	0	386,400	312,984	263,110	49,045
4. Homeowners multiple peril.....	20,762,957	20,023,368	33,067,313	7,719,012	5,186,787	6,762,888	9,774,902	9,893,785	1,235,474
5. Commercial multiple peril.....	41,348,503	12,762,045	44,724,911	9,385,637	20,015,434	12,172,736	26,396,146	15,177,661	4,008,692
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	220,789	589,547	656,372	153,964	22,923	20,790	35,408	162,269	15,511
9. Inland marine.....	3,588,644	792,916	3,581,265	800,295	518,892	446,758	671,384	1,094,561	45,053
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence.....	0	667	540	127	0	0	0	127	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	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	7,195	0	8,203	(1,008)	20,000	0	16,200	(a) 2,792	45
16. Workers' compensation.....	45,045,925	17,172,114	53,020,697	9,197,342	18,236,340	17,276,069	29,003,240	15,706,511	2,968,881
17.1 Other liability - occurrence.....	21,226,669	10,543,805	26,684,246	5,086,228	23,483,114	16,177,962	32,427,773	12,319,531	4,449,620
17.2 Other liability - claims-made.....	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence.....	2,033,389	1,459,402	2,829,161	663,630	2,229,890	1,566,107	3,078,843	1,380,784	1,012,114
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	102,779,004	74,532,340	148,091,798	29,219,546	24,176,709	28,098,427	42,523,410	38,971,272	5,025,829
19.3, 19.4 Commercial auto liability.....	41,336,932	18,995,035	49,815,145	10,516,822	22,130,502	10,369,169	26,446,339	16,570,154	2,428,416
21. Auto physical damage.....	3,045,288	4,800,381	6,355,135	1,490,534	3,643,013	3,862,003	6,099,969	2,895,581	301,323
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	253,902	42,591	240,834	55,659	119,912	26,631	118,700	83,502	29,478
24. Surety.....	492,260	82	400,064	92,278	214,048	481	173,768	133,039	55,316
26. Burglary and theft.....	11,760	2,490	11,543	2,707	27,458	11,100	31,269	9,996	763
27. Boiler and machinery.....	5,000	66,409	(23,566)	94,975	28,991	150,940	41,688	233,218	512
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	13,607,772	0	13,607,772	XXX	8,296,795	0	21,904,567	0
31. Reinsurance - nonproportional assumed liability.....	XXX	584,052	473,082	110,970	XXX	752,540	609,557	253,953	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.....	291,569,903	186,421,667	383,371,386	94,620,184	121,741,412	111,338,322	181,320,992	146,378,926	21,922,874

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 AUTOMOBILE MUTUAL 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.....	17,729,110	0	0	17,729,110
1.2 Reinsurance assumed.....	20,706,435	0	0	20,706,435
1.3 Reinsurance ceded.....	27,609,388	0	0	27,609,388
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	10,826,157	0	0	10,826,157
2. Commission and brokerage:				
2.1 Direct excluding contingent.....	0	84,058,801	0	84,058,801
2.2 Reinsurance assumed excluding contingent.....	0	91,854,546	0	91,854,546
2.3 Reinsurance ceded excluding contingent.....	0	143,390,926	0	143,390,926
2.4 Contingent - direct.....	0	5,921,396	0	5,921,396
2.5 Contingent - reinsurance assumed.....	0	0	0	0
2.6 Contingent - reinsurance ceded.....	0	1,257,260	0	1,257,260
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	37,186,557	0	37,186,557
3. Allowances to managers and agents.....	0	1,046,956	1,443	1,048,399
4. Advertising.....	1,878	98,319	208	100,405
5. Boards, bureaus and associations.....	20,840	451,083	0	471,923
6. Surveys and underwriting reports.....	0	1,354,921	0	1,354,921
7. Audit of assureds' records.....	0	269,851	0	269,851
8. Salary and related items:				
8.1 Salaries.....	5,578,613	10,339,288	318,411	16,236,312
8.2 Payroll taxes.....	566,097	1,099,638	32,169	1,697,904
9. Employee relations and welfare.....	1,033,062	2,047,480	58,970	3,139,512
10. Insurance.....	107,459	152,707	9,177	269,343
11. Directors' fees.....	13,114	24,702	362	38,178
12. Travel and travel items.....	176,632	385,533	13,146	575,311
13. Rent and rent items.....	580,687	1,143,848	133,182	1,857,717
14. Equipment.....	796,243	1,796,910	56,465	2,649,618
15. Cost or depreciation of EDP equipment and software.....	178,260	283,500	11,502	473,262
16. Printing and stationery.....	150,438	263,932	8,665	423,035
17. Postage, telephone and telegraph, exchange and express.....	440,279	1,381,644	16,282	1,838,205
18. Legal and auditing.....	74,775	204,390	1,610,806	1,889,971
19. Totals (Lines 3 to 18).....	9,718,377	22,344,702	2,270,788	34,333,867
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	0	4,741,429	0	4,741,429
20.2 Insurance department licenses and fees.....	0	268,090	0	268,090
20.3 Gross guaranty association assessments.....	0	222,072	0	222,072
20.4 All other (excluding federal and foreign income and real estate).....	0	18,915	0	18,915
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	5,250,506	0	5,250,506
21. Real estate expenses.....	0	0	4,220,699	4,220,699
22. Real estate taxes.....	0	0	900,004	900,004
23. Reimbursements by uninsured accident and health plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	66,733	523,470	23,566	613,769
25. Total expenses incurred.....	20,611,267	65,305,235	7,415,057	(a).....93,331,559
26. Less unpaid expenses - current year.....	21,922,876	56,866,775	1,244,427	80,034,078
27. Add unpaid expenses - prior year.....	19,390,684	52,306,903	1,252,709	72,950,296
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).....	18,079,075	60,745,363	7,423,339	86,247,777

DETAILS OF WRITE-INS

2401. Miscellaneous.....	66,733	523,470	23,566	613,769
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).....	66,733	523,470	23,566	613,769

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

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....3,687,665	.....3,641,947
1.1 Bonds exempt from U.S. tax.....	(a).....3,092,991	.....2,608,020
1.2 Other bonds (unaffiliated).....	(a).....3,177,268	.....3,284,233
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).....	.....2,821,710	.....2,792,943
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....7,202,595	.....7,202,595
5. Contract loans.....	.....0	.....0
6. Cash/short-term investments.....	(e).....421,263	.....480,131
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....0	.....0
9. Aggregate write-ins for investment income.....	.....2,981,594	.....2,981,594
10. Total gross investment income.....	.....23,385,086	.....22,991,463
11. Investment expenses.....		(g).....7,415,057
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).....1,580,049
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....8,995,106
17. Net investment income (Line 10 minus Line 16).....		.....13,996,357

DETAILS OF WRITE-INS

0901. Miscellaneous interest received.....	.....298,815	.....298,815
0902. Interest on tax refund(s).....	.....366,529	.....366,529
0903. Interest on notes receivable and surplus notes.....	.....2,316,250	.....2,316,250
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).....	.....2,981,594	.....2,981,594
1501. ....		.....0
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$.....164,415 accrual of discount less \$.....555,906 amortization of premium and less \$.....607,310 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 \$.....4,541,520 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....324 accrual of discount less \$.....2,355 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 \$.....1,580,049 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment		
1. U.S. government bonds.....	.....409,761	.....0	.....0	.....0	.....409,761
1.1 Bonds exempt from U.S. tax.....	.....1,823,209	.....0	.....0	.....0	.....1,823,209
1.2 Other bonds (unaffiliated).....	.....791,745	.....0	.....0	.....0	.....791,745
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).....	.....6,486,684	.....(3,796,969)	.....(30,731,176)	.....0	.....(28,041,461)
2.21 Common stocks of affiliates.....	.....278,794	.....0	.....(17,095,471)	.....13,028,522	.....(3,788,155)
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....(39,980)	.....0	.....0	.....0	.....(39,980)
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	.....(847,347)	.....0	.....(847,347)
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....9,750,213	.....(3,796,969)	.....(48,673,994)	.....13,028,522	.....(29,692,228)

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.....	27,871,780	7,441,522	(20,430,258)
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....	0	0	0
2.2 Furniture, equipment and supplies.....	3,827,814	3,927,460	99,646
2.3 Leasehold improvements.....	0	0	0
2.4 Loans on personal security, endorsed or not.....	4,096,551	2,876,655	(1,219,896)
3. Total (Lines 2.1 to 2.4).....	7,924,365	6,804,115	(1,120,250)
4. Aggregate write-ins for other assets.....	4,497,505	4,265,010	(232,495)
5. Total (Line 1 plus Lines 3 and 4).....	40,293,650	18,510,647	(21,783,003)

DETAILS OF WRITE-INS

0401. Miscellaneous accounts receivable.....	279,551	423,380	143,829
0402. Prepaid expenses.....	3,865,892	3,496,032	(369,860)
0403. Advances.....	352,062	345,598	(6,464)
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).....	4,497,505	4,265,010	(232,495)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

A. Accounting Practices:

The accompanying financial statements of State Automobile Mutual 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 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 National Insurance Company ("State Auto National"), 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. Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
2. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
3. Preferred stocks: Not applicable.
4. Mortgage loans: Not applicable.
5. 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.
6. Investments in subsidiaries and affiliated companies are as follows: An insurance subsidiary, State Auto Wisconsin, is stated at statutory equity value. An insurance holding company subsidiary, MIGI, is stated at statutory equity value. A 67.35% publicly owned insurance holding company subsidiary, State Auto Financial, is stated at discounted fair value. Non-insurance subsidiaries, Associated Services Agency, Inc. ("Associated Services"), Facilitators, Inc., ("Facilitators") and Columbus Marketing, Inc. ("Columbus Marketing"), are stated at statutory equity value. At December 31, 2002 and 2001, unamortized goodwill was \$73,476,473 and \$81,472,891, respectively, of which \$8,421,308 and \$18,516,441, respectively, was nonadmitted, as total unamortized goodwill exceeded 10% of adjusted policyholder's surplus as of September 30, 2002 and September 30, 2001, respectively.
7. The Company has minor ownership interests in partnerships. The Company carries these interests based on the underlying equity of the investee.
8. Derivatives: Not applicable.
9. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
10. 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 are 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:

In 2001, as a result of the merger between the Company and Meridian Mutual Insurance Company ("Meridian Mutual"), as discussed in Note 3B, the Company reported a change in accounting principle in the estimate of incurred but not reported reserves to exclude net anticipated salvage and subrogation. This change was recorded as an adjustment that decreased surplus and increased liabilities \$1,579,809 as of January 1, 2000, decreased income before federal income taxes \$1,019,089 for the twelve months ended December 31, 2000, and decreased surplus and increased liabilities \$2,598,898 as of January 1, 2001.

According to the NAIC SAP, SSAP No. 3 – Accounting Changes and Corrections of Errors, relating to mergers, prior years' amounts in the Annual Statement shall be restated as if the merger had occurred as of January 1, of the prior year. The Five Year Historical Data Schedule included herein, beginning on page 22, has been restated to reflect the operations of the merged entities as if the merger occurred January 1, 2000. Therefore, periods prior to 2000 reflect the historical operations of the Company, as originally filed with the Department.

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 that increased unassigned surplus by \$10,388,901 as of January 1, 2001.

3. Business Combinations and Goodwill:

A. Statutory Purchase Method:

1. In connection with the Merger, the Company acquired all outstanding shares of MIGI, an Indiana corporation, on June 1, 2001. Prior to the June 1, 2001 merger, the Company and Meridian Mutual, owned approximately 57% of the common shares outstanding of MIGI. MIGI's direct and indirect subsidiaries are Meridian Security, an Indiana domiciled insurance company, Meridian Citizens Security, an Indiana domiciled insurance company, and Meridian Service Corporation, an Indiana corporation. MIGI is also affiliated with Meridian Citizens Mutual, an Indiana domiciled mutual insurance company.

The Company purchased 100% of the outstanding common shares of State Auto Wisconsin in March 1997.

2. The MIGI and State Auto Wisconsin transactions described in footnote 3A were accounted for as statutory purchases.
3. The cost of the MIGI common shares acquired on June 1, 2001 was \$112,428,137, resulting in goodwill of \$81,935,992. The cost of the State Auto Wisconsin common shares acquired in March 1997 was \$15,712,745, resulting in goodwill of \$9,577,199.
4. Goodwill amortization for the year ended December 31, 2002 relating to the purchases of MIGI and State Auto Wisconsin was \$8,254,379 and \$957,720, respectively.

B. Statutory Merger:

1. On June 1, 2001, Meridian Mutual, an Indiana mutual insurance company, merged with and into the Company (the "Merger"), with the Company continuing as the surviving company.
2. The Merger was accounted for as a statutory merger.
3. Description of Shares of Stock Issued in the Transaction: Not applicable.
4. Items Included in Current Combined Net Income: Not applicable.
5. Description of Adjustments to Surplus for any Company That Previously Did Not Prepare Financial Statements: Not applicable.

C. Impairment Loss: 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.**F. Impairments:**

The Company recognized realized losses in 2002 of \$3,796,941 due to other than temporary impairments of unaffiliated common stocks.

6. Joint Ventures, Partnerships and Limited Liability Companies:**A. Investments in Joint Ventures, Partnerships or Limited Liability Companies Exceeding 10% of the Company's Admitted Assets: Not applicable.****B. Impairment Write-Down for the Company's Investments in Joint Ventures, Partnerships and Limited Liability Companies During the Statement Periods: 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	42,072,928	29,203,507
Gross deferred tax liabilities	5,789,152	16,503,401
Net deferred tax assets	36,283,776	12,700,106
Nonadmitted deferred tax assets	22,910,995	0
Admitted deferred tax assets	13,372,781	12,700,106
Increase (decrease) in nonadmitted deferred tax assets	22,910,995	0

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
Prior tax recovery from NOL use	0	(12,319,790)
Current tax expense	594,272	0
Expected to actual	(2,332,207)	0
Current income taxes incurred	(1,737,935)	(12,319,790)

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

DTAs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Loss and LAE reserves	168,302,000	150,844,816	17,457,184	6,110,014
Unearned premiums	84,801,215	67,840,972	16,960,243	5,936,085
Salvage and subrogation	0	(5,497,134)	5,497,134	1,923,997
Investments	0	(3,796,969)	3,796,969	1,328,939
Fixed assets	(35,185,998)	(40,357,761)	5,171,762	1,810,117
Postretirement benefits	16,767,310	0	16,767,310	5,868,559
Section 338(h)(10)	0	(2,987,843)	2,987,843	1,045,745
Net operating loss carryforwards	0	(11,466,465)	11,466,465	4,013,263
AMT credit carryforwards	0	(12,062,723)	12,062,723	12,062,723
Other	2,696,023	(2,942,508)	5,638,531	1,973,486
Gross DTAs				42,072,928
Nonadmitted DTAs				22,910,995

DTLs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Investments	377,149,031	364,438,359	12,710,672	4,448,735
Other	2,774,259	(1,055,503)	3,829,762	1,340,417
Gross DTLs				5,789,152

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	6,110,014	5,931,945	178,069
Unearned premiums	5,936,085	5,313,557	622,528
Salvage and subrogation	1,923,997	1,934,617	(10,620)
Investments	1,328,939	0	1,328,939
Fixed assets	1,810,117	2,102,400	(292,283)
Postretirement benefits	5,868,558	2,430,000	3,438,558
Section 338(h)(10)	1,045,745	1,161,939	(116,194)
Net operating loss carryforwards	4,013,263	3,590,014	423,249
AMT credit carryforwards	12,062,723	4,938,947	7,123,776
Other	1,973,487	1,800,088	173,399
Gross DTAs	42,072,928	29,203,507	12,869,421
Nonadmitted DTAs	22,910,995	0	22,910,995

DTLs Resulting from Book/Tax Differences in	Amount (\$)		
	2002	2001	Change
Investments	4,448,735	15,348,973	(10,900,238)
Other	1,340,417	1,154,428	185,989
Gross DTLs	5,789,152	16,503,401	(10,714,249)

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	(1,363,503)	(477,226)
Book over tax reserves	1,261,695	441,593
Change in unearned premium reserve	1,778,651	622,528
Tax-exempt interest	(2,215,893)	(775,562)
Dividends received deduction	(1,665,530)	(582,935)
Investments	4,010,927	1,403,824
AMT	0	(429,160)
Other	1,117,744	391,210
Total adjustments	4,287,594	1,071,498
Taxable income	2,924,091	594,272

E. Operating Loss and Tax Credit Carryforwards:

- At December 31, 2002, the Company had \$11,466,465 of operating loss carryforwards originating in 2000 through 2001 which expire, if unused, in 2020 through 2021, respectively.
- For 2002, 2001, and 2000, the income tax expense that is available for recoupment in the event of future net losses:

Year	Amount (\$)
2002	534,845
2001	0
2000	0

F. Consolidated Federal Income Tax Return:

- The Company's federal income tax return is consolidated with the following entities:
State Auto Wisconsin
State Auto Florida
Associated Services Agency, Inc.
Facilitators, Inc.
Columbus Marketing, Inc.
MIGI
Meridian Service
Meridian Security
Meridian Citizens Security
ICO
- 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 the Transactions:

On January 7, 2002, the Company received 1,000 common shares of \$1.00 par value stock of State Auto Florida. On this same date, the Company made an additional contribution of \$6,999,000 to gross paid in and contributed capital of State Auto Florida.

During 2002, the Company issued the following surplus note to an affiliate:

1	2	3	4	5	6	7	8
Date Issued	Interest Rate	Par Value (Face)	Carrying Value of	Principal and/or Interest	Total Principal and/or	Unapproved Principal	
6/30/02	7.75%	\$4,000,000	\$3,536,075	\$155,000	\$155,000	\$-0-	6/30/07
1310999. Total		\$4,000,000	\$3,536,075	\$155,000	\$155,000	\$-0-	XXX

The surplus note in the amount of \$4.0 million, listed in the above table ("MCM Note"), was issued from Meridian Citizens Mutual, an affiliate, on June 30, 2002. The MCM Note was funded with cash during the third quarter of 2002. The 7.75% interest rate is to be fixed for the term of the Note. Interest is scheduled to be paid semi-annually on June 30th and December 31st of each year, commencing December 31, 2002. Each principal and interest payment of the MCM Note may be made only with the prior approval of the Indiana Department of Insurance (Indiana Commissioner) and only to the extent the Company has sufficient surplus earnings to make such payments. Any payment of interest on and principal of the MCM Note may be made only out of surplus or otherwise in accordance with the written approval of the Indiana Commissioner. The Note may be prepaid without penalty in whole or in part at any time, subject to the prior written consent of the Indiana Commissioner. The Note has no liquidation preference or subordination terms.

During 2001, the Company made additional capital contributions in the form of cash to Columbus Marketing, a wholly owned subsidiary, in the amount of \$12,809,826. Columbus Marketing used this additional capital to acquire equity interests in insurance agencies. The board of directors of the Company has authorized up to an additional investment in Columbus Marketing of \$34.5 million.

C. Change in Terms of Intercompany Agreements:

On October 24, 2001, the board of directors of the Company and State Auto Financial and special committees thereof approved a resolution of the disagreement between the Company and the Department as to the service fee paid by the Company to State Auto P&C, a wholly owned subsidiary of State Auto Financial, under the Management and Operations Agreement dated January 1, 2000 (the "2000 Agreement"). A Department letter received by the Company confirms this resolution and permits recognition of the service fee expense, which amounted to \$12.5 million for the nine-month period ended September 30, 2001. Additionally, the Department approved regulatory filings that implemented a revised management agreement, changes in the pooling participation percentages within the Pooling Arrangement (defined below) and implemented a stop loss reinsurance arrangement between the Company and certain pool participants. Effective October 1, 2001, the 2000 Agreement was amended to eliminate the service fee. The 2000 Agreement continues to allocate costs and apportions those costs among the parties to the agreement in accordance with terms outlined in the agreement. See additional related party discussion at footnote 25.

D. Amounts Due to or from Related Parties:

At December 31, 2002, the Company reported \$8,117,758 due to State Auto P&C, \$1,939,870 due to Milbank, \$264,041 due to State Auto Wisconsin, \$1,394,433 due to Farmers, \$115,598 due to State Auto Ohio, \$4,692,829 due to National, \$119,668 due to MidPlains, \$12,876,373 due to Meridian Security, \$1,230,710 due to Meridian Citizens Security, \$1,386,664 due to ICO, \$465,683 due to noninsurance affiliates, \$749,515 due from State Auto P&C, \$217,758 due from Milbank, \$1,484,584 due from Farmers, \$12,704 due from State Auto Ohio, \$2,603,533 due from National, \$236,986 due from MidPlains, \$1,674,470 from Meridian Citizens Mutual, and \$1,052,816 due from noninsurance affiliates. At December 31, 2001, the Company reported \$124,437 due to State Auto P&C, \$1,521,926 due to Milbank, \$649,167 due to State Auto National, \$528,714 due to Stateco, \$987,753 due to Meridian Security, \$106,517 due to MIGI, \$680,186 due to other affiliates, \$1,199,056 due to Farmers, \$6,764,191 due from State Auto P&C, \$1,644,439 due from Milbank, \$92,253 due from State Auto Wisconsin and \$93,397 due from State Auto Ohio. The terms of settlement require that these amounts settle within 15 days after request for payment.

E. Guarantees or Contingencies for Related Parties:

State Auto P&C's December 31, 1990 liability for losses and loss adjustment expenses of \$65,464,000 has been guaranteed by State Auto Mutual. Pursuant to the guaranty agreement, all ultimate adverse development of the December 31, 1990 liability, if any, is to be reimbursed by State Auto Mutual to State Auto P&C in conformance with pooling participation percentages in place at that time. As of December 31, 2002 and 2001, there has been no adverse development of the liability.

In the event the State Auto Group incurs catastrophe losses in excess of \$120.0 million, State Auto Financial has implemented a structured contingent financing transaction with Bank One ("Bank One") to provide up to \$100.0 million to be used to cover such catastrophe losses. This arrangement, effective November 16, 2002, replaced the prior structured contingent financing transaction State Auto Financial had with Bank One effective November 16, 2001. Under this arrangement, in the event of such a loss, State Auto Financial would issue and sell redeemable preferred shares to SAF Funding Corporation, a special purpose company ("SPC"), which will borrow the money necessary for such purchase from Bank One and a syndicate of other lenders (the "Lenders"). State Auto Financial will contribute to State Auto P&C the proceeds from the sale of its preferred shares. State Auto P&C has assumed catastrophe reinsurance from State Auto Mutual, Milbank, State Auto Wisconsin, State Auto National, Farmers, Mid-Plains, State Auto Ohio, Meridian Citizens Mutual, Meridian Citizens Security and Meridian Security pursuant to a Catastrophe Assumption Agreement in the amount of \$100.0 million excess \$120.0 million. State Auto P&C will use the contributed capital to pay its direct catastrophe losses and losses assumed under the Catastrophe Assumption Agreement. State Auto Financial is obligated to repay SPC (which will re-pay the Lenders) by redeeming the preferred shares over a five year period. This layer of \$100.0 million excess of \$120.0 million has been excluded from the Pooling Arrangement. In addition, State Auto Financial's obligation to repay SPC has been secured by a Put Agreement among State Auto Financial, State Auto Mutual, and the Lenders, under which, in the event of a default by State Auto Financial as described in the Credit Agreement or in the Put Agreement, State Auto Mutual would be obligated to put either the preferred shares or the loan(s) outstanding.

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 based on the average fair value of the investment portfolio of the Company.

On July 1, 2002, the Company entered into a cost sharing agreement with, MIGI, Meridian Security, Meridian Citizens Security, and ICO. The Company provides its data processing and other equipment and facilities, including office space, and certain services as common paymaster and common agent to the companies based on terms outlined in the agreement.

G. Nature of Relationships that Could Affect Operations:

The Company is the parent 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.

H. Amount Deducted for Investment in Upstream Company: Not applicable.**I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets:**

At December 31, 2002 and 2001, the Company owned 67.35% and 67.51%, respectively, of the common stock outstanding of State Auto Financial. The aggregate value of the Company's ownership in State Auto Financial, based on the quoted market price at December 31, 2002 and 2001 of \$ 15.50 was \$407,126,720 and \$16.24 was \$426,876,699, respectively. The Company's investment in State Auto Financial has been reflected in the accompanying statutory financial statements at a discounted fair value at December 31, 2002 and 2001 of \$302,617,291 and \$315,951,842, respectively. At September 30, 2002 and 2001, based on publicly available financial information of State Auto Financial, the Company's share of the underlying equity in net assets of State Auto Financial was \$304,487,888 and \$283,766,000, respectively.

Based on publicly available financial information for State Auto Financial, the following provides summarized financial information for the nine month period ending September 30, 2002 and 2001:

Description	2002	2001
Total assets	\$1,560,106,867	\$1,086,566,000
Total liabilities	1,108,009,037	666,234,000
Stockholders' equity	452,097,830	420,322,000
Net income for nine month period ending September 30	\$17,663,881	\$31,249,000

At December 31, 2002 and 2001, the Company owned 100% of MIGI, an insurance holding company, of which the common stock investment was recorded at statutory equity value of \$127,027,000 and \$124,718,514, which included unamortized goodwill of \$69,645,594 and \$76,684,291, respectively. At December 31, 2002 and 2001, total unamortized goodwill for subsidiaries of the Company was \$73,476,474 and \$81,472,891 of which \$8,421,308 and \$18,516,441 was nonadmitted as it was in excess of 10% of September 30, 2002 and 2001 adjusted policyholders' surplus, respectively.

The following provides summarized statutory information for year ending December 31, 2002 and 2001 for MIGI:

Description	2002	2001
Admitted assets	\$128,047,673	\$116,355,530
Liabilities	70,666,266	68,321,307
Policyholders' surplus	57,381,407	48,034,223
Net income (loss)	\$11,908,926	\$(19,971,159)

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies: None.**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. The Company, the ultimate controlling entity of the State Auto Group, remains as the plan sponsor of the employee benefit plans.

A. Defined Benefit Plan:

The Company 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:

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

C. Multiemployer Plans: None.

D. Consolidated/Holding Company Plans:

The Company 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 early retirement 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 \$335,198 and \$1,566,464 in 2002 and 2001, respectively. The Company has no legal obligation for benefits under this plan.

The Company 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 \$775,708 and \$1,070,869 in 2002 and 2001, respectively.

The Company 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, the Company 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 \$461,068 and \$650,729 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: Not applicable.
- B. Dividend Rate of Preferred Stock: Not applicable.
- C. Dividend Restrictions: Not applicable.
- D. Portion of the Company's Profits that may be paid as Ordinary Dividends to Stockholders: Not applicable.
- 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)	177,129,288	(35,645,471)
Nonadmitted assets	(40,293,650)	(21,783,003)
Provision for reinsurance	(219,800)	(89,600)
Total increase (decrease)	136,615,383	(57,518,074)

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 committed up to \$5,000,000 in capital contributions to Stonehenge Opportunity Fund LLC for a period up to ten years from the date of initial investment. The Company has also committed up to \$2,000,000 in capital contributions to Banc Fund V L.P. for a period up to ten years from the date of initial investment.

The Company has purchased annuities from life insurers under which various claimants are payee and for which the Company is contingently liable. See related footnote 26.

See related footnote 10 for commitments or contingent commitments to affiliates or other entities.

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 \$278,899 and a related premium tax benefit asset of \$3,610. These represent 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:**A. Lessee Operating Lease:**

1. a. The Company leases office facilities, automobiles and equipment under various non-cancelable operating leases that expire through February 2007. Rental expense for 2002 and 2001 was approximately \$5,121,776 and \$2,694,427, respectively.
- b. Contingent rental payments: Not applicable.
- c. Renewal or purchase options and escalation clauses: Certain rental commitments have renewal options extending through the year 2007. Some of these renewals are subject to adjustments in future periods. The Company has the option to purchase equipment at any time before the expiration of the lease terms. The purchase price to be paid for 2002 and 2001 amounted to \$1.00 for both periods, at the termination of the lease plus any unpaid rental amount remaining on the terms of the lease.
- d. Restrictions: Not applicable.

2. a. At January 1, 2002, future minimum rental payments are as follows:

Year Ending December 31,	Dollars in thousands
2003	4,820,770
2004	3,947,873
2005	3,334,905
2006	244,484
2007	10,630
Thereafter	0
Total	12,358,662

- b. Subleases: Not applicable.
3. The Company has not entered into any sales and leaseback arrangements.

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 statement value of \$30,437,393 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 \$211,101,887, and \$191,599,229 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 \$2,725,180 and \$1,250,000 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:

In 2001, the Company assumed, under its assumed voluntary reinsurance program, \$22,500,000 in losses and loss adjustment expenses relating to the September 11, 2001 terrorist attacks. During 2002 and 2001, the Company paid \$6,356,129 and \$594,250 in losses and loss adjustment expenses, respectively. The Company has established a loss and loss adjustment expense reserve of \$16,143,871 and \$21,905,750 at December 31, 2002 and 2001, respectively, relating to September 11, 2001.

- J. Participating Policies: Not applicable.
K. Premium Deficiency Reserves: Not applicable.

21. **Events Subsequent:**

Effective January 1, 2003, State Auto Florida became party to the State Auto Reinsurance pooling Agreement. See Note 25 for additional disclosure.

22. **Reinsurance:**

- A. Unsecured Reinsurance Recoverable:

The following table provides a listing of unsecured reinsurance recoverables that exceeds 3% of the Company's policyholders' surplus:

NAIC Code	Federal ID#	Name of Reinsurer	Amount (\$)
39845	48-920997	Employers Re	28,658,000
	AA-9991159	MCCA	24,376,000

- 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	227,129,900	1,398,760	349,522,533	-	(122,392,633)	1,398,760
All other	3,574,440	976,068	4,962,381	1,363,569	(1,387,941)	(387,501)
Totals	230,704,340	2,374,828	354,484,914	1,363,569	(123,780,574)	1,011,259
Direct Unearned Premium Reserve: 208,581,791						

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	12,876,592	-	-	12,876,592
Sliding scale commissions	-	-	-	-
Other profit commissions	-	-	-	-
Totals	12,876,592	-	-	12,876,592

3. Protected Cells: Not applicable.

D. Uncollectible Reinsurance: None.

E. Commutation of Ceded Reinsurance: None.

F. Retroactive Reinsurance: Not applicable.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination: None.

24. Changes in Incurred Losses and Loss Adjustment Expenses:

Incurred losses and loss adjustment expenses attributable to accident years prior to 2002 increased by approximately \$3,323,000 during 2002. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements:

The Company participates in a quota share reinsurance pooling arrangement with the following affiliated companies (the "Pooling Arrangement"):

Pool Participant (the "State Auto Pool")	NAIC Co. Code	Pooling Participation Percentages		
		1/1/2001 thru 9/30/2001	10/1/2001 thru 12/31/2002	Effective 1/1/2003
State Auto Mutual	25135	46%	19%	18.3%
State Auto P&C	25127	39%	59%	59%
Millbank	41653	10%	17%	17%
State Auto Wisconsin	31755	1%	1%	1%
Farmers	13811	3%	3%	3%
State Auto Ohio	11017	1%	1%	1%
State Auto Florida	11502	-	-	0.7%

Under the terms of the arrangement, the participants cede to the Company all of their insurance business, net of assumed and ceded reinsurance with non-affiliates, and assume from the Company an amount equal to their respective participation percentages outlined in the Pooling Arrangement. All business written by each pool participant, except for the Company's voluntary assumed reinsurance program and a catastrophe reinsurance program whereby State Auto P&C is the reinsurer for the State Auto Group, is subject to the Pooling Arrangement. All premiums, losses, loss adjustment expenses and underwriting expenses are allocated among the participants on the basis of each company's respective participation percentage outlined in the Pooling Arrangement. The Pooling Arrangement provides indemnification against loss or liability relating to insurance risk and has been accounted for as reinsurance.

For the period prior to the Merger of June 1, 2001, discussed at notes 2 and 3, Meridian Mutual participated in a quota share reinsurance pooling arrangement (the "Meridian Pooling Arrangement") with the following affiliated companies:

Pool Participant (the "Meridian Pool")	NAIC Code	Pooling Participation Percentages
Meridian Mutual		22%
Meridian Security	23353	61%
Meridian Citizens Security	26654	9%
Meridian Citizens Mutual	10502	4%
ICO	41599	4%

As a consequence of the Merger, the Company became party to the Meridian Pooling Arrangement. Additionally, the Meridian Pooling Arrangement was amended to include only the business of what was formerly known as the Meridian Mutual business prior to the Merger, for the period June 1, 2001 through June 30, 2001. Concurrently, the Pooling Arrangement amongst the State Auto affiliates was amended to exclude from the Pooling Arrangement the insurance business of State Auto Mutual that was formerly known as the Meridian Mutual business prior to the Merger for the period June 1, 2001 through June 30, 2001. Effective July 1, 2001, the former Meridian Mutual was eliminated from the Meridian Pool and became part of the Pooling Arrangement. In conjunction with the elimination of the former Meridian Mutual business from the Meridian Pooling Arrangement and subsequent initial cession of this same business to the State Auto Pool, the Company transferred cash and assets, net of a ceding commission to the State Auto pool participants totaling \$42,103,794, which related to the additional net insurance liabilities ceded by the Company on July 1, 2001.

Effective October 1, 2001, the Pooling Arrangement was amended as provided above. In conjunction with the change in pooling participation percentages, the Company transferred cash and assets, net of ceding commission to the State Auto pool participants totaling \$238,491,563, which related to the additional net insurance liabilities ceded by the Company on October 1, 2001.

In addition to the October 1, 2001 Pooling Arrangement amendment, for the period October 1, 2001 through December 31, 2003, the Company entered into a stop loss reinsurance arrangement (the "Stop Loss") with certain pool participants. Under the Stop Loss, the Company has agreed to participate in the Pooling Arrangement's quarterly underwriting losses and gains, in the manner described. If the Pooling Arrangement's statutory loss and loss adjustment expense ratio is between 70.75% and 80.00%, the Company will reinsure the stop loss participants 27% of the Pooling Arrangement's underwriting loss in excess of a loss and loss adjustment expense ratio of 70.75%. The pool participant would be responsible for its share of the Pooling Arrangement's losses over the 80.00% threshold. Also, the Company will have the right to participate in the profits of the Pooling Arrangement. The Company will be paid 27% of the Pooling Arrangement's underwriting profits attributable to statutory loss ratios less than 69.25%, but more than 59.99%. During 2002 the Company assumed \$1,441,560 in premiums written and \$8,769,296 in losses from the Stop Loss participants. During the 4th quarter of 2001, the Company assumed \$6,177,220 in losses from the Stop Loss participants.

Effective January 1, 2003, the Pooling Agreement was amended as provided in the table above, which effectively added State Auto Florida to the Pooling Arrangement. In conjunction with the change in pooling participation percentages, the Company transferred cash, net of a ceding commission, to State Auto Florida totaling \$7,293,700 which related to the additional net insurance liabilities ceded by the Company on January 1, 2003. The following provides a tabular presentation of the net additional liabilities ceded by the Company on January 1, 2003:

	Amount (\$)
	January 1, 2003
Loss and loss adjustment expense reserves	4,947,513
Unearned premiums	3,020,565
Earned but unbilled reserve	(31,651)
Net additional liabilities ceded	7,936,427
Ceding commission received	(642,727)
Net cash transferred	7,293,700

26. Structured Settlements:

- A. Reserves Released due to Purchase of Annuities:

The Company has purchased annuities from life insurers under which the claimants are payees. The Company has a contingent liability of \$7,422,153 should the issuers of these annuities fail to perform under the terms of the annuities.

B. Annuity Insurers with Balances due Greater than 1% of Policyholders Surplus: Not applicable.

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:**

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes.

The Company's exposure to asbestos losses arises from the sale of general liability insurance.

The Company tries to estimate the full impact of the asbestos exposure by establishing full case basis reserves on all known losses and estimating incurred but not reported losses based on previous experience.

Gross of Reinsurance:	Amount (\$)				
	1998	1999	2000	2001	2002
Beginning reserves	1,330	39,727	39,780	55,261	115,190
Incurring losses and loss adjustment expenses	38,540	3,889	17,836	67,175	615,099
Calendar year payments for losses and loss adjustment expenses	143	3,836	2,355	7,246	58,897
Ending reserves	39,727	39,780	55,261	115,190	671,392

Net of Reinsurance:	Amount (\$)				
	1998	1999	2000	2001	2002
Beginning reserves	1,330	39,727	39,780	55,261	115,190
Incurring losses and loss adjustment expenses	38,540	3,889	17,836	67,175	615,099
Calendar year payments for losses and loss adjustment expenses	143	3,836	2,355	7,246	58,897
Ending reserves	39,727	39,780	55,261	115,190	671,392

B. Does the Company hold reserves for unreported claims? Yes.

- i. Gross of Reinsurance Basis: \$190,000
- ii. Net of Reinsurance Basis: \$190,000

C. Does the Company hold reserves for future allocated loss adjustment expenses (including coverage dispute cost)? Yes.

- i. Gross of Reinsurance Basis: \$222,624
- ii. Net of Reinsurance Basis: \$222,624

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes.

Gross of Reinsurance:	Amount (\$)				
	1998	1999	2000	2001	2002
Beginning reserves	981,099	426,894	475,932	492,851	508,516
Incurring losses and loss adjustment expenses	(506,925)	72,742	107,848	59,741	110,676
Calendar year payments for losses and loss adjustment expenses	47,280	23,704	90,929	44,076	68,227
Ending reserves	426,894	475,932	492,851	508,516	550,965

Net of Reinsurance:	Amount (\$)				
	1998	1999	2000	2001	2002
Beginning reserves	981,099	426,894	475,932	492,851	508,506
Incurring losses and loss adjustment expenses	(506,925)	72,742	107,848	59,741	110,676
Calendar year payments for losses and loss adjustment expenses	47,280	23,704	90,929	44,076	68,227
Ending reserves	426,894	475,932	492,851	508,516	550,965

E. Does the Company hold reserves for unreported claims? Yes.

- i. Gross of Reinsurance Basis: \$190,000
- ii. Net of Reinsurance Basis: \$190,000

F. Does the Company hold reserves for future allocated loss adjustment expenses (including coverage dispute cost)? Yes.

- i. Gross of Reinsurance Basis: \$212,166
- ii. Net of Reinsurance Basis: \$212,166

30. **Subscriber Savings Accounts:** Not applicable.

31. **Financial Guaranty Insurance Exposures:** Not applicable.

STATE AUTOMOBILE MUTUAL 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.....	16,201,188	1.8	16,201,188	1.8
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	15,264,662	1.7	15,264,662	1.7
1.22 Issued by U.S. government sponsored agencies.....	13,198,067	1.5	13,198,067	1.5
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.....	2,190,774	0.2	2,190,774	0.2
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....	2,061,609	0.2	2,061,609	0.2
1.43 Revenue and assessment obligations.....	20,645,472	2.3	20,645,472	2.3
1.44 Industrial development and similar obligations.....	10,270,548	1.1	10,270,548	1.1
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....	32,194,658	3.5	32,194,658	3.6
1.512 Issued by FNMA and FHLMC.....	7,663,152	0.8	7,663,152	0.9
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).....	8,913,926	1.0	8,913,926	1.0
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.....	302,617,291	33.3	302,617,291	33.6
3.32 Unaffiliated.....	119,539,730	13.1	119,539,730	13.3
3.4 Other equity securities:				
3.41 Affiliated.....	145,533,543	16.0	137,112,235	15.2
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.....	35,701,655	3.9	35,701,655	4.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....	9,673	0.0	9,673	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.....	121,663,955	13.4	121,663,955	13.5
9. Other invested assets.....	56,136,680	6.2	56,136,680	6.2
10. Total invested assets.....	909,806,583	100.0	901,385,275	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 \$.....1,716
- 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 \$.....2,941
- 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.....	0.000	0.000	0.00	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 custodian, 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	\$.....30,437,393
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
Bank of America	200 W. Capitol Ave, Flr 6, Little Rock, AR 72201
Wachovia Bank	One West Fourth St, NC6252, Winston-Salem, NC 27101

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? \$.....392,120

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	199,077

24.1 Amount of payments for legal expenses, if any? \$.....211,675

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
Ice Miller	143,483

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....852

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
Insurance Political Actions Committee	773

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 [X]	No []
2.2	If yes, state the amount of calendar year premiums written on:		
2.21	Participating	\$.....	11,601,878
2.22	Non-participating policies	\$.....	509,386,227
3.	For Mutual Reporting Entities and Reciprocal Exchange only:		
3.1	Does the reporting entity issue assessable policies?	Yes []	No [X]
3.2	Does the reporting entity issue non-assessable policies?	Yes []	No [X]
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? <u>All of the State Auto companies writing workers compensation are included in the worker's compensation excess of loss reinsurance agreement which provides a total of \$8 million of coverage in excess of a \$2 million retention.</u>		
<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: <u>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).</u>		
<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? <u>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.</u>		
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

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY 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 [X] N/A []

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

10.41 From0.0%

10.42 To0.0%

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): \$.....874,000

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.4

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 [X] No []

14.11 Name of real estate holding company 518 Property Management and Leasing LLP

14.12 Number of parcels involved15

14.13 Total book/adjusted carrying value \$.....9,113,445

14.2 If yes, provide explanation
Company owns 67.35% of State Auto Financial Corporation which indirectly owns 100% of 518 Property Management and Leasing LLP

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 AUTOMOBILE MUTUAL 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	2	3	4	5
	2002	2001	2000	1999	1998
Gross Premiums Written (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).....	454,394,084	431,972,538	433,024,642	300,420,658	307,774,034
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	362,935,469	331,362,955	315,408,975	236,808,498	224,768,634
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	281,094,163	253,845,897	265,347,253	177,971,842	174,945,046
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	4,337,752	3,506,607	3,147,843	3,086,863	2,943,324
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	6,689,954	8,001,355	2,909,624	1,590,568	0
6. Total (Line 34).....	1,109,451,422	1,028,689,352	1,019,838,337	719,878,429	710,431,038
Net Premiums Written (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).....	85,064,202	122,280,118	158,206,577	145,090,011	157,408,262
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	72,259,472	98,212,090	121,289,387	114,042,929	114,752,824
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	52,244,644	63,180,031	94,660,737	85,795,482	89,432,791
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	684,436	836,400	1,374,047	1,489,370	1,520,816
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	6,688,752	7,218,756	3,448,373	779,378	0
12. Total (Line 34).....	216,941,506	291,727,395	378,979,121	347,197,170	363,114,693
Statement of Income (Page 4)					
13. Net underwriting gain (Loss) (Line 8).....	(20,051,777)	(46,507,895)	(24,296,248)	1,784,810	(2,308,883)
14. Net investment gain (loss) (Line 11).....	19,949,592	42,646,068	43,369,291	79,134,961	41,338,268
15. Total other income (Line 15).....	(1,127,935)	597,899	(1,083,874)	(831,526)	(765,424)
16. Dividends to policyholders (Line 17).....	133,383	357,220	316,585	721	0
17. Federal and foreign income taxes incurred (Line 19).....	(1,737,935)	(12,319,790)	3,092,514	13,606,020	7,418,966
18. Net income (Line 20).....	374,432	8,698,642	14,580,070	66,481,504	30,844,995
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3).....	1,147,700,666	1,128,765,684	1,400,526,256	1,068,544,418	1,163,692,583
20. Agents' balances or uncollected premiums (Page 2, Col. 3):					
20.1 In course of collection (Line 10.1).....	150,437,870	122,166,729	94,577,118	69,078,316	59,345,140
20.2 Deferred and not yet due (Line 10.2).....	60,664,017	69,432,500	52,827,753	24,979,947	26,999,553
20.3 Accrued retrospective premiums (Line 10.3).....	0	0	0	0	0
21. Total liabilities excluding Protected Cell (Page 3, Line 24).....	394,805,441	344,824,527	496,681,485	446,831,940	472,522,305
22. Losses (Page 3, Lines 1 & 2).....	148,374,806	141,660,690	211,478,806	178,620,287	191,780,467
23. Loss adjustment expenses (Page 3, Line 3).....	21,922,876	19,390,684	42,344,050	38,566,484	39,394,441
24. Unearned premiums (Page 3, Line 9).....	84,801,215	75,907,961	148,105,281	128,203,571	136,109,145
25. Capital paid up (Page 3, Lines 28 & 29).....	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 35).....	752,895,225	783,941,157	903,844,771	621,712,478	691,170,278
Risk-Based Capital Analysis					
27. Total adjusted capital.....	752,895,225	783,941,157	903,844,771	621,712,478	691,170,278
28. Authorized control level risk-based capital.....	89,389,793	97,703,208	72,765,193	55,549,824	64,673,665
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1).....	14.3	19.7	39.7	51.3	48.6
30. Stocks (Lines 2.1 & 2.2).....	62.0	69.4	52.0	43.3	46.8
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 & 4.3).....	4.0	4.1	3.2	2.4	2.1
33. Cash and short-term investments (Line 5).....	13.5	0.9	4.6	2.6	2.3
34. Other invested assets (Line 6).....	6.2	5.9	0.5	0.4	0.3
35. Receivable for securities (Line 7).....	0.0	0.0	0.0	0.0	0.0
36. Aggregate write-ins for invested assets (Line 8).....	0.0	0.0	0.0	0.0	0.0
37. Cash and invested assets (Line 9).....	100.0	100.0	100.0	100.0	100.1
Investments in Parent, Subsidiaries and Affiliates					
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).....	448,150,834	453,051,909	408,524,657	217,073,277	319,450,988
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.....	448,150,834	453,051,909	408,524,657	217,073,277	319,450,988
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).....	59.5	57.8	45.2	34.9	46.2

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23).....	(24,755,365)	(133,715,923)	126,871,205	(103,392,639)	(58,624,596)
47. Dividends to stockholders (Line 34).....	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37).....	(31,045,932)	(119,903,614)	189,084,411	(69,457,800)	(23,082,542)
Gross Losses Paid (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).....	258,768,672	307,064,292	271,294,889	179,391,025	174,541,522
50. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	176,900,320	176,492,945	181,506,998	138,373,475	131,080,312
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	180,744,886	203,994,068	181,340,923	115,520,533	117,772,697
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	467,027	417,640	359,685	378,325	250,081
53. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	7,016,906	2,256,860	224,068	0	0
54. Total (Line 34).....	623,897,811	690,225,805	634,726,563	433,663,358	423,644,612
Net Losses Paid (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).....	52,464,964	175,695,118	108,838,383	87,070,182	90,250,786
56. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	39,707,043	71,849,819	69,360,768	67,684,972	68,063,489
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	36,612,639	90,296,020	64,817,860	56,532,206	61,096,918
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	128,242	378,628	194,172	185,379	133,225
59. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	6,958,815	2,045,070	(176,129)	0	0
60. Total (Line 34).....	135,871,703	340,264,655	243,035,054	211,472,739	219,544,418
Operating Percentages (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).....	68.2	75.6	62.6	58.7	59.9
63. Loss expenses incurred (Line 3).....	9.9	10.2	10.9	9.2	9.0
64. Other underwriting expenses incurred (Line 4).....	31.4	27.0	32.8	31.6	31.8
65. Net underwriting gain (loss) (Line 8).....	(9.6)	(12.8)	(6.3)	0.5	(0.6)
Other Percentages					
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).....	30.7	33.4	33.6	32.0	31.7
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	78.2	85.8	73.5	67.9	68.9
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).....	28.8	37.2	41.9	55.8	52.5
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	4,194	14,832	(14,241)	(4,046)	(14,006)
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).....	0.5	1.6	(2.0)	(0.6)	(2.0)
Two Year Loss Development (000 omitted)					
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).....	15,936	12,192	(10,937)	(13,421)	(28,626)
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).....	1.8	1.7	(1.4)	(1.9)	(5.4)

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
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States.....	74,647,316	76,904,770	74,784,567	73,764,440
	2. Canada.....	0	0	0	0
	3. Other Countries.....	0	0	0	0
	4. Totals.....	74,647,316	76,904,770	74,784,567	73,764,440
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	2,190,774	2,190,774	2,198,637	2,100,000
	6. Canada.....	0	0	0	0
	7. Other Countries.....	0	0	0	0
	8. Totals.....	2,190,774	2,190,774	2,198,637	2,100,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	2,061,608	2,061,608	2,062,730	2,000,000
	10. Canada.....	0	0	0	0
	11. Other Countries.....	0	0	0	0
	12. Totals.....	2,061,608	2,061,608	2,062,730	2,000,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	32,569,565	32,959,245	32,779,289	31,668,549
	14. Canada.....	0	0	0	0
	15. Other Countries.....	0	0	0	0
	16. Totals.....	32,569,565	32,959,245	32,779,289	31,668,549
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.....	17,134,793	17,938,505	17,173,745	16,500,000
	22. Canada.....	0	0	0	0
	23. Other Countries.....	0	0	0	0
	24. Totals.....	17,134,793	17,938,505	17,173,745	16,500,000
Parent, Subsidiaries and Affiliates	25. Totals.....	0	0	0	0
	26. Total Bonds.....	128,604,056	132,054,902	128,998,968	126,032,989
PREFERRED STOCKS					
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. Total Preferred Stocks....	0	0	0	0
COMMON STOCKS					
Public Utilities (Unaffiliated)	41. United States.....	2,665,500	2,665,500	1,962,165	
	42. Canada.....	0	0	0	
	43. Other Countries.....	0	0	0	
	44. Totals.....	2,665,500	2,665,500	1,962,165	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	27,363,429	27,363,429	25,085,667	
	46. Canada.....	0	0	0	
	47. Other Countries.....	0	0	0	
	48. Totals.....	27,363,429	27,363,429	25,085,667	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	89,510,804	89,510,801	84,062,644	
	50. Canada.....	0	0	0	
	51. Other Countries.....	0	0	0	
	52. Totals.....	89,510,804	89,510,801	84,062,644	
Parent, Subsidiaries and Affiliates	53. Totals.....	448,150,835	448,150,834	274,115,670	
	54. Total Common Stocks.....	567,690,568	567,690,564	385,226,146	
	55. Total Stocks.....	567,690,568	567,690,564	385,226,146	
	56. Total Bonds and Stocks...	696,294,624	699,745,466	514,225,114	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....74,912,684.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	808,639,384	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	105,380,304	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.....	(129,393)	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.....	(39,619,761)	7. Book/adjusted carrying value at end of current period.....	696,294,624
3.4 Column 10, Part 4.....	(12,265,951)	8. Total valuation allowance.....	0
4. Total gain (loss), Column 14, Part 4.....	9,790,195	9. Subtotal (Lines 7 plus 8).....	696,294,624
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4.....	175,500,154	10. Total nonadmitted amounts.....	8,421,308
		11. Statement value of bonds and stocks, current period.....	687,873,316

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

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							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		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	661	426	80	1	35	3	30	346	XXX
2. 1993.....	159,862	11,241	148,621	98,421	4,788	5,417	133	7,984	0	4,434	106,901	XXX
3. 1994.....	164,931	9,851	155,080	101,717	5,050	5,489	144	8,440	1	4,649	110,452	XXX
4. 1995.....	169,567	8,611	160,957	97,940	3,179	5,595	21	8,660	0	4,402	108,995	XXX
5. 1996.....	173,460	10,998	162,462	118,718	9,157	7,875	95	8,696	0	4,500	126,037	XXX
6. 1997.....	176,798	11,340	165,458	106,979	6,016	6,048	30	10,177	8	4,530	117,150	XXX
7. 1998.....	180,287	10,927	169,361	111,297	4,666	5,015	7	11,237	4	4,496	122,872	XXX
8. 1999.....	180,550	9,763	170,787	107,737	3,783	4,464	26	11,615	51	4,336	119,956	XXX
9. 2000.....	184,179	9,002	175,177	103,259	2,507	3,629	3	14,838	4	3,832	119,211	XXX
10. 2001.....	201,342	9,137	192,206	108,982	1,404	1,675	0	13,180	8	3,068	122,425	XXX
11. 2002.....	215,355	7,423	207,931	78,692	158	532	0	8,173	0	1,654	87,239	XXX
12. Totals.....	XXX	XXX	XXX	1,034,404	41,133	45,818	459	103,035	79	39,931	1,141,585	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.....	7,504	5,959	1,333	7	302	0	191	0	134	0	0	3,497	XXX
2. 1993.....	825	319	484	9	23	0	47	0	18	0	0	1,067	XXX
3. 1994.....	604	129	544	16	16	0	49	2	31	0	0	1,097	XXX
4. 1995.....	889	38	627	55	53	0	59	4	32	0	0	1,565	XXX
5. 1996.....	1,243	231	557	66	79	0	121	6	65	0	0	1,763	XXX
6. 1997.....	1,923	157	572	108	206	0	140	10	135	0	0	2,701	XXX
7. 1998.....	3,536	604	1,346	106	224	0	361	12	211	0	0	4,957	XXX
8. 1999.....	7,315	857	2,752	169	471	0	804	56	433	0	0	10,694	XXX
9. 2000.....	11,798	995	5,892	316	705	0	1,426	24	787	0	0	19,274	XXX
10. 2001.....	31,179	1,151	15,315	233	1,123	0	2,052	102	1,556	0	0	49,739	XXX
11. 2002.....	38,803	559	23,644	224	2,373	0	3,333	48	4,627	0	0	71,950	XXX
12. Totals.....	105,620	10,998	53,067	1,308	5,575	0	8,584	264	8,028	0	0	168,304	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	2,872	625
2. 1993.....	113,217	5,250	107,968	70.8	46.7	72.6	0	0	0.00	980	87
3. 1994.....	116,890	5,341	111,549	70.9	54.2	71.9	0	0	0.00	1,003	94
4. 1995.....	113,856	3,297	110,560	67.1	38.3	68.7	0	0	0.00	1,424	141
5. 1996.....	137,355	9,555	127,800	79.2	86.9	78.7	0	0	0.00	1,504	259
6. 1997.....	126,180	6,329	119,852	71.4	55.8	72.4	0	0	0.00	2,230	471
7. 1998.....	133,228	5,399	127,829	73.9	49.4	75.5	0	0	0.00	4,173	784
8. 1999.....	135,592	4,942	130,650	75.1	50.6	76.5	0	0	0.00	9,042	1,652
9. 2000.....	142,333	3,848	138,485	77.3	42.7	79.1	0	0	0.00	16,379	2,895
10. 2001.....	175,062	2,898	172,165	86.9	31.7	89.6	0	0	0.00	45,110	4,630
11. 2002.....	160,179	989	159,190	74.4	13.3	76.6	0	0	0.00	61,665	10,285
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	146,381	21,923

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 AUTOMOBILE MUTUAL 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	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior.....	52,466	49,210	46,421	45,560	46,705	45,236	45,129	44,730	45,378	45,364	(13)	635
2. 1993.....	107,376	103,171	102,418	100,569	100,389	99,853	99,808	99,809	99,889	99,966	77	157
3. 1994.....	XXX	113,422	107,929	104,553	103,882	103,491	103,194	103,236	103,125	103,079	(46)	(157)
4. 1995.....	XXX	XXX	109,752	103,317	102,473	102,198	101,753	101,823	101,921	101,868	(53)	44
5. 1996.....	XXX	XXX	XXX	126,264	116,613	116,195	116,855	117,661	118,980	119,040	60	1,378
6. 1997.....	XXX	XXX	XXX	XXX	112,169	108,722	108,278	108,637	110,097	109,548	(549)	910
7. 1998.....	XXX	XXX	XXX	XXX	XXX	114,789	112,888	114,007	116,414	116,385	(29)	2,378
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	113,749	112,360	118,044	118,652	608	6,293
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	118,567	121,817	122,865	1,047	4,298
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	154,345	157,436	3,091	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	146,390	XXX	XXX
12. Totals.....											4,194	15,936

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior.....	000	18,330	30,473	34,793	36,805	38,494	40,031	40,809	41,687	42,001	XXX	XXX
2. 1993.....	55,463	78,489	87,653	92,550	95,801	97,263	97,732	98,510	98,761	98,917	XXX	XXX
3. 1994.....	XXX	60,708	81,991	91,364	96,384	99,285	100,581	101,525	101,815	102,013	XXX	XXX
4. 1995.....	XXX	XXX	59,328	81,288	95,651	95,317	97,755	99,205	99,922	100,335	XXX	XXX
5. 1996.....	XXX	XXX	XXX	73,132	95,232	104,322	110,333	114,088	116,183	117,341	XXX	XXX
6. 1997.....	XXX	XXX	XXX	XXX	64,411	85,717	95,701	102,006	105,731	106,982	XXX	XXX
7. 1998.....	XXX	XXX	XXX	XXX	XXX	68,717	90,994	100,927	107,343	111,639	XXX	XXX
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	68,610	89,759	101,489	108,392	XXX	XXX
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	66,825	93,485	104,378	XXX	XXX
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,085	109,253	XXX	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	79,066	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	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior.....	12,952	6,566	4,377	3,542	5,011	3,464	2,644	2,019	1,854	1,517
2. 1993.....	18,060	6,896	4,166	1,778	1,546	981	874	701	666	521
3. 1994.....	XXX	18,879	8,999	3,393	2,284	1,435	1,000	868	683	576
4. 1995.....	XXX	XXX	16,442	6,490	3,332	1,770	1,044	784	713	628
5. 1996.....	XXX	XXX	XXX	16,332	5,914	3,026	1,820	1,012	1,056	607
6. 1997.....	XXX	XXX	XXX	XXX	13,314	7,199	3,736	1,508	1,500	594
7. 1998.....	XXX	XXX	XXX	XXX	XXX	14,464	7,019	3,631	2,755	1,589
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	13,517	7,702	5,041	3,331
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,953	11,056	6,978
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25,649	17,032
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,706

STATE AUTOMOBILE MUTUAL 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	10,359,453	9,492,527	0	3,548,221	3,754,870	6,902,982	18,107	0
2. Alaska.....AK	No	0	0	0	0	0	0	0	0
3. Arizona.....AZ	Yes	0	0	0	0	0	0	0	0
4. Arkansas.....AR	Yes	10,194,689	10,120,299	0	3,729,506	4,621,357	5,349,268	24,228	0
5. California.....CA	No	0	0	0	0	0	0	0	0
6. Colorado.....CO	Yes	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	Yes	0	17,653	0	0	4,352	6,149	0	0
10. Florida.....FL	Yes	2,962,995	2,706,150	0	1,109,977	1,046,582	2,386,508	2,211	0
11. Georgia.....GA	Yes	11,145,689	10,940,918	0	4,881,643	5,356,022	6,642,501	25,120	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	12,613,242	15,100,718	0	12,313,135	13,274,015	28,186,867	127,518	0
15. Indiana.....IN	Yes	61,066,874	64,190,489	0	40,274,906	35,206,208	42,694,858	705,399	0
16. Iowa.....IA	Yes	4,953,235	5,225,253	10,995	3,749,119	3,218,633	4,258,561	44,021	0
17. Kansas.....KS	Yes	46,379	48,544	0	43,562	44,283	37,925	(1)	0
18. Kentucky.....KY	Yes	54,979,154	56,749,049	0	44,773,155	46,883,637	45,119,696	272,155	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	7,870,293	7,605,591	0	5,400,915	6,964,524	7,289,341	15,859	0
22. Massachusetts.....MA	No	0	0	0	0	0	0	0	0
23. Michigan.....MI	Yes	23,522,626	24,209,125	0	22,157,714	18,535,033	50,656,270	34,084	0
24. Minnesota.....MN	Yes	17,481,264	18,245,976	60,989	7,302,514	12,172,510	15,811,307	59,877	0
25. Mississippi.....MS	Yes	3,595,963	3,701,893	0	1,523,052	1,598,237	2,132,672	6,421	0
26. Missouri.....MO	Yes	3,023,277	3,033,613	0	1,096,709	1,434,774	2,490,964	4,225	0
27. Montana.....MT	Yes	0	0	0	0	(1)	0	0	0
28. Nebraska.....NE	Yes	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	5,437,244	5,124,616	0	1,840,637	1,425,311	4,341,230	10,892	0
35. North Dakota.....ND	Yes	1,488,475	1,573,942	0	551,678	853,087	1,370,045	2,167	0
36. Ohio.....OH	Yes	204,145,065	197,161,353	0	108,567,213	125,890,124	108,776,086	742,925	0
37. Oklahoma.....OK	Yes	(683)	15,257	0	0	(26,102)	6,666	11	0
38. Oregon.....OR	No	0	0	0	0	0	0	0	0
39. Pennsylvania.....PA	Yes	27,960,906	27,313,754	262,809	13,857,793	16,660,706	26,114,947	89,117	0
40. Rhode Island.....RI	No	0	0	0	0	0	0	0	0
41. South Carolina.....SC	Yes	3,940,110	3,911,006	0	3,509,071	3,075,458	3,757,722	8,062	0
42. South Dakota.....SD	Yes	758,277	958,729	8,214	368,507	392,008	837,916	975	0
43. Tennessee.....TN	Yes	37,377,792	38,184,860	0	17,631,669	24,101,868	30,944,357	246,995	0
44. Texas.....TX	No	0	0	0	0	0	0	0	0
45. Utah.....UT	Yes	50	50	0	0	(69)	5	0	0
46. Vermont.....VT	No	0	0	0	0	0	0	0	0
47. Virginia.....VA	Yes	3,449,573	3,986,945	31,782	2,071,347	4,769,640	5,421,265	6,959	0
48. Washington.....WA	No	582	1,463	0	84,279	(109,062)	48,792	18	0
49. West Virginia.....WV	Yes	4,723,183	4,697,512	0	1,228,569	2,787,873	4,007,520	13,423	0
50. Wisconsin.....WI	Yes	7,892,397	9,102,215	672,265	6,781,387	5,623,632	7,718,895	75,624	0
51. Wyoming.....WY	Yes	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) 32	520,988,104	523,419,500	1,047,054	308,396,277	339,559,510	413,311,314	2,536,389	0
DETAILS OF WRITE-INS									
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**

