



ANNUAL STATEMENT

For the Year Ended December 31, 2012
of the Condition and Affairs of the

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

NAIC Group Code.....0175, 0175 (Current Period) (Prior Period)	NAIC Company Code..... 25135	Employer's ID Number..... 31-4316080
Organized under the Laws of OHIO	State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated/Organized..... August 15, 1921	Commenced Business..... September 1, 1921	
Statutory Home Office	518 EAST BROAD STREET..... COLUMBUS OH US 43215 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	518 EAST BROAD STREET..... COLUMBUS OH US..... 43215 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	518 EAST BROAD STREET..... COLUMBUS OH US 43215 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	518 EAST BROAD STREET..... COLUMBUS OH US 43215 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	WWW.STATEAUTO.COM	
Statutory Statement Contact	TINA MARIE STILLABOWER <i>(Name)</i> corporateaccounting@stateauto.com <i>(E-Mail Address)</i>	317-931-7473 <i>(Area Code) (Telephone Number) (Extension)</i> 317-931-6558 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. ROBERT PAUL RESTREPO, JR.	PRESIDENT	2. JAMES ANDREW YANO	SECRETARY
3. STEVEN EUGENE ENGLISH	CHIEF FINANCIAL OFFICER	4.	

OTHER

CLYDE HOWARD FITCH, JR.	SENIOR VICE PRESIDENT	DOUGLAS EDWARD ALLEN	VICE PRESIDENT
JOEL EDWARD BROWN	VICE PRESIDENT	JESSICA ELIZABETH BUSS	VICE PRESIDENT
JOYCE ANN DALLESSIO	VICE PRESIDENT	DAVID WILLIAM DALTON	VICE PRESIDENT
NANCY DUFFEY EDWARDS	VICE PRESIDENT	STEVEN RAY HAZELBAKER	VICE PRESIDENT
RICKY LEE HOLBEIN	VICE PRESIDENT	STEPHEN PETER HUNCKLER	VICE PRESIDENT
SCOTT ALAN JONES #	VICE PRESIDENT	KAREN LYNN LONGSHORE #	VICE PRESIDENT
CHARLES EDWARD MCSHANE, JR. #	VICE PRESIDENT	CATHY BERNATH MILEY	VICE PRESIDENT
MATTHEW STANLEY MROZEK	VICE PRESIDENT	PAUL EDWARD NORDMAN	VICE PRESIDENT
JOHN MICHAEL PETRUCCI	VICE PRESIDENT	CYNTHIA ANN POWELL	VICE PRESIDENT
TIMOTHY GERARD REIK	VICE PRESIDENT	MARY JEAN REYNOLDS	VICE PRESIDENT
LYLE DEAN RHODEBECK	VICE PRESIDENT	LORRAINE MARGARET SIEGWORTH	VICE PRESIDENT
LARRY EMMETT WILLEFORD	VICE PRESIDENT		

DIRECTORS OR TRUSTEES

DENNIS RAY BLANK	ALISON COOLBRITH	MICHAEL JOSEPH FIORILE	JAMES EDWARD KUNK
PAUL JOHN OTTE	ROBERT PAUL RESTREPO, JR.	MARSHA PASQUINELLI RYAN	KENAN LEE SCHULTHEIS
EDWIN JESSE SIMCOX	DWIGHT ERIC SMITH	ROGER PHILIP SUGARMAN	

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.	_____ (Signature) JAMES ANDREW YANO	_____ (Signature) STEVEN EUGENE ENGLISH
1. (Printed Name) PRESIDENT	2. (Printed Name) SECRETARY	3. (Printed Name) CHIEF FINANCIAL OFFICER
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This 20TH day of FEBRUARY, 2013

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	424,703,536	0	424,703,536	156,054,257
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	662,992,724	25,067,552	637,925,172	711,961,742
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).....	36,485,140	0	36,485,140	39,848,868
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	506,083
5. Cash (\$.....40,858,114, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....35,678,166, Schedule DA).....	76,536,280	0	76,536,280	63,017,499
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).....	73,609,298	0	73,609,298	21,725,768
9. Receivables for securities.....	10,000,000	0	10,000,000	0
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).....	1,284,326,978	25,067,552	1,259,259,426	993,114,217
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	3,554,857	0	3,554,857	1,303,553
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	202,769,203	61,099	202,708,104	240,690,091
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....1,785,058 earned but unbilled premiums).....	379,681,897	1,055,301	378,626,596	337,431,807
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	202,156,893	0	202,156,893	231,396,267
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
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.....	3,628,931	0	3,628,931	6,690,036
18.2 Net deferred tax asset.....	0	0	0	0
19. Guaranty funds receivable or on deposit.....	177,730	0	177,730	191,312
20. Electronic data processing equipment and software.....	34,868,562	30,923,873	3,944,689	2,275,651
21. Furniture and equipment, including health care delivery assets (\$.....0).....	6,229,566	6,229,566	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.....	38,769,248	0	38,769,248	343,435,463
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	37,279,510	36,346,074	933,436	378,870
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,193,443,375	99,683,465	2,093,759,910	2,156,907,267
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	2,193,443,375	99,683,465	2,093,759,910	2,156,907,267

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.....	356,436	356,050	386	336
2502. Prepaid expenses.....	3,890,000	3,890,000	0	0
2503. Equities and deposits in pools and associations.....	409,624	0	409,624	304,166
2598. Summary of remaining write-ins for Line 25 from overflow page.....	32,623,450	32,100,024	523,426	74,368
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	37,279,510	36,346,074	933,436	378,870

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	392,080,569	373,676,317
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	193,161,115	206,954,924
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	94,075,081	87,553,014
4. Commissions payable, contingent commissions and other similar charges.....	13,676,179	13,191,339
5. Other expenses (excluding taxes, licenses and fees).....	37,057,125	39,009,315
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	7,575,265	6,764,992
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 \$.....895,361.....	89,895,361	89,897,814
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....634,986,274 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).....	249,858,057	241,848,022
10. Advance premium.....	10,186,754	11,636,520
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	24,286	108,999
12. Ceded reinsurance premiums payable (net of ceding commissions).....	122,142,861	180,457,766
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	28,175	0
14. Amounts withheld or retained by company for account of others.....	10,223,034	16,256,532
15. Remittances and items not allocated.....	913,191	842,863
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	9,516	457,327
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	46,342,085	49,492,109
19. Payable to parent, subsidiaries and affiliates.....	49,385,522	24,501,573
20. Derivatives.....	0	0
21. Payable for securities.....	0	0
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.....	28,425,161	28,764,236
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,345,059,337	1,371,413,662
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	1,345,059,337	1,371,413,662
29. Aggregate write-ins for special surplus funds.....	368,486	609,059
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).....	748,332,087	784,884,546
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).....	748,700,573	785,493,605
38. TOTALS (Page 2, Line 28, Col. 3).....	2,093,759,910	2,156,907,267

DETAILS OF WRITE-INS

2501. Escheated funds payable.....	1,401,424	1,156,261
2502. Premium deficiency reserve.....	36,720	42,500
2503. Equities and deposits in pools and associations.....	209,977	132,877
2598. Summary of remaining write-ins for Line 25 from overflow page.....	26,777,040	27,432,598
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	28,425,161	28,764,236
2901. Retroactive reinsurance gain (loss).....	368,486	609,059
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).....	368,486	609,059
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).....	545,111,722	339,322,205
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	334,102,901	237,700,350
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	72,760,718	41,378,777
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	189,452,219	139,768,507
5. Aggregate write-ins for underwriting deductions.....	(5,780)	(9,880)
6. Total underwriting deductions (Lines 2 through 5).....	596,310,058	418,837,754
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(51,198,336)	(79,515,549)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	22,072,166	26,978,903
10. Net realized capital gains (losses) less capital gains tax of \$.....2,471,377 (Exhibit of Capital Gains (Losses)).....	13,480,342	1,698,901
11. Net investment gain (loss) (Lines 9 + 10).....	35,552,508	28,677,804
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....215,139 amount charged off \$.....1,535,622).....	(1,320,483)	(1,338,240)
13. Finance and service charges not included in premiums.....	3,387,379	2,012,659
14. Aggregate write-ins for miscellaneous income.....	(770,111)	2,073,299
15. Total other income (Lines 12 through 14).....	1,296,785	2,747,718
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(14,349,043)	(48,090,027)
17. Dividends to policyholders.....	101,971	76,896
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).....	(14,451,014)	(48,166,923)
19. Federal and foreign income taxes incurred.....	(4,034,304)	(5,700,425)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(10,416,710)	(42,466,498)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	785,493,605	1,033,349,418
22. Net income (from Line 20).....	(10,416,710)	(42,466,498)
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....1,260,501.....	(66,635,628)	(130,937,877)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	1,258,600	(27,390,540)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	39,300,818	(22,632,721)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	447,811	(245,000)
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.....	(747,923)	(24,183,177)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(36,793,032)	(247,855,813)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	748,700,573	785,493,605
DETAILS OF WRITE-INS		
0501. Premium deficiency reserve.....	(5,780)	(9,880)
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	(5,780)	(9,880)
1401. Miscellaneous income (expense).....	46,750	24,666
1402. Gain (loss) on sale of fixed assets.....	(598,398)	(16,966)
1403. Governmental fines and penalties.....	(23,697)	(7,020)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(194,766)	2,072,619
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(770,111)	2,073,299
3701. Deferred gain on asset transfers between parent and affiliate.....	24,962	65,949
3702. Net excess of pension liability over intangible asset.....	(1,295,398)	(24,249,126)
3703. Affiliate cost basis adjustment.....	522,513	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).....	(747,923)	(24,183,177)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	501,761,840	414,599,842
2. Net investment income.....	26,537,291	31,878,689
3. Miscellaneous income.....	1,491,550	2,509,012
4. Total (Lines 1 through 3).....	529,790,681	448,987,543
5. Benefit and loss related payments.....	301,295,430	31,667,424
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	256,138,815	112,851,301
8. Dividends paid to policyholders.....	186,684	117,099
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(4,624,032)	(8,169,550)
10. Total (Lines 5 through 9).....	552,996,897	136,466,274
11. Net cash from operations (Line 4 minus Line 10).....	(23,206,216)	312,521,269
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	113,516,939	71,018,270
12.2 Stocks.....	96,421,923	14,120,246
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	382,839	1,272,616
12.5 Other invested assets.....	5,786,207	304,038
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	4,738
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	216,107,908	86,719,908
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	383,392,942	63,061,755
13.2 Stocks.....	38,293,352	38,454,260
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	634,126	1,131,120
13.5 Other invested assets.....	58,762,518	3,350,081
13.6 Miscellaneous applications.....	10,000,000	3,388
13.7 Total investments acquired (Lines 13.1 to 13.6).....	491,082,938	106,000,604
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).....	(274,975,030)	(19,280,696)
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).....	311,700,027	(302,941,060)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	311,700,027	(302,941,060)
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).....	13,518,781	(9,700,487)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	63,017,499	72,717,986
19.2 End of year (Line 18 plus Line 19.1).....	76,536,280	63,017,499
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

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.....	20,890,344	10,348,890	10,622,039	20,617,195
2.	Allied lines.....	25,200,930	13,695,836	15,061,588	23,835,178
3.	Farmowners multiple peril.....	13,847,121	6,243,447	6,967,491	13,123,077
4.	Homeowners multiple peril.....	29,975,650	17,919,432	16,257,045	31,638,037
5.	Commercial multiple peril.....	78,669,115	33,046,126	39,588,357	72,126,884
6.	Mortgage guaranty.....	0	0	0	0
8.	Ocean marine.....	250,141	136,481	118,880	267,742
9.	Inland marine.....	8,649,231	4,282,353	4,292,798	8,638,786
10.	Financial guaranty.....	0	0	0	0
11.1	Medical professional liability - occurrence.....	0	0	0	0
11.2	Medical professional liability - claims-made.....	2,837,277	1,349,460	1,656,950	2,529,787
12.	Earthquake.....	3,692,077	2,560,447	2,923,378	3,329,146
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.....	1,419	689	657	1,451
16.	Workers' compensation.....	38,223,904	14,952,737	16,257,392	36,919,249
17.1	Other liability - occurrence.....	46,045,145	15,887,156	22,806,298	39,126,003
17.2	Other liability - claims-made.....	4,165,471	2,027,212	1,870,959	4,321,724
17.3	Excess workers' compensation.....	18,586	16,107	16,107	18,586
18.1	Products liability - occurrence.....	5,770,699	2,629,843	2,546,357	5,854,185
18.2	Products liability - claims-made.....	0	0	0	0
19.1, 19.2	Private passenger auto liability.....	119,325,784	43,214,457	44,740,524	117,799,717
19.3, 19.4	Commercial auto liability.....	51,488,916	35,839,964	23,173,983	64,154,897
21.	Auto physical damage.....	100,144,141	36,910,922	38,795,434	98,259,629
22.	Aircraft (all perils).....	0	0	0	0
23.	Fidelity.....	566,989	284,486	309,651	541,824
24.	Surety.....	2,111,055	630,379	871,691	1,869,743
26.	Burglary and theft.....	102,544	47,534	47,881	102,197
27.	Boiler and machinery.....	28,033	62,019	52,963	37,089
28.	Credit.....	0	0	0	0
29.	International.....	0	0	0	0
30.	Warranty.....	0	0	0	0
31.	Reinsurance - nonproportional assumed property.....	(400)	0	0	(400)
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.....	552,004,172	242,085,977	248,978,423	545,111,726

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

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	10,616,042	5,997	0	0	10,622,039
2. Allied lines.....	15,005,140	56,448	0	0	15,061,588
3. Farmowners multiple peril.....	6,967,491	0	0	0	6,967,491
4. Homeowners multiple peril.....	16,257,045	0	0	0	16,257,045
5. Commercial multiple peril.....	39,769,218	233	(181,094)	0	39,588,357
6. Mortgage guaranty.....	0	0	0	0	0
8. Ocean marine.....	118,880	0	0	0	118,880
9. Inland marine.....	4,292,790	8	0	0	4,292,798
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.....	1,656,950	0	0	0	1,656,950
12. Earthquake.....	2,923,297	81	0	0	2,923,378
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.....	657	0	0	0	657
16. Workers' compensation.....	16,635,392	91	(378,091)	0	16,257,392
17.1 Other liability - occurrence.....	22,935,973	65,107	(194,782)	0	22,806,298
17.2 Other liability - claims-made.....	1,844,458	26,501	0	0	1,870,959
17.3 Excess workers' compensation.....	16,107	0	0	0	16,107
18.1 Products liability - occurrence.....	2,636,345	521	(90,509)	0	2,546,357
18.2 Products liability - claims-made.....	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	44,740,524	0	0	0	44,740,524
19.3, 19.4 Commercial auto liability.....	23,184,049	20,131	(30,197)	0	23,173,983
21. Auto physical damage.....	38,791,960	8,435	(4,961)	0	38,795,434
22. Aircraft (all perils).....	0	0	0	0	0
23. Fidelity.....	260,830	48,821	0	0	309,651
24. Surety.....	775,964	95,727	0	0	871,691
26. Burglary and theft.....	46,132	1,749	0	0	47,881
27. Boiler and machinery.....	52,955	8	0	0	52,963
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.....	249,528,199	329,858	(879,634)	0	248,978,423
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					879,634
38. Balance (sum of Lines 35 through 37).....					249,858,057

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.....	24,624,816	38,061,989	129,995	40,551,357	1,375,099	20,890,344
2. Allied lines.....	25,008,440	65,927,578	687,136	48,919,452	17,502,772	25,200,930
3. Farmowners multiple peril.....	0	40,793,444	0	26,879,704	66,619	13,847,121
4. Homeowners multiple peril.....	63,483,859	287,710,860	322,555	58,188,028	263,353,596	29,975,650
5. Commercial multiple peril.....	35,689,266	156,756,266	41,455,343	152,710,632	2,521,128	78,669,115
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	135,572	602,328	0	485,568	2,191	250,141
9. Inland marine.....	9,175,545	16,451,630	(200)	16,790,072	187,672	8,649,231
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	8,426,056	0	5,507,656	81,123	2,837,277
12. Earthquake.....	1,731,720	18,492,771	0	7,166,974	9,365,440	3,692,077
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.....	6,541	0	0	2,754	2,368	1,419
16. Workers' compensation.....	31,857,985	78,755,614	5,916,387	74,199,342	4,106,740	38,223,904
17.1 Other liability - occurrence.....	46,002,702	80,860,975	19,043,072	89,381,752	10,479,852	46,045,145
17.2 Other liability - claims-made.....	0	14,204,763	0	8,085,915	1,953,377	4,165,471
17.3 Excess workers' compensation.....	0	54,665	0	36,079	0	18,586
18.1 Products liability - occurrence.....	9,047,512	7,956,291	0	11,201,944	31,160	5,770,699
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	71,757,021	282,171,461	(20)	231,632,405	2,970,273	119,325,784
19.3, 19.4 Commercial auto liability.....	43,603,359	93,050,332	18,534,330	99,949,069	3,750,036	51,488,916
21. Auto physical damage.....	67,791,870	227,721,810	1,944,235	194,397,450	2,916,324	100,144,141
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	852,256	815,360	0	1,100,627	0	566,989
24. Surety.....	6,298,975	1,605	0	4,097,929	91,596	2,111,055
26. Burglary and theft.....	160,702	140,961	222	199,056	285	102,544
27. Boiler and machinery.....	1,495,749	87,085	3,045	54,419	1,503,427	28,033
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	(400)	0	0	(400)
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.....	438,723,890	1,419,043,844	88,035,700	1,071,538,184	322,261,078	552,004,172

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.....	8,979,917	14,616,762	15,887,559	7,709,120	5,099,225	5,535,921	7,272,424	35.3
2. Allied lines.....	21,005,258	33,300,853	36,283,262	18,022,849	7,465,113	6,898,308	18,589,655	78.0
3. Farmowners multiple peril.....	0	28,514,926	18,819,851	9,695,075	4,548,817	4,812,376	9,431,516	71.9
4. Homeowners multiple peril.....	38,611,165	190,410,107	195,998,541	33,022,731	15,641,786	33,882,194	14,782,323	46.7
5. Commercial multiple peril.....	18,905,681	72,383,324	60,269,150	31,019,855	54,335,795	41,828,178	43,527,472	60.3
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	51,198	141,871	127,439	65,630	23,699	20,134	69,195	25.8
9. Inland marine.....	2,543,763	5,936,075	5,578,050	2,901,788	945,733	1,204,638	2,642,883	30.6
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	1,281,313	845,666	435,646	1,588,466	645,531	1,378,581	54.5
12. Earthquake.....	7,637	(8,273)	(420)	(217)	11,305	17,699	(6,611)	(0.2)
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.....	32,853	0	27,912	4,941	20,610	23,495	2,056	141.7
16. Workers' compensation.....	16,538,433	41,115,427	38,327,928	19,325,931	65,825,844	61,501,911	23,649,864	64.1
17.1 Other liability - occurrence.....	19,197,413	25,083,604	30,051,298	14,229,719	68,828,252	64,812,913	18,245,058	46.6
17.2 Other liability - claims-made.....	0	1,416,684	935,630	481,054	2,633,798	2,804,796	310,056	7.2
17.3 Excess workers' compensation.....	0	0	0	0	107,102	54,541	52,561	282.8
18.1 Products liability - occurrence.....	1,672,381	2,659,191	2,858,837	1,472,734	5,135,945	5,347,726	1,260,954	21.5
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	57,936,295	177,036,356	155,373,479	79,599,172	83,595,756	87,030,337	76,164,591	64.7
19.3, 19.4 Commercial auto liability.....	22,153,351	88,346,516	74,021,690	36,478,178	72,390,016	54,058,003	54,810,191	85.4
21. Auto physical damage.....	36,332,428	144,678,582	120,003,511	61,007,499	2,047,037	700,537	62,353,998	63.5
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	157,650	169,929	221,391	106,187	155,752	180,607	81,332	15.0
24. Surety.....	219,098	(32,498)	124,020	62,580	125,062	174,953	12,688	0.7
26. Burglary and theft.....	(27,037)	18,767	(5,458)	(2,812)	78,559	89,459	(13,711)	(13.4)
27. Boiler and machinery.....	326,755	30,521	412,182	(54,906)	211,352	256,609	(100,163)	(270.1)
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	79,532	0	79,532	906,073	1,423,685	(438,080)	109,519.9
32. Reinsurance - nonproportional assumed liability.....	XXX	106,946	70,585	36,362	359,471	371,767	24,066	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.....	244,644,237	827,286,514	756,232,102	315,698,649	392,080,568	373,676,319	334,102,899	61.3

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 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	3,365,459	10,001,193	8,825,291	4,541,361	424,441	1,838,956	1,705,533	5,099,225	402,062
2. Allied lines.....	8,521,219	9,851,698	12,267,053	6,105,864	1,387,535	2,663,939	2,692,225	7,465,113	666,841
3. Farmowners multiple peril.....	0	10,985,281	7,250,285	3,734,995	0	2,393,594	1,579,772	4,548,817	463,558
4. Homeowners multiple peril.....	12,266,754	51,093,527	52,939,958	10,420,323	5,541,657	25,733,843	26,054,037	15,641,786	2,928,752
5. Commercial multiple peril.....	13,894,767	68,400,323	54,569,373	27,725,718	13,560,567	65,434,463	52,384,952	54,335,795	13,328,569
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	419	53,051	35,303	18,167	2,899	13,372	10,739	23,699	4,374
9. Inland marine.....	611,361	1,977,931	1,708,808	880,484	228,940	(34,227)	129,464	945,733	68,493
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	1,800,809	1,188,534	612,275	0	2,964,531	1,988,340	1,588,466	590,635
12. Earthquake.....	0	43,000	31,695	11,305	0	0	0	11,305	0
13. Group accident and health.....	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	60,617	0	40,007	(a) 20,610	0
16. Workers' compensation.....	46,063,682	67,765,253	80,128,026	33,700,909	30,011,794	65,316,798	63,203,657	65,825,844	14,354,869
17.1 Other liability - occurrence.....	31,122,779	33,749,301	43,059,797	21,812,283	57,595,387	93,469,572	104,048,991	68,828,252	27,949,732
17.2 Other liability - claims-made.....	0	1,839,738	1,216,410	623,328	0	6,791,822	4,781,353	2,633,798	1,700,047
17.3 Excess workers' compensation.....	0	0	0	0	0	315,006	207,904	107,102	45,901
18.1 Products liability - occurrence.....	1,505,753	3,233,819	3,128,118	1,611,455	5,510,757	4,855,391	6,841,658	5,135,945	4,477,821
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	68,995,382	145,235,716	154,391,725	59,839,374	15,799,892	54,072,877	46,116,387	83,595,756	12,480,589
19.3, 19.4 Commercial auto liability.....	18,880,613	100,095,052	79,821,807	39,153,857	22,429,345	77,089,758	66,282,944	72,390,016	13,645,882
21. Auto physical damage.....	2,259,253	8,425,753	7,143,013	3,541,992	(1,014,855)	(2,822,709)	(2,342,608)	2,047,037	802,099
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	37,962	168,071	137,202	68,831	119,700	135,950	168,729	155,752	20,263
24. Surety.....	249,595	35,118	200,499	84,214	120,084	55	79,292	125,062	125,338
26. Burglary and theft.....	200,000	0	132,000	68,000	18,710	12,347	20,497	78,559	6,049
27. Boiler and machinery.....	77,376	8,493	79,452	6,416	286,522	316,230	397,816	211,352	13,207
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	491,991	0	491,991	XXX	414,082	0	906,073	0
32. Reinsurance - nonproportional assumed liability.....	XXX	773,773	510,690	263,083	XXX	283,495	187,107	359,471	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.....	208,052,374	516,028,889	508,765,038	215,316,226	152,083,992	401,259,145	376,578,794	392,080,568	94,075,081
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.....	22,012,179	0	0	22,012,179
1.2 Reinsurance assumed.....	110,311,507	0	0	110,311,507
1.3 Reinsurance ceded.....	91,295,011	0	0	91,295,011
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	41,028,675	0	0	41,028,675
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	63,727,534	0	63,727,534
2.2 Reinsurance assumed, excluding contingent.....	0	258,529,630	0	258,529,630
2.3 Reinsurance ceded, excluding contingent.....	0	240,185,333	0	240,185,333
2.4 Contingent - direct.....	0	5,425,786	0	5,425,786
2.5 Contingent - reinsurance assumed.....	0	12,866,747	0	12,866,747
2.6 Contingent - reinsurance ceded.....	0	12,426,785	0	12,426,785
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	87,937,579	0	87,937,579
3. Allowances to manager and agents.....	0	2,115,046	0	2,115,046
4. Advertising.....	1,911	398,665	0	400,576
5. Boards, bureaus and associations.....	227,385	2,545,045	0	2,772,430
6. Surveys and underwriting reports.....	0	4,777,653	0	4,777,653
7. Audit of assureds' records.....	0	395,601	0	395,601
8. Salary and related items:				
8.1 Salaries.....	15,521,276	38,581,627	159,087	54,261,990
8.2 Payroll taxes.....	1,113,673	2,811,478	11,524	3,936,675
9. Employee relations and welfare.....	4,936,469	11,639,973	43,126	16,619,568
10. Insurance.....	226,792	487,750	6,216	720,758
11. Directors' fees.....	0	1,674,848	0	1,674,848
12. Travel and travel items.....	811,595	2,325,175	12,454	3,149,224
13. Rent and rent items.....	1,758,625	4,043,846	72,093	5,874,564
14. Equipment.....	3,305,962	4,765,849	59,262	8,131,073
15. Cost or depreciation of EDP equipment and software.....	1,203,852	1,693,918	21,580	2,919,350
16. Printing and stationery.....	174,025	551,216	3,854	729,095
17. Postage, telephone and telegraph, exchange and express.....	1,435,119	2,833,399	39,502	4,308,020
18. Legal and auditing.....	84,116	560,872	2,528,402	3,173,390
19. Totals (Lines 3 to 18).....	30,800,800	82,201,961	2,957,100	115,959,861
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....2,276.....	0	13,139,297	0	13,139,297
20.2 Insurance department licenses and fees.....	0	1,379,592	0	1,379,592
20.3 Gross guaranty association assessments.....	0	6,225	0	6,225
20.4 All other (excluding federal and foreign income and real estate).....	0	228,790	0	228,790
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	14,753,904	0	14,753,904
21. Real estate expenses.....	0	0	5,478,223	5,478,223
22. Real estate taxes.....	0	0	872,800	872,800
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	931,242	4,558,777	2,774	5,492,793
25. Total expenses incurred.....	72,760,717	189,452,221	9,310,897	(a) 271,523,835
26. Less unpaid expenses - current year.....	94,075,081	57,373,960	934,608	152,383,649
27. Add unpaid expenses - prior year.....	87,553,014	58,016,889	948,757	146,518,660
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).....	66,238,650	190,095,150	9,325,046	265,658,846

DETAILS OF WRITE-INS

2401. Professional consultants.....	791,927	4,271,505	2,514	5,065,946
2402. Miscellaneous.....	139,315	287,272	260	426,847
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).....	931,242	4,558,777	2,774	5,492,793

(a) Includes management fees of \$....7,867,201 to affiliates and \$....312,395 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....1,638,603	.....1,760,789
1.1 Bonds exempt from U.S. tax.....	(a).....1,446,735	.....2,008,904
1.2 Other bonds (unaffiliated).....	(a).....5,281,755	.....6,795,289
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....841,954	.....878,916
2.21 Common stocks of affiliates.....	.....15,453,724	.....15,453,725
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....10,344,891	.....10,344,891
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....123,023	.....123,224
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....3,193,414	.....3,209,664
9. Aggregate write-ins for investment income.....	.....632,695	.....632,376
10. Total gross investment income.....	.....38,956,794	.....41,207,778
11. Investment expenses.....		(g).....9,310,897
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....5,826,863
14. Depreciation on real estate and other invested assets.....		(i).....3,997,854
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....19,135,614
17. Net investment income (Line 10 minus Line 16).....		.....22,072,164

DETAILS OF WRITE-INS

0901. Miscellaneous Investment Income.....	.....632,695	.....632,376
0902. ....	.....0	.....0
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....632,695	.....632,376
1501. ....		.....0
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$.....220,725 accrual of discount less \$.....2,673,479 amortization of premium and less \$.....1,447,374 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 \$.....10,344,691 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....3,997,854 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.....	.....30,100	.....0	.....30,100	.....429,330	.....0
1.1 Bonds exempt from U.S. tax.....	.....127,697	.....0	.....127,697	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....638,899	.....0	.....638,899	.....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).....	.....2,214,314	.....(685,285)	.....1,529,029	.....(1,121,737)	.....0
2.21 Common stocks of affiliates.....	.....34,037,317	.....(20,306,701)	.....13,730,616	.....(63,576,737)	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....(123,244)	.....0	.....(123,244)	.....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.....	.....18,620	.....0	.....18,620	.....(1,111,406)	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....5,431	.....0
10. Total capital gains (losses).....	.....36,943,703	.....(20,991,986)	.....15,951,717	.....(65,375,119)	.....0

DETAILS OF WRITE-INS

0901. Deferred Gain on Asset Transfer.....	.....0	.....0	.....0	.....5,431	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....5,431	.....0

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.....	25,067,552	58,598,396	33,530,844
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).....	25,067,552	58,598,396	33,530,844
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.....	61,099	12,049,600	11,988,501
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,055,301	1,110,947	55,646
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	0	0
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	30,923,873	25,738,145	(5,185,728)
21. Furniture and equipment, including health care delivery assets.....	6,229,566	3,939,150	(2,290,416)
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.....	36,346,074	37,548,044	1,201,970
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	99,683,465	138,984,282	39,300,817
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	99,683,465	138,984,282	39,300,817

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.....	356,050	223,928	(132,122)
2502. Prepaid expenses.....	3,890,000	3,866,689	(23,311)
2503. Advances.....	54,838	55,016	178
2598. Summary of remaining write-ins for Line 25 from overflow page.....	32,045,186	33,402,411	1,357,225
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	36,346,074	37,548,044	1,201,970

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).

A reconciliation of the Company's net income and capital and surplus between the practices prescribed and permitted by the state of Ohio and NAIC SAP is shown below:

Description	State of Domicile	Amount (\$)	
		2012	2011
Net income, OH basis	OH	(10,416,710)	(42,466,498)
State prescribed practice		-	-
State permitted practice		-	-
Net income, NAIC SAP basis	OH	(10,416,710)	(42,466,498)
Statutory surplus, OH basis	OH	748,700,573	785,493,605
State prescribed practice		-	-
State permitted practice		-	-
Statutory surplus, NAIC SAP basis	OH	748,700,573	785,493,605

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"), State Auto Insurance Company of Ohio ("SA Ohio"), Meridian Citizens Mutual Insurance Company ("Meridian Citizens Mutual"), Meridian Insurance Group, Inc. ("MIGI"), Meridian Security Insurance Company ("Meridian Security"), Beacon Lloyds, Inc. ("Beacon Lloyds, Inc."), 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"). Farmers Casualty Insurance Company ("Farmers") was merged with State Auto P&C on December 31, 2012. State Auto Florida Insurance Company ("SA Florida") and Beacon National Insurance Company ("Beacon National") were merged with Meridian Security on December 31, 2012. Beacon Lloyds Insurance Company ("Beacon Lloyds") was dissolved on December 31, 2012. An amount representing 85% of State Auto Mutual's holding of the equity securities in BroadStreet Capital Partners, Inc. ("BroadStreet Capital") was sold on March 1, 2012.

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.

Real estate investments are classified in the balance sheet as properties occupied by the company and carried at depreciated cost.

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 subsidiary SA Wisconsin is 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 62.4% 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. At December 31, 2012 and 2011, unamortized goodwill was \$91,817,615 and \$125,638,305, respectively, of which, \$24,798,728 and \$58,317,079 was nonadmitted, respectively. Affiliate surplus notes are stated at their unpaid principal balance.
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: The Company values and accounts for derivatives in accordance with SSAP No. 86 - *Accounting for Derivative Instruments and Hedging Activities*.
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 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.
- b. On May 18, 2011, RHC divested its 91% ownership in RED, a Missouri limited liability company, to the Company. Concurrent with this transaction, the Company purchased the 9% minority interests in RED.
2. The RHC and RED transactions described in Note 3A were accounted for as statutory purchases.
3. a. The cost of the RHC purchase was \$248,627,800 resulting in goodwill of \$150,178,743, of which \$24,798,728 was nonadmitted at December 31, 2012.
- b. The cost of the RED purchase was \$25,773,447 resulting in goodwill of \$20,145,874. The goodwill balance of \$16,788,228 was written off at December 31, 2012 as described in Section C of this Note.
4. a. Goodwill amortization for the period ended December 31, 2012 relating to the purchase of RHC was \$15,017,874.
- b. Goodwill amortization for the period ended December 31, 2012 relating to the purchase of RED was \$2,014,587.

3. Business Combinations and Goodwill (continued):

B. Statutory Merger: Not applicable.

C. Impairment Loss:

1. At December 31, 2012, the Company determined that its investment in RED was impaired due to changes of its subsidiary's former management team, along with the fact that substantially all of the program business written through the subsidiary was cancelled or not renewed.
2. The amount of the impairment charged to realized capital gains and losses at December 31, 2012 was a loss of \$20,306,702. RED is recorded at statutory equity value, which was determined to approximate fair value given the deterioration of the investment's underlying intangibles.

4. Discontinued Operations: Not applicable.

5. Investments:

A. Mortgage Loans: Not applicable.

B. Debt Restructuring: Not applicable.

C. Reverse Mortgages: Not applicable.

D. Loan-Backed Securities:

1. 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 (\$)
a. The aggregate amount of unrealized losses	
1. Less than 12 Months	(54,430)
2. 12 Months or Longer	-
b. The aggregate related fair value of securities with unrealized losses	
1. Less than 12 Months	4,092,158
2. 12 Months or Longer	-

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:

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, 2012 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, 2012 and 2011 are as follows:

1.	Amount (\$)								
	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	82,359,059	2,691,417	85,050,476	62,211,683	504,099	62,715,782	20,147,376	2,187,318	22,334,694
b. Statutory valuation allowance adjustment	78,950,937	2,691,417	81,642,354	59,641,949	504,099	60,146,048	19,308,988	2,187,318	21,496,306
c. Adjusted gross deferred tax assets	3,408,122	-	3,408,122	2,569,734	-	2,569,734	838,388	-	838,388
d. Deferred tax assets nonadmitted	-	-	-	2,090,981	(2,090,981)	-	(2,090,981)	2,090,981	-
e. Subtotal net admitted deferred tax asset	3,408,122	-	3,408,122	478,753	2,090,981	2,569,734	2,929,369	(2,090,981)	838,388
f. Deferred tax liabilities	458,981	2,949,141	3,408,122	478,753	2,090,981	2,569,734	(19,772)	858,160	838,388
g. Net admitted deferred tax assets/(liability)	2,949,141	(2,949,141)	-	-	-	-	2,949,141	(2,949,141)	-

2.	Amount (\$)								
	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation components SSAP No. 101									
a. Recovered through loss carrybacks	-	-	-	-	-	-	-	-	-
b. The lesser of 2(b)1 and 2(b)2 below:	-	-	-	-	-	-	-	-	-
1. Adjusted gross DTA's expected to be realized within one or three years	-	-	-	-	-	-	-	-	-
2. Adjusted DTA's allowed per limitation threshold	NA	NA	91,655,395	NA	NA	65,461,499	NA	NA	26,193,896
c. Adjusted gross DTA's offset by gross DTLs	458,980	2,949,141	3,408,121	478,753	2,090,981	2,569,734	(19,773)	858,160	838,387
d. Total DTA's admitted	458,980	2,949,141	3,408,121	478,753	2,090,981	2,569,734	(19,773)	858,160	838,387

3.	2012	2011
a. Ratio percentage used to determine recovery period and threshold limitation	465%	536%
b. Amount of adjusted capital & surplus used to determine recovery period and threshold limitation in 2(b)2 above	611,035,964	705,142,512

4.	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Impact of tax planning strategies:									
a. Adjusted gross DTAs (% of total adjusted gross DTAs)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b. Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

c. Does the Company's tax-planning strategies include the use of reinsurance? Yes No

B. Unrecognized Deferred Tax Liabilities: None.

9. Income Taxes (continued):

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

	Amount (\$)		
	2012	2011	Change
1. Current income tax:			
a. Federal	(4,034,304)	(5,700,426)	1,666,122
b. Foreign	-	-	-
c. Subtotal	(4,034,304)	(5,700,426)	1,666,122
d. Federal Income tax on net capital gains	2,471,377	1,216,387	1,254,990
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	(1,562,927)	(4,484,039)	2,921,112
2. Deferred tax assets:			
a. Ordinary			
1. Discounting of unpaid losses	13,370,807	13,302,687	68,120
2. Unearned premium reserve	17,428,490	16,946,018	482,472
3. Policyholder reserves	-	-	-
4. Investments	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed Assets	-	-	-
8. Compensation & benefits accrual	11,691,614	12,738,013	(1,046,399)
9. Pension accrual	9,008,806	8,487,194	521,612
10. Receivables - nonadmitted	504,925	-	504,925
11. Net operating loss carry-forward	20,800,007	8,416,869	12,383,138
12. Tax credit carry-forward	86,647	41,804	44,843
13. Other	9,467,763	2,279,098	7,188,665
Subtotal	82,359,059	62,211,683	20,147,376
b. Statutory valuation allowance adjustment	78,950,937	59,641,949	19,308,988
c. Nonadmitted	-	2,090,981	(2,090,981)
d. Admitted ordinary deferred tax assets	3,408,122	478,753	2,929,369
e. Capital:			
1. Investments	2,503,560	504,099	1,999,461
2. Net capital loss carry-forward	-	-	-
3. Real estate	187,857	-	187,857
4. Other	-	-	-
Subtotal	2,691,417	504,099	2,187,318
f. Statutory valuation allowance adjustment	2,691,417	504,099	2,187,318
g. Nonadmitted	-	(2,090,981)	2,090,981
h. Admitted capital deferred tax assets	-	2,090,981	(2,090,981)
i. Admitted deferred tax assets	3,408,122	2,569,734	838,388
3. Deferred tax liabilities:			
a. Ordinary			
1. Investments	20,525	7,588	12,937
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other	438,456	471,165	(32,709)
Subtotal	458,981	478,753	(19,772)
b. Capital:			
1. Investments	2,949,141	1,291,501	1,657,640
2. Real estate	-	799,480	(799,480)
3. Other	-	-	-
Subtotal	2,949,141	2,090,981	858,160
c. Deferred tax liabilities	3,408,122	2,569,734	838,388
4. Net deferred tax asset/(liabilities)	-	-	-

D. The significant book to tax adjustments were as follows:

	Amount (\$)	Effective Tax Rate
	Tax Effect @ 35%	
Tax Reconciliation by Effective Rate:		
Income before tax	(4,192,873)	35.0%
Tax exempt interest and dividends received income deduction	(4,086,503)	34.1%
Permanent difference on nonadmitted taxable assets	(4,980,280)	41.6%
STAT minimum pension liability	(521,612)	4.3%
Change in valuation allowance	21,496,306	-179.4%
Other	(10,536,565)	88.0%
Total	(2,821,527)	23.6%
Tax Reconciliation by Statement of Income:		
Federal & foreign tax incurred	(4,034,304)	33.7%
Current taxes on realized gains	2,471,377	-20.6%
Change in net deferred income taxes	(1,258,600)	10.5%
Total	(2,821,527)	23.6%

E. Operating Loss and Tax Credit Carry-forward:

- At December 31, 2012, the Company had \$59,428,593 of operating loss carry-forwards beginning in 2009 through 2012, which expire, if unused, beginning in 2029 through 2032. The Company had foreign tax credits of \$86,647 originating in 2009 through 2011 which expire, if unused beginning in 2019 through 2021.
- For 2012 and 2011, there is no income tax expense that is available for recoupment in the event of future net losses.
- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

9. Income Taxes (continued):

F. Consolidated Federal Income Tax Return:

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

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

2. 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 \$13,897,096 and \$15,170,447 in 2012 and 2011, respectively, from State Auto Financial.

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 paid commissions of \$3,523,868 and \$12,517,676 as of December 31, 2012 and 2011, respectively, to RED on the Alternative Risk business.

During 2012 and 2011, the Company assumed a net amount of \$23,331,028 and \$14,452,574, respectively, from affiliated companies Rockhill, Plaza, and American Compensation for a reinsurance agreement, separate from the Pooling Arrangement.

C. Change in Terms of Intercompany Agreements:

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 2013.

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

	Amount (\$)			
	December 31, 2012		December 31, 2011	
	Due To:	Due From:	Due To:	Due From:
State Auto P&C	-	16,133,227	-	253,081,019
Milbank	-	11,327,040	-	64,424,033
SA Wisconsin	1,596,405	-	3,010,842	-
SA Ohio	6,466,617	-	-	16,172,028
Meridian Security	13,555,774	-	7,578,790	-
Meridian Citizens Mutual	4,499,949	-	3,100,052	-
Beacon Lloyds	-	-	-	1,073,768
Patrons Mutual	2,615,769	-	1,323,880	-
Litchfield Mutual	25,603	-	233,140	-
Plaza	9,616,695	-	3,121,545	-
Rockhill	7,508,898	-	2,309,856	-
American Compensation	2,651,566	-	1,218,560	-
Bloomington Compensation	308,205	-	277,178	-
Beacon Lloyds, Inc.	-	899,614	-	-
BroadStreet Capital	-	-	-	564,869
National Environmental Coverage Corp.	-	392,175	-	312,597
National Environmental Coverage Corp. of the South, LLC	-	379,582	-	302,437
Rockhill Underwriting Management, LLC	-	4,931,686	-	1,162,786
RTW, Inc.	-	3,744,361	-	3,771,466
State Auto Financial	-	354,579	-	2,195
Stateco	165,259	-	-	130,230
Other Affiliates	-	232,204	-	110,306

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.

The Company has provided a standing commitment to maintain Bloomington Compensation's capital and surplus requirements as dictated by the State of New Jersey for a minimum of five years beginning May 11, 2012, as outlined in additional detail in Note 14.

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

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 2012 and 2011, 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, 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 were parties. This agreement was terminated on March 1, 2012, following the sale of the Company's majority ownership in BroadStreet Capital;
4. the "RTW Consulting Services Agreement" to which 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. the "RED Underwriting Management Agreement" to which State Auto Mutual, Rockhill, Plaza, American Compensation, Bloomington Compensation, State Auto P&C, Meridian Security, Farmers, and Milbank entered into with RED to act as underwriting manager to underwrite insurance and reinsurance coverages for the alternative risk and program market;
6. the "Rockhill Management & Operations Agreement" to which State Auto Mutual, State Auto P&C, Rockhill, Plaza, American Compensation, Bloomington Compensation, RHC, National Environmental Coverage Corporation of the South, LLC., National Environmental Coverage Corporation, RTW, Inc., Rockhill Insurance Services, LLC., and Rockhill Underwriting Management, LLC. are parties;
7. the "Rockhill-RUM Administrative Services Agreement" to which Rockhill and Rockhill Underwriting Management, LLC. are parties;
8. the "Rockhill-RIS Administrative Services Agreement" to which Rockhill and Rockhill Insurance Services, LLC. are parties;
9. the "Rockhill-NEN Administrative Services Agreement" to which Rockhill, National Environmental Coverage Corporation, and National Environmental Coverage Corporation of the South, LLC. are parties;
10. the "Rockhill Cost Sharing Agreement" to which Rockhill, RHC, and Rockhill Underwriting Management, LLC. are parties;
11. the "RTW Intercompany Management Agreement" to which American Compensation, Bloomington Compensation, and RTW, Inc. are parties;
12. the "RUM Administrative Services Agreement" to which State Auto Mutual and Rockhill Underwriting Management, LLC. are parties;
13. the "Stateco Investment Management Agreement" to which Stateco, a wholly owned subsidiary of State Auto Financial, provides investment management services to the Company for a fee based on the average fair value of the investment portfolio of the Company;
14. the "RUM-ACI Administrative Services Agreement" to which Rockhill Underwriting Management, LLC. and American Compensation are parties;
15. the "RUM Underwriting Services Agreement" to which Rockhill Underwriting Management, LLC. and Plaza are parties; and
16. the "RTW Administrative Services Agreement" to which RTW, Inc. and Plaza are parties.

Each of the foregoing management and/or cost sharing agreements apportions or apportioned among the parties the actual costs of the services provided. With the exception of the "2005 Management & Operations Agreement", the "BroadStreet Capital Partners, Inc. Cost Sharing Agreement", and the "Rockhill Management & Operations Agreement", the above agreements provide for a management fee for services provided.

G. Nature of Relationships that Could Affect Operations:

The Company is a member of the State Auto Group that is defined in Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group. See Schedule Y Part 1 – Organizational Chart.

H. Amount Deducted for Investment in Upstream Company: Not applicable.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets:

At December 31, 2012, the Company owned 62.4% 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, 2012 of \$14.94 was \$377,453,531. 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, 2012 of \$341,729,533. At December 31, 2012, 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 \$460,028,861.

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.

Based on publicly available financial information for State Auto Financial, the following provides summarized financial information for the twelve month period ending December 31, 2012 and 2011, respectively:

Description	Amount (\$)	
	December 31, 2012	December 31, 2011
Total assets	2,477,772,070	2,790,767,238
Total liabilities	1,740,546,333	2,032,498,791
Stockholders' equity	737,225,738	758,268,447
Net (loss) income	10,686,176	(146,786,585)

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, 2012 and 2011 was \$65,079,380 and \$56,816,771, 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, 2012 and 2011, the Company's investment in MIGI was held at an admitted value of \$64,826,955 and \$56,551,914, respectively, after nonadmitting \$252,425 and \$264,857, 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, 2012 and 2011 was \$182,157,655 and \$205,617,497, 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, 2012 and 2011, the Company's investment in RHC was held at an admitted value of \$157,358,927 and \$166,103,233, respectively, after nonadmitting \$24,798,728 and \$39,514,264 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, 2012 and 2011 was \$3,023,375 and \$27,730,115, 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 RED, if not already recorded in the financial statements. At December 31, 2012 and 2011, the Company's investment in RED was held at an admitted value of \$3,023,375 and 8,927,300, respectively, after nonadmitting \$0 and 18,802,815 for goodwill, respectively.

11. Debt:

- A. 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, 2012 and 2011, was \$4,906,749 and \$4,900,000, respectively.
- B. 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, 2012 and 2011, was \$929,100 and \$929,100, respectively.

	Amount (\$)	
	December 31, 2012	December 31, 2011
FHLB stock purchased/owned as part of the agreement	3,900,100	3,558,700
Collateral pledged to the FHLB	20,855,324	20,863,675
Borrowing capacity currently available	106,477,942	22,710,242
Agreement assets and liabilities:		
General Account:		
a. Assets	-	-
b. Liabilities	-	-
Separate Account:		
c. Assets	24,755,424	24,422,375
d. Liabilities	-	-

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.**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.

A summary of the Company's share of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans is as follows at December 31, 2012 and 2011:

	Amount (\$)			
	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
Change in benefit obligation				
Benefit obligation at beginning of year	112,112,368	-	14,023,879	-
Service cost	5,313,582	-	95,231	-
Interest cost	4,845,707	-	591,317	-
Actuarial (gain) or loss	5,330,085	-	(827,340)	-
Benefits paid	(6,163,203)	-	(765,025)	-
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	121,438,538	112,112,368	13,118,062	14,023,879
Change in plan assets				
Fair value of plan assets at beginning of year	77,255,773	-	948,908	-
Actual return on plan assets	6,987,752	-	38,077	-
Employer contributions / merger assets	6,800,000	-	-	-
Benefits paid	(6,163,203)	-	-	-
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	84,880,322	77,255,773	986,986	948,908
Funded status	(36,558,216)	(34,856,595)	(12,131,076)	(13,074,970)
Unrecognized transition obligation (asset)	-	-	(382,164)	(600,544)
Unrecognized prior service cost	194,921	265,248	(11,392,072)	(12,215,602)
Unrecognized net (gain) or loss	68,155,401	67,720,247	1,082,277	1,910,393
Prepaid asset (liability)	31,792,107	33,128,900	(22,823,034)	(23,980,723)
Intangible asset	194,921	265,248	-	-

\$1,295,398 gross of tax or \$842,009 net of tax included in unassigned funds arose from a change in the minimum pension liability on December 31, 2012.

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 \$8,136,793 and \$983,588 in 2012 and 2011, respectively. 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 benefits resulted in a negative expense of \$392,623 in 2012 and expenses of \$1,255,113 in 2011.

The Company assumed its share of the SERP liability of \$2,559,600 from State Auto P&C on December 31, 2011 and its share of SERP liability at December 31, 2012 was \$2,747,019.

The Company does not have any regulatory contribution requirements for 2013; however, the Company estimates its share of voluntary contributions to the defined benefit pension plan of up to \$6,800,000 in 2013.

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

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 \$2,366,568 and \$1,142,795 for 2012 and 2011, respectively.

E. Postemployment Benefits and Compensated Absences: Not applicable.

F. Impact of Medicare Modernization Act on Postemployment Benefits (INT 04-17):

1. If unable to determine whether benefits provided by the plan are actuarially equivalent, disclose existence of the Act and whether or not APBO or net periodic postretirement benefit cost reflect any amount associated with the subsidy: Not applicable.
2. Include the effects of the subsidy in measuring the net postretirement benefit cost by disclosing the: reduction in the net postretirement cost for the subsidy related to benefits attributed to former employees, the effect of the subsidy on the measurement of net periodic postretirement benefit cost for the current period and any other disclosures required by paragraph 16(m) of SSAP No. 14: Not applicable.
3. The Company's gross benefit payments for 2012 were \$765,023 including the prescription drug benefits. The Company's subsidy related to Medicare Prescription Drug, Improvement and Modernization Act of 2003 was \$174,137 for 2012 and estimates future annual subsidies to be approximately \$115,600.

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 \$386,486 and \$609,059 at December 31, 2012 and 2011, 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 \$88,363,993. This excludes any applicable deferred taxes.

K. Surplus Notes: Not applicable.

L. Impact of Restatement Due to Quasi Reorganizations: Not applicable.

M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies:

A. Contingent Commitments:

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 year, \$1,890,000 in additional capital contributions to Stonehenge Opportunity Fund III, LLC over the next six years, \$74,884 in additional capital contributions to NCT Ventures Fund I, LP over the next four years, and \$1,690,000 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.

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.

In order to satisfy the requirements of the State of New Jersey, for Bloomington Compensation to receive a Certificate of Authority, the Company resolved to maintain for a minimum of five years, commencing on the May 11, 2012 date of Bloomington Compensation's admission in New Jersey, capital and surplus within Bloomington Compensation 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 Bloomington Compensation by the State of New Jersey are \$1,000,000 and \$1,000,000, respectively. The Company has made no other guaranties on behalf of affiliates.

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted.
Guarantee the capital and surplus of Plaza to meet the requirements of the State of New Jersey for 5 years, commencing July 1, 2011.	No liability was established, as the triggering event is not certain or probable	Surplus Note	\$ 9,750,000	Plaza currently remains in compliance with the requirements of the State of New Jersey.
Guarantee the capital and surplus of Bloomington Compensation to meet the requirements of the State of New Jersey for 5 years, commencing May 11, 2012.	No liability was established, as the triggering event is not certain or probable	Surplus Note	\$ 2,000,000	Bloomington Compensation currently remains in compliance with the requirements of the State of New Jersey.

14. Contingencies (continued):

Description	Amount (\$)
Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 above.)	11,750,000
Current Liability Recognized in F/S:	-
Noncontingent Liabilities	-
Contingent Liabilities	-
Ultimate Financial Statement Impact if action under the guarantee is required.	-
Investments in SCA	-
Joint Venture	-
Dividends to Stockholders (capital contribution)	-
Expense	-
Other	11,750,000
Total	11,750,000

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 \$858,432 and a related premium tax benefit asset of \$279,273. 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.

Description	Amount (\$)
Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	324,849
Decreases current year:	-
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	2,275
Increases current year:	-
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	(43,301)
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	279,273

C. Gain Contingencies: Not applicable.

D. Claims-Related Extra Contractual Obligation and Bad-Faith Losses Stemming from Lawsuits:

The Company paid the following amounts to settle claims related extra contractual obligations and bad faith claims resulting from lawsuits during the reporting period.

	Direct (\$)
Claims Related ECO and Bad Faith Losses paid during 2012	130,000

The number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Claim count information is disclosed: (f) Per claim [X] (g) Per claimant []

E. Product Warranties: Not applicable.

F. All Other Contingencies:

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 2012 and 2011 was approximately \$21,704,477 and \$11,790,630, respectively.
- b. Contingent rental payments: Not applicable.
- 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.
- d. Restrictions: Not applicable.
- e. Early termination: Not applicable.
2. a. At January 1, 2013, future minimum lease payments on noncancellable operating leases are as follows:

	Year Ending December 31	Operating Leases (\$)
1.	2013	14,242,920
2.	2014	2,763,973
3.	2015	889,336
4.	2016	201,519
5.	2017	53,958
6.	Total	18,151,706

- 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 and Reported at Fair Value:

Level 1 – Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks and other invested assets. The estimated fair value of the equity securities within this category are based on unadjusted market prices provided by the Securities Valuation Office (“SVO”) and are thus classified as level 1. The Company’s other invested assets include an investment that consists 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 values.

Level 2 – Significant Other Observable Inputs: The Company has no assets or liabilities measured and reported at fair value in this category.

Level 3 – Significant Unobservable Inputs: This category, for items measured at fair value on a recurring basis, includes common stocks that are not publicly traded. The estimated fair value of the equity securities within this category are based on per share cost and are thus classified as level 3. The Company holds equity securities as a member of FHLB, which is not publicly traded. SVO does not provide a fair value for this security. The company also holds equity securities of BroadStreet Capital that are valued at US GAAP equity value. These equity securities have been disclosed in Level 3 in item 1 below.

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 and reported 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.

Fair Value Measurements at Reporting Date Description for each class of asset or liability	Amount (\$)			
	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Common stock				
Industrial and misc	41,435,491	-	18,099,900	59,535,391
Total common stocks	41,435,491	-	18,099,900	59,535,391
Other invested assets				
Any other class of asset	3,085,536	-	-	3,085,536
Total other invested assets	3,085,536	-	-	3,085,536
Total assets at fair value	44,521,027	-	18,099,900	62,620,927

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Amount (\$)									
	Beginning Balance at 01/01/2012	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
a. Assets:										
Common stock										
Industrial and misc	3,558,700	(a)14,027,588	-	-	(2,648,800)	3,162,412	-	-	-	18,099,900
Total assets	3,558,700	14,027,588	-	-	(2,648,800)	3,162,412	-	-	-	18,099,900

(a) The equity securities of BroadStreet Capital were previously held as affiliated equity securities and the Company sold 85% of its interest in BroadStreet Capital during the first quarter and the remaining equity securities were transferred into level 3. Since these equity securities are valued at US GAAP equity, they are classified as Level 3.

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.
4. As of December 31, 2012 and 2011, the reported fair value of the Company’s investment in Level 3, equity securities of FHLB, was \$3,900,100 and \$3,558,700, 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. As of December 31, 2012, the reported fair value of the Company’s investment in Level 3, equity securities of BroadStreet Capital, was \$14,199,800. See item A above for a discussion of valuation techniques and inputs used in determining fair value.
5. The Company has no derivative assets or liabilities.

B. Other Fair Value Disclosures: Not applicable.

C. Fair Values for All Financial Instruments by levels 1, 2, and 3:

See Item A for a discussion on valuation techniques for assets and liabilities that are measured and reported at fair value.

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.

The Company estimates the fair value of the notes payable to affiliates using market quotations for U.S. treasury securities with similar maturity dates and applies an appropriate credit spread.

December 31, 2012

Type of Financial Instrument	Amount (\$)					
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	442,065,608	424,703,535	-	442,065,608	-	-
Common stocks	59,535,391	59,535,391	41,435,491	-	18,099,900	-
Cash equivalents and short-term investments	35,678,166	35,678,166	35,678,166	-	-	-
Other invested assets	48,350,071	48,350,071	3,085,536	-	-	45,264,535
Borrowed money	78,298,946	70,000,000	-	78,298,946	-	-

20. Fair Value Measurement (continued):

December 31, 2011

Type of Financial Instrument	Amount (\$)					
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	165,675,873	156,054,258	-	165,675,873	-	-
Common stocks	24,892,976	24,892,976	21,334,276	-	3,558,700	-
Cash equivalents and short-term investments	26,511,191	26,511,191	26,511,191	-	-	-
Other invested assets	1,975,547	1,975,547	1,975,547	-	-	-
Borrowed money	77,503,176	70,000,000	-	77,503,176	-	-

D. Not Practical to Estimate Fair Values

Type or Class of Financial Instrument	Carrying Value Amount (\$)	Effective Interest Rate	Maturity Date	Explanation
Other invested assets				
Surplus note - affiliate	1,000,000	3.25%	06/30/2017	Note is valued at unpaid principal balance. Interest on the unpaid principal balance of the note is payable semi-annually on June 30 th and December 31 st of each year, commencing December 31, 2012. Each principal and interest payment of the note may be made only with the prior approval of the Department and only to the extent the affiliate has sufficient surplus earnings to make such payments. Any payment of interest on and principal of the note is made only out of surplus or otherwise in accordance with the written approval of the Department.
Collateral loans – unaffiliated	44,264,535	multiple	multiple	Loans are valued at unpaid principal balance. Each loan agreement has an independent maturity date and effective interest rate. Financial assessments are not recalculated each year per loan agreement.

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 \$202,708,104 and \$240,690,091 at December 31, 2012 and 2011, respectively, of uncollected premiums. No premiums were collected from "controlled" or "controlling persons" during the years ended 2012 and 2011.

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 2012 and 2011. Additionally, the Company received no payments from the Special Disability Trust Fund. The Trust Fund made no assessments during the years ended 2012 and 2011.

As of December 31, 2012, short-term money market investments in the amount of \$9,794,804 and bonds in the amount of \$185,648,298 were held in trust and pledged as collateral for the benefit of State National Insurance Company as required by a reinsurance agreement. Assets in the amount of \$6,206,450 and \$6,147,379 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or other regulatory bodies as required by law.

Agents' loans have been reclassified from "Uncollected Premiums and Agents' Balances in Course of Collection" to "Other Invested Assets" on the 2012 balance sheet. Prior year amounts were not restated.

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 \$3,296,151 and \$4,563,386 as of December 31, 2012 and 2011, 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 20, 2013 for the statutory statement issued on February 20, 2013.

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	1,232,977,139
41653	46-0368854	Milbank	338,464,312
26921	22-2005057	Everest Reins Co	66,848,899
00000	AA-9991159	Michigan Catastrophic Claims Assn	38,530,211
30058	75-1444207	Scor Reins Co	45,068,680
25364	13-1675535	Swiss Reins Amer Corp	115,366,662
		Total	1,837,255,903

23. Reinsurance (continued):

B. Reinsurance Recoverable in Dispute: Not applicable.

C. Reinsurance Assumed and Ceded:

1. The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2012, stated in dollars:

	Amount (\$)					
	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	657,379,816	-	485,018,582	-	172,361,234	-
All other	34,398,972	12,463,188	149,967,692	42,902,178	(115,568,720)	(30,438,990)
Totals	691,778,788	12,463,188	634,986,274	42,902,178	56,792,514	(30,438,990)
Direct Unearned Premium Reserve: 193,065,542						

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	-	14,680,362	13,228,591	1,451,771
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
Total	-	14,680,362	13,228,591	1,451,771

3. Protected Cells: Not applicable.

D. Uncollectible Reinsurance: Not applicable.

E. Commutation of Ceded Reinsurance: Not applicable.

F. Retroactive Reinsurance:

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") 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 LPT agreement is a retroactive reinsurance transaction with SA National which transferred reserves totaling \$17,072,261 for consideration of \$17,072,261 resulting in no special surplus gain or loss. Retroactive reserves are included in other liabilities on the balance sheet.

For claims occurring on or after July 1, 1998, American Compensation limited its per incident exposure by purchasing excess of loss coverage for losses between \$25,000 to the lesser of \$300,000 or the Workers' Compensation Reinsurance Association selected retention level in Minnesota and between \$25,000 to \$300,000 in other states from a single reinsurer. This agreement was finalized after its effective date. As a result, activity occurring from July 1, 1998 through October 1, 1998 has been recorded on a retroactive basis. Retroactive reserves are included in other liabilities on the balance sheet.

The retroactive reserves assumed and ceded below represent State Auto Mutual's pooling percentage December 31, 2012.

1.	Amount (\$)	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves (Assumed)/Ceded	(5,804,569)	1,798,430
2. Adjustments – Prior Years	427,158	218,857
3. Adjustments – Current Year	(146,052)	(48,714)
4. Current Total	(5,523,463)	1,968,573
b. Consideration Received/(Paid)		
1. Initial Consideration	5,804,569	(1,122,272)
2. Adjustments – Prior Years	-	-
3. Adjustments – Current Year	-	-
4. Current Total	5,804,569	(1,122,272)
c. Paid Losses (Reimbursed)/Recovered		
1. Prior Years	(3,641,993)	1,835,387
2. Current Year	(1,088,153)	45,806
3. Current Total	(4,730,146)	1,881,193
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain/(Loss)	-	676,158
2. Adjustments – Prior Years	427,158	218,857
3. Adjustments – Current Year	(146,052)	(48,714)
4. Current Year Restricted Surplus	281,106	87,380
5. Cumulative Total Transferred to Unassigned Funds		(758,921)
e. All Cedents and Reinsurers Involved in all Transactions Included in the Summary Totals Above:		
Entity		
25364 Swiss Reins Amer Corp		1,968,573
19530 Hallmark Natl Ins Co	(5,523,463)	

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	2012 Accident Year	Prior Accident Years
Loss and LAE reserves at 12/31/11	461,229,331	-	461,229,331
Loss and LAE incurred in 2012	406,863,618	416,521,943	(9,658,325)
Loss and LAE paid in 2012	381,937,299	208,367,955	173,569,344
Loss and LAE reserves at 12/31/12	486,155,650	208,153,988	278,001,662

Incurred losses and loss adjustment expenses attributable to prior accident years decreased \$9,658,325 during 2012. This decrease is the result of subsequent reserve review using more mature claim data. Favorable development is attributable primarily to the Private Passenger Auto Liability and Other Liability lines of business, driven by emergence of lower than anticipated claim severity on accident years 2009 through 2011, as well as to the property lines of Homeowners and Fire, driven by favorable catastrophe development and emergence of lower than anticipated claim severity on accident years 2010 and 2011. Somewhat offsetting the favorable development in those lines was adverse development in the Specialty Commercial Multi-Peril and Specialty Commercial Auto Liability lines, driven by emergence of greater than anticipated claim severity.

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		
		Effective 1/1/11	Effective 12/31/11	2012
State Auto Mutual – lead reinsurer	25135	19.0%	34.0%	34.0%
State Auto P&C	25127	62.0%	51.0%	51.0%
Milbank	41653	17.0%	14.0%	14.0%
SA Wisconsin	31755	0.0%	0.0%	0.0%
SA Ohio	11017	1.0%	0.0%	0.0%
Meridian Security	23353	0.0%	0.0%	0.0%
Meridian Citizens Mutual	10502	0.5%	0.5%	0.5%
Patrons Mutual	14923	0.4%	0.4%	0.4%
Litchfield	32085	0.1%	0.1%	0.1%
Rockhill	28053	0.0%	0.0%	0.0%
Plaza	30945	0.0%	0.0%	0.0%
American Compensation	45934	0.0%	0.0%	0.0%
Bloomington Compensation	12311	0.0%	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.

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 received 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	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. 62R – *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 and affiliated reinsurance agreement provide 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 agreements. The following tabular presentation reflects the ceded reinsurance written premiums payable and assumed reinsurance written premiums receivable at December 31, 2012, 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	201,374,271	164,361,080	37,013,191
Milbank	55,279,211	21,339,720	33,939,491
SA Wisconsin	-	7,630,453	(7,630,453)
SA Ohio	-	17,328,439	(17,328,439)
Meridian Security	-	46,527,221	(46,527,221)
Meridian Citizens Mutual	1,974,258	11,324,928	(9,350,670)
Patrons Mutual	1,579,406	15,445,905	(13,866,499)
Litchfield	394,852	576,960	(182,108)
Rockhill	-	30,876,204	(30,876,204)
Plaza	-	17,291,229	(17,291,229)
American Compensation	-	9,958,811	(9,958,811)
Bloomington Compensation	-	616,692	(616,692)

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, 2012, 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	130,564,794	97,656,240
Milbank	35,841,316	12,390,557
SA Wisconsin	-	5,888,996
SA Ohio	-	11,273,228
Meridian Security	-	34,332,913
Meridian Citizens Mutual	1,280,047	6,491,715
Patrons Mutual	1,024,038	9,685,599
Litchfield	256,009	435,281
Rockhill	-	9,560,787
Plaza	-	9,286,884
American Compensation	-	6,700,762
Bloomington Compensation	-	1,058,379

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, 2012:

	Amount (\$)	
	Intercompany Amounts Due from State Auto Mutual	Intercompany Amounts Due to State Auto Mutual
State Auto P&C	-	16,133,227
Milbank	-	11,327,040
SA Wisconsin	1,596,405	-
SA Ohio	6,466,617	-
Meridian Security	13,555,774	-
Meridian Citizens Mutual	4,499,949	-
Patrons Mutual	2,615,769	-
Litchfield	25,603	-
Rockhill	7,508,898	-
Plaza	9,616,695	-
American Compensation	2,651,566	-
Bloomington Compensation	308,205	-

Additionally, SA Wisconsin owes State Auto P&C \$58,019, Patrons Mutual owes Litchfield \$201,317, Plaza owes Rockhill \$266,364, American Compensation owes Rockhill \$31,316, American Compensation owes Plaza \$675,877, Bloomington Compensation owes American Compensation \$46,416, and Bloomington Compensation owes Plaza \$9,271.

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.

Amount (\$)	
Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
8,331,189	8,331,189

B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus: None.

Life Insurance Company and Location	Licensed in Company's State of Domicile Yes/No	Statement Value (\$) (i.e., Present Value of Annuities)
None		

28. Health Care Receivables: Not applicable.**29. Participating Policies:** Not applicable.**30. Premium Deficiency Reserves:**

1.	Liability carried for premium deficiency reserves	\$36,720
2.	Date of the most recent evaluation of this liability	12/31/2012
3.	Was anticipated investment income utilized in the calculation?	Yes

The premium deficiency reserve is recorded in the aggregate write-in for liabilities and the change in the reserve is reflected in aggregate write-in for underwriting deductions.

31. High Deductibles:

As of December 31, 2012 and 2011, the amount of reserve credit recorded for high deductibles on unpaid claims was \$592,092 and \$485,322 respectively, and the amount billed and recoverable on paid claims was \$114,714 and \$233,394, 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)

Direct Basis:	Amount (\$)				
	2008	2009	2010	2011	2012
Beginning reserves	1,294,997	896,393	804,744	603,392	593,489
Incurring losses and loss adjustment expenses	(338,018)	(45,139)	(169,564)	27,910	163,845
Calendar year payments for losses and loss adjustment expenses	60,586	46,510	31,788	37,813	50,842
Ending reserves	896,393	804,744	603,392	593,489	706,492

Assumed Reinsurance Basis:	Amount (\$)				
	2008	2009	2010	2011	2012
Beginning reserves	90,727	581,211	47,060	37,686	44,299
Incurring losses and loss adjustment expenses	829,234	(501,822)	(1,489)	9,041	(19,802)
Calendar year payments for losses and loss adjustment expenses	338,750	32,329	7,885	2,428	1,054
Ending reserves	581,211	47,060	37,686	44,299	23,443

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2008	2009	2010	2011	2012
Beginning reserves	1,368,724	1,460,604	833,104	622,378	619,088
Incurring losses and loss adjustment expenses	491,216	(548,661)	(171,054)	36,950	144,043
Calendar year payments for losses and loss adjustment expenses	399,336	78,839	39,672	40,240	51,896
Ending reserves	1,460,604	833,104	622,378	619,088	711,235

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

	Amount (\$)
Direct Basis	340,000
Assumed Reinsurance Basis	19,732
Net of Ceded Reinsurance Basis	359,732

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

	Amount (\$)
Direct Basis	353,246
Assumed Reinsurance Basis	11,721
Net of Ceded Reinsurance Basis	355,618

- 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 (\$)				
	2008	2009	2010	2011	2012
Beginning reserves	3,898,511	3,761,285	4,378,965	4,674,037	5,001,003
Incurring losses and loss adjustment expenses	1,100,129	1,161,273	815,170	950,033	570,787
Calendar year payments for losses and loss adjustment expenses	1,237,355	543,593	520,098	623,067	840,183
Ending reserves	3,761,285	4,378,965	4,674,037	5,001,003	4,731,607

Assumed Reinsurance Basis:	Amount (\$)				
	2008	2009	2010	2011	2012
Beginning reserves	-	-	-	-	-
Incurring losses and loss adjustment expenses	-	-	-	-	-
Calendar year payments for losses and loss adjustment expenses	-	-	-	-	-
Ending reserves	-	-	-	-	-

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2008	2009	2010	2011	2012
Beginning reserves	3,342,189	3,259,363	3,648,519	3,738,445	4,087,983
Incurring losses and loss adjustment expenses	1,087,068	843,004	610,024	840,480	432,006
Calendar year payments for losses and loss adjustment expenses	1,169,894	453,848	520,098	490,942	840,183
Ending reserves	3,259,363	3,648,519	3,738,445	4,087,983	3,679,806

- 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	2,365,803
Assumed Reinsurance Basis	-
Net of Ceded Reinsurance Basis	1,839,903

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: N/A
- 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?
Ohio Department of Insurance

- 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 [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 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:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC 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 [] No [X]
- 6.2 If yes, give full information:

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control0.000 %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 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 [] No [X]
- 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 [] No [X]
- 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 [X] No [] N/A []
- 10.6 If the answer to 10.5 is no or n/a, please explain.

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

Annual Statement for the year 2012 of the **STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**
GENERAL INTERROGATORIES

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 12.11 Name of real estate holding company
 518 Property Management and Leasing LLC
 12.12 Number of parcels involved3
 12.13 Total book/adjusted carrying value \$.....8,696,927

12.2 If yes, provide explanation.
 The Company owns 62.4% of State Auto Financial 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 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 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 2012 annual review resulted in minor changes to the code, and adopted an anti-hedging policy regarding trading in State Auto Financial shares. In the third quarter, the Code of Ethics for Senior Financial Officers was amended primarily to update the positions the Company considers "senior financial officers", as well as to provide a general document re-fresh.

- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
 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 where the issuing or confirming bank is not on the SVO Bank List? Yes 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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
071004446	Albany Bank & Trust Co	If principal company does not fulfill requirements, the LOC can be used.	180,000
074910854	Farmers State Bank	If principal company does not fulfill requirements, the LOC can be used.	105,303
064208013	Carter County Bank	If principal company does not fulfill requirements, the LOC can be used.	100,000
074914407	Community First Bank of Indiana	If principal company does not fulfill requirements, the LOC can be used.	81,875
082908748	First Community Bank of Crawford County	If principal company does not fulfill requirements, the LOC can be used.	155,754
091809252	First National Bank & Trust Co	If principal company does not fulfill requirements, the LOC can be used.	170,000
111913426	Frost Bank	If principal company does not fulfill requirements, the LOC can be used.	100,000
111913426	Frost Bank	If principal company does not fulfill requirements, the LOC can be used.	100,000
241271193	Home Savings Bank	If principal company does not fulfill requirements, the LOC can be used.	1,000,000
271070513	Marquette Bank	If principal company does not fulfill requirements, the LOC can be used.	50,000
242272227	NCB	If principal company does not fulfill requirements, the LOC can be used.	100,000
061202371	PeoplesSouth Bank	If principal company does not fulfill requirements, the LOC can be used.	147,000
074901672	Star Financial Bank	If principal company does not fulfill requirements, the LOC can be used.	100,000
062106573	Southern Independent Bank	If principal company does not fulfill requirements, the LOC can be used.	77,650
082904166	Delta Trust	If principal company does not fulfill requirements, the LOC can be used.	250,000
071025661	Harris Bank	If principal company does not fulfill requirements, the LOC can be used.	52,000
061121261	Sea Island Bank, Division of Synovus Bank	If principal company does not fulfill requirements, the LOC can be used.	300,000
051502748	Bank of Gassaway	If principal company does not fulfill requirements, the LOC can be used.	345,000
082901033	First National Bank	If principal company does not fulfill requirements, the LOC can be used.	79,000
243073632	Fidelity Bank	If principal company does not fulfill requirements, the LOC can be used.	100,000
101114769	Community Bank	If principal company does not fulfill requirements, the LOC can be used.	175,000
081514010	Legends Bank	If principal company does not fulfill requirements, the LOC can be used.	369,852
062203955	First Metro Bank	If principal company does not fulfill requirements, the LOC can be used.	247,650
042215578	CenterBank	If principal company does not fulfill requirements, the LOC can be used.	25,000

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 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 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 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
 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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 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:
- 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

- 24.01 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 24.03)? Yes [] No [X]
- 24.02 If no, give full and complete information relating thereto.
The loan from the Federal Home Loan Bank of Cincinnati is collateralized by treasury bonds and mortgage-backed securities on deposit with the Federal Home Loan Bank of Cincinnati. Additionally, a grantor trust has been established for a reinsurance agreement with State National at JP Morgan Chase.
- 24.03 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).

- 24.04 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]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0
- 24.07 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]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 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]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....0
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....0
 - 24.103 Total payable for securities lending reported on the liability page. \$.....0
- 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 24.03) Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 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 \$.....216,134,922
 - 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 \$.....6,206,450
 - 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? Yes [] No [] N/A [X]
 If no, attach a description with this statement.

- 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 Street, B-10, Chicago, Illinois 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, Ohio	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 Management	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]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
29.2999. TOTAL		0

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.....	460,381,702	477,743,776	17,362,074
30.2 Preferred stocks.....			0
30.3 Totals.....	460,381,702	477,743,776	17,362,074

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? \$.....2,048,436

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	1,377,767

34.1 Amount of payments for legal expenses, if any? \$.....474,244

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	231,078

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.....	\$.....545,111,722	\$.....339,322,205
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....21,267	\$.....24,184
2.5 Reserve Denominator.....	\$.....929,174,822	\$.....910,032,277
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 \$.....33,701,472
 3.22 Non-participating policies \$.....405,022,418

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 casualty 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 \$20 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 quarterly 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 or West Coast 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 \$245 million in coverage for covered losses above a \$55 million retention, with a 5% co-participation. In addition, State Auto Group has a quota share reinsurance agreement ceding 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 noncancellable 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 affiliates 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 31 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 Yes [] No [X]
 - (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 Yes [] No [X]
 - (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 From0.0 %
 - 12.42 To0.0 %
- 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): \$.....1,700,000
- 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.3

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 2012	2 2011	3 2010	4 2009	5 2008
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).....	811,242,505	844,659,589	695,346,295	588,690,481	567,043,715
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	498,051,220	495,410,919	454,157,264	433,905,671	408,481,751
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	628,535,372	587,688,816	532,164,681	460,470,902	447,424,251
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	7,974,737	5,590,929	5,332,181	4,588,683	4,864,264
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(400)	(15,885)	36,287	(3,782)	(185,863)
6. Total (Line 35).....	1,945,803,434	1,933,334,368	1,687,036,708	1,487,651,954	1,427,628,118
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).....	267,875,782	205,854,496	129,677,563	109,334,735	88,798,695
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	158,679,267	119,067,862	85,673,740	81,792,491	65,926,650
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	122,770,060	110,877,524	99,601,784	87,390,101	74,268,728
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,679,463	1,462,193	1,008,387	867,311	825,948
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(400)	(15,885)	36,287	(3,782)	(185,863)
12. Total (Line 35).....	552,004,172	437,246,190	315,997,761	279,380,855	229,634,158
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(51,198,336)	(79,515,549)	(14,904,192)	(11,811,326)	(14,755,184)
14. Net investment gain (loss) (Line 11).....	35,552,508	28,677,804	19,345,817	13,508,955	42,092,185
15. Total other income (Line 15).....	1,296,785	2,747,718	620,474	(1,240,096)	391,285
16. Dividends to policyholders (Line 17).....	101,971	76,896	111,483	81,317	67,900
17. Federal and foreign income taxes incurred (Line 19).....	(4,034,304)	(5,700,425)	(2,547,835)	(4,865,407)	(4,310,265)
18. Net income (Line 20).....	(10,416,710)	(42,466,498)	7,498,451	5,241,623	31,970,651
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	2,093,759,910	2,156,907,267	1,929,317,615	1,721,761,190	1,911,444,526
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	202,708,104	240,690,091	178,097,483	145,233,927	139,605,326
20.2 Deferred and not yet due (Line 15.2).....	378,626,596	337,431,807	333,873,855	313,001,324	285,557,366
20.3 Accrued retrospective premiums (Line 15.3).....	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,345,059,337	1,371,413,662	895,968,197	797,122,206	687,583,317
22. Losses (Page 3, Line 1).....	392,080,569	373,676,317	168,459,576	157,678,452	156,213,292
23. Loss adjustment expenses (Page 3, Line 3).....	94,075,081	87,553,014	38,338,678	37,290,432	33,471,592
24. Unearned premiums (Page 3, Line 9).....	249,858,057	241,848,022	143,822,964	126,573,936	117,946,371
25. Capital paid up (Page 3, Lines 30 & 31).....	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37).....	748,700,573	785,493,605	1,033,349,418	924,638,984	1,223,861,209
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(23,206,216)	312,521,269	26,049,647	5,083,720	(68,603,352)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	748,700,573	785,493,605	1,033,349,418	924,638,984	1,223,861,209
29. Authorized control level risk-based capital.....	133,493,570	131,512,388	126,371,789	121,925,799	101,378,496
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).....	33.7	15.7	14.5	18.3	20.0
31. Stocks (Lines 2.1 & 2.2).....	50.7	71.7	73.3	71.2	65.2
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).....	2.9	4.1	4.0	4.5	2.8
34. Cash, cash equivalents and short-term investments (Line 5).....	6.1	6.3	6.5	4.8	11.5
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	0.0	0.0	XXX	XXX
37. Other invested assets (Line 8).....	5.8	2.2	1.7	1.3	0.5
38. Receivable for securities (Line 9).....	0.8	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.0	0.0	0.0	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).....	603,457,334	745,667,162	850,154,045	769,251,630	749,149,000
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	1,000,000	0	0	0	0
48. Total of above lines 42 to 47.....	604,457,334	745,667,162	850,154,045	769,251,630	749,149,000
49. Total investment in parent included in Lines 42 to 47 above.....	0	0	0	0	0
50. 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).....	80.7	94.9	82.3	83.2	61.2

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(66,635,628)	(130,937,877)	84,615,669	(250,600,972)	17,374,205
52. Dividends to stockholders (Line 35).....	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38).....	(36,793,032)	(247,855,813)	108,710,434	(299,222,225)	30,097,695
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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).....	454,436,963	310,987,155	335,231,016	281,008,183	256,428,983
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	267,384,731	290,680,835	253,922,543	241,587,612	216,956,137
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	349,375,547	443,615,270	302,691,600	302,773,108	290,797,811
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	547,032	933,680	1,328,449	642,947	498,146
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	186,478	231,205	160,191	911,732	2,639,545
59. Total (Line 35).....	1,071,930,751	1,046,448,145	893,333,799	826,923,583	767,320,621
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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).....	152,022,435	(63,903,331)	62,065,205	50,799,104	65,874,113
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	89,638,227	48,167,947	47,925,180	46,041,234	43,496,479
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	73,748,385	48,244,052	56,610,464	56,500,690	57,366,521
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	173,708	6,813	688,327	120,714	156,633
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	115,894	(31,873)	30,436	687,328	2,609,057
65. Total (Line 35).....	315,698,649	32,483,607	167,319,612	154,149,070	169,502,803
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	61.3	70.1	59.6	57.6	61.8
68. Loss expenses incurred (Line 3).....	13.3	12.2	10.0	11.8	11.6
69. Other underwriting expenses incurred (Line 4).....	34.8	41.2	35.4	34.9	32.3
70. Net underwriting gain (loss) (Line 8).....	(9.4)	(23.4)	(5.0)	(4.4)	(5.8)
Other Percentages					
71. 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).....	34.1	31.3	33.2	34.3	35.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	74.6	82.2	69.6	69.4	73.4
73. 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).....	73.7	55.7	30.6	30.2	18.8
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(7,030)	(10,888)	(12,943)	(17,147)	(8,151)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(0.9)	(1.1)	(1.4)	(1.4)	(0.7)
Two Year Loss Development (000 omitted)					
76. 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).....	(19,828)	(29,813)	(22,612)	(16,470)	(20,110)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(1.9)	(3.2)	(1.8)	(1.4)	(1.5)

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							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....	4,770	1,043	864	(3)	130	6	72	4,718	XXX.....	
2. 2003.....	489,623	25,548	464,075	246,759	10,219	15,651	402	25,878	163	10,272	277,504	XXX.....	
3. 2004.....	497,774	26,513	471,261	240,890	14,320	16,361	951	28,006	81	8,965	269,905	XXX.....	
4. 2005.....	515,272	31,407	483,865	264,879	14,812	17,273	534	28,817	324	9,320	295,300	XXX.....	
5. 2006.....	524,545	39,975	484,570	243,607	10,867	17,535	355	29,536	225	9,352	279,231	XXX.....	
6. 2007.....	526,089	47,314	478,775	238,208	10,511	18,112	336	29,789	390	9,365	274,872	XXX.....	
7. 2008.....	515,056	30,281	484,775	293,797	16,577	18,245	767	35,989	948	9,207	329,739	XXX.....	
8. 2009.....	552,140	37,341	514,800	296,346	11,814	18,587	475	33,437	54	7,668	336,026	XXX.....	
9. 2010.....	603,281	37,348	565,933	314,022	7,630	17,224	864	32,601	92	7,550	355,263	XXX.....	
10. 2011.....	647,288	40,062	607,226	356,429	11,124	13,905	493	42,797	218	13,862	401,295	XXX.....	
11. 2012.....	674,411	129,299	545,112	221,198	48,021	7,482	352	31,057	2,997	8,344	208,368	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	2,720,904	156,938	161,240	5,525	318,036	5,496	93,977	3,032,221	XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	35,440	27,134	14,596	5,578	1,297	218	2,715	459	2,043	22	83	22,681	XXX.....
2. 2003.....	1,838	474	2,204	759	214	13	620	307	165	6	76	3,481	XXX.....
3. 2004.....	1,829	599	2,279	755	213	9	469	51	172	4	94	3,544	XXX.....
4. 2005.....	5,867	3,331	2,844	729	556	62	537	18	268	0	136	5,933	XXX.....
5. 2006.....	4,132	841	4,239	1,174	500	51	1,278	130	431	12	170	8,372	XXX.....
6. 2007.....	3,786	378	7,877	1,625	538	38	2,377	243	640	0	245	12,933	XXX.....
7. 2008.....	8,387	287	8,935	2,135	925	0	2,467	351	895	0	332	18,836	XXX.....
8. 2009.....	14,322	970	12,810	2,659	1,687	40	3,128	376	1,227	2	710	29,126	XXX.....
9. 2010.....	29,512	1,026	22,219	2,437	3,352	193	5,603	473	2,487	9	1,394	59,037	XXX.....
10. 2011.....	55,577	2,691	45,374	4,232	4,502	83	11,733	977	4,966	111	2,540	114,058	XXX.....
11. 2012.....	106,529	14,172	85,299	9,827	5,542	76	23,275	1,610	13,401	206	7,496	208,154	XXX.....
12. Totals.....	267,219	51,903	208,675	31,911	19,326	783	54,201	4,993	26,696	372	13,277	486,156	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	17,323	5,358
2. 2003.	293,329	12,344	280,985	59.9	48.3	60.5	0	0	34.00	2,809	672
3. 2004.	290,220	16,770	273,450	58.3	63.3	58.0	0	0	34.00	2,753	791
4. 2005.	321,042	19,808	301,234	62.3	63.1	62.3	0	0	34.00	4,652	1,281
5. 2006.	301,257	13,655	287,603	57.4	34.2	59.4	0	0	34.00	6,356	2,016
6. 2007.	301,327	13,521	287,806	57.3	28.6	60.1	0	0	34.00	9,660	3,273
7. 2008.	369,640	21,065	348,574	71.8	69.6	71.9	0	0	34.00	14,900	3,936
8. 2009.	381,543	16,392	365,151	69.1	43.9	70.9	0	0	34.00	23,502	5,624
9. 2010.	427,021	12,721	414,299	70.8	34.1	73.2	0	0	34.00	48,269	10,768
10. 2011.	535,283	19,929	515,354	82.7	49.7	84.9	0	0	34.00	94,028	20,030
11. 2012.	493,782	77,260	416,522	73.2	59.8	76.4	0	0	34.00	167,828	40,326
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	392,081	94,075

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	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior.....	190,262	190,036	183,331	181,313	179,561	177,535	176,551	177,991	176,601	175,794	(807)	(2,197)
2. 2003.....	277,909	268,616	264,451	259,350	257,816	256,316	254,876	255,030	255,173	255,110	(63)	80
3. 2004.....	XXX	267,763	263,073	252,114	250,253	249,552	247,225	246,434	245,549	245,356	(192)	(1,078)
4. 2005.....	XXX	XXX	294,141	286,372	275,274	273,841	272,749	271,776	272,622	272,474	(148)	698
5. 2006.....	XXX	XXX	XXX	275,612	268,209	266,422	261,463	258,868	257,961	257,873	(88)	(995)
6. 2007.....	XXX	XXX	XXX	XXX	266,417	261,648	260,495	260,426	258,871	257,767	(1,104)	(2,659)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	335,666	319,862	315,331	313,811	312,638	(1,173)	(2,693)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	349,732	336,527	332,555	330,544	(2,011)	(5,983)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	384,311	382,665	379,311	(3,354)	(5,000)
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	466,010	467,920	1,910	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	375,266	XXX	XXX
12. Totals.....											(7,030)	(19,828)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior.....	.000	61,054	97,986	114,701	128,779	137,457	141,116	146,722	150,541	155,135	XXX	XXX
2. 2003.....	155,653	203,115	222,426	235,130	244,453	247,553	248,666	249,934	250,760	251,788	XXX	XXX
3. 2004.....	XXX	140,268	191,321	211,817	225,293	234,050	238,310	240,422	241,400	241,981	XXX	XXX
4. 2005.....	XXX	XXX	135,751	205,057	232,422	249,365	257,374	262,064	265,058	266,808	XXX	XXX
5. 2006.....	XXX	XXX	XXX	149,483	202,507	223,180	235,711	243,908	247,814	249,920	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	143,175	193,656	214,501	230,172	240,505	245,473	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	190,380	250,402	273,307	287,203	294,697	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	192,723	253,028	282,538	302,643	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	211,047	289,005	322,753	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	271,781	358,716	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	180,308	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior.....	79,632	60,203	45,243	35,833	27,832	22,887	19,281	17,117	14,051	11,274
2. 2003.....	46,768	30,371	17,918	11,089	6,825	4,675	3,667	3,095	2,242	1,758
3. 2004.....	XXX	53,650	34,348	17,292	9,978	7,174	4,802	3,576	2,531	1,942
4. 2005.....	XXX	XXX	60,538	35,407	18,060	11,171	7,540	4,471	3,398	2,635
5. 2006.....	XXX	XXX	XXX	53,306	30,023	20,044	12,292	8,181	5,606	4,212
6. 2007.....	XXX	XXX	XXX	XXX	49,751	31,104	21,100	14,450	10,812	8,386
7. 2008.....	XXX	XXX	XXX	XXX	XXX	59,080	33,657	20,263	11,941	8,916
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	67,244	41,100	20,027	12,902
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,368	46,338	24,912
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90,016	51,898
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	97,137

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	L	7,780,257	7,927,092	0	4,179,675	3,667,190	7,328,344	33,051	0
2. Alaska.....AK	L	0	0	0	0	0	0	0	0
3. Arizona.....AZ	L	2,579,379	2,588,412	0	1,976,884	1,989,712	3,899,263	2,074	0
4. Arkansas.....AR	L	20,399,121	20,204,041	0	12,231,966	10,160,239	9,225,375	139,065	0
5. California.....CA	Q	0	0	0	0	0	0	0	0
6. Colorado.....CO	L	5,012,415	4,213,552	0	1,697,278	3,205,060	3,638,580	17,770	0
7. Connecticut.....CT	L	1,216,953	1,092,696	0	163,834	566,816	1,310,085	1,174	0
8. Delaware.....DE	L	244,098	170,803	0	(50,826)	(35,112)	91,896	83	0
9. District of Columbia.....DC	L	277,057	280,606	0	22,907	78,205	315,666	152	0
10. Florida.....FL	L	585,537	602,470	0	537,518	522,947	1,541,366	96	0
11. Georgia.....GA	L	5,498,919	5,318,628	0	8,736,337	4,686,847	5,734,771	13,999	0
12. Hawaii.....HI	L	0	0	0	0	0	0	0	0
13. Idaho.....ID	L	0	0	0	0	0	0	0	0
14. Illinois.....IL	L	8,185,034	8,611,838	20,454	5,951,320	8,519,162	24,184,053	13,180	0
15. Indiana.....IN	L	21,622,238	22,287,941	0	12,640,040	13,171,156	16,590,628	93,526	0
16. Iowa.....IA	L	1,369,111	1,477,737	4,133	1,276,232	1,032,143	1,612,653	3,864	0
17. Kansas.....KS	L	3,879,462	3,278,019	0	1,886,920	2,037,515	1,599,107	19,444	0
18. Kentucky.....KY	L	19,979,819	20,237,873	103,488	17,117,347	17,348,822	15,005,553	52,384	0
19. Louisiana.....LA	L	0	0	0	0	0	0	0	0
20. Maine.....ME	L	0	0	0	0	0	0	0	0
21. Maryland.....MD	L	23,564,914	23,956,320	6,551	11,043,264	12,135,111	16,719,470	117,600	0
22. Massachusetts.....MA	L	363,779	201,956	0	22,263	358,508	344,257	519	0
23. Michigan.....MI	L	39,210,376	35,994,642	0	26,082,178	28,887,657	55,217,049	188,110	0
24. Minnesota.....MN	L	3,464,735	3,538,305	0	1,934,386	1,161,815	4,757,025	15,552	0
25. Mississippi.....MS	L	1,811,111	1,670,217	0	601,113	691,765	1,202,312	2,680	0
26. Missouri.....MO	L	1,390,395	1,285,246	0	898,948	495,440	1,635,854	1,805	0
27. Montana.....MT	L	0	0	0	0	0	0	0	0
28. Nebraska.....NE	L	0	0	0	0	0	0	0	0
29. Nevada.....NV	L	0	0	0	0	0	0	0	0
30. New Hampshire.....NH	L	0	0	0	0	0	0	0	0
31. New Jersey.....NJ	L	0	0	0	0	0	0	0	0
32. New Mexico.....NM	L	0	0	0	0	0	0	0	0
33. New York.....NY	L	0	0	0	0	0	0	0	0
34. North Carolina.....NC	L	9,920,935	9,342,098	0	4,545,041	3,779,930	5,692,253	15,602	0
35. North Dakota.....ND	L	795,482	484,141	0	47,508	307,824	675,429	651	0
36. Ohio.....OH	L	145,577,332	147,460,402	0	77,486,345	65,302,773	82,682,868	553,537	0
37. Oklahoma.....OK	L	1,096,628	995,678	0	489,628	88,349	1,341,489	665	0
38. Oregon.....OR	L	0	0	0	0	0	0	0	0
39. Pennsylvania.....PA	L	18,623,491	19,044,260	0	10,237,540	11,246,598	27,173,702	53,271	0
40. Rhode Island.....RI	L	0	0	0	0	0	0	0	0
41. South Carolina.....SC	L	21,100,322	19,346,508	0	12,010,883	13,329,566	8,633,138	143,804	0
42. South Dakota.....SD	L	296,778	320,023	0	28,313	13,551	360,011	739	0
43. Tennessee.....TN	L	19,977,369	19,255,164	0	7,379,648	7,430,003	21,685,539	57,814	0
44. Texas.....TX	L	43,864,812	36,506,203	0	20,765,772	26,040,565	29,570,958	117,661	0
45. Utah.....UT	L	284,551	238,028	0	53,009	243,971	309,859	744	0
46. Vermont.....VT	L	0	0	0	0	0	0	0	0
47. Virginia.....VA	L	2,505,782	2,508,453	10,558	820,264	899,365	3,934,110	3,304	0
48. Washington.....WA	L	0	0	0	0	0	0	0	0
49. West Virginia.....WV	L	4,282,199	4,397,975	0	1,287,977	1,614,548	3,983,774	7,146	0
50. Wisconsin.....WI	L	1,963,497	1,883,019	46,223	542,734	955,591	2,139,929	6,240	0
51. Wyoming.....WY	L	0	0	0	0	0	0	0	0
52. American Samoa.....AS	N	0	0	0	0	0	0	0	0
53. Guam.....GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	N	0	0	0	0	0	0	0	0
55. US Virgin Islands.....VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	N	0	0	0	0	0	0	0	0
57. Canada.....CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a) ..50		438,723,888	426,720,346	191,406	244,644,246	241,933,632	360,136,366	1,677,307	0

DETAILS OF WRITE-INS

58001.....	XXX	0	0	0	0	0	0	0	0
58002.....	XXX	0	0	0	0	0	0	0	0
58003.....	XXX	0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (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.

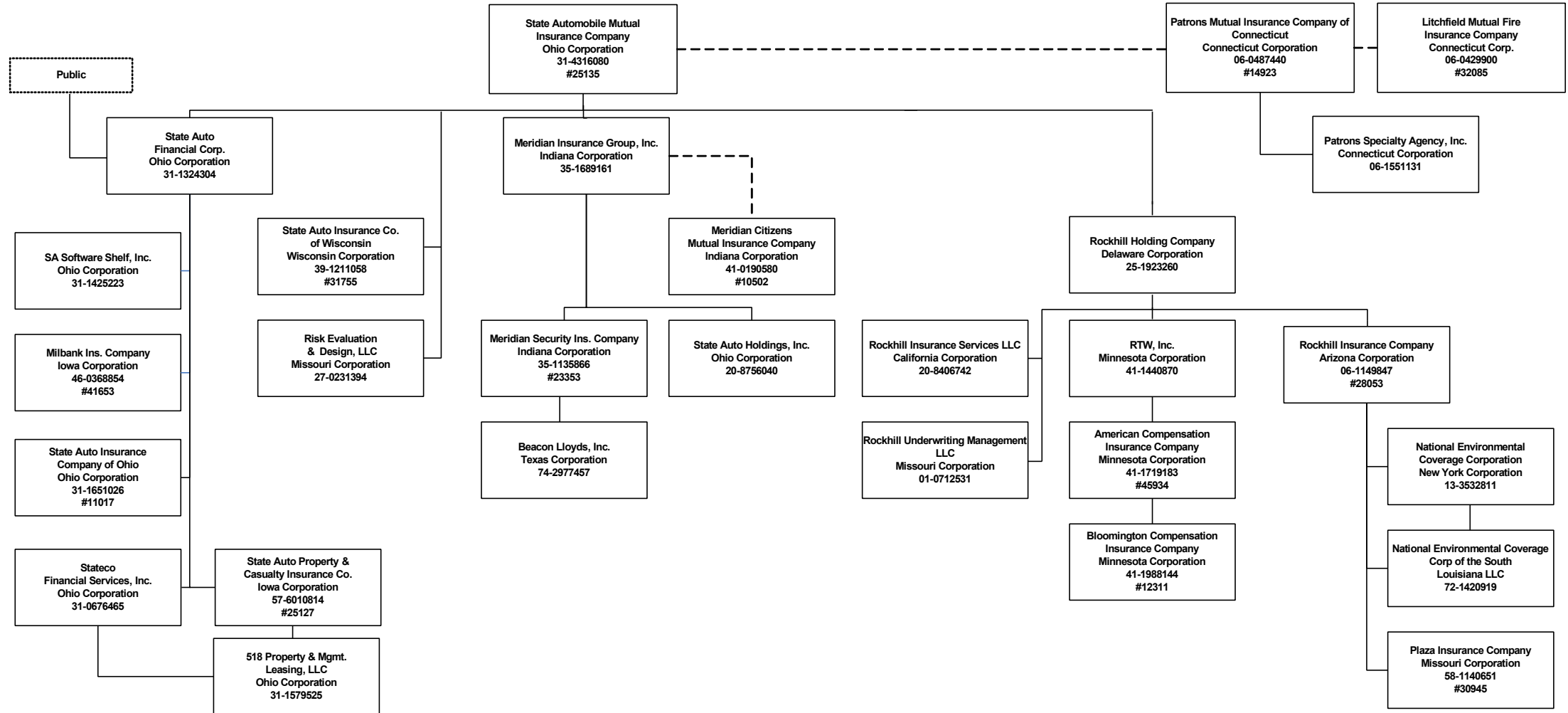
Explanation of Basis of Allocation of Premiums by States, etc.

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



2012 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	59
Cash Flow	5	Schedule P-Part 2H-Section 1-Other Liability-Occurrence	59
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	59
Exhibit of Net Investment Income	12	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	60
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2J-Auto Physical Damage	60
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2K-Fidelity, Surety	60
Five-Year Historical Data	17	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	60
General Interrogatories	15	Schedule P-Part 2M-International	60
Jurat Page	1	Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property	61
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability	61
Notes To Financial Statements	14	Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines	61
Overflow Page For Write-ins	101	Schedule P-Part 2R-Section 1-Products Liability-Occurrence	62
Schedule A-Part 1	E01	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	62
Schedule A-Part 2	E02	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	62
Schedule A-Part 3	E03	Schedule P-Part 2T-Warranty	62
Schedule A-Verification Between Years	SI02	Schedule P-Part 3A-Homeowners/Farmowners	63
Schedule B-Part 1	E04	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	63
Schedule B-Part 2	E05	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	63
Schedule B-Part 3	E06	Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)	63
Schedule B-Verification Between Years	SI02	Schedule P-Part 3E-Commercial Multiple Peril	63
Schedule BA-Part 1	E07	Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence	64
Schedule BA-Part 2	E08	Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made	64
Schedule BA-Part 3	E09	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	64
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	64
Schedule D-Part 1	E10	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	64
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	65
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3J-Auto Physical Damage	65
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3K-Fidelity/Surety	65
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	65
Schedule D-Part 3	E13	Schedule P-Part 3M-International	65
Schedule D-Part 4	E14	Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property	66
Schedule D-Part 5	E15	Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability	66
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines	66
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	67
Schedule D-Summary By Country	SI04	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	67
Schedule D-Verification Between Years	SI03	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	67
Schedule DA-Part 1	E17	Schedule P-Part 3T-Warranty	67
Schedule DA-Verification Between Years	SI10	Schedule P-Part 4A-Homeowners/Farmowners	68
Schedule DB-Part A-Section 1	E18	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	68
Schedule DB-Part A-Section 2	E19	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	68
Schedule DB-Part A-Verification Between Years	SI11	Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)	68
Schedule DB-Part B-Section 1	E20	Schedule P-Part 4E-Commercial Multiple Peril	68
Schedule DB-Part B-Section 2	E21	Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence	69
Schedule DB-Part B-Verification Between Years	SI11	Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made	69
Schedule DB-Part C-Section 1	SI12	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	69
Schedule DB-Part C-Section 2	SI13	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	69
Schedule DB-Part D	E22	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	69
Schedule DB-Verification	SI14	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	70
Schedule DL-Part 1	E23	Schedule P-Part 4J-Auto Physical Damage	70
Schedule DL-Part 2	E24	Schedule P-Part 4K-Fidelity/Surety	70
Schedule E-Part 1-Cash	E25	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	70
Schedule E-Part 2-Cash Equivalents	E26	Schedule P-Part 4M-International	70
Schedule E-Part 3-Special Deposits	E27	Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property	71
Schedule E-Verification Between Years	SI15	Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability	71
Schedule F-Part 1	20	Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines	71
Schedule F-Part 2	21	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	72
Schedule F-Part 3	22	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	72
Schedule F-Part 4	23	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	72
Schedule F-Part 5	24	Schedule P-Part 4T-Warranty	72
Schedule F-Part 6-Section 1	25	Schedule P-Part 5A-Homeowners/Farmowners	73
Schedule F-Part 6-Section 2	27	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	74
Schedule F-Part 7	28	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	75
Schedule F-Part 8	29	Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)	76
Schedule F-Part 9	30	Schedule P-Part 5E-Commercial Multiple Peril	77
Schedule H-Accident and Health Exhibit-Part 1	31	Schedule P-Part 5F-Medical Professional Liability-Claims-Made	79
Schedule H-Part 2, Part 3 and Part 4	32	Schedule P-Part 5F-Medical Professional Liability-Occurrence	78
Schedule H-Part 5-Health Claims	33	Schedule P-Part 5H-Other Liability-Claims-Made	81
Schedule P-Part 1-Summary	34	Schedule P-Part 5H-Other Liability-Occurrence	80
Schedule P-Part 1A-Homeowners/Farmowners	36	Schedule P-Part 5R-Products Liability-Claims-Made	83
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	37	Schedule P-Part 5R-Products Liability-Occurrence	82
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	38	Schedule P-Part 5T-Warranty	84
Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)	39	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	85
Schedule P-Part 1E-Commercial Multiple Peril	40	Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)	85
Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence	41	Schedule P-Part 6E-Commercial Multiple Peril	86
Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made	42	Schedule P-Part 6H-Other Liability-Claims-Made	87
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	43	Schedule P-Part 6H-Other Liability-Occurrence	86
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	44	Schedule P-Part 6M-International	87
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	45	Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property	88
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	46	Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability	88
Schedule P-Part 1J-Auto Physical Damage	47	Schedule P-Part 6R-Products Liability-Claims-Made	89
Schedule P-Part 1K-Fidelity/Surety	48	Schedule P-Part 6R-Products Liability-Occurrence	89
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	49	Schedule P-Part 7A-Primary Loss Sensitive Contracts	90
Schedule P-Part 1M-International	50	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	92
Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property	51	Schedule P Interrogatories	94
Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability	52	Schedule T-Exhibit of Premiums Written	95
Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines	53	Schedule T-Part 2-Interstate Compact	96
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	54	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	97
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	55	Schedule Y-Detail of Insurance Holding Company System	98
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	56	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	99
Schedule P-Part 1T-Warranty	57	Statement of Income	4
Schedule P-Part 2, Part 3 and Part 4 - Summary	35	Summary Investment Schedule	SI01
Schedule P-Part 2A-Homeowners/Farmowners	58	Supplemental Exhibits and Schedules Interrogatories	100
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	58	Underwriting and Investment Exhibit Part 1	6
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	58	Underwriting and Investment Exhibit Part 1A	7
Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)	58	Underwriting and Investment Exhibit Part 1B	8
Schedule P-Part 2E-Commercial Multiple Peril	58	Underwriting and Investment Exhibit Part 2	9
Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence	59	Underwriting and Investment Exhibit Part 2A	10
Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made	59	Underwriting and Investment Exhibit Part 3	11