



ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

NAIC Group Code.....175, 175
(Current Period) (Prior Period)

Organized under the Laws of OHIO

Incorporated/Organized..... August 15, 1921

Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 25135

Employer's ID Number..... 31-4316080

State of Domicile or Port of Entry OHIO

Country of Domicile US

Commenced Business..... September 1, 1921

518 EAST BROAD STREET..... COLUMBUS OH 43215
(Street and Number) (City or Town, State and Zip Code)

518 EAST BROAD STREET..... COLUMBUS OH 43215
(Street and Number) (City or Town, State and Zip Code)

518 EAST BROAD STREET..... COLUMBUS OH 43215
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

518 EAST BROAD STREET..... COLUMBUS OH 43215
(Street and Number) (City or Town, State and Zip Code)

STATEAUTO.COM

TINA MARIE STILLABOWER

(Name)

corporateaccounting@stateauto.com

(E-Mail Address)

614-464-5000

(Area Code) (Telephone Number)

614-464-5000

(Area Code) (Telephone Number)

317-931-7473

(Area Code) (Telephone Number) (Extension)

317-931-6558

(Fax Number)

OFFICERS

Name
1. ROBERT PAUL RESTREPO, JR.
3. CYNTHIA ANN POWELL

Title
PRESIDENT
TREASURER

Name
2. JAMES ANDREW YANO
4.

Title
SECRETARY

CLYDE HOWARD FITCH, JR.
JOEL EDWARD BROWN
JOYCE ANN DALLESSIO #
JAMES ELIAS DUEMEY
STEVEN EUGENE ENGLISH
RICKY LEE HOLBEIN
STEPHEN PETER HUNCKLER
CATHY BERNATH MILEY
PAUL EDWARD NORDMAN
TIMOTHY GERARD REIK #
LYLE DEAN RHODEBECK
LARRY EMMETT WILLEFORD

SENIOR VICE PRESIDENT
VICE PRESIDENT

DOUGLAS EDWARD ALLEN
JESSICA ELIZABETH BUSS #
DAVID WILLIAM DALTON
NANCY DUFFEY EDWARDS
STEVEN RAY HAZELBAKER
DAVID JOHN HOSLER
KEITH ROBERT ILER #
MATTHEW STANLEY MROZEK
JOHN MICHAEL PETRUCCI
MARY JEAN REYNOLDS
LORRAINE MARGARET SIEGWORTH

VICE PRESIDENT
VICE PRESIDENT

OTHER

DENNIS RAY BLANK
PAUL JOHN OTTE
EDWIN JESSE SIMCOX

ALISON COOLBRITH
ROBERT PAUL RESTREPO, JR.
DWIGHT ERIC SMITH

MICHAEL JOSEPH FIORILE
MARSHA PASQUINELLY RYAN #
ROGER PHILIP SUGARMAN

JAMES EDWARD KUNK
KENAN LEE SCHULTHEIS

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)
ROBERT PAUL RESTREPO, JR.
1. (Printed Name)
PRESIDENT
(Title)

(Signature)
JAMES ANDREW YANO
2. (Printed Name)
SECRETARY
(Title)

(Signature)
CYNTHIA ANN POWELL
3. (Printed Name)
TREASURER
(Title)

Subscribed and sworn to before me
This 24TH day of FEBRUARY 2012

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

Yes [X] No []

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 (Schedule D).....	156,054,257	0	156,054,257	163,576,285
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	770,560,138	58,598,396	711,961,742	825,246,469
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).....	39,848,868	0	39,848,868	44,508,908
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	506,083	0	506,083	0
5. Cash (\$....36,506,308, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$....26,511,191, Sch. DA).....	63,017,499	0	63,017,499	72,717,986
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	21,725,768	0	21,725,768	19,240,781
9. Receivables for securities.....	0	0	0	4,738
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,051,712,613	58,598,396	993,114,217	1,125,295,167
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	1,303,553	0	1,303,553	1,774,882
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	252,739,691	12,049,600	240,690,091	178,097,483
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....307,711 earned but unbilled premiums).....	338,542,754	1,110,947	337,431,807	333,873,855
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	231,396,267	0	231,396,267	188,960,608
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	11,888
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	6,690,036	0	6,690,036	10,375,548
18.2 Net deferred tax asset.....	0	0	0	16,370,934
19. Guaranty funds receivable or on deposit.....	191,312	0	191,312	399,341
20. Electronic data processing equipment and software.....	28,013,796	25,738,145	2,275,651	2,812,253
21. Furniture and equipment, including health care delivery assets (\$.....0).....	3,939,150	3,939,150	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	343,435,463	0	343,435,463	70,286,672
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	37,926,914	37,548,044	378,870	1,058,984
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,295,891,549	138,984,282	2,156,907,267	1,929,317,615
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	2,295,891,549	138,984,282	2,156,907,267	1,929,317,615

DETAILS OF WRITE-INS

1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Accounts receivable.....	224,264	223,928	336	519,998
2502. Prepaid expenses.....	3,866,689	3,866,689	0	0
2503. Equities and deposits in pools and associations.....	304,166	0	304,166	276,868
2598. Summary of remaining write-ins for Line 25 from overflow page.....	33,531,795	33,457,427	74,368	262,118
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	37,926,914	37,548,044	378,870	1,058,984

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	373,676,317	168,459,576
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	206,954,924	162,263,462
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	87,553,014	38,338,678
4. Commissions payable, contingent commissions and other similar charges.....	13,191,339	23,943,965
5. Other expenses (excluding taxes, licenses and fees).....	39,009,315	12,588,809
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	6,764,992	5,726,535
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$....89,000,000 and interest thereon \$....897,814.....	89,897,814	89,897,814
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....613,861,134 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	241,848,022	143,822,964
10. Advance premium.....	11,636,520	10,542,298
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	108,999	149,202
12. Ceded reinsurance premiums payable (net of ceding commissions).....	180,457,766	146,925,750
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.....	16,256,532	10,453,091
15. Remittances and items not allocated.....	842,863	932,243
16. Provision for reinsurance (Schedule F, Part 7).....	457,327	212,327
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	49,492,109	47,375,974
19. Payable to parent, subsidiaries and affiliates.....	24,501,573	28,226,676
20. Derivatives.....	0	0
21. Payable for securities.....	0	3,388
22. Payable for securities lending.....	0	0
23. Liability for amounts held under uninsured plans.....	0	0
24. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	28,764,236	6,105,445
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,371,413,662	895,968,197
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	1,371,413,662	895,968,197
29. Aggregate write-ins for special surplus funds.....	609,059	0
30. Common capital stock.....	0	0
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	0	0
35. Unassigned funds (surplus).....	784,884,546	1,033,349,418
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	785,493,605	1,033,349,418
38. TOTALS (Page 2, Line 28, Col. 3).....	2,156,907,267	1,929,317,615

DETAILS OF WRITE-INS

2501. Escheated funds payable.....	1,156,261	1,044,528
2502. Premium deficiency reserve.....	42,500	33,630
2503. Equities and deposits in pools and associations.....	132,877	104,736
2598. Summary of remaining write-ins for Line 25 from overflow page.....	27,432,598	4,922,551
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	28,764,236	6,105,445
2901. Retroactive reinsurance gain (loss).....	609,059	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	609,059	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	339,322,205	298,619,132
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	237,700,350	178,100,737
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	41,378,777	29,843,662
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	139,768,507	105,689,187
5. Aggregate write-ins for underwriting deductions.....	(9,880)	(110,262)
6. Total underwriting deductions (Lines 2 through 5).....	418,837,754	313,523,324
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(79,515,549)	(14,904,192)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	26,978,903	19,270,689
10. Net realized capital gains (losses) less capital gains tax of \$....1,216,387 (Exhibit of Capital Gains (Losses)).....	1,698,901	75,128
11. Net investment gain (loss) (Lines 9 + 10).....	28,677,804	19,345,817
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....152,383 amount charged off \$....1,490,623).....	(1,338,240)	(1,164,835)
13. Finance and service charges not included in premiums.....	2,012,659	1,779,870
14. Aggregate write-ins for miscellaneous income.....	2,073,299	5,439
15. Total other income (Lines 12 through 14).....	2,747,718	620,474
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(48,090,027)	5,062,099
17. Dividends to policyholders.....	76,896	111,483
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(48,166,923)	4,950,616
19. Federal and foreign income taxes incurred.....	(5,700,425)	(2,547,835)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(42,466,498)	7,498,451
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,033,349,418	924,638,984
22. Net income (from Line 20).....	(42,466,498)	7,498,451
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(656,144).....	(130,937,877)	84,615,669
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	(27,390,540)	2,441,676
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(22,632,721)	14,057,014
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(245,000)	23,993
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	(24,183,177)	73,631
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(247,855,813)	108,710,434
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	785,493,605	1,033,349,418

DETAILS OF WRITE-INS

0501. Premium deficiency reserve.....	(9,880)	(6,270)
0502. 2008 private passenger auto escrow.....	0	(103,992)
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).....	(9,880)	(110,262)
1401. Miscellaneous income (expense).....	24,666	9,780
1402. Gain (loss) on sale of fixed assets.....	(16,966)	(1,862)
1403. Governmental fines and penalties.....	(7,020)	(2,480)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	2,072,619	1
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	2,073,299	5,439
3701. Deferred gain on asset transfers between parent and affiliate.....	65,949	73,631
3702. Net excess of pension liability over intangible asset.....	(24,249,126)	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(24,183,177)	73,631

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	.414,599,842	301,173,468
2. Net investment income.....	31,878,689	23,813,640
3. Miscellaneous income.....	2,509,012	620,474
4. Total (Lines 1 through 3).....	.448,987,543	325,607,582
5. Benefit and loss related payments.....	31,667,424	172,638,657
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	112,851,301	134,890,011
8. Dividends paid to policyholders.....	117,099	31,461
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(8,169,550)	(8,002,194)
10. Total (Lines 5 through 9).....	136,466,274	299,557,935
11. Net cash from operations (Line 4 minus Line 10).....	312,521,269	26,049,647
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	71,018,270	41,484,317
12.2 Stocks.....	14,120,246	7,285,248
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	1,272,616	0
12.5 Other invested assets.....	304,038	510,353
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	4,738	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	.86,719,908	49,279,918
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	63,061,755	19,690,306
13.2 Stocks.....	38,454,260	4,834,390
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	1,131,120	2,168,885
13.5 Other invested assets.....	3,350,081	4,078,968
13.6 Miscellaneous applications.....	3,388	6,019
13.7 Total investments acquired (Lines 13.1 to 13.6).....	106,000,604	30,778,568
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(19,280,696)	18,501,350
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(302,941,060)	(20,200,201)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(302,941,060)	(20,200,201)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(9,700,487)	24,350,796
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	72,717,986	48,367,190
19.2 End of year (Line 18 plus Line 19.1).....	63,017,499	72,717,986

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001	0	0
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STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	15,856,388	6,201,075	10,348,890	11,708,573
2. Allied lines.....	21,109,883	5,543,537	13,695,836	12,957,584
3. Farmowners multiple peril.....	9,598,626	3,138,251	6,243,447	6,493,430
4. Homeowners multiple peril.....	48,882,075	33,987,407	17,919,432	64,950,050
5. Commercial multiple peril.....	52,090,864	15,532,886	33,046,126	34,577,624
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	219,020	88,094	136,481	170,633
9. Inland marine.....	6,579,764	2,491,414	4,282,353	4,788,825
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0
11.2 Medical professional liability - claims-made.....	2,023,069	0	1,349,460	673,609
12. Earthquake.....	4,087,897	910,967	2,560,447	2,438,417
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.....	1,049	400	689	760
16. Workers' compensation.....	26,488,004	4,804,490	14,952,737	16,339,757
17.1 Other liability - occurrence.....	25,815,849	6,858,989	15,887,156	16,787,682
17.2 Other liability - claims-made.....	4,060,704	0	2,027,212	2,033,492
17.3 Excess workers' compensation.....	30,059	0	16,107	13,952
18.1 Products liability - occurrence.....	4,053,429	1,660,981	2,629,843	3,084,567
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	86,530,261	25,655,091	43,214,457	68,970,895
19.3, 19.4 Commercial auto liability.....	56,853,121	16,452,088	35,839,964	37,465,245
21. Auto physical damage.....	71,360,031	20,312,017	36,910,922	54,761,126
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	409,978	165,558	284,486	291,050
24. Surety.....	1,051,166	317,275	630,379	738,062
26. Burglary and theft.....	73,899	29,429	47,534	55,794
27. Boiler and machinery.....	86,939	12,041	62,019	36,961
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	(15,885)	0	0	(15,885)
32. Reinsurance - nonproportional assumed liability.....	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	437,246,190	144,161,989	242,085,977	339,322,202

DETAILS OF WRITE-INS

3401.	0	0	0	0
3402.	0	0	0	0
3403.	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	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
1. Fire.....	10,343,124	5,766	0	0	10,348,890
2. Allied lines.....	13,648,605	47,231	0	0	13,695,836
3. Farmowners multiple peril.....	6,243,447	0	0	0	6,243,447
4. Homeowners multiple peril.....	17,919,432	0	0	0	17,919,432
5. Commercial multiple peril.....	33,055,056	0	(8,930)	0	33,046,126
6. Mortgage guaranty.....	0	0	0	0	0
8. Ocean marine.....	136,481	0	0	0	136,481
9. Inland marine.....	4,282,160	193	0	0	4,282,353
10. Financial guaranty.....	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	1,349,460	0	0	0	1,349,460
12. Earthquake.....	2,560,039	408	0	0	2,560,447
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.....	689	0	0	0	689
16. Workers' compensation.....	14,874,502	0	78,235	0	14,952,737
17.1 Other liability - occurrence.....	15,761,506	43,725	81,925	0	15,887,156
17.2 Other liability - claims-made.....	2,008,099	19,113	0	0	2,027,212
17.3 Excess workers' compensation.....	16,107	0	0	0	16,107
18.1 Products liability - occurrence.....	2,536,547	155	93,141	0	2,629,843
18.2 Products liability - claims-made.....	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	43,214,457	0	0	0	43,214,457
19.3, 19.4 Commercial auto liability.....	35,831,761	8,591	(388)	0	35,839,964
21. Auto physical damage.....	36,915,105	1,845	(6,028)	0	36,910,922
22. Aircraft (all perils).....	0	0	0	0	0
23. Fidelity.....	231,355	53,131	0	0	284,486
24. Surety.....	534,757	95,622	0	0	630,379
26. Burglary and theft.....	45,592	1,942	0	0	47,534
27. Boiler and machinery.....	62,014	5	0	0	62,019
28. Credit.....	0	0	0	0	0
29. International.....	0	0	0	0	0
30. Warranty.....	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	241,570,295	277,727	237,955	0	242,085,977
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					(237,955)
38. Balance (sum of Lines 35 through 37).....					241,848,022

DETAILS OF WRITE-INS

3401.	0	0	0	0	0
3402.	0	0	0	0	0
3403.	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page....	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

(a) State here basis of computation used in each case: Pro-rata methods

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	25,001,994	37,178,241	139,253	43,598,330	2,864,770	15,856,388
2. Allied lines.....	23,864,115	66,736,600	1,395,370	58,193,288	12,692,914	21,109,883
3. Farmowners multiple peril.....	0	36,021,917	0	26,423,291	0	9,598,626
4. Homeowners multiple peril.....	62,765,821	284,946,286	341,418	166,783,415	132,388,035	48,882,075
5. Commercial multiple peril.....	29,961,601	125,513,205	45,526,166	145,339,091	3,571,017	52,090,864
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	156,595	683,499	0	616,809	4,265	219,020
9. Inland marine.....	9,220,975	15,828,803	0	18,107,027	362,987	6,579,764
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	8,043,719	0	5,491,241	529,409	2,023,069
12. Earthquake.....	1,868,465	20,272,249	0	11,482,040	6,570,777	4,087,897
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.....	6,519	0	0	2,873	2,597	1,049
16. Workers' compensation.....	26,957,578	78,222,493	2,310,797	78,202,569	2,800,295	26,488,004
17.1 Other liability - occurrence.....	41,877,554	66,618,044	6,779,443	73,167,362	16,291,830	25,815,849
17.2 Other liability - claims-made.....	0	18,754,916	0	12,604,273	2,089,939	4,060,704
17.3 Excess workers' compensation.....	0	120,804	0	90,745	0	30,059
18.1 Products liability - occurrence.....	8,008,523	7,230,599	0	11,173,963	11,730	4,053,429
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	74,360,564	283,135,696	246	268,548,998	2,417,247	86,530,261
19.3, 19.4 Commercial auto liability.....	34,726,980	74,958,980	112,552,653	159,154,096	6,231,396	56,853,121
21. Auto physical damage.....	66,955,433	221,858,400	4,812,203	218,512,606	3,753,399	71,360,031
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	796,755	700,454	0	1,087,231	0	409,978
24. Surety.....	4,085,833	1,368	0	3,017,561	18,474	1,051,166
26. Burglary and theft.....	173,035	105,555	228	204,671	248	73,899
27. Boiler and machinery.....	1,458,136	314,172	0	226,631	1,458,738	86,939
28. Credit.....	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	0	(15,885)	0	0	(15,885)
32. Reinsurance - nonproportional assumed liability.....	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	412,246,476	1,347,246,000	173,841,892	1,302,028,111	194,060,067	437,246,190

DETAILS OF WRITE-INS

3401.	0	0	0	0	0	0
3402.	0	0	0	0	0	0
3403.	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page..	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 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.

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.....	17,340,378	22,547,791	35,059,664	4,828,506	5,535,921	3,726,676	6,637,750	56.7
2. Allied lines.....	22,736,907	34,562,053	49,537,866	7,761,095	6,898,308	3,194,223	11,465,179	88.5
3. Farmowners multiple peril.....	0	27,280,682	24,220,460	3,060,223	4,812,376	2,523,676	5,348,923	82.4
4. Homeowners multiple peril.....	50,580,074	282,211,187	284,611,116	48,180,145	33,882,194	17,236,307	64,826,032	99.8
5. Commercial multiple peril.....	18,398,906	64,332,224	85,667,653	(2,936,524)	41,828,178	18,282,353	20,609,302	59.6
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	17,031	322,106	283,616	55,521	20,134	6,886	68,769	40.3
9. Inland marine.....	3,354,889	5,839,899	7,965,529	1,229,258	1,204,638	702,329	1,731,567	36.2
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0	0	0.0
11.2 Medical professional liability - claims-made.....	0	(349,081)	2,037	(351,118)	645,531	0	294,413	43.7
12. Earthquake.....	0	12,467	17,907	(5,440)	17,699	(4,940)	17,200	0.7
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.....	20,199	0	26,841	(6,642)	23,495	26,220	(9,366)	(1,232.4)
16. Workers' compensation.....	17,087,340	(27,350,423)	19,293,507	(29,556,590)	61,501,911	20,412,260	11,533,061	70.6
17.1 Other liability - occurrence.....	20,924,306	(12,333,525)	35,601,852	(27,011,071)	64,812,913	26,615,652	11,186,190	66.6
17.2 Other liability - claims-made.....	0	(5,370,054)	(3,112,334)	(2,257,720)	2,804,796	0	547,076	26.9
17.3 Excess workers' compensation.....	0	(59,694)	(24,290)	(35,404)	54,541	0	19,137	137.2
18.1 Products liability - occurrence.....	789,816	2,769,056	5,241,977	(1,683,105)	5,347,726	2,877,755	786,866	25.5
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	58,443,434	178,918,456	231,060,855	6,301,035	87,030,337	47,304,022	46,027,350	66.7
19.3, 19.4 Commercial auto liability.....	18,874,000	58,643,524	86,826,881	(9,309,357)	54,058,003	21,443,516	23,305,130	62.2
21. Auto physical damage.....	39,407,730	144,845,974	149,865,930	34,387,773	700,537	1,156,252	33,932,059	62.0
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	561,931	134,373	645,394	50,910	180,607	264,026	(32,508)	(11.2)
24. Surety.....	246,561	(29,384)	254,632	(37,455)	174,953	144,958	(7,460)	(1.0)
26. Burglary and theft.....	(15)	32,761	65,991	(33,245)	89,459	12,238	43,975	78.8
27. Boiler and machinery.....	480,569	(7,509)	588,373	(115,313)	256,609	149,075	(7,778)	(21.0)
28. Credit.....	0	0	0	0	0	0	0	0.0
29. International.....	0	0	0	0	0	0	0	0.0
30. Warranty.....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	108,904	0	108,904	1,423,685	2,185,617	(653,027)	4,111.0
32. Reinsurance - nonproportional assumed liability.....	XXX	122,301	263,079	(140,778)	371,767	200,475	30,514	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	269,264,057	777,184,088	1,013,964,538	32,483,607	373,676,319	168,459,576	237,700,350	70.1

DETAILS OF WRITE-INS

3401.	0	0	0	0	0	0	0	0.0
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	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.....	9,606,401	6,685,579	11,134,624	5,157,355	(191,010)	1,522,509	.952,934	5,535,921	388,317
2. Allied lines.....	9,838,106	9,070,891	12,977,759	5,931,238	403,282	2,597,843	2,034,054	6,898,308	698,845
3. Farmowners multiple peril.....	10,850,636	7,161,420	3,689,217	0		3,303,410	2,180,251	4,812,376	611,902
4. Homeowners multiple peril.....	11,167,727	57,336,705	45,272,521	23,231,911	4,710,682	26,667,707	20,728,106	33,882,194	4,033,274
5. Commercial multiple peril.....	12,178,373	44,358,128	38,106,241	18,430,260	13,573,771	57,032,496	47,208,350	41,828,178	10,762,035
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	7,496	41,699	32,485	16,710	2,324	7,745	6,646	20,134	4,456
9. Inland marine.....	845,961	2,432,126	2,165,879	1,112,208	207,779	68,418	183,766	1,204,638	84,102
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0	0	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	916,445	604,854	311,591	0	1,094,961	761,021	645,531	203,634
12. Earthquake.....	0	52,043	34,348	17,695	0	14	9	17,699	2
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.....	786	0	519	.267	.68,318	0	.45,090	(a) 23,495	0
16. Workers' compensation.....	41,697,305	66,865,506	75,997,130	32,565,682	26,182,018	.59,561,599	56,807,387	61,501,911	13,553,842
17.1 Other liability - occurrence.....	32,549,090	36,822,196	46,906,015	22,465,272	53,398,041	.82,429,770	.93,480,170	.64,812,913	27,129,324
17.2 Other liability - claims-made.....	0	1,388,483	.916,399	.472,084	0	.7,411,627	.5,078,915	.2,804,796	1,524,118
17.3 Excess workers' compensation.....	0	0	0	0	0	.160,415	.105,874	.54,541	.23,375
18.1 Products liability - occurrence.....	2,957,180	4,040,427	4,618,421	2,379,186	.4,148,933	.4,582,065	.5,762,459	.5,347,726	.4,477,863
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	80,173,792	140,164,133	158,223,293	.62,114,633	16,492,777	.56,788,710	.48,365,783	.87,030,337	.13,302,401
19.3, 19.4 Commercial auto liability.....	20,348,629	.68,155,033	59,829,838	.28,673,824	21,008,221	.54,389,416	.50,013,458	.54,058,003	.9,972,748
21. Auto physical damage.....	2,015,135	7,628,501	6,472,917	3,170,719	(2,107,546)	(4,970,526)	(4,607,890)	.700,537	.603,317
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	80,238	180,701	.175,535	.85,404	.130,864	.149,144	.184,805	.180,607	.27,026
24. Surety.....	298,451	32,620	.232,648	.98,423	.221,656	.3,433	.148,559	.174,953	.132,950
26. Burglary and theft.....	200,000	16,814	.143,097	.73,717	.24,483	.21,816	.30,558	.89,459	.5,133
27. Boiler and machinery.....	183,812	36,593	.215,279	.5,126	.423,909	.315,747	.488,173	.256,609	.14,350
28. Credit.....	0	0	0	0	0	0	0	0	0
29. International.....	0	0	0	0	0	0	0	0	0
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX.	593,747	0	.593,747	XXX.	.829,938	0	1,423,685	0
32. Reinsurance - nonproportional assumed liability.....	XXX.	809,938	.534,559	.275,379	XXX.	.283,495	.187,107	.371,767	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX.	0	0	0	XXX.	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	224,148,484	458,478,945	471,755,781	210,871,648	.138,698,503	.354,251,750	.330,145,582	.373,676,319	.87,553,014

DETAILS OF WRITE-INS

3401.	0	0	0	0	0	0	0	0	0
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 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 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	20,244,423	.0	.0	20,244,423
1.2 Reinsurance assumed.....	106,326,842	.0	.0	106,326,842
1.3 Reinsurance ceded.....	103,059,687	.0	.0	103,059,687
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	23,511,578	.0	.0	23,511,578
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	.0	59,355,490	.0	59,355,490
2.2 Reinsurance assumed, excluding contingent.....	.0	269,023,646	.0	269,023,646
2.3 Reinsurance ceded, excluding contingent.....	.0	245,715,169	.0	245,715,169
2.4 Contingent - direct.....	.0	3,258,037	.0	3,258,037
2.5 Contingent - reinsurance assumed.....	.0	10,969,000	.0	10,969,000
2.6 Contingent - reinsurance ceded.....	.0	11,523,900	.0	11,523,900
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	85,367,104	.0	85,367,104
3. Allowances to manager and agents.....	.0	961,264	.0	961,264
4. Advertising.....	3,841	229,157	.0	232,998
5. Boards, bureaus and associations.....	79,465	1,071,591	538	1,151,594
6. Surveys and underwriting reports.....	.0	2,517,807	.0	2,517,807
7. Audit of assureds' records.....	.0	232,287	.0	232,287
8. Salary and related items:				
8.1 Salaries.....	9,222,449	22,104,895	183,792	31,511,136
8.2 Payroll taxes.....	640,592	1,524,682	13,010	2,178,284
9. Employee relations and welfare.....	2,125,663	4,691,477	34,047	6,851,187
10. Insurance.....	139,880	250,317	12,035	402,232
11. Directors' fees.....	.0	1,045,072	.0	1,045,072
12. Travel and travel items.....	478,308	1,146,551	9,181	1,634,040
13. Rent and rent items.....	784,149	2,430,503	128,103	3,342,755
14. Equipment.....	1,772,575	2,453,058	33,441	4,259,074
15. Cost or depreciation of EDP equipment and software.....	726,829	972,520	13,712	1,713,061
16. Printing and stationery.....	108,176	324,147	2,763	435,086
17. Postage, telephone and telegraph, exchange and express.....	892,875	1,605,476	73,818	2,572,169
18. Legal and auditing.....	48,389	339,942	1,512,453	1,900,784
19. Totals (Lines 3 to 18).....	17,023,191	43,900,746	2,016,893	62,940,830
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....(197,326).....	.0	6,773,832	.0	6,773,832
20.2 Insurance department licenses and fees.....	.0	741,431	.0	741,431
20.3 Gross guaranty association assessments.....	.0	4,819	.0	4,819
20.4 All other (excluding federal and foreign income and real estate).....	.0	97,234	.0	97,234
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	.0	7,617,316	.0	7,617,316
21. Real estate expenses.....	.0	.0	5,964,109	5,964,109
22. Real estate taxes.....	.0	.0	747,054	747,054
23. Reimbursements by uninsured plans.....	.0	.0	.0	.0
24. Aggregate write-ins for miscellaneous expenses.....	844,008	2,883,340	.9	3,727,357
25. Total expenses incurred.....	41,378,777	139,768,506	8,728,065	(a) 189,875,348
26. Less unpaid expenses - current year.....	87,553,014	58,016,889	948,757	146,518,660
27. Add unpaid expenses - prior year.....	38,338,678	30,936,494	1,333,406	70,608,578
28. Amounts receivable relating to uninsured plans, prior year.....	.0	.0	.0	.0
29. Amounts receivable relating to uninsured plans, current year.....	.0	.0	.0	.0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	(7,835,559)	112,688,111	9,112,715	113,965,266

DETAILS OF WRITE-INS

2401. Professional consultants.....	1,535,860	3,418,875	.0	4,954,735
2402. Miscellaneous.....	(691,852)	(535,535)	.9	(1,227,378)
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).....	844,008	2,883,340	.9	3,727,357

(a) Includes management fees of \$....1,089,557 to affiliates and \$....282,438 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).....1,542,040	.....1,575,997
1.1 Bonds exempt from U.S. tax.....	(a).....2,863,036	.....2,249,984
1.2 Other bonds (unaffiliated).....	(a).....2,661,978	.....2,761,687
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....562,401	.....572,776
2.21 Common stocks of affiliates.....	.....17,803,629	.....17,803,629
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....10,253,936	.....10,253,936
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....45,577	.....43,255
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....7,558,734	.....7,558,734
9. Aggregate write-ins for investment income.....	.....2,695,204	.....2,699,465
10. Total gross investment income.....	.....45,986,535	.....45,519,463
11. Investment expenses.....		(g).....8,728,067
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....5,829,100
14. Depreciation on real estate and other invested assets.....		(i).....3,983,393
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....18,540,560
17. Net investment income (Line 10 minus Line 16).....		.....26,978,903

DETAILS OF WRITE-INS

0901. Miscellaneous Investment Income.....	.....2,695,204	.....2,699,465
0902. ....0	.....0	.....0
0903. ....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....2,695,204	.....2,699,465
1501. ....0		.....0
1502. ....0		.....0
1503. ....0		.....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 \$....89,663 accrual of discount less \$....920,074 amortization of premium and less \$....183,870 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 \$....10,252,736 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$....5,513 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$....3,983,393 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	46,620	0	46,620	.....369,135	.....0
1.1 Bonds exempt from U.S. tax.....	849,143	0	849,143	.....0	.....0
1.2 Other bonds (unaffiliated).....	0	0	0	.....0	.....0
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).....	2,821,522	(1,012,819)	1,808,703	.....(1,664,353)	.....0
2.21 Common stocks of affiliates.....	219,826	0	219,826	.....(129,719,325)	.....0
3. Mortgage loans.....	0	0	0	.....0	.....0
4. Real estate.....	(29,069)	0	(29,069)	.....0	.....0
5. Contract loans.....	0	0	0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	0	0	0	.....0	.....0
7. Derivative instruments.....	0	0	0	.....0	.....0
8. Other invested assets.....	20,059	0	20,059	.....(581,115)	.....0
9. Aggregate write-ins for capital gains (losses).....	0	0	0	.....1,638	.....0
10. Total capital gains (losses).....	3,928,101	(1,012,819)	2,915,282	.....(131,594,020)	.....0

DETAILS OF WRITE-INS

0901. Deferred Gain on Asset Transfer.....	0	0	0	.....1,638	.....0
0902. ....0	0	0	0	0	0
0903. ....0	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	.....1,638	.....0

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	58,598,396	50,334,802	(8,263,594)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	58,598,396	50,334,802	(8,263,594)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	12,049,600	21,182,398	9,132,798
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,110,947	1,156,496	45,549
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	0	10,362,889	10,362,889
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	25,738,145	19,559,409	(6,178,736)
21. Furniture and equipment, including health care delivery assets.....	3,939,150	4,327,252	388,102
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	37,548,044	9,428,315	(28,119,729)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	138,984,282	116,351,561	(22,632,721)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	138,984,282	116,351,561	(22,632,721)

DETAILS OF WRITE-INS

1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Accounts receivable.....	223,928	183,901	(40,027)
2502. Prepaid expenses.....	3,866,689	9,168,690	5,302,001
2503. Advances.....	55,016	46,600	(8,416)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	33,402,411	29,124	(33,373,287)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	37,548,044	9,428,315	(28,119,729)

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" or "State Auto Mutual") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (the "Department"), which has adopted the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP).

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 notes are defined as follows: State Automobile Mutual Insurance Company ("State Auto Mutual"), State Auto Insurance Company of Wisconsin ("SA Wisconsin"), State Auto Financial Corporation ("State Auto Financial"), SA Software Shelf, Inc. ("SA Software"), State Auto Property & Casualty Insurance Company ("State Auto P&C"), Stateco Financial Services, Inc. ("Stateco"), Milbank Insurance Company ("Milbank"), Farmers Casualty Insurance Company ("Farmers"), State Auto Insurance Company of Ohio ("SA Ohio"), Meridian Citizens Mutual Insurance Company ("Meridian Citizens Mutual"), State Auto Florida Insurance Company ("SA Florida"), BroadStreet Capital Partners, Inc. ("BroadStreet Capital"), Meridian Insurance Group, Inc. ("MIGI"), Meridian Security Insurance Company ("Meridian Security"), Beacon National Insurance Company ("Beacon National"), Beacon Lloyds, Inc., a Texas corporation which is the attorney-in-fact for Beacon Lloyds Insurance Company ("Beacon Lloyds"), a Lloyds insurer formed under Texas Insurance Code, Patrons Mutual Insurance Company of Connecticut ("Patrons Mutual"), Litchfield Mutual Fire Insurance Company ("Litchfield"), Rockhill Holding Company ("RHC"), Rockhill Insurance Company ("Rockhill"), Plaza Insurance Company ("Plaza"), American Compensation Insurance Company ("American Compensation"), and Bloomington Compensation Insurance Company ("Bloomington Compensation"). State Auto National Insurance Company ("SA National") was a member of the State Auto Group during 2010. SA National was sold on December 31, 2010, as described in Note 10.

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 of 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.

In addition, the Company uses the following accounting policies:

1. Money market investments are reflected at cost.
2. Bonds not backed by other loans are stated at amortized cost using the scientific interest method.
3. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
4. Preferred stocks: Not applicable.
5. Mortgage loans: Not applicable.
6. Loan-backed securities are valued at amortized cost using the scientific interest method. The retrospective adjustment method is used to determine the fair value of all loan-backed securities.
7. Investments in subsidiaries and affiliated companies: Insurance subsidiaries, SA Wisconsin and SA Florida, are stated at statutory equity value. Holding company subsidiaries, MIGI and RHC, are admitted to the extent allowed by SSAP No. 97 - *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No.88*. A 62.6% publicly owned holding company subsidiary, State Auto Financial, is stated at statutory equity value. Noninsurance subsidiaries, Capital City Intermediaries, Inc. ("Capital City"), Facilitators, Inc. ("Facilitators"), and Risk Evaluation & Design, LLC ("RED"), are admitted to the extent allowed by SSAP No. 97. BroadStreet Capital is stated at GAAP equity value. At December 31, 2011 and 2010, unamortized goodwill was \$125,638,305 and \$125,960,490, respectively, of which, \$58,317,079 and \$50,055,803 was nonadmitted, respectively.
8. The Company has minor ownership interests in partnerships and a trust. The Company carries these interests at the underlying equity of the investee to the extent allowed by SSAP No. 97 - *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No.88*.
9. Derivatives: Not applicable.
10. The Company anticipates investment income as a factor in the premium deficiency calculation, except accident and health business, in accordance with SSAP No. 53 - *Property-Casualty Contracts - Premiums*.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and, while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmaceutical rebate receivables: Not applicable.

2. Accounting Changes and Corrections of Errors: Not applicable.**3. Business Combinations and Goodwill:****A. Statutory Purchase Method:**

1. a. On June 1, 2001, Meridian Mutual Insurance Company ("Meridian Mutual"), an Indiana mutual insurance company, merged with and into the Company (the "Merger"), with the Company continuing as the surviving company. In connection with the Merger, the Company acquired all outstanding shares of MIGI, an Indiana corporation, on the same date. Meridian Security, an Indiana domiciled insurance company, is a direct subsidiary of MIGI. MIGI is also affiliated with Meridian Citizens Mutual, an Indiana domiciled mutual insurance company.
 - b. On February 10, 2009, the Company purchased 100% interest in RHC, a Missouri corporation. RHC writes specialty property and casualty business through four insurance subsidiaries, Rockhill, Plaza, American Compensation and Bloomington Compensation and is a third party administrator providing workers compensation case and claim management services.
 - c. On May 18, 2011, RHC dividdended its 91% ownership in RED, a Missouri limited liability company, to the Company. Concurrent with this transaction, the Company purchased the 9% minority interest in RED.
2. The MIGI, RHC and RED transactions described in Note 3A were accounted for as statutory purchases.
3. a. The cost of the MIGI common shares acquired on June 1, 2001 was \$112,634,681, resulting in goodwill of \$82,142,537.
 - b. The cost of the RHC purchase was \$248,627,800 resulting in goodwill of \$150,178,743, of which \$39,514,264 was nonadmitted at December 31, 2011.
 - c. The cost of the RED purchase was \$25,250,935 resulting in goodwill of \$20,145,874, of which \$18,802,815 was nonadmitted at December 31, 2011.
4. a. Goodwill amortization for the period ended December 31, 2011 relating to the purchase of MIGI was \$4,107,127.
 - b. Goodwill amortization for the period ended December 31, 2011 relating to the purchase of RHC was \$15,017,874.
 - c. Goodwill amortization for the period ended December 31, 2011 relating to the purchase of RED was \$1,343,059.

B. Statutory Merger: Not applicable.**C. Impairment Loss:** Not applicable.**4. Discontinued Operations:** Not applicable.**5. Investments:**

- A. Mortgage Loans: Not applicable.
- B. Debt Restructuring: Not applicable.

5. Investments (continued):

C. Reverse Mortgages: Not applicable.

D. Loan-Backed Securities:

1. Prepayment assumptions for mortgage-backed securities, asset-backed securities and collateralized mortgage obligations were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).
2. The Company has not recognized any other than temporary impairments on its loan-backed securities.
3. The Company has not recognized any other than temporary impairments on its loan-backed securities.
4. The Company has loan-backed securities in which the fair value is less than cost or amortized cost for which an other than temporary impairment has not been recognized.

	Amount (\$)			
	Less than 12 months		More than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Loan-backed securities:				
Pools	452,418	(1,316)	-	-
Commercial mortgage-backed securities	-	-	-	-
Asset-backed securities	-	-	-	-
Total loan-backed securities	452,418	(1,316)	-	-

5. The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. The Company considers various factors, such as the duration and extent the security has been below cost, underlying credit rating of the issuer, receipt of scheduled principal and interest cash flows, and the Company's ability and intent to hold the security until recovery.

E. Repurchase Agreements: Not applicable.

F. Real Estate: Not applicable.

G. Low Income Housing Tax Credits: Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies:

A. The Company has no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of its Admitted Assets.

B. Impairments: 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: Not applicable

Warrants – The Company received warrants as a dividend from its ownership of Magnum Hunter Resources Corporation common stock via the Company's outside small cap investment strategies. The Company does not have an investment purpose for the warrants. At December 31, 2011 the warrants did not have a fair market value.

A. Market Risk, Credit Risk, and Cash Requirements: Not applicable.

B. Objective For Use: Not applicable.

C. Accounting Policies: Not applicable.

D. Unrealized Gain or Loss Recognized – Excluded from Hedge Effectiveness: Not applicable.

E. Unrealized Gain or Loss Recognized – Non-Hedge Accounting: Not applicable.

F. Cash Flow Hedges of a Forecasted Transaction: Not applicable.

9. Income Taxes:

A. The components of the net deferred tax asset/(liability) at December 31, 2011 and 2010 are as follows:

1.	Amount (\$)								
	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	62,211,683	504,099	62,715,782	29,355,191	216,691	29,571,882	32,856,492	287,408	33,143,900
b. Statutory valuation allowance adjustment	59,641,949	504,099	60,146,048	-	-	-	59,641,949	504,099	60,146,048
c. Adjusted gross deferred tax assets	2,569,734	-	2,569,734	29,355,191	216,691	29,571,882	(26,785,457)	(216,691)	(27,002,148)
d. Deferred tax liabilities	478,753	2,090,981	2,569,734	191,383	2,646,676	2,838,059	287,370	(555,695)	(268,325)
e. Subtotal (net deferred tax assets/(liability))	2,090,981	(2,090,981)	-	29,163,808	(2,429,985)	26,733,823	(27,072,827)	339,004	(26,733,823)
f. Deferred tax assets nonadmitted	2,090,981	(2,090,981)	-	12,809,837	(2,446,948)	10,362,889	(10,718,856)	355,967	(10,362,889)
g. Net admitted deferred tax assets/(liability)	-	-	-	16,353,971	16,963	16,370,934	(16,353,971)	(16,963)	(16,370,934)

2. The Company has not elected to admit additional DTA's pursuant to SSAP 10R, paragraph e. The current period election does not differ from the prior reporting period.

3. Not applicable.

9. Income Taxes (continued):

4.	Amount (\$)								
	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation components									
SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:									
a. SSAP No. 10R, paragraph 10.a.	-	-	-	-	-	-	-	-	-
b. SSAP No. 10R, paragraph 10.b.	-	-	-	16,353,970	16,964	16,370,934	(16,353,970)	(16,964)	(16,370,934)
c. SSAP No. 10R, paragraph 10.b.i.	-	-	-	16,353,970	16,964	16,370,934	(16,353,970)	(16,964)	(16,370,934)
d. SSAP No. 10R, paragraph 10.b.ii.	NA	NA	65,461,499	NA	NA	75,904,687	NA	NA	(10,443,188)
e. SSAP No. 10R, paragraph 10.c.	478,753	2,090,981	2,569,734	191,384	2,646,675	2,838,059	287,369	(555,694)	(268,325)
f. Total	478,753	2,090,981	2,569,734	16,545,354	2,663,639	19,208,993	(16,066,601)	(572,658)	(16,639,259)
Admission calculation components:									
SSAP No. 10R, paragraph 10.e.:									
g. SSAP No. 10R, paragraph 10.e.i.	-	-	-	-	-	-	-	-	-
h. SSAP No. 10R, paragraph 10.e.ii.	-	-	-	-	-	-	-	-	-
i. SSAP No. 10R, paragraph 10.e.ii.a.	-	-	-	-	-	-	-	-	-
j. SSAP No. 10R, paragraph 10.e.ii.b.	NA	NA	-	NA	NA	-	NA	NA	-
k. SSAP No. 10R, paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
l. Total	-	-	-	-	-	-	-	-	-
Used in SSAP No. 10R, paragraph 10.d.									
m. Total adjusted capital	NA	NA	785,493,605	NA	NA	1,033,349,418	NA	NA	(247,855,813)
n. Authorized control level	NA	NA	131,512,388	NA	NA	126,371,789	NA	NA	5,140,599

5. Impact of Tax Planning Strategies: Not applicable.

6.	Amount (\$)								
	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No. 10R, paragraph 10.a., 10b., and 10.c.:									
a. Admitted deferred tax assets	478,753	2,090,981	2,569,734	16,545,354	2,663,639	19,208,993	(16,066,601)	(572,658)	(16,639,259)
b. Admitted assets	NA	NA	2,156,907,267	NA	NA	1,689,720,983	NA	NA	467,186,284
c. Adjusted statutory surplus*	NA	NA	654,614,990	NA	NA	759,046,870	NA	NA	(104,431,880)
d. Total adjusted capital from DTAs	NA	NA	-	NA	NA	16,370,934	NA	NA	(16,370,934)
e. Admitted deferred tax assets	-	-	-	-	-	-	-	-	-
f. Admitted assets	-	-	-	-	-	-	-	-	-
g. Statutory surplus	-	-	-	-	-	-	-	-	-

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10bii.

B. Unrecognized Deferred Tax Liabilities: None.

C. Current income taxes incurred consist of the following major components:

1.	Amount (\$)		
	(1)	(2)	(3)
	2011	2010	Change
Current Income Tax			
a. Federal	(4,484,038)	(2,322,359)	(2,161,679)
b. Foreign	-	-	-
c. Subtotal	(4,484,038)	(2,322,359)	(2,161,679)
d. Federal Income tax on net capital gains	(1,216,387)	(225,476)	(990,911)
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	(5,700,425)	(2,547,835)	(3,152,590)

2.	Amount (\$)		
	(1)	(2)	(3)
	2011	2010	Change
Deferred Tax Assets			
a. Ordinary			
1. Discounting of unpaid losses	13,302,687	6,082,106	7,220,581
2. Unearned premium reserve	16,946,018	10,091,339	6,854,679
3. Policyholder reserves	-	-	-
4. Investments	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed Assets	-	-	-
8. Compensation & benefits accrual	12,738,013	10,865,352	1,872,661
9. Pension accrual	8,487,194	-	8,487,194
10. Receivables - nonadmitted	-	-	-
11. Net operating loss carry-forward	8,416,869	-	8,416,869
12. Tax credit carry-forward	41,804	7,537	34,267
13. Other	2,279,098	2,308,857	(29,759)
Subtotal	62,211,683	29,355,191	32,856,492
b. Statutory valuation allowance adjustment	59,641,949	-	59,641,949
c. Nonadmitted	2,090,981	12,809,837	(10,718,856)
d. Admitted ordinary deferred tax assets	478,753	16,545,354	(16,066,601)
e. Capital:			
1. Investments	504,099	216,691	287,408
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other	-	-	-
Subtotal	504,099	216,691	287,408
f. Statutory valuation allowance adjustment	504,099	-	504,099
g. Nonadmitted	(2,090,981)	(2,446,948)	355,967
h. Admitted capital deferred tax assets	2,090,981	2,663,639	(572,658)
i. Admitted deferred tax assets	2,569,734	19,208,993	(16,639,259)

9. Income Taxes (continued):

3. Deferred Tax Liabilities	Amount (\$)		
	(1)	(2)	(3)
	2011	2010	Change
a. Ordinary			
1. Investments	7,588	3,956	3,632
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other	266,877	137,643	129,234
6. Salvage & subrogation reserves	204,288	49,784	154,504
Subtotal	478,753	191,383	287,370
b. Capital:			
1. Investments	1,291,501	2,297,879	(1,006,378)
2. Real estate	799,480	348,797	450,683
3. Other	-	-	-
Subtotal	2,090,981	2,646,676	(555,695)
c. Deferred tax liabilities	2,569,734	2,838,059	(268,325)
4. Deferred tax assets/liabilities	-	16,370,934	(16,370,934)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate:

The significant book to tax adjustments were as follows:

Description	(\$) Tax Effect @ 35%	Effective Tax Rate
Tax Reconciliation by Effective Rate:		
Income before tax	(16,432,583)	35.0%
Tax exempt interest and dividends received income deduction	(4,395,615)	9.4%
Permanent difference on nonadmitted taxable assets	(4,387,504)	9.3%
STAT minimum pension liability	(8,487,194)	18.1%
Change in valuation allowance	60,146,048	-128.1%
Other	(3,536,650)	7.5%
Total	22,906,502	-48.8%
Tax Reconciliation by Statement of Income:		
Federal & foreign tax incurred	(5,700,425)	12.1%
Current taxes on realized gains	1,216,387	-2.6%
Change in net deferred income taxes	27,390,540	-58.3%
Total	(22,906,502)	-48.8%

E. Operating Loss and Tax Credit Carry-forward:

- At December 31, 2011, the Company had \$24,048,197 of operating loss carry-forwards beginning in 2009 through 2011, which expire, if unused, beginning in 2029 through 2031.
- For 2011 and 2010, there is no income tax expense that is available for recoupment in the event of future net losses.
- Not applicable

F. Consolidated Federal Income Tax Return:

- The Company's federal income tax return is consolidated with the following entities:

State Auto Mutual
 SA Wisconsin
 SA Florida
 State Auto Distribution Holding Company
 Capital City Intermediaries, Inc.
 Facilitators
 BroadStreet Capital and its affiliates
 MIGI
 Meridian Security
 State Auto Holding
 Beacon National
 Beacon Lloyds, Inc.
 Beacon Hill Financial Services
 Eagle Development Corporation
 Rockhill
 Plaza
 American Compensation
 Bloomington Compensation
 RHC
 National Environmental Coverage Corp.
 National Environmental Coverage Corp. of the South, LLC
 RTW, Inc.

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

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties:

A. Nature of the Relationships:

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

B. Details of Transactions Greater than 1/2% of Admitted Assets:

On May 19, 2009 and on May 8, 2009, the Company entered into two credit agreements (collectively referred to as "credit agreements") with Milbank and State Auto P&C, respectively. Under the terms of the credit agreements Milbank and State Auto P&C loaned to State Auto Mutual \$20,000,000 and \$50,000,000, respectively, over 10 years for general corporate purposes. Interest is due semi-annually at a fixed annual interest rate of 7%, with the principal due at the maturity date.

The Company received quarterly cash dividend payments throughout the year totaling \$15,170,447 and \$15,179,511 in 2011 and 2010, respectively, from State Auto Financial.

SA National became party to the Pooling Arrangement (defined in Note 26) effective January 1, 2010, and terminated its participation effective December 31, 2010, when it was sold to a third party. Rockhill, Plaza, American Compensation and Bloomington Compensation became party to the Pooling Arrangement effective January 1, 2011. Effective December 31, 2011, the Pooling Arrangement was amended, effectively changing the pooling participation percentages of certain participants and including in the State Auto Pool certain balance sheet accounts related to underwriting expenses. See Note 26 for additional disclosure.

The Company has paid commissions of \$12,517,676 and \$7,282,613 as of December 31, 2011 and 2010, respectively, to RED on the Alternative Risk business.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (continued):

During 2011, the Company entered into a reinsurance agreement, separate from the Pooling Arrangement, and assumed a net amount of \$14,452,574 from affiliated companies Rockhill, Plaza, and American Compensation.

C. Change in Terms of Intercompany Agreements:

SA National became party to the Pooling Arrangement (defined in Note 26) effective January 1, 2010, and terminated its participation effective December 31, 2010, when it was sold to a third party. Rockhill, Plaza, American Compensation and Bloomington Compensation became party to the Pooling Arrangement effective January 1, 2011. Effective December 31, 2011, the Pooling Arrangement was amended, effectively changing the pooling participation percentages of certain participants and including in the State Auto Pool certain balance sheet accounts related to underwriting expenses. See Note 26 for additional disclosure.

D. Amounts Due to or from Related Parties:

The Company leases buildings from 518 Property & Management Leasing LLC, an affiliate. Rental payments in the amount of approximately \$1,272,794 will be paid in 2012.

The terms of settlement require that these amounts settle within 60 days after the end of each calendar quarter:

	Amount (\$)			
	December 31, 2011		December 31, 2010	
	Due To:	Due From:	Due To:	Due From:
State Auto P&C	-	193,202,619	-	36,079,950
Milbank	-	64,424,033	-	25,285,543
SA Wisconsin	3,010,842	-	1,858,341	-
Farmers	-	59,878,400	-	3,654,846
SA Ohio	-	16,172,028	4,413,215	-
SA Florida	-	698,564	-	978,679
Meridian Security	9,665,106	-	17,771,268	-
Meridian Citizens Mutual	3,100,052	-	1,714,891	-
Beacon National	-	1,387,752	114,358	-
Beacon Lloyds	-	1,073,768	1,846	-
Patrons Mutual	1,323,880	-	2,105,225	-
Litchfield	233,140	-	-	131,687
Plaza	3,121,545	-	-	924
Rockhill	2,309,856	-	-	26
American Compensation	1,218,560	-	-	-
Bloomington Compensation	277,178	-	-	-
Stateco	-	130,230	15,767	-
Other Affiliates	-	6,226,654	-	3,892,698

E. Guarantees or Contingencies for Related Parties:

The Company has provided a standing commitment to maintain Plaza's capital and surplus requirements as dictated by the State of New Jersey for a minimum of five years beginning July 1, 2011, as outlined in additional detail in Note 14.

F. Management, Service Contracts, Cost Sharing Agreements:

Through contractual agreements with affiliated companies within the State Auto Group, State Auto P&C provides employees, while State Auto Mutual provides data processing and certain other data equipment and facilities as needed.

During 2011 and 2010, the following management and/or cost sharing agreements were effective: 1) the "2005 Management and Operations Agreement" to which State Auto Mutual, State Auto P&C, Milbank, SA Ohio, Farmers, SA National, MIGI, Meridian Security, Meridian Citizens Mutual, SA Florida, Beacon National, Beacon Lloyds, Patrons Mutual, Litchfield, State Auto Financial, SA Software, Stateco, Beacon Lloyds Inc., and 518 Property Management and Leasing LLC are parties; 2) the "Midwest Management Agreement" to which State Auto Mutual, State Auto P&C, and SA Wisconsin are parties; 3) the "BroadStreet Capital Partners, Inc. Cost Sharing Agreement" to which State Auto Mutual, State Auto P&C, and BroadStreet Capital are parties; 4) State Auto Mutual, State Auto P&C, Meridian Security, Meridian Citizens Mutual, Farmers, and Milbank entered into an agreement with RTW, Inc., an affiliate for overall claims case management for the workers' compensation program; 5) State Auto Mutual along with affiliates Rockhill, Plaza, American Compensation, Bloomington Compensation, State Auto P&C, Meridian Security, Milbank and Farmers entered into an Underwriting Management Agreement with RED to act as underwriting manager to underwrite insurance and reinsurance coverages for the alternative risk and program market. Each of the foregoing management and/or cost sharing agreements apportions or apportioned among the parties the actual costs of the services provided. The "Midwest Management Agreement" also provides for a management fee based on a percentage of SA Wisconsin's direct written premiums for the services State Auto P&C provides. As of December 31, 2010, SA National ceased to be affiliated with the State Auto Group and was removed as a party to the "2005 Management and Operations Agreement".

Effective January 1, 2010, State Auto Mutual and State Auto P&C became parties to a management and cost sharing agreement with the following insurance companies: Rockhill, Plaza, American Compensation, Bloomington Compensation, as well as the following companies: RHC, National Environmental Coverage Corporation of the South, LLC, National Environmental Coverage Corporation, RTW, Inc., Rockhill Insurance Services, LLC, Rockhill Underwriting Management, LLC, and RED. Under this agreement, State Auto P&C provides services to supplement the services provided by the companies' own employees and State Auto Mutual provides facilities and equipment as a supplement to the companies' own facilities and equipment. RHC may provide certain services to State Auto Mutual and State Auto P&C. Effective January 1, 2011, this agreement was amended to state that substantially all employee services required by the companies will be provided by employees of State Auto P&C. The amended agreement deleted RED as a party.

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.

G. Nature of Relationships that Could Affect Operations:

The Company is a member of the 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.

Effective January 1, 2010, the Company and SA National entered into a Commutation and Release Agreement in connection with SA National being party to the Pooling Arrangement as described in Note 26. This commutation relates to the quota share treaty between the Company and SA National. The Company made a commutation payment of \$133,636 to SA National as full and final settlement of all amounts due under the quota share agreement.

Effective December 31, 2010, State Auto Financial sold all outstanding shares of stock of its wholly owned subsidiary SA National to Hallmark Insurance Company.

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, 2011, the Company owned 62.6% 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, 2011 of \$13.59 was \$343,416,552. The Company's investment in State Auto Financial has been reflected in the accompanying statutory financial statements at a statutory equity value at December 31, 2011 of \$342,403,212. At December 31, 2011, 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 \$474,676,048.

At December 31, 2010, the Company owned 63.0% 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, 2010 of \$17.42 was \$440,491,478. The Company's investment in State Auto Financial has been reflected in the accompanying statutory financial statements at a statutory equity value at December 31, 2010 of \$458,407,401. At December 31, 2010, 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 \$536,625,578.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (continued):

Based on publicly available financial information for State Auto Financial, the following provides summarized financial information for the twelve month period ending December 31, 2011 and 2010, respectively:

Description	Amount (\$)	
	December 31, 2011	December 31, 2010
Total assets	2,790,767,238	2,722,029,788
Total liabilities	2,032,498,791	1,870,243,167
Stockholders' equity	758,268,447	851,786,632
Net (loss) income	(146,786,585)	24,479,022

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies: Not applicable.

K. Investments in Foreign Insurance Subsidiary: Not applicable.

L. Investments in Downstream Noninsurance Company:

The Company utilizes the look-through approach for the valuation of its downstream holding company, MIGI, as provided under SSAP 97 – *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*. The Company's carrying value at December 31, 2011 and 2010 was \$56,816,771 and \$59,711,358, respectively. The Company has limited the value of its investment in MIGI to the value of entities having audited financial statements including adjustments required by SSAP 97. All liabilities, commitments, contingencies, guarantees or obligations of the downstream holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees, or obligation under applicable accounting guidance, are reflected in the Company's determination of the carrying value of MIGI, if not already recorded in the financial statements. At December 31, 2011 and 2010, the Company's investment in MIGI was held at an admitted value of \$56,551,914 and \$59,448,868, respectively, after nonadmitting \$264,857 and \$262,490, respectively.

The Company utilizes the look-through approach for the valuation of its downstream holding company, RHC, as provided under SSAP 97 – *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*. The Company's carrying value at December 31, 2011 and 2010 was \$205,617,497 and \$226,256,211, respectively. All liabilities, commitments, contingencies, guarantees or obligations of the downstream holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees, or obligation under applicable accounting guidance, are reflected in the Company's determination of the carrying value of RHC, if not already recorded in the financial statements. At December 31, 2011 and 2010, the Company's investment in RHC was held at an admitted value of \$166,103,233 and \$176,200,407, respectively, after nonadmitting \$39,514,264 and \$50,055,803 for goodwill, respectively.

The Company utilizes the look-through approach for the valuation of its downstream holding company, RED, as provided under SSAP 97 – *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*. The Company's carrying value at December 31, 2011 was \$27,730,115. All liabilities, commitments, contingencies, guarantees or obligations of the downstream holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees, or obligation under applicable accounting guidance, are reflected in the Company's determination of the carrying value of RED, if not already recorded in the financial statements. At December 31, 2011, the Company's investment in RED was held at an admitted value of \$8,927,300, after nonadmitting \$18,802,815 for goodwill.

11. Debt:

On February 9, 2009, the Company borrowed \$19,000,000 from the Federal Home Loan Bank of Cincinnati ("FHLB") for a period of ten years at a fixed rate of 4.89%. This is an interest-only loan with principle due at the maturity date of February 9, 2019. This loan is collateralized by treasury bonds and mortgage-backed securities on deposit with FHLB. The total loan interest incurred through December 31, 2011 and 2010, was \$929,100 and \$929,100, respectively.

In May 2009, the Company borrowed money in the amounts of \$50,000,000 and \$20,000,000 from State Auto P&C and Milbank, respectively. The principal amount is due 2019. At the option of the Company, early repayment may be made. Interest is due semi-annually at a fixed annual interest rate of 7%. The total loan interest incurred through December 31, 2011 and 2010, was \$4,900,000 and \$4,900,000, respectively.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans:

All employees of the State Auto Group are employees of State Auto P&C, which holds assets and liabilities related to the employee benefit plans of the State Auto Group, and is the plan sponsor of the employee benefit plans.

A. Defined Benefit Plan:

State Auto P&C sponsors a defined benefit plan and a postretirement health care benefit plan. See Note 12(D).

B. Defined Contribution Plans:

State Auto P&C sponsors a defined contribution plan. See Note 12(D).

C. Multiemployer Plans: Not applicable.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans (continued):**D. Consolidated/Holding Company Plans:**

The Pooling Arrangement was amended on December 31, 2011 (see Note 26), to include certain balance sheet accounts such as the prepaid pension asset, postretirement health care liability, and the supplemental executive retirement plan ("SERP") liability. The following table reflects the pooling transfer of the pension and postretirement liabilities on December 31, 2011.

	Amount (\$)	
	Pension Benefits	Other Benefits
	2011	2011
Change in benefit obligation		
Benefit obligation at beginning of year	-	-
Liability for newly vested actives	-	-
Service cost	-	-
Interest cost	-	-
Actuarial (gain) or loss	-	-
Benefits paid	-	-
Plan amendment	-	-
Business combination, curtailments and special terminations	-	-
Amount assumed from the pool (December 31, 2011 Pooling Arrangement amendment)	112,112,368	14,023,879
Benefit obligation at end of year	112,112,368	14,023,879
Change in plan assets		
Fair value of plan assets at beginning of year	-	-
Actual return on plan assets	-	-
Employer contributions / merger assets	-	-
Benefits paid	-	-
Acquisitions	-	-
Amount assumed from the pool (December 31, 2011 Pooling Arrangement amendment)	77,255,773	948,908
Fair value of plan assets at end of year	77,255,773	948,908
Funded status	(34,856,595)	(13,074,970)
Unrecognized transition obligation (asset)	-	(600,544)
Unrecognized prior service cost	265,248	(12,215,602)
Unrecognized net (gain) or loss	67,720,247	1,910,393
Prepaid asset (liability)	33,128,900	(23,980,723)
Intangible asset	265,248	-

\$24,249,126 gross of tax or \$15,761,932 net of tax included in unassigned funds arose from a change in the minimum pension liability on December 31, 2011.

State Auto P&C sponsors a defined benefit pension plan covering substantially all State Auto Group employees hired prior to January 1, 2010. 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. The Company is charged for its allocable share of net periodic pension cost based on the Company's pooling percentage. Pension costs allocated to the Company were \$983,588 in 2011 and \$2,776 in 2010. The Company has no legal obligation for benefits under this plan.

State Auto P&C sponsors a postretirement health care benefit plan covering substantially all State Auto Group employees hired prior to January 1, 2010, and their beneficiaries if they retire from the State Auto Group upon reaching an age at which each such employee is eligible to retire. On November 4, 2011, the postretirement benefit plan was amended to change eligibility requirements for participation of employees and certain retirees, which resulted in a curtailment on this date. The Company's portion of this curtailment gain was \$1,826,429. The Company's share of health care plan expenses amounted to \$1,255,113 and \$962,986 in 2011 and 2010, respectively.

The Company assumed \$2,559,600 of the SERP liability from State Auto P&C on December 31, 2011.

State Auto P&C maintains a defined contribution plan that covers substantially all of the State Auto Group's employees. State Auto P&C's matching contributions for Safe Harbor contributions are 100% of the first 1% of compensation and 50% of the contributions from 2% to 6%. In addition, State Auto P&C contributes a percentage of the employee's annual income for those employees hired on or after January 1, 2010, and for those employees hired prior to January 1, 2010 who chose to freeze their existing accrued pension benefit effective June 30, 2010. The Company's share of the expense under this plan was \$1,142,795 and \$789,113 for 2011 and 2010, respectively.

E. Postemployment Benefits and Compensated Absences:

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

F. Impact of Medicare Modernization Act on Postemployment Benefits (INT 04-17): Not applicable.**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. Dates and Amounts of Dividends Paid: Not applicable.****E. Portion of the Company's Profits that may be paid as Ordinary Dividends to Stockholders: Not applicable.****F. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held: Not applicable.****G. Mutual Surplus Advances: Not applicable.****H. Company Stock Held for Special Purposes: Not applicable.****I. Changes in Special Surplus Funds:**

The Company had special surplus funds of \$609,059 and \$0 at December 31, 2011 and 2010, respectively. The change in these funds is related to retroactive reinsurance agreements as net loss and LAE incurred were less than originally estimated under the contracts, and the difference was amortized to unassigned funds (surplus).

J. Changes in Unassigned Funds:

The portion of unassigned funds (surplus) represented by cumulative net unrealized gains is \$153,739,120. This excludes any applicable deferred taxes.

K. Surplus Notes: Not applicable.**L. Impact of Restatement Due to Quasi Reorganizations: Not applicable.**

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations (continued):

- M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies:

- A. Contingent Commitments:

In order to satisfy the requirements of the State of New Jersey, for Plaza to receive a Certificate of Authority, the Company resolved to maintain for a minimum of five years, commencing on the July 1, 2011 date of Plaza's admission in New Jersey, capital and surplus within Plaza that meet or exceed the requirements of the State of New Jersey as amended at any time during the five year period. The minimum capital and surplus required of Plaza by the State of New Jersey are \$4,200,000 and \$5,550,000, respectively. The Company has made no other guarantees on behalf of affiliates.

The Company has committed up to \$327,344 in additional capital contributions to Stonehenge Opportunity Fund LLC over the next year, \$1,820,000 in additional capital contributions to Stonehenge Opportunity Fund II, LLC over the next three years, \$2,190,000 in additional capital contributions to Stonehenge Opportunity Fund III, LLC over the next eight years, \$194,285 in additional capital contributions to NCT Ventures Fund I, LP over the next six years, and \$1,520,351 in additional capital contributions to Consumer Agent Portal, LLC over the next year (see Schedule BA).

The Company has purchased annuities from life insurers under which various claimants are payees and for which the Company is contingently liable. See related Note 27.

- B. Guaranty Fund and Other Assessments:

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. On a direct basis, the Company has accrued a liability for guaranty fund assessments of \$858,736 and a related premium tax benefit asset of \$330,859. The liability is expected to be paid over the next five years. The asset is expected to be realized over the next ten years. This represents management's best estimate 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. Claims-Related Extra Contractual Obligation and Bad-Faith Losses Stemming from Lawsuits: Not applicable.

- E. Product Warranties: Not applicable.

- F. All Other Contingencies:

In December 2010, a putative class action lawsuit (Kelly vs. State Automobile Mutual Insurance Company, et al.) was filed against State Auto Financial, State Auto P&C and State Auto Mutual in state court in Ohio. In this lawsuit, plaintiffs alleged that the defendants have engaged, and continue to engage, in deceptive practices by failing to disclose to plaintiffs the availability, through one or more related companies, of insurance policies providing for identical coverage and service as those policies purchased by plaintiffs but at a lower premium amount. This suit was voluntarily dismissed by the plaintiffs without prejudice on December 15, 2011, but they have retained the right to refile their case within one year. If this case is 8ecovera, the Company will deny any and all liability to plaintiffs or the alleged class, and will vigorously defend the suit as it believes that its practices with respect to pricing, quoting and selling insurance policies are in compliance with all applicable laws.

Based on the Company's current understanding and assessment of this case, this matter is not expected to have a material adverse effect on results of operations.

The Company is involved in litigation and may become involved in potential litigation arising in the ordinary course of business. Additionally, the Company may be impacted by adverse regulatory actions and adverse court decisions where insurance coverages are expanded beyond the scope originally contemplated in the policies. In the opinion of management, the effects, if any, of such litigation and published court decisions are not expected to be material to the financial statements.

15. Leases:

- A. Lessee Operating Lease:

1. a. The Company leases office facilities, automobiles, and equipment under various operating leases that expire through 2020. Rental expense for 2011 and 2010 was approximately \$11,790,630 and \$10,329,846, respectively.
1. b. Contingent rental payments: Not applicable.
1. c. Renewal or purchase options and escalation clauses: Certain leases contain a renewal option allowing the Company to renew the lease. Renewal terms are negotiated at such time as the Company notifies the lessor of its intent to renew the lease. Some of the Company's leases contain escalation clauses, which are scheduled rent increases over the lease term.
1. d. Restrictions: Not applicable.
1. e. Early termination: Not applicable.
2. a. At January 1, 2012, future minimum lease payments on noncancelable operating leases are as follows:

Year Ending December 31	Amounts (\$)
2012	4,192,131
2013	3,073,159
2014	1,076,031
2015	421,262
2016	88,684
Thereafter	-
Total	8,851,267

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

- B. Lessor Leases:

1. Operating leases: Not applicable.
2. Leveraged leases: Not applicable.

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: Not applicable.
- 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. Fair Value Measurement:**A. Inputs Used for Assets and Liabilities Measured at Fair Value:**

The fair value of the majority of equity securities is provided by the Securities Valuation Office ("SVO"). These equity securities are recorded using unadjusted market prices provided by the SVO and have been disclosed in Level 1 in Item 1 below. The company holds equity securities as a member of Federal Home Loan Bank of Cincinnati. These securities are not publicly traded and the fair value reported is the per share cost. These equity securities have been disclosed in Level 3 in Item 1 below.

The Company utilizes information provided by the SVO to estimate fair value measurements for the majority of its fixed maturities. If market data is not provided by the SVO, fair value is determined by using data provided by a nationally recognized pricing service. See Item B below for fair value disclosures related to fixed maturities.

The Company's other invested assets includes one international private equity fund ("the fund") that invests in equity securities of foreign issuers and is managed by a third party investment manager. The fair value of this fund is based on the net asset value obtained from a third party trustee statement. The net asset value reflects the fair value of the fund's underlying investments, the majority of which have observable market quotes. The Company employs procedures to assess the reasonableness of the fair value of the fund including obtaining and reviewing the fund's audited financial statements. The fund is disclosed in Level 2 in Item 1 below. The remainder of the Company's other invested assets consist primarily of holdings in publicly-traded mutual funds. The Company believes that its prices for these publicly-traded mutual funds, which are based on an observable market price for an identical asset in an active market, reflect their fair value and consequently this security has been disclosed in Level 1 in Item 1 below.

The Company estimates the fair value of the note payable to affiliates using market quotations for U.S. treasury securities with similar maturity dates and applies an appropriate credit spread. See Item B below for fair value disclosures related to the Note payable.

1. The Company has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the following table. The Company has no liabilities that are measured at fair value. See Item 3 below for a discussion of the Company's transfer policy. See Item 4 below for a discussion of Level 2 and Level 3 assets.

Amount (\$)				
December 31, 2011				
Description	Level 1	Level 2	Level 3	Total
Assets, at fair value				
Common stocks				
Large-cap industrial and misc.	13,864,245	-	3,558,700	17,422,945
Small-cap industrial and misc.	7,470,031	-	-	7,470,031
Total common stocks	21,334,276	-	3,558,700	24,892,976
Other invested assets	1,975,547	10,639,813	-	12,615,360
Total assets, at fair value	23,309,823	10,639,813	3,558,700	37,508,336

Amount (\$)				
December 31, 2010				
Description	Level 1	Level 2	Level 3	Total
Assets, at fair value				
Common stocks				
Large-cap industrial and misc.	14,736,515	-	3,247,300	17,983,815
Small-cap industrial and misc.	7,443,411	-	-	7,443,411
Total common stocks	22,179,926	-	3,247,300	25,427,226
Other invested assets	1,440,777	11,152,805	-	12,593,582
Total assets, at fair value	23,620,703	11,152,805	3,247,300	38,020,808

2. A reconciliation of assets measured at fair value using Significant Unobservable Inputs (Level 3) is reflected in the following table.

Description	Amount (\$)									
	Beginning Balance at January 1, 2011	Transfers into Level 3	Transfers out of Level 3	Total gains/(losses) included in Net Income	Total gains/(losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at December 31, 2011
Assets:										
Common stock										
Large-cap industrial and misc.	3,247,300	-	-	-	-	311,400	-	-	-	3,558,700
Total assets	3,247,300	-	-	-	-	311,400	-	-	-	3,558,700

Description	Amount (\$)									
	Beginning Balance at January 1, 2010	Transfers into Level 3	Transfers out of Level 3	Total gains/(losses) included in Net Income	Total gains/(losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at December 31, 2010
Assets:										
Common stock										
Large-cap industrial and misc.	3,247,300	-	-	-	-	-	-	-	-	3,247,300
Total assets	3,247,300	-	-	-	-	-	-	-	-	3,247,300

3. Transfers between level categorizations may occur due to changes in the availability of market observable inputs. Transfers in and out of level categorizations are reported as having occurred at the beginning of the quarter in which the transfer occurred. There were no transfers between level categorizations during 2011 and 2010.
4. As of December 31, 2011 and 2010, the reported fair value of the Company's investment in Level 2, an other invested asset, Silchester International Investment Partners Ltd., was \$10,639,813 and 11,152,805, respectively. See Item A for a discussion of valuation techniques and inputs used in determining fair value. There are no unfunded commitments related to the fund. The Company may not sell its investment in the fund; however, the Company may redeem all or a portion of its investment in the fund at net asset value per share with the appropriate prior written notice. Due to the Company's ability to redeem its investment in the fund at net asset value per share at the measurement date, the fund is classified as Level 2.
- As of December 31, 2011 and 2010, the reported fair value of the Company's investment in Level 3, equity securities of Federal Home Loan Bank of Cincinnati, was \$3,558,700 and \$3,247,300, respectively. See Item A above for a discussion of valuation techniques and inputs used in determining fair value. Since these equity securities are not publicly traded, they are classified as Level 3.
5. The Company has no derivative assets or liabilities.

20. Fair Value Measurement (continued):**B. Other Fair Value Disclosures:**

See Item A for a discussion on valuation techniques.

Description	Amount (\$)			
	December 31, 2011		December 31, 2010	
	Carry Value	Fair Value	Carry Value	Fair Value
Assets				
Long-term bonds				
U.S. governments	55,517,880	57,400,897	35,069,256	36,469,627
U.S. states, territories and possessions	-	-	4,133,374	4,090,040
U.S. political subdivisions of states, territories and possessions	10,327,401	11,015,300	29,992,493	29,873,801
U.S. special revenue and special assessment obligations	55,137,736	58,773,144	70,216,470	70,942,633
Industrial and misc.	35,071,241	38,486,532	24,164,692	25,933,449
Total long-term bonds	156,054,258	165,675,873	163,576,285	167,309,550
Short-term bonds				
U.S. governments	-	-	4,994,487	4,994,650
Industrial and misc.	26,511,191	26,511,191	34,255,103	34,255,103
Total short-term bonds	26,511,191	26,511,191	39,249,590	39,249,753
Total assets	182,565,449	192,187,064	202,825,875	206,559,303
Liabilities				
Note payable to affiliates	70,000,000	77,503,176	70,000,000	71,062,211
Total liabilities	70,000,000	77,503,176	70,000,000	71,062,211

C. Reasons Not Practical to Estimate Fair Value: Not applicable.**21. Other Items:****A. Extraordinary Items: Not applicable.****B. Troubled Debt Restructuring: Not applicable.****C. Other Disclosures:**

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.

Florida Statute 625.012(5) requires that the Company disclose the amount of Agents' balances or uncollected premiums and the premiums collected from "controlled" or "controlling" persons. The Company had \$240,690,091 and \$178,097,483 at December 31, 2011 and 2010, respectively, of uncollected premiums. No premiums were collected from "controlled" or "controlling persons" during the years ended 2011 and 2010.

Pursuant to Florida Statutes 624.424, the Company is required to disclose any credit in loss reserves taken for anticipated recoveries from the Special Disability Trust Fund. The Company took no credits in the determination of its loss reserves for the years ended 2011 and 2010. Additionally, the Company received no payments from the Special Disability Trust Fund. The Trust Fund made no assessments during the years ended 2011 and 2010.

Assets in the amount of \$6,147,379 and \$5,231,961 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or other regulatory bodies as required by law. Assets valued at \$20,008,078 and \$20,179,147 at December 31, 2011 and 2010, respectively, were pledged as collateral for Federal Home Loan Bank of Cincinnati. See Note 11 for additional disclosure.

D. Uncollectible Premiums Receivable:

The Company routinely assesses the collectability of premium receivables due from policyholders, agents, and reinsurers. Based upon Company experience of evaluating uncollectability, a provision for uncollectible premiums reserves was recorded totaling \$4,563,386 and \$4,651,941 as of December 31, 2011 and 2010, respectively. The potential for any additional loss is not believed to be material to the Company's financial condition.

E. Business Interruption Insurance Recoveries: Not applicable.**F. State Transferable Tax Credits: Not applicable.****G. Subprime Mortgage Related Risk Exposure:**

1. The Company has reviewed and considered possible exposure to subprime mortgage related risk through (1) direct investments in subprime mortgage loans; (2) direct investments in securities with underlying subprime exposure, such as residential mortgage backed securities, commercial mortgage backed securities, collateralized debt obligations, structured securities, hedge funds, credit default swaps, and special investment vehicles; (3) equity investments in subsidiary, controlled or affiliated entities with significant subprime related risk exposure; or (4) underwriting risk on policies issued for Mortgage Guaranty or Financial Guaranty insurance coverage and determined that the Company does not have direct exposure to subprime mortgage related risk.
2. The Company does not have direct exposure through investments in subprime mortgage loans.
3. The Company does not have direct exposure through other investments.
4. The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage and, therefore, does not have underwriting exposure to subprime mortgage risk related to these types of coverages.

22. Events Subsequent:

Subsequent events have been considered through February 24, 2012 for the statutory statement issued on February 24, 2012.

23. Reinsurance:**A. Unsecured Reinsurance Recoverable:**

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

NAIC Code	Federal ID#	Name of Reinsurer	Amount (\$)
25127	57-6010814	State Auto P&C	1,235,027,511
41653	46-0368854	Milbank	342,953,249
26921	22-2005057	Everest Reins Co	40,438,149
00000	AA-9991159	Michigan Catastrophic Claims Assn	37,721,095
30058	75-1444207	Scor Reins Co	26,565,765
25364	13-1675535	Swiss Reins Amer Corp	71,012,891
		Total	1,753,718,660

B. Reinsurance Recoverable in Dispute:

The Company does have reinsurance recoverables in dispute for paid losses and loss adjustment expenses but none that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

23. Reinsurance (continued):**C. Reinsurance Assumed and Ceded:**

1. The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2011, stated in dollars:

	Amount (\$)					
	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	588,416,140	-	469,469,691	-	118,946,449	-
All other	87,756,791	26,372,494	144,391,444	41,538,351	(56,634,653)	(15,165,857)
Totals	676,172,931	26,372,494	613,861,135	41,538,351	62,311,796	(15,165,857)
Direct Unearned Premium Reserve: 179,536,224						

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 is accrued as follows:

	Amount (\$)			
	Direct	Assumed	Ceded	Net
a. Contingent Commission	-	-	(76,713)	76,713
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
Total	-	-	(76,713)	76,713

3. Protected Cells: Not applicable.

D. Uncollectible Reinsurance: Not applicable.**E. Commutation of Ceded Reinsurance: Not applicable.****F. Retroactive Reinsurance:**

Evaluated as of December 31, 2011, the retroactive reinsurance activity resulted in a special surplus fund of \$609,059.

G. Reinsurance Accounted for as a Deposit: Not applicable.**H. Run-off Agreements: Not applicable.****24. Retrospectively Rated Contracts and Contracts Subject to Redetermination: Not applicable.****25. Changes in Incurred Losses and Loss Adjustment Expenses:**

Per Schedule P Part 1-Summary	Amount (\$)		
	All Accident Years	2011 Accident Year	Prior Accident Years
Loss & LAE reserves at 12/31/10	206,798,255	-	206,798,255
Impact of Pooling Change 1/1/11	29,585,062	-	29,585,062
Loss & LAE incurred in 2011	279,079,126	287,372,087	(8,292,961)
Loss & LAE paid in 2011	256,991,696	171,205,907	85,785,789
Impact of Pooling Change 12/31/11	202,758,585	91,710,143	111,048,442
Loss & LAE reserves at 12/31/11	461,229,332	207,876,323	253,353,009

Incurred losses and loss adjustment expenses attributable to prior accident years decreased approximately \$8.3 million during 2011. This decrease is the result of subsequent reserve review using more mature claim data. Favorable development of loss adjustment expense contributed roughly 23% of the total. Remaining favorable development is attributable primarily to the Homeowners, Commercial Multi-Peril and Fire/Allied lines of business, driven by emergence of lower than anticipated claim severity, largely from accident year 2010 and, to a lesser extent, the past five accident years in the Commercial Multi-Peril line. Somewhat offsetting the favorable development in those lines was adverse development in the Commercial Auto Liability line, driven by an increase in large losses, and the Workers Compensation line, driven by reserve increases on certain life time disability claims.

26. 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		
		2010	Effective 1/1/11	Effective 12/31/11
State Auto Mutual – lead reinsurer	25135	19.0%	19.0%	34.0%
State Auto P&C	25127	59.0%	59.0%	51.0%
Milbank	41653	17.0%	17.0%	14.0%
SA Wisconsin	31755	0.0%	0.0%	0.0%
Farmers	13811	3.0%	3.0%	0.0%
SA Ohio	11017	1.0%	1.0%	0.0%
SA Florida	11502	0.0%	0.0%	0.0%
Meridian Security	23353	0.0%	0.0%	0.0%
Meridian Citizens Mutual	10502	0.5%	0.5%	0.5%
Beacon National	20028	0.0%	0.0%	0.0%
Patrons Mutual	14923	0.4%	0.4%	0.4%
Litchfield	32085	0.1%	0.1%	0.1%
SA National	19530	0.0%	N/A	N/A
Rockhill	28053	N/A	0.0%	0.0%
Plaza	30945	N/A	0.0%	0.0%
American Compensation	45934	N/A	0.0%	0.0%
Bloomington Compensation	12311	N/A	0.0%	0.0%

Under the terms of the arrangement, the participants cede to State Auto Mutual all of their insurance business, net of assumed and ceded reinsurance, and assume from State Auto Mutual an amount equal to their respective participation percentages outlined in the Pooling Arrangement. All business written by each pool participant, except for State Auto Mutual's unaffiliated voluntary assumed reinsurance program with policies effective prior to January 1, 2009, 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.

26. Intercompany Pooling Arrangements (continued):

Effective January 1, 2010, the Pooling Arrangement was amended, effectively adding SA National to the Pooling Arrangement as a zero percentage participant and including unaffiliated voluntary assumed reinsurance programs for policies effective January 1, 2009 and thereafter. In conjunction with the January 1, 2010 amendment, the Company made a cash payment, net of a ceding commission, of \$4,011,519, which relates to the net insurance assets transferred by the Company as shown in the table below.

	Amount (\$)
	January 1, 2010
Loss and loss adjustment expense reserves	(3,821,437)
Unearned premium	(1,300,929)
Miscellaneous assets/(liabilities)	8,919,065
Total net assets transferred	3,796,699
Ceding commission paid	214,820
Net cash transferred	4,011,519

On December 31, 2010, concurrent with the sale of SA National, SA National's participation in the Pooling Arrangement was terminated, and State Auto P&C entered into a 100% quota share and loss portfolio transfer reinsurance agreement ("LPT") with SA National on December 31, 2010 to assume liability for the pre and post closing book of business of SA National until all policies were renewed by SA National on third party systems. This assumed business by State Auto P&C is subject to the Pooling Arrangement. The table below shows the net insurance liabilities assumed by the Company as a result of these transactions after pooling.

	Amount (\$)		
	Pooling Arrangement	Quota Share & LPT	Net
Loss and loss adjustment expense reserves	(3,243,730)	-	(3,243,730)
Unearned premiums	(1,832,987)	1,832,987	-
LPT reinsurance reserves	-	3,243,730	3,243,730
Total net liabilities (transferred) received	(5,076,717)	5,076,717	-

Effective January 1, 2011, the Pooling Arrangement was amended, effectively adding Rockhill, Plaza, American Compensation and Bloomington Compensation to the Pooling Arrangement as zero percentage participants. In conjunction with the January 1, 2011 amendment, the Company received cash, net of a ceding commission, of \$35,583,553, which relates to the net insurance assets and liabilities received by the Company as shown in the table below.

	Amount (\$)
	January 1, 2011
Loss and loss adjustment expense reserves	29,585,062
Unearned premiums	8,124,386
Earned but unbilled reserve	(34,010)
Miscellaneous assets and liabilities	(111,580)
Total net liabilities received	37,564,858
Ceding commission paid	(1,981,305)
Net cash received	35,583,553

Effective December 31, 2011, the Pooling Arrangement was amended, effectively changing the pooling participation percentages of certain participants and including in the State Auto Pool certain balance sheet accounts related to underwriting expenses. In conjunction with the December 31, 2011 amendment, the Company will receive cash, net of a ceding commission, of \$272,904,879, which relates to the net insurance assets and liabilities received by the Company. The table below shows the balance sheet effect to the Company.

	Amount (\$)		
	Cash	Net Insurance Liabilities	Surplus
		December 31, 2011	December 31, 2011
Loss and loss adjustment expense reserves	202,758,584	202,758,584	-
Unearned premiums	106,697,657	106,697,657	-
Earned but unbilled reserve	104,980	104,980	-
Miscellaneous assets and liabilities	(9,405,747)	14,843,379	(24,249,126)
Nonadmitting of prepaid assets	-	26,440,259	(26,440,259)
Net change	300,155,474	350,844,859	(50,689,385)
Ceding commission	(27,250,595)	-	(27,250,595)
Net change, including ceding commission	272,904,879	350,844,859	(77,939,980)

Per SSAP No. 62 – *Property and Casualty Reinsurance*, ceded reinsurance written premiums payable may be deducted from amounts due from the reinsurer when a legal right of offset exists. As the Pooling Arrangement provides for the right of offset, the Company has netted within the Statement of Assets and Liabilities the amount due to each State Auto Pool participant under ceded reinsurance written premiums payable with the amount due from the same participant on assumed reinsurance written premiums receivable for transactions under the Pooling Arrangement. The following tabular presentation reflects the ceded reinsurance written premiums payable and assumed reinsurance written premiums receivable at December 31, 2011, between each State Auto Pool participant and State Auto Mutual resulting in the net amount due to or due from State Auto Mutual:

	Amount (\$)		
	Assumed Reinsurance Written Premiums Receivable from State Auto Mutual	Ceded Reinsurance Written Premiums Payable to State Auto Mutual	Net Assumed Reinsurance Written Premiums Receivable/(Net Ceded Reinsurance Written Premiums Payable)
State Auto P&C	185,969,639	145,691,482	40,278,157
Milbank	53,584,472	19,341,523	34,242,949
SA Wisconsin	-	8,504,289	(8,504,289)
Farmers	9,456,084	3,405,819	6,050,265
SA Ohio	3,152,028	16,914,493	(13,762,465)
SA Florida	-	43,238	(43,238)
Meridian Security	-	44,555,316	(44,555,316)
Meridian Citizens Mutual	1,576,014	9,986,449	(8,410,435)
Beacon National	-	1,976,209	(1,976,209)
Patrons Mutual	1,260,811	14,723,303	(13,462,492)
Litchfield	315,203	657,289	(342,086)
Rockhill	-	18,233,653	(18,233,653)
Plaza	-	11,795,393	(11,795,393)
American Compensation	-	8,271,992	(8,271,992)
Bloomington Compensation	-	367,382	(367,382)

26. Intercompany Pooling Arrangements (continued):

The following tabular presentation reflects the reinsurance receivable and payable on loss and loss adjustment expense paid at December 31, 2011, between each State Auto Pool participant and State Auto Mutual:

	Amount (\$)	
	Assumed Reinsurance Loss and Loss Adjustment Expense Paid from State Auto Mutual	Ceded Reinsurance Loss and Loss Adjustment Expense Paid to State Auto Mutual
State Auto P&C	166,364,860	108,114,981
Milbank	47,935,638	13,174,412
SA Wisconsin	-	5,253,645
Farmers	8,459,230	2,678,888
SA Ohio	2,819,743	11,643,597
SA Florida	-	800,572
Meridian Security	-	31,721,105
Meridian Citizens Mutual	1,409,872	6,149,946
Beacon National	-	2,136,895
Patrons Mutual	1,127,897	11,558,041
Litchfield	281,974	660,386
Rockhill	-	2,814,840
Plaza	-	3,082,828
American Compensation	-	6,087,622
Bloomington Compensation	-	1,609,300

The following tabular presentation reflects all other intercompany amounts due from and due to State Auto Mutual from entities participating in the Pooling Arrangement at December 31, 2011:

	Amount (\$)	
	Intercompany Amounts Due from State Auto Mutual	Intercompany Amounts Due to State Auto Mutual
State Auto P&C	-	193,202,619
Milbank	-	64,424,033
SA Wisconsin	3,010,842	-
Farmers	-	59,878,400
SA Ohio	-	16,172,028
SA Florida	-	698,564
Meridian Security	9,665,106	-
Meridian Citizens Mutual	3,100,052	-
Beacon National	-	1,387,752
Patrons Mutual	1,323,880	-
Litchfield	233,140	-
Rockhill	2,309,856	-
Plaza	3,121,545	-
American Compensation	1,218,560	-
Bloomington Compensation	277,178	-

Additionally, SA Wisconsin owes State Auto P&C \$65,549, Patrons Mutual owes Litchfield \$527,321, State Auto P&C owes Meridian Citizens Mutual \$60, Meridian Security owes Meridian Citizens Mutual \$470, Rockhill owes Plaza \$65,189, American Compensation owes Plaza \$527,720, American Compensation owes Bloomington Compensation \$210,206, and Bloomington Compensation owes Plaza \$712.

27. 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 \$8,658,700 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: None.**28. Health Care Receivables: Not applicable.****29. Participating Policies: Not applicable.****30. Premium Deficiency Reserves:**

The Company has assumed through the Pooling Arrangement a premium deficiency reserve of \$42,500 from State Auto Mutual's accident and health business. This is recorded in the aggregate write-in for liabilities and the change in the reserve is reflected in aggregate write-in for underwriting deductions. The Company anticipates investment income as a factor in the premium deficiency calculation, except for its accident and health business, in accordance with SSAP No. 53 - *Property - Casually Contracts - Premiums*.

31. High Deductibles:

As of December 31, 2011 and 2010, the amount of reserve credit recorded for high deductibles on unpaid claims was \$485,322 and \$302,764 respectively, and the amount billed and recoverable on paid claims was \$233,394 and \$12,039, respectively.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses: Not applicable.

33. 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. The assumed and ceded historic amounts have been restated to reflect the change in the Pooling Agreement. (See Note 26 – Intercompany Pooling Arrangements.)

Direct Basis:	Amount (\$)				
	2007	2008	2009	2010	2011
Beginning reserves	1,429,171	1,294,997	896,393	804,744	603,392
Incurred losses and loss adjustment expenses	(33,218)	(338,018)	(45,139)	(169,564)	27,910
Calendar year payments for losses and loss adjustment expenses	100,956	60,586	46,510	31,788	37,813
Ending reserves	1,294,997	896,393	804,744	603,392	593,489

Assumed Reinsurance Basis:	Amount (\$)				
	2007	2008	2009	2010	2011
Beginning reserves	3,415	90,727	581,211	47,060	37,686
Incurred losses and loss adjustment expenses	182,622	829,234	(501,822)	(1,489)	9,041
Calendar year payments for losses and loss adjustment expenses	95,310	338,750	32,329	7,885	2,428
Ending reserves	90,727	581,211	47,060	37,686	44,299

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2007	2008	2009	2010	2011
Beginning reserves	1,415,586	1,368,724	1,460,604	833,104	622,378
Incurred losses and loss adjustment expenses	149,404	491,216	(548,661)	(171,054)	36,950
Calendar year payments for losses and loss adjustment expenses	196,266	399,336	78,839	39,672	40,240
Ending reserves	1,368,724	1,460,604	833,104	622,378	619,088

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss & LAE):

	Amount (\$)
Direct Basis	340,000
Assumed Reinsurance Basis	19,512
Net of Ceded Reinsurance Basis	359,512

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR):

	Amount (\$)
Direct Basis	296,745
Assumed Reinsurance Basis	22,149
Net of Ceded Reinsurance Basis	309,544

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.

Direct Basis:	Amount (\$)				
	2007	2008	2009	2010	2011
Beginning reserves	3,091,509	3,898,511	3,761,285	4,378,965	4,674,037
Incurred losses and loss adjustment expenses	1,216,962	1,100,129	1,161,273	815,170	950,033
Calendar year payments for losses and loss adjustment expenses	409,960	1,237,355	543,593	520,098	623,067
Ending reserves	3,898,511	3,761,285	4,378,965	4,674,037	5,001,003

Assumed Reinsurance Basis:	Amount (\$)				
	2007	2008	2009	2010	2011
Beginning reserves	-	-	-	-	-
Incurred losses and loss adjustment expenses	-	-	-	-	-
Calendar year payments for losses and loss adjustment expenses	-	-	-	-	-
Ending reserves	-	-	-	-	-

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2007	2008	2009	2010	2011
Beginning reserves	2,805,487	3,342,189	3,259,363	3,648,519	3,738,445
Incurred losses and loss adjustment expenses	946,662	1,087,068	843,004	610,024	840,480
Calendar year payments for losses and loss adjustment expenses	409,960	1,169,894	453,848	520,098	490,942
Ending reserves	3,342,189	3,259,363	3,648,519	3,738,445	4,087,983

E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss & LAE):

	Amount (\$)
Direct Basis	3,740,000
Assumed Reinsurance Basis	-
Net of Ceded Reinsurance Basis	3,740,000

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

	Amount (\$)
Direct Basis	2,500,502
Assumed Reinsurance Basis	-
Net of Ceded Reinsurance Basis	2,043,991

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

35. **Multiple Peril Crop Insurance:** Not applicable.

36. **Financial Guaranty Insurance:** Not applicable.

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]							
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 [<input checked="" type="checkbox"/>]								
1.3	State regulating? <u>Ohio</u>		N/A [<input type="checkbox"/>]								
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 [<input type="checkbox"/>]								
2.2	If yes, date of change:		No [<input checked="" type="checkbox"/>]								
3.1	State as of what date the latest financial examination of the reporting entity was made or is being made.		12/31/2008								
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.		12/31/2008								
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).		03/01/2010								
3.4	By what department or departments? <u>Ohio Department of Insurance</u>										
3.5	Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?		Yes [<input type="checkbox"/>]								
3.6	Have all of the recommendations within the latest financial examination report been complied with?		N/A [<input checked="" type="checkbox"/>]								
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 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:		Yes [<input type="checkbox"/>]								
4.11	4.11 sales of new business?		No [<input checked="" type="checkbox"/>]								
4.12	4.12 renewals?		Yes [<input type="checkbox"/>]								
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:		No [<input checked="" type="checkbox"/>]								
4.21	4.21 sales of new business?		Yes [<input type="checkbox"/>]								
4.22	4.22 renewals?		No [<input checked="" type="checkbox"/>]								
5.1	Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?		Yes [<input type="checkbox"/>]								
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.		No [<input checked="" type="checkbox"/>]								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">1 Name of Entity</td> <td style="width: 33%; text-align: center;">2 NAIC Co. Code</td> <td style="width: 33%; text-align: center;">3 State of Domicile</td> </tr> </table>		1 Name of Entity	2 NAIC Co. Code	3 State of Domicile							
1 Name of Entity	2 NAIC Co. Code	3 State of Domicile									
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?		Yes [<input type="checkbox"/>]								
6.2	If yes, give full information:		No [<input checked="" type="checkbox"/>]								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> </table>		1 Nationality	2 Type of Entity								
1 Nationality	2 Type of Entity										
7.1	Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?		Yes [<input type="checkbox"/>]								
7.2	If yes,		No [<input checked="" type="checkbox"/>]								
7.21	7.21 State the percentage of foreign control	0.000 %								
7.22	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)										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> </table>		1 Nationality	2 Type of Entity								
1 Nationality	2 Type of Entity										
8.1	Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?		Yes [<input type="checkbox"/>]								
8.2	If response to 8.1 is yes, please identify the name of the bank holding company.		No [<input checked="" type="checkbox"/>]								
8.3	Is the company affiliated with one or more banks, thrifts or securities firms?		Yes [<input type="checkbox"/>]								
8.4	If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.		No [<input checked="" type="checkbox"/>]								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 14%; text-align: center;">1 Affiliate Name</td> <td style="width: 14%; text-align: center;">2 Location (City, State)</td> <td style="width: 14%; text-align: center;">3 FRB</td> <td style="width: 14%; text-align: center;">4 OCC</td> <td style="width: 14%; text-align: center;">5 OTS</td> <td style="width: 14%; text-align: center;">6 FDIC</td> <td style="width: 14%; text-align: center;">7 SEC</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC			
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC					
9.	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								
10.1	Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?		Yes [<input type="checkbox"/>]		No [<input checked="" type="checkbox"/>]						
10.2	If the response to 10.1 is yes, provide information related to this exemption:										
10.3	Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?		Yes [<input type="checkbox"/>]		No [<input checked="" type="checkbox"/>]						
10.4	If the response to 10.3 is yes, provide information related to this exemption:										
10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?		Yes [<input checked="" type="checkbox"/>]		No [<input type="checkbox"/>]						
10.6	If the answer to 10.5 is no or n/a, please explain.										

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Matthew S. Mrozek, FCAS, 518 East Broad Street, Columbus, Ohio 43215, officer of reporting entity

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

12.11 Name of real estate holding company
518 Property Management and Leasing LLC

.....21

\$....19,597,654

- 12.2 If yes, provide explanation.
The Company owns 62.6% of State Auto Financial Corporation which indirectly owns 100% of 518 Property Management and Leasing LLP.

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

- 14.11 If the response to 14.1 is no, please explain:

- 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []

- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).

The Nominating and Governance Committee of the Company's Board of Directors annually reviews the employee code of conduct, which is applicable to all senior managers.

The 2011 annual review resulted in minor changes to the code.

- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [X] No []

- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
071004446	Albany Bank & Trust Co	When a principal company does not fulfill the requirements, then the LOC can be used.	180,000
074910854	Farmers State Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	105,303
064208013	Carter County Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	100,000
074914407	Community First Bank of Indiana	When a principal company does not fulfill the requirements, then the LOC can be used.	81,875
083904181	Edmonton State Bank	When a principal company does not fulfill the requirements, then the LOC can be used	50,000
243073632	Fidelity Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	550,000
082908748	First Community Bank of Crawford County	When a principal company does not fulfill the requirements, then the LOC can be used.	200,000
074913301	First Farmers Bank & Trust	When a principal company does not fulfill the requirements, then the LOC can be used.	390,135
091809252	First National Bank & Trust Co	When a principal company does not fulfill the requirements, then the LOC can be used.	170,000
111913426	Frost Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	637,504
241271193	Home Savings Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	1,000,000
271070513	Marquette Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	50,000
242272227	NCB	When a principal company does not fulfill the requirements, then the LOC can be used.	100,000
061202371	PeoplesSouth Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	147,000
074901672	Star Financial Bank	When a principal company does not fulfill the requirements, then the LOC can be used.	100,000

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. 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 []
17. 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 []
18. 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 that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|----------|
| 20.11 To directors or other officers | \$.....0 |
| 20.12 To stockholders not officers | \$.....0 |
| 20.13 Trustees, supreme or grand (Fraternal only) | \$.....0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|----------|
| 20.21 To directors or other officers | \$.....0 |
| 20.22 To stockholders not officers | \$.....0 |
| 20.23 Trustees, supreme or grand (Fraternal only) | \$.....0 |
- 21.1 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]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------|----------|
| 21.21 Rented from others | \$.....0 |
| 21.22 Borrowed from others | \$.....0 |
| 21.23 Leased from others | \$.....0 |
| 21.24 Other | \$.....0 |
- 22.1 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]
- 22.2 If answer is yes:

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**PART 1 - COMMON INTERROGATORIES - FINANCIAL**

22.21	Amount paid as losses or risk adjustment	\$.....0
22.22	Amount paid as expenses	\$.....0
22.23	Other amounts paid	\$.....0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [X] No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount.	\$.....0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1	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 (other than securities lending programs addressed in 24.3)?	Yes [] No []		
24.2	If no, give full and complete information relating thereto.			
24.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).			
24.4	Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes [] No [] N/A [X]		
24.5	If answer to 24.4 is yes, report amount of collateral for conforming programs.	\$.....0		
24.6	If answer to 24.4 is no, report amount of collateral for other programs.	\$.....0		
24.7	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [] No [] N/A [X]		
24.8	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [] No [] N/A [X]		
24.9	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?	Yes [] No [] N/A [X]		
25.1	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, 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 21.1 and 24.3)	Yes [] No [] N/A [X]		
25.2	If yes, state the amount thereof at December 31 of the current year:	Yes [X] No []		
25.21	Subject to repurchase agreements	\$.....0		
25.22	Subject to reverse repurchase agreements	\$.....0		
25.23	Subject to dollar repurchase agreements	\$.....0		
25.24	Subject to reverse dollar repurchase agreements	\$.....0		
25.25	Pledged as collateral	\$.....20,008,078		
25.26	Placed under option agreements	\$.....0		
25.27	Letter stock or securities restricted as to sale	\$.....0		
25.28	On deposit with state or other regulatory body	\$.....6,147,379		
25.29	Other	\$.....0		
25.3	For category (25.27) provide the following:			
	1 Nature of Restriction	2 Description	3 Amount	
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [] No [X]		
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes [] No [] N/A [X]		
27.1	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]		
27.2	If yes, state the amount thereof at December 31 of the current year.	\$.....0		
28.	Excluding items in Schedule E-Part 3-Special Deposits, 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 Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?	Yes [X] No []		
28.01	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		
	JP Morgan Chase Worldwide Securities	1111 Polaris Parkway, Suite 2N, Columbus, Ohio 43240		
	The Northern Trust Company	50 S LaSalle St., B-10, Chicago, IL 60675		
28.02	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)	
	Federal Home Loan Bank	Cincinnati, OH	Investment required as a provision of obtaining loans.	
28.03	Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?	Yes [] No [X]		
28.04	If yes, give full and complete information relating thereto:			
	1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
28.05	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	
	131394	Cortina Asset Mgmt.	330 E Kilbourn Suite 850, Milwaukee, WI 53202	
29.1	Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?	Yes [] No [X]		
29.2	If yes, complete the following schedule:			
	1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value	
	29.2999. TOTAL		0	

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	182,565,449	192,187,064	9,621,615
30.2 Preferred stocks.....			0
30.3 Totals.....	182,565,449	192,187,064	9,621,615

30.4 Describe the sources or methods utilized in determining the fair values:

Pricing services and broker / dealers

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....1,026,853
- 33.2 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 Offices	622,882

- 34.1 Amount of payments for legal expenses, if any? \$.....191,699
- 34.2 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
Baker & Hostetler LLP	66,809

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

35.2 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

GENERAL INTERROGATORIES**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:

- 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 lives0
 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 lives0
 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 lives0
 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 lives0
2. Health test:
- | | 1
Current Year | 2
Prior Year |
|----------------------------------|--------------------|--------------------|
| 2.1 Premium Numerator..... | \$.....0 | \$.....0 |
| 2.2 Premium Denominator..... | \$.....339,322,205 | \$.....298,619,132 |
| 2.3 Premium Ratio (2.1/2.2)..... |0.0 |0.0 |
| 2.4 Reserve Numerator..... | \$.....24,184 | \$.....26,620 |
| 2.5 Reserve Denominator..... | \$.....910,032,277 | \$.....512,884,679 |
| 2.6 Reserve Ratio (2.4/2.5)..... |0.0 |0.0 |
- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []
 3.2 If yes, state the amount of calendar year premiums written on:
 3.21 Participating policies \$.....28,857,959
 3.22 Non-participating policies \$.....383,388,518
4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
- 4.1 Does the reporting entity issue assessable policies? Yes [] No [X]
 4.2 Does the reporting entity issue non-assessable policies? Yes [X] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?0.0 %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0
5. FOR RECIPROCAL EXCHANGES ONLY:
- 5.1 Does the exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
 5.22 As a direct expense of the exchange Yes [] No [] N/A []
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
 5.5 If yes, give full information:

- 6.1 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?
All of the State Auto Group companies writing workers' compensation are included in the workers' compensation excess of loss reinsurance agreement which provides a total of \$9 million coverage in excess of a \$1 million retention. In addition, all companies are party to a catastrophe workers' compensation excess of loss reinsurance agreement which provides an additional \$10 million of coverage for events involving multiple workers.
- 6.2 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:
Computer modeling is performed annually by the Companies' property reinsurance broker on a group basis using the combined property exposures of each State Auto Group company. Natural perils that could impact the Companies include a New Madrid earthquake, an Atlantic or Gulf Coast hurricane, and severe thunderstorm systems, including tornado/hail damage. Catastrophe models used in the past include those developed by Applied Insurance Research (AIR) and Risk Management Solutions (RMS).
- 6.3 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 maximum property insurance loss?
All of the State Auto Group companies are party to a traditional catastrophe reinsurance agreement providing \$160 million in coverage for covered losses above a \$55 million retention, with a 5% co-participation. Effective December 31, 2011 State Auto Group entered into a three-year quota share agreement ceding approximately 75% of the homeowners book of business.
- 6.4 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 []
 6.5 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:

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that 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 [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.1
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 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]
- 8.2 If yes, give full information:
-
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?
- Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 - (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?
- Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?
- Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or
 - (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
 - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.
- Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance 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 []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information:
-
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 12.11 Unpaid losses | \$.....0 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$.....0 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|------------|
| 12.41 From |0.0 % |
| 12.42 To |0.0 % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes 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]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- | | |
|----------------------------------|----------|
| 12.61 Letters of credit | \$.....0 |
| 12.62 Collateral and other funds | \$.....0 |

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 1,904,000
- 13.2 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]
- 13.3 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 the amount: 4
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
The Company's reinsurance treaties are written to include multiple members of the State Auto Group. The total ceded premiums for each treaty are calculated based on that contract's definition of subject premium. Each cedant company's portion of the total ceded premiums is based on its contribution to that subject premium base.
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No [X]
- 14.5 If the answer to 14.4 is no, please explain:
As noted in #14.2 above, ceded premiums are allocated based on each cedant company's proportionate share of that contract's calculated subject premium base. Although not specified in each contract, Statutory Accounting Principles logically direct the Company to match each company's costs with that company's benefits under each contract.
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information:

- 16.1 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 |
|-----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home..... | | | | | |
| 16.12 Products..... | | | | | |
| 16.13 Automobile..... | | | | | |
| 16.14 Other*..... | | | | | |
- * Disclose type of coverage:
- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [] No [X]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.
- Provide the following information for this exemption:
- | | |
|---|------------|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 | \$ 0 |
| 17.12 Unfunded portion of Interrogatory 17.11 | \$ 0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 | \$ 0 |
| 17.14 Case reserves portion of Interrogatory 17.11 | \$ 0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11 | \$ 0 |
| 17.16 Unearned premium portion of Interrogatory 17.11 | \$ 0 |
| 17.17 Contingent commission portion of Interrogatory 17.11 | \$ 0 |
- Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:
- | | |
|---|------------|
| 17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 | \$ 0 |
| 17.19 Unfunded portion of Interrogatory 17.18 | \$ 0 |
| 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 | \$ 0 |
| 17.21 Case reserves portion of Interrogatory 17.18 | \$ 0 |
| 17.22 Incurred but not reported portion of Interrogatory 17.18 | \$ 0 |
| 17.23 Unearned premium portion of Interrogatory 17.18 | \$ 0 |
| 17.24 Contingent commission portion of Interrogatory 17.18 | \$ 0 |
- 18.1 Do you act as a custodian for health savings account? Yes [] No [X]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	844,659,589	695,346,295	588,690,481	567,043,715	543,011,311
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	495,410,919	454,157,264	433,905,671	408,481,751	381,019,315
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	587,688,816	532,164,681	460,470,902	447,424,251	387,107,166
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	5,590,929	5,332,181	4,588,683	4,864,264	5,240,013
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(15,885)	36,287	(3,782)	(185,863)	418,909
6. Total (Line 35).....	1,933,334,368	1,687,036,708	1,487,651,954	1,427,628,118	1,316,796,714
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	205,854,496	129,677,563	109,334,735	88,798,695	131,869,943
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	119,067,862	85,673,740	81,792,491	65,926,650	92,062,965
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	110,877,524	99,601,784	87,390,101	74,268,728	91,952,482
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,462,193	1,008,387	867,311	825,948	1,137,898
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(15,885)	36,287	(3,782)	(185,863)	418,909
12. Total (Line 35).....	437,246,190	315,997,761	279,380,855	229,634,158	317,442,197
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(79,515,549)	(14,904,192)	(11,811,326)	(14,755,184)	17,784,581
14. Net investment gain (loss) (Line 11).....	28,677,804	19,345,817	13,508,955	42,092,185	51,389,463
15. Total other income (Line 15).....	2,747,718	620,474	(1,240,096)	391,285	470,425
16. Dividends to policyholders (Line 17).....	76,896	111,483	81,317	67,900	66,110
17. Federal and foreign income taxes incurred (Line 19).....	(5,700,425)	(2,547,835)	(4,865,407)	(4,310,265)	11,719,348
18. Net income (Line 20).....	(42,466,498)	7,498,451	5,241,623	31,970,651	57,859,011
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	2,156,907,267	1,929,317,615	1,721,761,190	1,911,444,526	1,845,151,826
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	240,690,091	178,097,483	145,233,927	139,605,326	113,918,965
20.2 Deferred and not yet due (Line 15.2).....	337,431,807	333,873,855	313,001,324	285,557,366	253,280,882
20.3 Accrued retrospective premiums (Line 15.3).....	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,371,413,662	895,968,197	797,122,206	687,583,317	651,388,312
22. Losses (Page 3, Line 1).....	373,676,317	168,459,576	157,678,452	156,213,292	167,686,162
23. Loss adjustment expenses (Page 3, Line 3).....	87,553,014	38,338,678	37,290,432	33,471,592	35,856,570
24. Unearned premiums (Page 3, Line 9).....	241,848,022	143,822,964	126,573,936	117,946,371	144,553,225
25. Capital paid up (Page 3, Lines 30 & 31).....	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37).....	785,493,605	1,033,349,418	924,638,984	1,223,861,209	1,193,763,514
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	312,521,269	26,049,647	5,083,720	(68,603,352)	22,095,195
Risk-Based Capital Analysis					
28. Total adjusted capital.....	785,493,605	1,033,349,418	924,638,984	1,223,861,209	1,193,763,514
29. Authorized control level risk-based capital.....	131,512,388	126,371,789	121,925,799	101,378,496	103,482,808
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	15.7	14.5	18.3	20.0	22.1
31. Stocks (Lines 2.1 & 2.2).....	71.7	73.3	71.2	65.2	68.5
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.1	4.0	4.5	2.8	2.5
34. Cash, cash equivalents and short-term investments (Line 5).....	6.3	6.5	4.8	11.5	6.5
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8).....	2.2	1.7	1.3	0.5	0.5
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.0	0.0	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	745,667,162	850,154,045	769,251,630	749,149,000	724,893,754
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	0	0	0	0	0
48. Total of above lines 42 to 47.....	745,667,162	850,154,045	769,251,630	749,149,000	724,893,754
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	94.9	82.3	83.2	61.2	60.7

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24).....	.....(130,937,877)	.....84,615,669	.....(250,600,972)	.....17,374,205	.....(189,889,492)
51. Dividends to stockholders (Line 35).....	.....0	.....0	.....0	.....0	.....0
52. Change in surplus as regards policyholders for the year (Line 38).....	.....(247,855,813)	.....108,710,434	.....(299,222,225)	.....30,097,695	.....(135,159,461)
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....310,987,155	.....335,231,016	.....281,008,183	.....256,428,983	.....242,741,495
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....290,680,835	.....253,922,543	.....241,587,612	.....216,956,137	.....178,555,987
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....443,615,270	.....302,691,600	.....302,773,108	.....290,797,811	.....201,222,741
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....933,680	.....1,328,449	.....642,947	.....498,146	.....605,644
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....231,205	.....160,191	.....911,732	.....2,639,545	.....9,500,226
58. Total (Line 35).....	.....1,046,448,145	.....893,333,799	.....826,923,583	.....767,320,621	.....632,626,094
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....(63,903,331)	.....62,065,205	.....50,799,104	.....65,874,113	.....52,708,733
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....48,167,947	.....47,925,180	.....46,041,234	.....43,496,479	.....42,700,094
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....48,244,052	.....56,610,464	.....56,500,690	.....57,366,521	.....41,705,333
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....6,813	.....688,327	.....120,714	.....156,633	.....112,759
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....(31,873)	.....30,436	.....687,328	.....2,609,057	.....9,380,108
64. Total (Line 35).....	.....32,483,607	.....167,319,612	.....154,149,070	.....169,502,803	.....146,607,027
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1).....	.....100.0	.....100.0	.....100.0	.....100.0	.....100.0
66. Losses incurred (Line 2).....	.....70.1	.....59.6	.....57.6	.....61.8	.....46.0
67. Loss expenses incurred (Line 3).....	.....12.2	.....10.0	.....11.8	.....11.6	.....9.8
68. Other underwriting expenses incurred (Line 4).....	.....41.2	.....35.4	.....34.9	.....32.3	.....38.1
69. Net underwriting gain (loss) (Line 8).....	.....(23.4)	.....(5.0)	.....(4.4)	.....(5.8)	.....6.1
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	.....31.3	.....33.2	.....34.3	.....35.8	.....34.7
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....82.2	.....69.6	.....69.4	.....73.4	.....55.8
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	.....55.7	.....30.6	.....30.2	.....18.8	.....26.6
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	.....(10,888)	.....(12,943)	.....(17,147)	.....(8,151)	.....(14,580)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100).....	.....(1.1)	.....(1.4)	.....(1.4)	.....(0.7)	.....(1.1)
Two Year Loss Development (000 omitted)					
75. 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).....	.....(29,813)	.....(22,612)	.....(16,470)	.....(20,110)	.....(27,877)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0).....	.....(3.2)	.....(1.8)	.....(1.4)	.....(1.5)	.....(2.1)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes No

If no, please explain:

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.....	.....4,942	.....2,763	.....697	.....75	.....235	.....10	.....95	.....3,025	....XXX.....
2. 2002.....	....466,486	.....25,901	....440,585	.....272,677	.....12,260	.....17,259	.....521	.....28,250	.....610	.....9,989	....304,795	....XXX.....
3. 2003.....	....489,623	.....25,548	....464,075	.....245,727	.....9,981	.....15,413	.....398	.....25,862	.....163	.....10,261	....276,460	....XXX.....
4. 2004.....	....497,774	.....26,513	....471,261	.....240,435	.....14,273	.....16,187	.....950	.....27,986	.....81	.....8,924	....269,304	....XXX.....
5. 2005.....	....515,272	.....31,407	....483,865	.....263,749	.....14,774	.....16,604	.....521	.....28,750	.....324	.....9,268	....293,484	....XXX.....
6. 2006.....	....524,545	.....39,975	....484,570	.....242,170	.....10,694	.....16,665	.....326	.....29,496	.....224	.....9,306	....277,086	....XXX.....
7. 2007.....	....526,089	.....47,314	....478,775	.....231,841	.....8,187	.....17,078	.....227	.....29,656	.....389	.....9,302	....269,772	....XXX.....
8. 2008.....	....515,056	.....30,281	....484,775	.....287,884	.....16,366	.....16,431	.....745	.....35,657	.....881	.....8,775	....321,979	....XXX.....
9. 2009.....	....552,140	.....37,341	....514,800	.....276,646	.....8,927	.....15,169	.....350	.....32,843	.....47	.....6,889	....315,334	....XXX.....
10. 2010.....	....603,281	.....37,348	....565,933	.....282,988	.....5,046	.....11,408	.....344	.....31,549	.....58	.....6,278	....320,497	....XXX.....
11. 2011.....	....647,288	.....40,062	....607,226	.....270,364	.....5,287	.....6,893	.....189	.....34,688	.....102	.....7,552	....306,367	....XXX.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....2,619,423	....108,559	....149,803	....4,646	....304,973	....2,889	....86,637	....2,958,104	....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	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....35,768	....25,952	....18,211	....8,671	.....1,414	.....570	.....2,671	.....295	.....1,922	.....9	.....67	....24,490	....XXX.....
2. 2002.....	....2,176	.....971	....2,525	....767	.....168	.....26	.....377	.....0	.....184	.....0	.....54	....3,667	....XXX.....
3. 2003.....	....2,511	.....610	....2,741	....911	.....282	.....12	.....809	.....397	.....178	.....5	.....101	....4,586	....XXX.....
4. 2004.....	....2,102	.....724	....3,064	....1,052	.....258	.....18	.....681	.....163	.....200	.....7	.....122	....4,342	....XXX.....
5. 2005.....	....6,822	....3,331	....3,810	....1,015	.....691	.....15	.....620	.....18	.....367	.....2	.....174	....7,930	....XXX.....
6. 2006.....	....4,745	.....783	....5,760	....1,573	.....622	.....43	.....1,626	.....208	.....522	.....11	.....261	....10,656	....XXX.....
7. 2007.....	....7,073	.....354	....10,883	....2,689	.....846	.....11	.....3,221	.....603	.....912	.....0	.....368	....19,278	....XXX.....
8. 2008.....	....13,569	.....356	....12,066	....2,761	.....1,453	.....0	.....3,180	.....544	.....1,378	.....99	.....551	....27,886	....XXX.....
9. 2009.....	....29,020	.....2,196	....19,821	....4,209	.....3,218	.....53	.....5,147	.....731	.....2,303	.....3	.....1,273	....52,317	....XXX.....
10. 2010.....	....46,010	.....2,549	....41,084	....4,052	.....4,037	.....176	....10,113	.....807	.....4,547	.....6	.....2,660	....98,201	....XXX.....
11. 2011.....	....106,112	....7,213	....76,839	....6,299	.....5,398	.....84	....20,666	.....1,190	.....13,762	.....116	.....7,801	....207,876	....XXX.....
12. Totals.....	....255,909	....45,038	....196,804	....33,999	....18,387	....1,007	....49,110	....4,954	....26,276	....258	....13,432	....461,229	....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
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	.....19,357	.....5,133
2. 2002.....	....323,617	....15,155	....308,463	....69.4	.....58.5	....70.0	.....0	.....0	.....34.00	....2,963	....704
3. 2003.....	....293,523	....12,477	....281,047	....59.9	.....48.8	....60.6	.....0	.....0	.....34.00	....3,731	....855
4. 2004.....	....290,914	....17,267	....273,647	....58.4	.....65.1	....58.1	.....0	.....0	.....34.00	....3,390	....952
5. 2005.....	....321,413	....20,000	....301,413	....62.4	.....63.7	....62.3	.....0	.....0	.....34.00	....6,287	....1,643
6. 2006.....	....301,605	....13,862	....287,742	....57.5	.....34.7	....59.4	.....0	.....0	.....34.00	....8,149	....2,507
7. 2007.....	....301,511	....12,461	....289,050	....57.3	.....26.3	....60.4	.....0	.....0	.....34.00	....14,913	....4,365
8. 2008.....	....371,618	....21,753	....349,865	....72.2	.....71.8	....72.2	.....0	.....0	.....34.00	....22,519	....5,367
9. 2009.....	....384,167	....16,516	....367,652	....69.6	.....44.2	....71.4	.....0	.....0	.....34.00	....42,435	....9,882
10. 2010.....	....431,735	....13,037	....418,698	....71.6	.....34.9	....74.0	.....0	.....0	.....34.00	....80,493	....17,708
11. 2011.....	....534,722	....20,479	....514,244	....82.6	.....51.1	....84.7	.....0	.....0	.....34.00	....169,440	....38,436
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	....373,676	....87,553

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.

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior.....	179,121	183,583	185,426	182,686	184,119	183,248	182,170	181,813	183,267	182,105	(1,162)	292
2. 2002.....	298,183	292,822	290,752	286,788	283,336	282,455	281,508	280,881	280,867	280,639	(228)	(242)
3. 2003.....	XXX.....	277,909	268,616	264,451	259,350	257,816	256,316	254,876	255,030	255,173	144	297
4. 2004.....	XXX.....	XXX.....	267,763	263,073	252,114	250,253	249,552	247,225	246,434	245,549	(886)	(1,677)
5. 2005.....	XXX.....	XXX.....	XXX.....	294,141	286,372	275,274	273,841	272,749	271,776	272,622	846	(127)
6. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	275,612	268,209	266,422	261,463	258,868	257,961	(907)	(3,502)
7. 2007.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	266,417	261,648	260,495	260,426	258,871	(1,555)	(1,624)
8. 2008.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	335,666	319,862	315,331	313,811	(1,520)	(6,051)
9. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	349,732	336,527	332,555	(3,972)	(17,177)
10. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	384,311	382,665	(1,646)	XXX.....
11. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	466,010	XXX.....	XXX.....
									12. Totals.....	(10,888)		(29,813)

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior.....	000.....	66,519	102,138	123,474	133,282	142,558	149,113	152,037	156,727	159,527	XXX.....	XXX.....
2. 2002.....	161,191	219,624	245,059	260,655	267,561	272,363	274,486	275,221	276,138	277,156	XXX.....	XXX.....
3. 2003.....	XXX.....	155,653	203,115	222,426	235,130	244,453	247,553	248,666	249,934	250,760	XXX.....	XXX.....
4. 2004.....	XXX.....	XXX.....	140,268	191,321	211,817	225,293	234,050	238,310	240,422	241,400	XXX.....	XXX.....
5. 2005.....	XXX.....	XXX.....	XXX.....	135,751	205,057	232,422	249,365	257,374	262,064	265,058	XXX.....	XXX.....
6. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	149,483	202,507	223,180	235,711	243,908	247,814	XXX.....	XXX.....
7. 2007.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	143,175	193,656	214,501	230,172	240,505	XXX.....	XXX.....
8. 2008.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	190,380	250,402	273,307	287,203	XXX.....	XXX.....
9. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	192,723	253,028	282,538	XXX.....	XXX.....
10. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	211,047	289,005	XXX.....	XXX.....
11. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	271,781	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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior.....	64,866	48,018	39,452	31,902	27,641	22,309	18,737	15,958	14,382	11,916
2. 2002.....	52,989	31,614	20,750	13,340	8,192	5,523	4,151	3,323	2,735	2,134
3. 2003.....	XXX.....	46,768	30,371	17,918	11,089	6,825	4,675	3,667	3,095	2,242
4. 2004.....	XXX.....	XXX.....	53,650	34,348	17,292	9,978	7,174	4,802	3,576	2,531
5. 2005.....	XXX.....	XXX.....	XXX.....	60,538	35,407	18,060	11,171	7,540	4,471	3,398
6. 2006.....	XXX.....	XXX.....	XXX.....	XXX.....	53,306	30,023	20,044	12,292	8,181	5,606
7. 2007.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	49,751	31,104	21,100	14,450	10,812
8. 2008.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	59,080	33,657	20,263	11,941
9. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	67,244	41,100	20,027
10. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	77,368	46,338
11. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	90,016

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	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	8,325,142	8,857,939	0	7,574,254	8,499,074	7,840,829	39,482	0	
2. Alaska.....	AK	0	0	0	0	0	0	0	0	
3. Arizona.....	AZ	2,119,902	2,791,231	0	2,009,356	.821,115	3,886,435	2,014	0	
4. Arkansas.....	AR	20,364,419	20,637,003	0	11,551,051	13,034,624	11,297,102	153,370	0	
5. California.....	CA	Q	0	0	0	0	0	0	0	
6. Colorado.....	CO	L	3,638,963	3,460,919	0	1,654,444	1,531,832	2,130,798	15,116	0
7. Connecticut.....	CT	L	959,664	.811,210	0	.81,595	.272,551	.907,103	1,005	0
8. Delaware.....	DE	L	2,162	.47,471	0	.56,270	.124,559	.76,182	119	0
9. District of Columbia.....	DC	L	360,371	.322,813	0	.69,706	.232,716	.260,368	197	0
10. Florida.....	FL	L	497,435	.791,882	0	.290,810	.190,173	1,555,937	.702	0
11. Georgia.....	GA	L	5,110,665	.5,674,936	0	6,122,752	4,932,916	.9,784,261	15,973	0
12. Hawaii.....	HI	L	0	0	0	0	0	0	0	
13. Idaho.....	ID	L	0	0	0	0	0	0	0	
14. Illinois.....	IL	L	8,248,448	.8,249,378	0	7,042,972	.6,984,893	.21,616,211	.15,668	0
15. Indiana.....	IN	L	22,118,216	21,764,396	0	11,775,550	7,386,310	.16,059,512	111,273	0
16. Iowa.....	IA	L	1,677,314	1,647,613	.69,635	1,256,878	1,113,474	.1,856,742	.5,357	0
17. Kansas.....	KS	L	2,795,516	2,481,103	0	1,543,696	1,789,056	1,448,512	.14,964	0
18. Kentucky.....	KY	L	20,777,802	20,920,192	0	10,904,215	.9,205,330	14,774,078	.59,741	0
19. Louisiana.....	LA	L	0	0	0	0	0	0	0	
20. Maine.....	ME	L	0	0	0	0	0	0	0	
21. Maryland.....	MD	L	24,218,336	24,193,346	0	12,219,275	12,951,966	15,627,623	127,168	0
22. Massachusetts.....	MA	L	.48,654	.17,342	0	0	.8,012	.8,012	.89	0
23. Michigan.....	MI	L	30,977,935	28,702,853	0	25,070,954	.27,152,763	.52,411,570	.180,480	0
24. Minnesota.....	MN	L	3,563,231	.3,603,890	0	2,783,515	.725,900	.5,529,596	.19,392	0
25. Mississippi.....	MS	L	1,663,504	1,681,512	0	1,432,330	.1,251,552	.1,111,660	.2,983	0
26. Missouri.....	MO	L	1,082,323	1,166,346	0	1,354,434	.1,411,909	.2,039,362	.2,216	0
27. Montana.....	MT	L	0	0	0	0	0	0	0	
28. Nebraska.....	NE	L	0	0	0	0	0	0	0	
29. Nevada.....	NV	L	0	0	0	0	0	0	0	
30. New Hampshire.....	NH	L	0	0	0	0	0	0	0	
31. New Jersey.....	NJ	L	0	0	0	0	0	0	0	
32. New Mexico.....	NM	L	0	0	0	0	0	0	0	
33. New York.....	NY	L	0	0	0	0	0	0	0	
34. North Carolina.....	NC	L	8,178,212	.7,952,214	0	7,640,711	.8,433,488	.6,457,364	.15,850	0
35. North Dakota.....	ND	L	149,775	.222,706	0	.22,452	.206,818	.415,113	.814	0
36. Ohio.....	OH	L	151,517,790	.156,992,626	0	.105,590,750	.107,361,179	.94,866,440	.628,460	0
37. Oklahoma.....	OK	L	902,610	.988,388	0	.1,715,242	.2,622,387	.1,742,768	.725	0
38. Oregon.....	OR	L	0	0	0	0	0	0	0	
39. Pennsylvania.....	PA	L	18,405,730	18,328,195	0	10,789,934	.11,749,262	.26,164,644	.59,747	0
40. Rhode Island.....	RI	L	0	0	0	0	0	0	0	
41. South Carolina.....	SC	L	17,091,623	15,897,209	0	.11,643,918	.12,354,693	.7,314,455	.120,488	0
42. South Dakota.....	SD	L	.316,685	.338,917	0	.492,099	.(238,285)	.374,773	.1,068	0
43. Tennessee.....	TN	L	18,230,235	17,662,309	0	.8,870,740	.13,038,024	.21,635,184	.60,873	0
44. Texas.....	TX	L	30,738,993	27,643,007	0	.11,654,018	.20,217,815	.24,296,165	.105,549	0
45. Utah.....	UT	L	176,703	.101,708	0	.71,998	.39,150	.118,897	.395	0
46. Vermont.....	VT	L	0	0	0	0	0	0	0	
47. Virginia.....	VA	L	2,338,320	.2,370,600	.2,775	1,565,738	.1,163,074	.3,855,009	.2,612	0
48. Washington.....	WA	L	0	0	0	0	0	0	0	
49. West Virginia.....	WV	L	4,115,811	.4,124,492	0	3,424,816	.1,128,358	.3,657,203	.8,064	0
50. Wisconsin.....	WI	L	1,533,985	1,403,650	.23,813	.987,592	.514,251	.1,727,072	.6,880	0
51. Wyoming.....	WY	L	0	0	0	0	0	0	0	
52. American Samoa.....	AS	N	0	0	0	0	0	0	0	
53. Guam.....	GU	N	0	0	0	0	0	0	0	
54. Puerto Rico.....	PR	N	0	0	0	0	0	0	0	
55. US Virgin Islands.....	VI	N	0	0	0	0	0	0	0	
56. Northern Mariana Islands.....	MP	N	0	0	0	0	0	0	0	
57. Canada.....	CN	N	0	0	0	0	0	0	0	
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0	0	
59. Totals.....		(a) 50	412,246,474	.411,849,395	.96,223	.269,264,065	.278,210,942	.362,846,980	1,778,834	0

DETAILS OF WRITE-INS

5801.	XXX	0	0	0	0	0	0	0	0
5802.	XXX	0	0	0	0	0	0	0	0
5803.	XXX	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

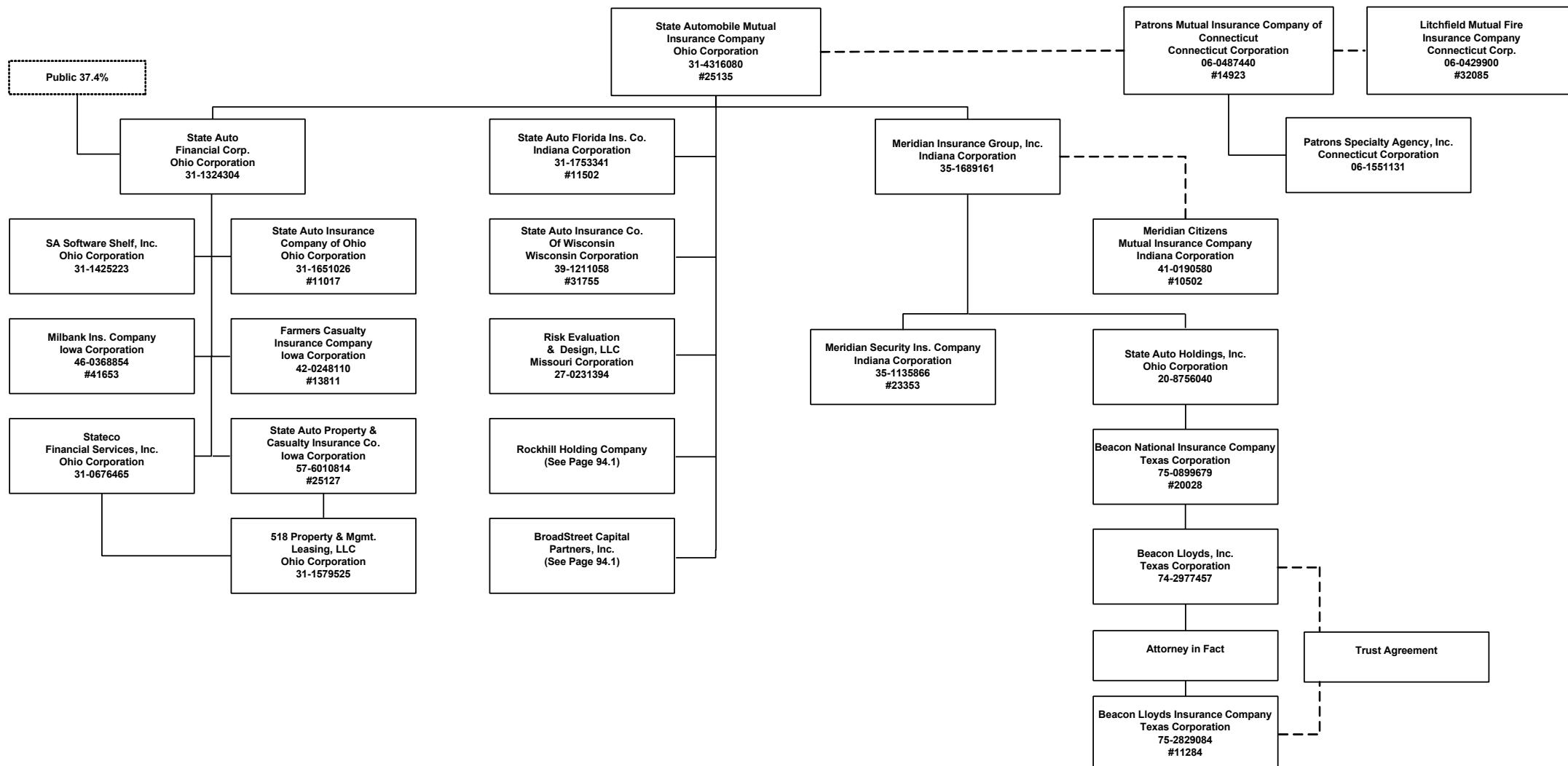
Explanation of Basis of Allocation of Premiums by States, etc.

All Lines: the location of the insured risk controls the state code which is used for all statistical records.

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

PART 1 – ORGANIZATIONAL CHART

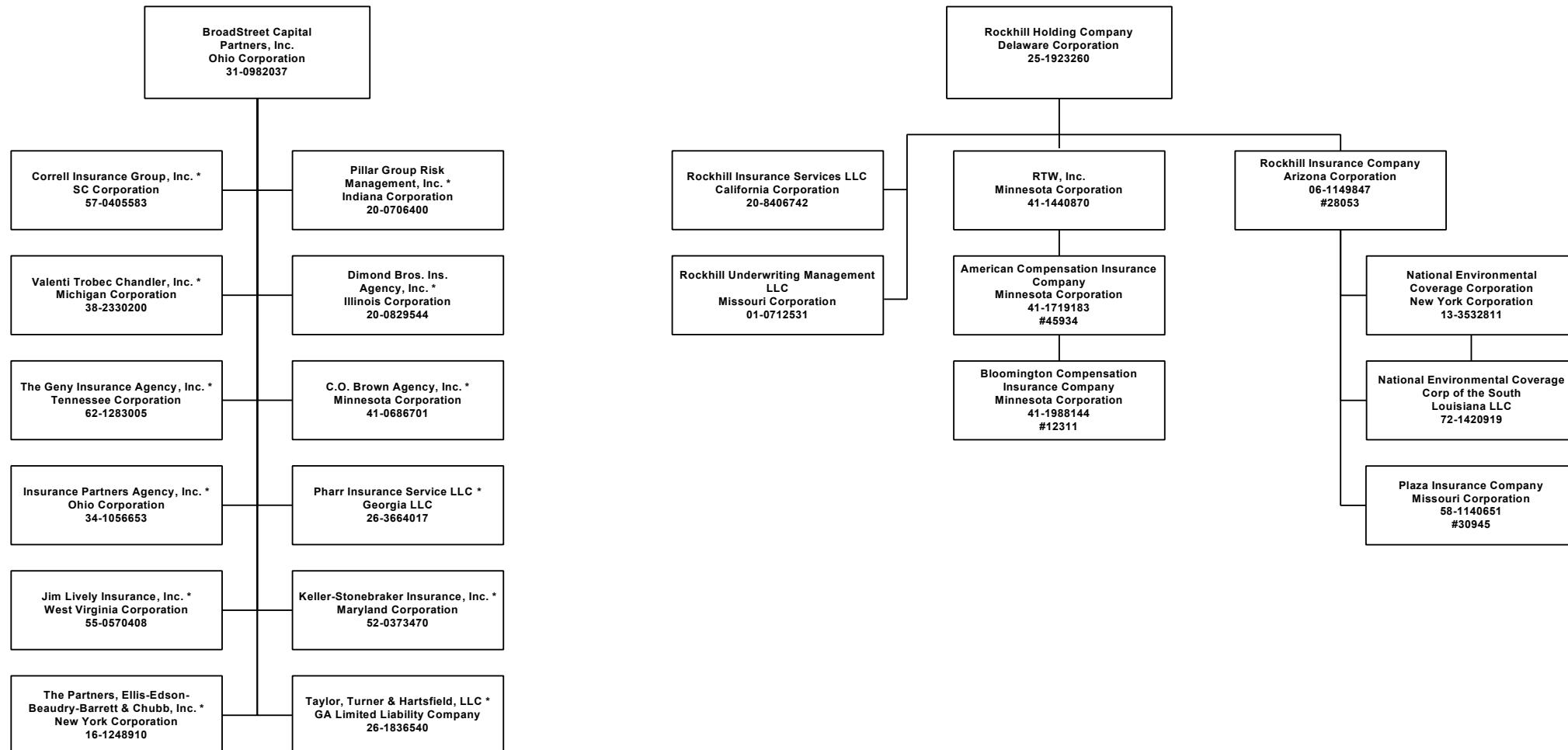
ORGANIZATIONAL STRUCTURE OF STATE AUTO HOLDING COMPANY SYSTEM



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



* BroadStreet Capital Partners, Inc. has an equity investment in these corporations.

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