



ANNUAL STATEMENT

For the Year Ended December 31, 2013
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 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	518 East Broad Street..... Columbus OH US 43215 (Street and Number) (City or Town, State, Country and Zip Code)	614-464-5000 (Area Code) (Telephone Number)
Mail Address	518 East Broad Street..... Columbus OH US 43215 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	518 East Broad Street..... Columbus OH US 43215 (Street and Number) (City or Town, State, Country and Zip Code)	614-464-5000 (Area Code) (Telephone Number)
Internet Web Site Address	www.stateauto.com	
Statutory Statement Contact	Tina Marie Stillabower (Name) corporateaccounting@stateauto.com (E-Mail Address)	317-931-7473 (Area Code) (Telephone Number) (Extension) 317-931-6558 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Robert Paul Restrepo, Jr.	President	2. James Andrew Yano	Secretary
3. Matthew Robert Pollak #	Treasurer	4.	
OTHER			
Douglas Edward Allen	Vice President	Joel Edward Brown	Senior Vice President
Jessica Elizabeth Buss	Senior Vice President	David William Dalton	Vice President
Steven Eugene English	Senior Vice President	Clyde Howard Fitch, Jr.	Senior Vice President
Steven Ray Hazelbaker	Vice President	Ricky Lee Holbein	Vice President
Stephen Peter Hunkler	Senior Vice President	Scott Alan Jones	Vice President
Karen Lynn Longshore	Vice President	Charles Edward McShane, Jr.	Vice President
Matthew Stanley Mrozek	Vice President	Paul Edward Nordman	Vice President
John Michael Petrucci	Vice President	Cynthia Ann Powell	Senior Vice President
Timothy Gerard Reik	Vice President	Mary Jean Reynolds	Vice President
Lyle Dean Rhodebeck	Senior Vice President	Lorraine Margaret Siegworth	Senior Vice President
Larry Emmett Willeford	Vice President		

DIRECTORS OR TRUSTEES

State of..... Ohio
County of.... Franklin

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

(Signature)
Robert Paul Restrepo, Jr.

1. (Printed Name)
President

(Title)

(Signature)
James Andrew Yano

2. (Printed Name)
Secretary

(Title)

(Signature)
Matthew Robert Pollak

3. (Printed Name)
Treasurer

(Title)

Subscribed and sworn to before me
This 20th day of February, 2014

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

Yes [X] No []

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	428,826,105	0	428,826,105	424,703,536
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	729,361,051	5,224,930	724,136,121	637,925,172
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).....	32,876,257	0	32,876,257	36,485,140
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....92,504,716, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....146,509, Schedule DA).....	92,651,225	0	92,651,225	76,536,280
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).....	79,289,847	0	79,289,847	73,609,298
9. Receivables for securities.....	0	0	0	10,000,000
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).....	1,363,004,485	5,224,930	1,357,779,555	1,259,259,426
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	3,527,361	0	3,527,361	3,554,857
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	220,226,404	343,348	219,883,056	202,708,104
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....3,265,025 earned but unbilled premiums).....	397,419,919	1,165,089	396,254,830	378,626,596
15.3 Accrued retrospective premiums.....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	189,668,627	0	189,668,627	202,156,893
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.....	1,798,155	0	1,798,155	3,628,931
18.2 Net deferred tax asset.....	562,472	562,472	0	0
19. Guaranty funds receivable or on deposit.....	163,743	0	163,743	177,730
20. Electronic data processing equipment and software.....	30,025,876	27,160,270	2,865,606	3,944,689
21. Furniture and equipment, including health care delivery assets (\$.....0).....	7,255,895	7,255,895	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.....	22,691,034	0	22,691,034	38,769,248
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	6,161,016	4,719,771	1,441,245	933,436
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,242,504,987	46,431,775	2,196,073,212	2,093,759,910
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	2,242,504,987	46,431,775	2,196,073,212	2,093,759,910

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.....	402,277	402,277	0	386
2502. Prepaid expenses.....	4,107,597	4,107,597	0	0
2503. Equities and deposits in pools and associations.....	357,057	0	357,057	409,624
2598. Summary of remaining write-ins for Line 25 from overflow page.....	1,294,085	209,897	1,084,188	523,426
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	6,161,016	4,719,771	1,441,245	933,436

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	403,072,234	392,080,569
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	182,443,283	193,161,115
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	94,494,778	94,075,081
4. Commissions payable, contingent commissions and other similar charges.....	15,979,938	13,676,179
5. Other expenses (excluding taxes, licenses and fees).....	12,192,112	37,057,125
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	7,467,920	7,575,265
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$....89,000,000 and interest thereon \$....897,814.....	89,897,814	89,895,361
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....644,055,501 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).....	254,378,592	249,858,057
10. Advance premium.....	12,580,323	10,186,754
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	55,209	24,286
12. Ceded reinsurance premiums payable (net of ceding commissions).....	115,250,028	122,142,861
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	28,175	28,175
14. Amounts withheld or retained by company for account of others.....	6,586,193	10,223,034
15. Remittances and items not allocated.....	831,207	913,191
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	19,557	9,516
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	49,620,596	46,342,085
19. Payable to parent, subsidiaries and affiliates.....	54,131,974	49,385,522
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.....	38,958,462	28,425,161
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,337,988,395	1,345,059,337
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	1,337,988,395	1,345,059,337
29. Aggregate write-ins for special surplus funds.....	385,800	368,486
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).....	857,699,017	748,332,087
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).....	858,084,817	748,700,573
38. TOTALS (Page 2, Line 28, Col. 3).....	2,196,073,212	2,093,759,910

DETAILS OF WRITE-INS

2501. Escheated funds payable.....	2,099,979	1,401,424
2502. Premium deficiency reserve.....	29,240	36,720
2503. Equities and deposits in pools and associations.....	226,454	209,977
2598. Summary of remaining write-ins for Line 25 from overflow page.....	36,602,789	26,777,040
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	38,958,462	28,425,161
2901. Retroactive reinsurance gain (loss).....	385,800	368,486
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).....	385,800	368,486
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).....	551,866,955	545,111,722
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	309,933,916	334,102,901
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	67,914,237	72,760,718
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	195,454,530	189,452,219
5. Aggregate write-ins for underwriting deductions.....	(7,480)	(5,780)
6. Total underwriting deductions (Lines 2 through 5).....	573,295,203	596,310,058
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(21,428,248)	(51,198,336)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	19,229,195	22,072,166
10. Net realized capital gains (losses) less capital gains tax of \$....972,650 (Exhibit of Capital Gains (Losses)).....	(4,282,714)	13,480,342
11. Net investment gain (loss) (Lines 9 + 10).....	14,946,481	35,552,508
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....176,204 amount charged off \$....1,529,136).....	(1,352,932)	(1,320,483)
13. Finance and service charges not included in premiums.....	3,213,983	3,387,379
14. Aggregate write-ins for miscellaneous income.....	(73,709)	(770,111)
15. Total other income (Lines 12 through 14).....	1,787,342	1,296,785
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(4,694,425)	(14,349,043)
17. Dividends to policyholders.....	85,098	101,971
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).....	(4,779,523)	(14,451,014)
19. Federal and foreign income taxes incurred.....	(1,741,953)	(4,034,304)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(3,037,570)	(10,416,710)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	748,700,573	785,493,605
22. Net income (from Line 20).....	(3,037,570)	(10,416,710)
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....7,513,991.....	65,192,297	(66,635,628)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	8,081,829	1,258,600
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	53,251,690	39,300,818
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(10,041)	447,811
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.....	(14,093,961)	(747,923)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	109,384,244	(36,793,032)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	858,084,817	748,700,573

DETAILS OF WRITE-INS

0501. Premium deficiency reserve.....	(7,480)	(5,780)
0502. ....0	0	0
0503. ....0	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).....	(7,480)	(5,780)
1401. Miscellaneous income (expense).....	101,252	46,750
1402. Gain (loss) on sale of fixed assets.....	(134,109)	(598,398)
1403. Governmental fines and penalties.....	(60,215)	(23,697)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	19,363	(194,766)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(73,709)	(770,111)
3701. Deferred gain on asset transfers between parent and affiliate.....	181,376	24,962
3702. Net excess of pension liability over intangible asset.....	25,544,523	(1,295,398)
3703. Affiliate cost basis adjustment.....	0	522,513
3798. Summary of remaining write-ins for Line 37 from overflow page.....	(39,819,860)	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(14,093,961)	(747,923)

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	516,693,003	501,761,840
2. Net investment income.....	27,136,835	26,537,291
3. Miscellaneous income.....	1,767,974	1,491,550
4. Total (Lines 1 through 3).....	545,597,812	529,790,681
5. Benefit and loss related payments.....	297,646,697	301,295,430
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	260,348,508	256,138,815
8. Dividends paid to policyholders.....	54,175	186,684
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(2,600,079)	(4,624,032)
10. Total (Lines 5 through 9).....	555,449,301	552,996,897
11. Net cash from operations (Line 4 minus Line 10).....	(9,851,489)	(23,206,216)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	100,241,142	113,516,939
12.2 Stocks.....	19,620,313	96,421,923
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	382,839
12.5 Other invested assets.....	7,902,295	5,786,207
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	10,000,000	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	137,763,750	216,107,908
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	108,003,835	383,392,942
13.2 Stocks.....	19,739,718	38,293,352
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	372,671	634,126
13.5 Other invested assets.....	10,916,475	58,762,518
13.6 Miscellaneous applications.....	0	10,000,000
13.7 Total investments acquired (Lines 13.1 to 13.6).....	139,032,699	491,082,938
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).....	(1,268,949)	(274,975,030)
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).....	27,235,383	311,700,027
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	27,235,383	311,700,027
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).....	16,114,945	13,518,781
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	76,536,280	63,017,499
19.2 End of year (Line 18 plus Line 19.1).....	92,651,225	76,536,280

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

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

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	20,684,093	10,622,039	10,385,471	20,920,661
2. Allied lines.....	28,831,047	15,061,588	16,490,035	27,402,600
3. Farmowners multiple peril.....	14,070,230	6,967,491	6,994,585	14,043,136
4. Homeowners multiple peril.....	31,173,378	16,257,045	17,670,680	29,759,743
5. Commercial multiple peril.....	76,874,789	39,588,357	37,454,994	79,008,152
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	211,396	118,880	99,761	230,515
9. Inland marine.....	8,594,994	4,292,798	4,149,550	8,738,242
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0
11.2 Medical professional liability - claims-made.....	2,738,988	1,656,950	1,644,136	2,751,802
12. Earthquake.....	4,115,743	2,923,378	3,107,343	3,931,778
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.....	1,316	657	609	1,364
16. Workers' compensation.....	37,729,694	16,257,392	16,808,292	37,178,794
17.1 Other liability - occurrence.....	46,508,309	22,806,298	22,059,384	47,255,223
17.2 Other liability - claims-made.....	4,190,625	1,870,959	1,928,968	4,132,616
17.3 Excess workers' compensation.....	86,350	16,107	0	102,457
18.1 Products liability - occurrence.....	6,089,120	2,546,357	2,551,830	6,083,647
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	117,783,215	44,740,524	44,741,334	117,782,405
19.3, 19.4 Commercial auto liability.....	50,769,329	23,173,983	24,957,422	48,985,890
21. Auto physical damage.....	102,039,775	38,795,434	40,178,317	100,656,892
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	562,629	309,651	301,788	570,492
24. Surety.....	2,242,987	871,691	1,043,047	2,071,631
26. Burglary and theft.....	97,719	47,881	46,380	99,220
27. Boiler and machinery.....	138,744	52,963	64,614	127,093
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	32,608	0	0	32,608
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.....	555,567,078	248,978,423	252,678,540	551,866,961

DETAILS OF WRITE-INS

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

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	10,322,695	62,776	0	0	10,385,471
2. Allied lines.....	15,915,652	574,383	0	0	16,490,035
3. Farmowners multiple peril.....	6,994,723	(138)	0	0	6,994,585
4. Homeowners multiple peril.....	17,670,680	0	0	0	17,670,680
5. Commercial multiple peril.....	37,813,146	(1,065)	(357,087)	0	37,454,994
6. Mortgage guaranty.....	0	0	0	0	0
8. Ocean marine.....	99,761	0	0	0	99,761
9. Inland marine.....	4,149,532	18	0	0	4,149,550
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.....	1,644,136	0	0	0	1,644,136
12. Earthquake.....	3,104,076	3,267	0	0	3,107,343
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.....	609	0	0	0	609
16. Workers' compensation.....	17,530,405	0	(722,113)	0	16,808,292
17.1 Other liability - occurrence.....	22,279,009	127,679	(347,304)	0	22,059,384
17.2 Other liability - claims-made.....	1,742,574	186,394	0	0	1,928,968
17.3 Excess workers' compensation.....	0	0	0	0	0
18.1 Products liability - occurrence.....	2,732,506	0	(180,676)	0	2,551,830
18.2 Products liability - claims-made.....	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	44,741,334	0	0	0	44,741,334
19.3, 19.4 Commercial auto liability.....	24,920,861	127,909	(91,348)	0	24,957,422
21. Auto physical damage.....	40,136,239	43,597	(1,519)	0	40,178,317
22. Aircraft (all perils).....	0	0	0	0	0
23. Fidelity.....	258,211	43,577	0	0	301,788
24. Surety.....	963,894	79,153	0	0	1,043,047
26. Burglary and theft.....	45,098	1,282	0	0	46,380
27. Boiler and machinery.....	64,618	(4)	0	0	64,614
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.....	253,129,759	1,248,828	(1,700,047)	0	252,678,540
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					1,700,047
38. Balance (sum of Lines 35 through 37).....					254,378,587

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.....	24,013,090	38,124,374	126,984	40,151,474	1,428,881	20,684,093
2. Allied lines.....	27,104,388	72,101,015	141,492	55,966,152	14,549,696	28,831,047
3. Farmowners multiple peril.....	0	41,488,254	0	27,312,800	105,224	14,070,230
4. Homeowners multiple peril.....	62,926,474	299,728,748	362,886	60,513,027	271,331,703	31,173,378
5. Commercial multiple peril.....	42,824,647	192,955,953	(1,456,570)	149,227,532	8,221,709	76,874,789
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	109,483	512,260	0	410,356	(9)	211,396
9. Inland marine.....	8,818,023	16,523,815	0	16,684,401	62,443	8,594,994
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	8,593,043	0	5,316,858	537,197	2,738,988
12. Earthquake.....	1,651,853	19,235,820	0	7,989,382	8,782,548	4,115,743
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.....	5,799	0	0	2,554	1,929	1,316
16. Workers' compensation.....	30,241,012	80,690,658	1,711,101	73,239,994	1,673,083	37,729,694
17.1 Other liability - occurrence.....	49,144,567	92,223,019	8,137,628	90,280,836	12,716,069	46,508,309
17.2 Other liability - claims-made.....	106,213	14,032,378	0	8,134,742	1,813,224	4,190,625
17.3 Excess workers' compensation.....	0	253,970	0	167,620	0	86,350
18.1 Products liability - occurrence.....	9,706,910	8,227,102	0	11,820,056	24,836	6,089,120
18.2 Products liability - claims-made.....	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	68,411,381	281,869,199	0	228,638,004	3,859,361	117,783,215
19.3, 19.4 Commercial auto liability.....	45,006,511	103,900,791	1,574,150	98,552,227	1,159,896	50,769,329
21. Auto physical damage.....	65,143,472	234,952,723	1,706	198,077,212	(19,086)	102,039,775
22. Aircraft (all perils).....	0	0	0	0	0	0
23. Fidelity.....	814,101	840,690	0	1,092,162	0	562,629
24. Surety.....	7,053,974	0	0	4,354,034	456,953	2,242,987
26. Burglary and theft.....	157,437	130,157	228	189,690	413	97,719
27. Boiler and machinery.....	1,485,288	410,054	(54)	269,330	1,487,214	138,744
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	32,608	0	0	32,608
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.....	444,724,623	1,506,794,023	10,632,159	1,078,390,443	328,193,284	555,567,078

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.....	8,022,060	15,481,318	15,589,939	7,913,439	7,561,026	5,099,225	10,375,240	49.6
2. Allied lines.....	12,376,322	23,851,765	24,295,106	11,932,980	5,661,449	7,465,113	10,129,316	37.0
3. Farmowners multiple peril.....	0	20,407,504	13,468,953	6,938,551	4,765,384	4,548,817	7,155,118	51.0
4. Homeowners multiple peril.....	28,055,918	146,969,081	156,684,204	18,340,795	10,406,710	15,641,786	13,105,719	44.0
5. Commercial multiple peril.....	16,443,515	89,749,267	70,252,926	35,939,856	66,608,019	54,335,795	48,212,080	61.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	17,975	79,505	64,345	33,135	9,417	23,699	18,853	8.2
9. Inland marine.....	2,929,956	8,414,003	7,503,714	3,840,245	768,415	945,733	3,662,927	41.9
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	1,656,274	1,093,141	563,133	2,502,181	1,588,466	1,476,848	53.7
12. Earthquake.....	0	0	0	0	10,200	11,305	(1,105)	(0.0)
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	16,330	0	11,430	4,899	19,596	20,610	3,885	284.9
16. Workers' compensation.....	15,244,164	39,063,774	36,493,097	17,814,841	65,783,350	65,825,844	17,772,347	47.8
17.1 Other liability - occurrence.....	16,273,305	25,230,734	27,574,024	13,930,015	73,697,881	68,828,252	18,799,644	39.8
17.2 Other liability - claims-made.....	0	1,389,414	940,799	448,615	3,271,945	2,633,798	1,086,763	26.3
17.3 Excess workers' compensation.....	0	0	0	0	103,208	107,102	(3,894)	(3.8)
18.1 Products liability - occurrence.....	2,862,988	2,905,971	3,807,513	1,961,446	5,284,396	5,135,945	2,109,896	34.7
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	52,163,395	189,901,379	161,664,655	80,400,119	85,110,875	83,595,756	81,915,237	69.5
19.3, 19.4 Commercial auto liability.....	17,682,052	99,210,854	77,963,647	38,929,259	66,588,724	72,390,016	33,127,967	67.6
21. Auto physical damage.....	35,730,520	138,565,058	115,207,169	59,088,409	3,467,426	2,047,037	60,508,799	60.1
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0.0
23. Fidelity.....	(5,320)	231,731	150,265	76,146	325,263	155,752	.245,657	43.1
24. Surety.....	984,885	26,151	.672,853	.338,183	.222,757	.125,062	.435,878	.21.0
26. Burglary and theft.....	35	5,140	3,415	1,759	16,178	.78,559	(60,622)	(61.1)
27. Boiler and machinery.....	.298,756	(13,102)	.287,577	(1,924)	.245,315	.211,352	.32,039	.25.2
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	406,731	0	406,731	293,225	906,073	(206,117)	(632.1)
32. Reinsurance - nonproportional assumed liability.....	XXX	122,402	.80,785	.41,617	.349,294	.359,471	.31,440	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.....	209,096,854	803,654,952	713,809,555	298,942,251	403,072,232	392,080,568	309,933,915	56.2

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
								Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire.....	5,473,783	10,746,149	10,648,809	5,571,124	443,466	5,725,987	4,179,551	7,561,026	656,855
2. Allied lines.....	6,284,135	8,708,502	10,294,467	4,698,170	875,205	2,034,224	1,946,149	5,661,449	545,559
3. Farmowners multiple peril.....	0	10,283,558	6,787,148	3,496,410	0	3,732,276	2,463,302	4,765,384	420,176
4. Homeowners multiple peril.....	10,469,915	48,854,071	52,889,447	6,434,539	5,450,358	25,876,509	27,354,696	10,406,710	2,537,042
5. Commercial multiple peril.....	13,423,210	99,193,398	74,473,928	38,142,679	13,593,305	72,688,651	57,816,616	66,608,019	15,020,988
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	19,334	5,595	16,454	8,476	3,086	(318)	1,827	9,417	2,481
9. Inland marine.....	890,429	1,230,218	1,399,387	721,259	(81,697)	221,289	92,437	768,415	59,039
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	4,645,018	3,114,442	1,530,576	0	3,096,135	2,124,530	2,502,181	775,447
12. Earthquake.....	0	30,000	19,800	10,200	0	0	0	10,200	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.....	8,762	0	5,783	2,979	48,873	0	32,256	(a) 19,596	0
16. Workers' compensation.....	40,460,497	59,600,117	70,699,871	29,360,744	31,874,384	76,012,984	71,464,762	65,783,350	13,732,683
17.1 Other liability - occurrence.....	32,679,017	38,668,034	48,051,593	23,295,457	56,707,595	105,221,880	111,527,051	73,697,881	28,680,330
17.2 Other liability - claims-made.....	0	2,354,803	1,565,881	788,922	37,092	8,572,805	6,126,872	3,271,945	1,744,909
17.3 Excess workers' compensation.....	0	0	0	0	0	303,554	200,346	103,208	44,232
18.1 Products liability - occurrence.....	1,676,176	3,555,904	3,453,173	1,778,907	5,645,979	4,664,281	6,804,772	5,284,396	4,947,898
18.2 Products liability - claims-made.....	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	67,955,126	146,453,088	153,127,308	61,280,906	15,118,674	54,992,240	46,280,945	85,110,875	12,193,120
19.3, 19.4 Commercial auto liability.....	26,414,680	98,937,212	84,071,139	41,280,754	20,930,124	54,921,837	50,543,991	66,588,724	11,979,619
21. Auto physical damage.....	2,393,114	8,524,396	7,221,128	3,696,382	(681,921)	63,296	(389,669)	3,467,426	902,292
22. Aircraft (all perils).....	0	0	0	0	0	0	0	0	0
23. Fidelity.....	382,094	181,664	389,400	174,358	249,109	194,729	292,933	325,263	42,504
24. Surety.....	366,186	2,620	243,726	125,080	287,248	36	189,607	222,757	181,688
26. Burglary and theft.....	0	0	0	0	23,565	24,017	31,404	16,178	3,311
27. Boiler and machinery.....	116,797	(61,345)	74,081	(18,629)	317,786	458,518	512,360	245,315	24,609
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.	293,225	0	293,225	XXX.	0	0	293,225	0
32. Reinsurance - nonproportional assumed liability.....	XXX.	677,009	446,826	230,183	XXX.	350,327	231,216	349,294	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.....	209,013,255	542,883,236	528,993,790	222,902,701	150,842,229	419,155,255	389,827,952	403,072,232	94,494,780

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.....	21,721,801	0	0	21,721,801
1.2 Reinsurance assumed.....	96,533,023	0	0	96,533,023
1.3 Reinsurance ceded.....	82,007,922	0	0	82,007,922
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	36,246,902	0	0	36,246,902
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	64,717,293	0	64,717,293
2.2 Reinsurance assumed, excluding contingent.....	0	257,809,372	0	257,809,372
2.3 Reinsurance ceded, excluding contingent.....	0	241,087,346	0	241,087,346
2.4 Contingent - direct.....	0	6,202,452	0	6,202,452
2.5 Contingent - reinsurance assumed.....	0	19,254,765	0	19,254,765
2.6 Contingent - reinsurance ceded.....	0	17,257,245	0	17,257,245
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	89,639,291	0	89,639,291
3. Allowances to manager and agents.....	0	2,367,087	0	2,367,087
4. Advertising.....	5,665	365,219	0	370,884
5. Boards, bureaus and associations.....	276,147	2,260,712	0	2,536,859
6. Surveys and underwriting reports.....	0	4,154,093	0	4,154,093
7. Audit of assureds' records.....	0	414,346	0	414,346
8. Salary and related items:				
8.1 Salaries.....	15,567,500	42,465,961	74,017	58,107,478
8.2 Payroll taxes.....	1,117,179	3,020,255	5,416	4,142,850
9. Employee relations and welfare.....	5,681,485	12,204,329	154,437	18,040,251
10. Insurance.....	241,623	512,334	11,297	765,254
11. Directors' fees.....	0	1,833,494	0	1,833,494
12. Travel and travel items.....	827,838	2,109,756	22,286	2,959,880
13. Rent and rent items.....	1,654,552	3,835,707	15,456	5,505,715
14. Equipment.....	2,614,194	5,015,516	44,295	7,674,005
15. Cost or depreciation of EDP equipment and software.....	1,593,462	1,937,653	20,548	3,551,663
16. Printing and stationery.....	161,599	499,524	3,674	664,797
17. Postage, telephone and telegraph, exchange and express.....	835,114	3,425,476	22,108	4,282,698
18. Legal and auditing.....	105,102	629,277	1,472,110	2,206,489
19. Totals (Lines 3 to 18).....	30,681,460	87,050,739	1,845,644	119,577,843
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$....3,262.....	0	14,381,877	0	14,381,877
20.2 Insurance department licenses and fees.....	0	1,375,025	0	1,375,025
20.3 Gross guaranty association assessments.....	0	242,371	0	242,371
20.4 All other (excluding federal and foreign income and real estate).....	0	182,944	0	182,944
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	16,182,217	0	16,182,217
21. Real estate expenses.....	0	0	5,278,769	5,278,769
22. Real estate taxes.....	0	0	855,592	855,592
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	985,874	2,582,283	14,645	3,582,802
25. Total expenses incurred.....	67,914,236	195,454,530	7,994,650	(a) 271,363,416
26. Less unpaid expenses - current year.....	94,494,778	34,675,324	964,646	130,134,748
27. Add unpaid expenses - prior year.....	94,075,081	57,373,960	934,608	152,383,649
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).....	67,494,539	218,153,166	7,964,612	293,612,317

DETAILS OF WRITE-INS

2401. Professional consultants.....	908,003	2,344,838	8,308	3,261,149
2402. Miscellaneous.....	77,871	237,445	6,337	321,653
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).....	985,874	2,582,283	14,645	3,582,802

(a) Includes management fees of \$....10,417,378 to affiliates and \$....392,416 to non-affiliates.

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....1,827,561	1,854,300
1.1 Bonds exempt from U.S. tax.....	(a).....2,430,919	2,660,357
1.2 Other bonds (unaffiliated).....	(a).....7,686,009	7,436,284
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).....	.....1,157,200	1,141,705
2.21 Common stocks of affiliates.....	.....10,117,316	10,117,316
3. Mortgage loans.....	(c).....0	0
4. Real estate.....	(d).....10,113,956	10,113,956
5. Contract loans.....	.....0	0
6. Cash, cash equivalents and short-term investments.....	(e).....10,040	7,836
7. Derivative instruments.....	(f).....0	0
8. Other invested assets.....	.....3,649,113	3,632,863
9. Aggregate write-ins for investment income.....	.....70,306	70,162
10. Total gross investment income.....	.....37,062,420	37,034,780
11. Investment expenses.....		(g).....7,994,650
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....5,831,337
14. Depreciation on real estate and other invested assets.....		(i).....3,979,596
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....17,805,583
17. Net investment income (Line 10 minus Line 16).....		.....19,229,197

DETAILS OF WRITE-INS

0901. Miscellaneous investment income.....	.....70,306	.....70,162
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).....	.....70,306	.....70,162
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 \$....61,917 accrual of discount less \$....4,200,265 amortization of premium and less \$....494,117 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 \$....10,113,956 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 \$....5,831,337 interest on capital notes.
- (i) Includes \$....3,979,596 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.....	344,198	0	344,198	(125,214)	0
1.1 Bonds exempt from U.S. tax.....	2,204	0	2,204	0	0
1.2 Other bonds (unaffiliated).....	277,034	0	277,034	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).....	3,465,268	(987,935)	2,477,333	12,467,759	0
2.21 Common stocks of affiliates.....	66,091	0	66,091	51,237,739	0
3. Mortgage loans.....	0	0	0	0	0
4. Real estate.....	(1,958)	0	(1,958)	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.....	(784,966)	(5,690,000)	(6,474,966)	9,141,334	0
9. Aggregate write-ins for capital gains (losses).....	0	0	0	(15,331)	0
10. Total capital gains (losses).....	3,367,871	(6,677,935)	(3,310,064)	72,706,287	0

DETAILS OF WRITE-INS

0901. Deferred gain on asset transfer.....	0	0	0	(15,331)	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	(15,331)	0

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	5,224,930	25,067,552	19,842,622
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).....	5,224,930	25,067,552	19,842,622
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.....	343,348	61,099	(282,249)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,165,089	1,055,301	(109,788)
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.....	562,472	0	(562,472)
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	27,160,270	30,923,873	3,763,603
21. Furniture and equipment, including health care delivery assets.....	7,255,895	6,229,566	(1,026,329)
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.....	4,719,771	36,346,074	31,626,303
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	46,431,775	99,683,465	53,251,690
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	46,431,775	99,683,465	53,251,690

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.....	402,277	356,050	(46,227)
2502. Prepaid expenses.....	4,107,597	3,890,000	(217,597)
2503. Advances.....	88,784	54,838	(33,946)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	121,113	32,045,186	31,924,073
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	4,719,771	36,346,074	31,626,303

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 (\$)	
		2013	2012
Net income, OH basis	OH	(3,037,570)	(10,416,710)
State prescribed practice		-	-
State permitted practice		-	-
Net income, NAIC SAP basis	OH	(3,037,570)	(10,416,710)
Statutory surplus, OH basis	OH	858,084,817	748,700,573
State prescribed practice		-	-
State permitted practice		-	-
Statutory surplus, NAIC SAP basis	OH	858,084,817	748,700,573

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"), Risk Evaluation & Design, LLC ("RED"), Meridian Security Insurance Company ("Meridian Security"), Patrons Mutual Insurance Company of Connecticut ("Patrons Mutual"), 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"). Litchfield Mutual Fire Insurance Company ("Litchfield") was merged with Patrons Mutual on March 31, 2013. Beacon Lloyds, Inc. ("Beacon Lloyds, Inc.") was dissolved on January 11, 2013. 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 62.1% 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 RED, are admitted to the extent allowed by SSAP No. 97. At December 31, 2013 and 2012, unamortized goodwill was \$76,799,741 and \$91,817,615, respectively, of which, \$4,551,507 and \$24,798,728 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, and for affiliated interests, 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:**A. Accounting Change:**

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. State Auto P&C adopted the provisions of SSAP No. 102 *Accounting for Pensions, A Replacement of SSAP No. 89* effective January 1, 2013. This SSAP requires that any underfunded defined benefit pension amounts, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R *Liabilities, Contingencies and Impairments of Assets* ("SSAP No. 5R"). Such liability was required to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds. At transition, the Company's share of the net liability from unrecognized transition obligations, prior service costs, and unrecognized losses was \$73,436,815 and is included as a component of the ending balance of unassigned funds as of January 1, 2013. This net impact was reflected as a liability as the plan is in an underfunded state.

2. Accounting Changes and Corrections of Errors (continued):

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. State Auto P&C adopted the provisions of SSAP No. 92 *Accounting for Postretirement Benefits other than Pensions, A Replacement of SSAP No. 14* effective January 1, 2013. This SSAP requires that any underfunded postretirement benefit amounts, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R. Such liability was required to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds. At transition, the Company's share of the contra-liability from unrecognized transition assets, prior service credits, and unrecognized losses was \$10,691,959 and is included as a component of the ending balance of unassigned funds as of January 1, 2013. This net impact was reflected as a liability as the plan is in an underfunded state.

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.
1. b. On May 18, 2011, RHC dividdended its 91% ownership in RED, a Missouri limited liability company, to the Company. Concurrent with this transaction, the Company purchased the 9% minority 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 \$4,551,507 was nonadmitted at December 31, 2013.
3. 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, 2013 relating to the purchase of RHC was \$15,017,874.
4. b. Goodwill amortization for the period ended December 31, 2012 relating to the purchase of RED was \$2,014,587.

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	(3,399,985)
2. 12 Months or Longer	(12,640)
b. The aggregate related fair value of securities with unrealized losses	
1. Less than 12 Months	102,359,608
2. 12 Months or Longer	2,568,895

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.****H. Restricted Assets:**

1. Restricted assets (including pledged) summarized by restricted asset category

5. Investments (continued):

	Amount (\$)								Percentage (%)			
	Gross Restricted											
	Current Year					6	7	8				
	1	2	3	4	5			9	10			
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-	-	-	-		
b. Collateral held under security lending arrangements	-	-	-	-	-	-	-	-	-	-		
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-		
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-		
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	-		
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-		
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-		
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-	-	-	-	-		
i. On deposit with state	7,054,707	-	-	-	7,054,707	6,206,450	848,257	7,054,707	0.31	0.32		
j. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-		
k. Pledged as collateral not captured in other categories	167,290,378	-	-	-	167,290,378	216,298,425	(49,008,047)	167,290,378	7.46	7.62		
l. Other restricted assets	-	-	-	-	-	-	-	-	-	-		
m. Total restricted assets	174,345,094	-	-	-	174,345,094	220,649,551	(48,159,790)	174,345,094	7.77	7.94		

2. Detail of assets pledged as collateral not captured in other categories (reported on line k above)

	Amount (\$)								Percentage (%)			
	Gross Restricted											
	Current Year					6	7	8				
	1	2	3	4	5			9	10			
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
Reinsurance	144,417,526	-	-	-	144,417,526	195,443,101	(51,025,575)	144,417,526	6.44	6.58		
Federal Home Loan Bank collateral	22,872,852	-	-	-	22,872,852	20,855,324	2,017,528	22,872,852	1.02	1.04		
Total	167,290,378	-	-	-	167,290,378	214,443,101	(49,008,047)	167,290,378	7.46	7.62		

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 did not have an investment purpose for the warrants. At December 31, 2013 the warrants were expired. 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, 2013 and 2012 are as follows:

1.	Amount (\$)								
	2013			2012			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	90,482,838	3,236,215	93,719,053	82,359,059	2,691,417	85,050,476	8,126,779	544,798	8,671,577
b. Statutory valuation allowance adjustment	77,351,323	2,673,743	80,025,066	78,950,937	2,691,417	81,642,354	(1,599,614)	(17,674)	(1,617,288)
c. Adjusted gross deferred tax assets	13,134,515	562,472	13,696,987	3,408,122	-	3,408,122	9,726,393	562,472	10,288,865
d. Deferred tax assets nonadmitted	8,821,161	(8,258,689)	562,472	-	-	-	8,821,161	(8,258,689)	562,472
e. Subtotal net admitted deferred tax asset	4,313,354	8,821,161	13,134,515	3,408,122	-	3,408,122	905,232	8,821,161	9,726,393
f. Deferred tax liabilities	4,313,354	8,821,161	13,134,515	458,981	2,949,141	3,408,122	3,854,373	5,872,020	9,726,393
g. Net admitted deferred tax assets/(liability)	-	-	-	2,949,141	(2,949,141)	-	(2,949,141)	2,949,141	-

2.	Amount (\$)								
	2013			2012			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	118,455,025	NA	NA	91,655,395	NA	NA	26,799,630
c. Adjusted gross DTA's offset by gross DTLs	4,313,354	8,821,161	13,134,515	458,980	2,949,141	3,408,121	3,854,374	5,872,020	9,726,394
d. Total DTA's admitted	4,313,354	8,821,161	13,134,515	458,980	2,949,141	3,408,121	3,854,374	5,872,020	9,726,394

3.	2013	2012
	Ordinary	Capital
a. Ratio percentage used to determine recovery period and threshold limitation	540%	465%
b. Amount of adjusted capital & surplus used to determine recovery period and threshold limitation in 2(b)2 above	789,700,166	611,035,964

4.	2013			2012			Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital	Capital	
a. Impact of tax planning strategies:								
1. Adjusted gross DTAs	13,334,515	562,472	3,408,122	-	9,726,393	562,472		
2. Percentage of total adjusted gross DTAs by tax character attributable to planning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
3. Net admitted adjusted gross DTAs	4,313,354	8,821,161	3,408,122	-	905,232	8,821,161		
4. Percentage of net admitted gross DTAs attributable to planning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

b. 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 (\$)		
	2013	2012	Change
1. Current income tax:			
a. Federal	(1,741,953)	(4,034,304)	2,292,351
b. Foreign	-	-	-
c. Subtotal	(1,741,953)	(4,034,304)	2,292,351
d. Federal Income tax on net capital gains	972,650	2,471,377	(1,498,727)
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	(769,303)	(1,562,927)	793,624
2. Deferred tax assets:			
a. Ordinary			
1. Discounting of unpaid losses	11,454,757	13,370,807	(1,916,050)
2. Unearned premium reserve	17,687,498	17,428,490	259,008
3. Policyholder reserves	-	-	-
4. Investments	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed Assets	-	-	-
8. Compensation & benefits accrual	12,449,211	11,691,614	757,597
9. Pension accrual	17,677,522	9,008,806	8,668,716
10. Receivables - nonadmitted	303,358	504,925	(201,567)
11. Net operating loss carry-forward	21,464,691	20,800,007	664,684
12. Tax credit carry-forward	138,240	86,647	51,593
13. Other	9,310,561	9,467,763	(157,202)
Subtotal	90,485,838	82,359,059	8,126,779
b. Statutory valuation allowance adjustment	77,351,323	78,950,937	(1,599,614)
c. Nonadmitted	8,821,161	-	8,821,161
d. Admitted ordinary deferred tax assets	4,313,354	3,408,122	905,232
e. Capital:			
1. Investments	2,597,032	2,503,560	93,472
2. Net capital loss carry-forward	-	-	-
3. Real estate	639,183	187,857	451,326
4. Other	-	-	-
Subtotal	3,236,215	2,691,417	544,798
f. Statutory valuation allowance adjustment	2,673,743	2,691,417	(17,674)
g. Nonadmitted	(8,258,689)	-	(8,258,689)
h. Admitted capital deferred tax assets	8,821,161	-	8,821,161
i. Admitted deferred tax assets	13,134,515	3,408,122	9,726,393
3. Deferred tax liabilities:			
a. Ordinary			
1. Investments	15,103	20,525	(5,422)
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other	4,298,251	438,456	3,859,795
Subtotal	4,313,354	458,981	3,854,373
b. Capital:			
1. Investments	8,821,161	2,949,141	5,872,020
2. Real estate	-	-	-
3. Other	-	-	-
Subtotal	8,821,161	2,949,141	5,872,020
c. Deferred tax liabilities	13,134,515	3,408,122	9,726,393
4. Net deferred tax asset/(liabilities)	-	-	-

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

	Amount (\$) Tax Effect @ 35%	Effective Tax Rate
Tax Reconciliation by Effective Rate:		
Income before tax	(1,332,405)	35.0%
Tax exempt interest and dividends received income deduction	(3,454,262)	90.7%
Permanent difference on nonadmitted taxable assets	1,288,268	-33.8%
STAT minimum pension liability	(8,775,379)	230.5%
Unrecognized postretirement	3,847,234	-101.1%
Change in valuation allowance	(1,617,288)	42.5%
Other	1,192,700	-31.3%
Total	(8,851,132)	232.5%
Tax Reconciliation by Statement of Income:		
Federal & foreign tax incurred	(1,741,953)	45.7%
Current taxes on realized gains	972,650	-25.5%
Change in net deferred income taxes	(8,081,829)	212.3%
Total	(8,851,132)	232.5%

E. Operating Loss and Tax Credit Carry-forward:

- At December 31, 2013, the Company had \$61,327,689 of operating loss carry-forwards beginning in 2009 through 2013, which expire, if unused, beginning in 2029 through 2033. The Company had foreign tax credits of \$86,647 originating in 2009 through 2011 which expire, if unused beginning in 2019 through 2021.
- For 2013 and 2012, 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
MIGI
Meridian Security
State Auto Holding
Eagle Development Corporation
Rockhill
Plaza
American Compensation
Bloomington Compensation
RHC
National Environmental Coverage Corp.
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. On March 31, 2013, Litchfield was merged into Patrons Mutual. On June 20, 2013, Patrons Specialty Agency was dissolved.

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

The Company received quarterly cash dividend payments throughout the year totaling \$10,117,316 and \$13,897,096 in 2013 and 2012, respectively, from State Auto Financial.

C. Change in Terms of Intercompany Agreements:

The Pooling Arrangement was amended to increase Patrons Mutual's participation percentage to 0.5% from 0.4% due to its merger with Litchfield, effective March 31, 2013.

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 \$621,065 will be paid in 2014.

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

	Amount (\$)			
	December 31, 2013		December 31, 2012	
	Due To:	Due From:	Due To:	Due From:
State Auto P&C	-	3,581,036	-	16,133,227
Milbank	-	12,924,392	-	11,327,040
SA Wisconsin	1,840,932	-	1,596,405	-
SA Ohio	8,083,245	-	6,466,617	-
Meridian Security	11,532,550	-	13,555,774	-
Meridian Citizens Mutual	4,196,419	-	4,499,949	-
Patrons Mutual	5,880,631	-	2,641,372	-
Plaza	3,704,690	-	9,616,695	-
Rockhill	11,396,898	-	7,508,898	-
American Compensation	2,173,163	-	2,651,566	-
Bloomington Compensation	147,293	-	308,205	-
Beacon Lloyds, Inc.	-	-	-	899,614
National Environmental Coverage Corp.	-	759,189	-	771,757
Rockhill Underwriting Management, LLC	-	4,192,593	-	4,931,686
RTW, Inc.	4,783,839	-	-	3,744,361
State Auto Financial	-	487,375	-	354,579
Stateco	-	150,988	165,259	-
Other Affiliates	-	203,149	-	232,204

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.

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 2013 and 2012, the following management and/or cost sharing agreements were effective:

- the "2005 Management and Operations Agreement" to which State Auto Mutual, State Auto P&C, Milbank, SA Ohio, MIGI, Meridian Security, Meridian Citizens Mutual, Patrons Mutual, State Auto Financial, SA Software, Stateco, and 518 Property Management and Leasing LLC are parties;
- the "Midwest Management Agreement" to which State Auto Mutual, State Auto P&C, and SA Wisconsin are parties;
- the "RTW Consulting Services Agreement" to which State Auto Mutual, State Auto P&C, Meridian Security, Meridian Citizens Mutual, and Milbank entered into an agreement with RTW, Inc., an affiliate for overall claims case management for the workers' compensation program;
- the "RED Underwriting Management Agreement" to which State Auto Mutual, Rockhill, Plaza, American Compensation, Bloomington Compensation, State Auto P&C, Meridian Security, and Milbank entered into with Risk Evaluation and Design, LLC. to act as underwriting manager to underwrite insurance and reinsurance coverages for the alternative risk and program market;
- 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, RTW, Inc., Rockhill Insurance Services, LLC., and Rockhill Underwriting Management, LLC. are parties;
- the "Rockhill-RUM Administrative Services Agreement" to which Rockhill and Rockhill Underwriting Management, LLC. are parties;
- the "Rockhill-RIS Surplus Lines Broker Agreement" to which Rockhill and Rockhill Insurance Services, LLC. are parties;
- the "Rockhill-NEN Administrative Services Agreement" to which Rockhill and National Environmental Coverage Corporation are parties;
- the "Rockhill Cost Sharing Agreement" to which Rockhill, RHC, and Rockhill Underwriting Management, LLC. are parties;
- the "RTW-ACI Intercompany Management Agreement" to which American Compensation and RTW, Inc. are parties;
- the "RTW-BCI Intercompany Management Agreement" to which Bloomington Compensation and RTW, Inc. are parties;

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

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.

Additionally, in 2012, the "BroadStreet Capital Partners, Inc. Cost Sharing Agreement" to which State Auto Mutual, State Auto P&C and BroadStreet Capital were parties, was in effect until March 1, 2012 when it was terminated following the sale of State Auto Mutual's majority ownership in BroadStreet Capital.

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, 2013, the Company owned 62.1% 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, 2013 of \$21.24 was \$538,078,226. 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, 2013 of \$415,868,068. At December 31, 2013, 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 \$487,475,591.

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.

Based on publicly available financial information for State Auto Financial, the following provides summarized financial information for the twelve month period ending December 31, 2013 and 2012, respectively:

Description	Amount (\$)	
	December 31, 2013	December 31, 2012
Total assets	2,496,425,148	2,477,772,070
Total liabilities	1,711,440,300	1,740,546,333
Stockholders' equity	784,984,848	737,225,738
Net (loss) income	60,800,923	10,686,176

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 Holding 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, 2013 and 2012 was \$67,014,831 and \$65,079,380, 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, 2013 and 2012, the Company's investment in MIGI was held at an admitted value of \$66,757,875 and \$64,826,955, respectively, after nonadmitting \$256,956 and \$252,425, 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, 2013 and 2012 was \$161,198,607 and \$182,157,655, 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, 2013 and 2012, the Company's investment in RHC was held at an admitted value of \$156,647,100 and \$157,358,927, respectively, after nonadmitting \$4,551,507 and \$24,798,728 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 in 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, 2013 and 2012, was \$4,900,000 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, 2013 and 2012, was \$929,100 and \$929,100, respectively.

	Amount (\$)	
	December 31, 2013	December 31, 2012
FHLB stock purchased/owned as part of the agreement	3,900,100	3,900,100
Collateral pledged to the FHLB	22,872,852	20,855,324
Borrowing capacity currently available	1,276,382	443,767
Agreement assets and liabilities:		
General Account:		
a. Assets	-	-
b. Liabilities	-	-
Separate Account:		
c. Assets	26,772,952	24,755,424
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 12G.

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

- B. Investment policies and strategies: Not applicable
- C. Fair Value Measurement: Not applicable.
- D. Basis Assumption: Not applicable.
- E. Defined Contribution Plan:
 - State Auto P&C sponsors a defined contribution plan. See Note 12G.
- F. Multiemployer Plans: Not applicable.
- G. Consolidated/Holding Company Plans:

The Company participates in a defined benefit pension plan sponsored by State Auto P&C, an affiliate. In addition, the Company provides certain other postretirement benefits to retired employees through a plan sponsored by State Auto P&C. The Company has no legal obligation for benefits under these plans. State Auto P&C allocates the defined benefit pension plan and postretirement plan's asset or liability amounts to the Company based on the Company's pooling percentage per the Pooling Arrangement that was amended on December 31, 2011. The Company's pooling percentage is 34%. The following table summarizes the Company's share of the obligation, fair value of plan assets, and funded status of the defined benefit pension plan and postretirement plan.

	Amount (\$)	
	Pension Benefits	Postretirement Benefits
	2013	2013
Defined benefit obligation	(119,277,975)	(11,672,433)
Fair value of plan assets	97,238,927	681,582
Funded status (underfunded)/overfunded	(50,507,206)	(10,992,093)

The Company's share of net expense for the defined benefit pension plan was \$10,123,949 and \$8,136,793 in 2013 and 2012, respectively and for postretirement benefit plan was a negative expense of \$606,149 and \$392,623 in 2013 and 2012, respectively.

The Company's share of the supplemental executive retirement plan liability ("SERP") was \$2,866,291 and \$2,747,019 at December 31, 2013 and 2012, respectively. The Company's share of the SERP expense was \$107,307 and \$98,365 for 2013 and 2012, respectively.

State Auto P&C maintains a defined contribution plan that covers substantially all of the State Auto Group's employees. The Company has no legal obligation for benefits under this plan. The Company's share of the expense under this plan, allocated based on a percentage of salary, was \$2,426,332 and \$2,366,568 for 2013 and 2012, respectively.

- H. Postemployment Benefits and Compensated Absences: Not applicable.

- I. 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 2013 were \$632,843 including the prescription drug benefits. The Company's subsidy related to Medicare Prescription Drug, Improvement and Modernization Act of 2003 was \$48,443 for 2013 and estimates future annual subsidies to be approximately \$89,420.

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 \$385,800 and \$368,486 at December 31, 2013 and 2012, 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 \$161,070,280. 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 \$1,820,000 in additional capital contributions to Stonehenge Opportunity Fund II, LLC over the next three years, \$1,590,000 in additional capital contributions to Stonehenge Opportunity Fund III, LLC over the next six years, \$32,081 in additional capital contributions to NCT Ventures Fund I, LP over the next four years, and \$900,000 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.

14. Contingencies (continued):

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 guarantees on behalf of affiliates.

1 Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	2 Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	3 Ultimate financial statement impact if action under the guarantee is required.	4 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.	5 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.

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 \$863,454 and a related premium tax benefit asset of \$280,285. 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	279,273
Decreases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	3,262
Increases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	4,274
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	280,285

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 2013	40,000

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:**

In April 2013, a putative class action lawsuit (Schumacher vs. State Automobile Mutual Insurance Company, et al.) was filed against State Auto Mutual, State Auto Financial and State Auto P&C in Federal District Court in Ohio. Plaintiffs claim that in connection with the homeowners policies of various State Auto companies, the coverage limits and premiums were improperly increased as a result of an insurance to value ("ITV") program and Plaintiffs allege that they purchased coverage in excess of that which was necessary to insure them in the event of loss. Plaintiffs' claims include breach of good faith and fair dealing, negligent misrepresentation and fraud, violation of the Ohio Deceptive Trade Practices Act, and fraudulent inducement. Plaintiffs are seeking class certification and compensatory and punitive damages to be determined by the court. The Company intends to deny any and all liability to plaintiffs or the alleged class and to vigorously defend this lawsuit. Based on the Company's current understanding and assessment of this case, this matter is not expected to have a material adverse effect on results of operations.

14. Contingencies (continued):

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.

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 \$3,470,853 and \$3,296,151 as of December 31, 2013 and 2012, respectively. The potential for any additional loss is not believed to be material to the Company's financial condition.

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 2013 and 2012 was approximately \$8,693,031 and \$11,404,849, respectively.
1. b. Contingent rental payments: Not applicable.
1. c. Renewal or purchase options and escalation clauses: Certain leases contain a renewal option allowing the Company to renew the lease. Renewal terms are negotiated at such time as the Company notifies the lessor of its intent to renew the lease. Some of the Company's leases contain escalation clauses, which are scheduled rent increases over the lease term.
1. d. Restrictions: Not applicable.
1. e. Early termination: Not applicable.
2. a. At January 1, 2014, future minimum lease payments on noncancelable operating leases are as follows:

	Year Ending December 31	Operating Leases (\$)
1.	2014	6,456,151
2.	2015	4,788,209
3.	2016	2,717,669
4.	2017	1,868,788
5.	2018	1,197,674
6.	Total	17,028,491

1. 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:**

1. Loaned Securities: None.
2. Servicing Assets and Servicing Liabilities:
 - a. Risks: None.
 - b. Contractually Specified Servicing Fees: None.
 - c. Assumptions Used to Estimate: None.
3. Servicing Assets and Servicing Liabilities Measured at Fair Value: Not applicable
4. Securitizations, Asset-backed Financing Agreements and Similar Transfers with Continued Involvement:
 - a. Income Statements Presented: None.
 - b. Statement of Financial Position Presented: None.
5. Assets Accounted for as Secured Borrowing: See Note 11B.
6. Receivables with Recourse: None.
7. Securities Underlying Repurchase and Reverse Repurchase Agreements: None.

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: This category, for items measured at fair value on a recurring basis, includes other invested assets. The Company's other invested assets include one international private equity fund, Silchester International Partners Ltd. ("the fund") that invests in equity securities of foreign issuers and is managed by a third party investment manager. The estimated fair value of the fund within this category is based on net asset value obtained from third party trustee statements and have been classified as level 2 in item 1 below.

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.

20. Fair Value Measurement (continued):

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		Amount (\$)			
Description for each class of asset or liability		(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value					
Common stock					
Industrial and misc	51,051,615	-	22,163,157	73,214,772	
Total common stocks	51,051,615	-	22,163,157	73,214,772	
Any other class of asset	4,330,552	-	-	4,330,552	
Partnership interests	-	25,030,324	-	25,030,324	
Total other invested assets	4,330,552	25,030,324	-	29,360,876	
Total assets at fair value	55,382,167	25,030,324	22,163,157	102,575,648	

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

Description	Amount (\$)									Ending Balance at 12/31/2013
	Beginning Balance at 01/01/2013	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	
a. Assets:										
Common stock										
Industrial and misc	18,099,900	-	-	-	4,063,257	-	-	-	-	22,163,157
Total assets	18,099,900	-	-	-	4,063,257	-	-	-	-	22,163,157

3. Transfers between level categorizations may occur due to changes in the availability of market observable inputs. Transfers in and out of level categorizations are reported as having occurred at the beginning of the quarter in which the transfer occurred. There were no transfers between level categorizations as of December 31, 2013.

4. As of December 31, 2013 and 2012, the reported fair value of the Company's investment in Level 3, equity securities of FHLB, was \$3,900,100 and \$3,900,100, 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, 2013 and 2012, the reported fair value of the Company's investment in Level 3, equity securities of BroadStreet Capital, was \$18,263,057 and \$14,199,800, respectively. 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, 2013

Type of Financial Instrument	Amount (\$)					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
Bonds	423,011,889	428,826,105	-	423,011,889	-	-
Common stocks	73,214,772	73,214,772	51,051,615	-	22,163,157	-
Cash equivalents and short-term investments	146,509	146,509	146,509	-	-	-
Other invested assets	73,220,494	73,220,494	4,330,552	25,030,324	-	43,859,618
Borrowed money	93,585,407	89,000,000	-	74,570,407	19,015,000	-

December 31, 2012

Type of Financial Instrument	Amount (\$)					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
Bonds	442,065,608	424,703,535	-	442,065,608	-	-
Common stocks	59,535,391	55,635,291	41,435,491	-	18,099,900	-
Cash equivalents and short-term investments	35,678,166	35,678,166	35,678,166	-	-	-
Other invested assets	66,071,712	66,071,712	3,085,536	17,721,641	-	45,264,535
Borrowed money	97,837,946	89,000,000	-	78,298,946	19,539,000	-

20. Fair Value Measurement (continued):

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	37,718,479	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.
Non - Collateral loans – unaffiliated	5,141,139	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 and Unusual Items:

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 \$219,883,056 and \$202,708,104 at December 31, 2013 and 2012, respectively, of uncollected premiums. No premiums were collected from "controlled" or "controlling persons" during the years ended 2013 and 2012.

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 2013 and 2012. Additionally, the Company received no payments from the Special Disability Trust Fund. The Trust Fund made no assessments during the years ended 2013 and 2012.

D. Business Interruption Insurance Recoveries: Not applicable.

E. State Transferable Tax Credits: Not applicable.

F. 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.

G. Offsetting and Netting of Assets and Liabilities: Not applicable.

H. Joint and Several Liabilities: Not applicable.

22. Events Subsequent:

On February 5, 2014, the Company listed its Indianapolis Center on the market for lease or sale. The Company does not anticipate any other than temporary impairment being necessary when the asset is presented as held for sale.

On February 7, 2014, the Company made an early principle repayment of the \$19,000,000, 4.89% interest rate loan, from Federal Home Loan Bank of Cincinnati (FHLB). Additionally on February 7, 2014, the Company borrowed \$19,000,000 from FHLB with a fixed interest rate of 2.30%. This loan is an interest-only loan with principle due at the maturity date of February 9, 2019.

Subsequent events have been considered through February 20, 2014 for the statutory statement issued on February 20, 2014.

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	1,264,472,787
41653	46-0368854	Milbank	347,110,177
26921	22-2005057	Everest Reins Co	70,136,466
00000	AA-9991159	Michigan Catastrophic Claims Assn	36,646,495
30058	75-1444207	Scor Reins Co	48,356,694
25364	13-1675535	Swiss Reins Amer Corp	119,049,101
		Total	1,885,771,720

B. Reinsurance Recoverable in Dispute: Not applicable.

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

1. The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2013, stated in dollars:

	Amount (\$)					
	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	698,979,386	-	493,793,738	-	205,185,648	-
All other	1,926,242	501,102	150,261,763	43,044,464	(148,335,521)	(42,543,362)
Totals	700,905,628	501,102	644,055,501	43,044,464	56,850,127	(42,543,362)
Direct Unearned Premium Reserve:	197,528,466					

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	-	18,676,000	16,644,465	2,031,535
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
Total	-	18,676,000	16,644,465	2,031,535

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, 2013.

	Amount (\$)	
	Assumed	Ceded
1.		
a. Reserves Transferred:		
1. Initial Reserves (Assumed)/Ceded	(5,804,569)	1,798,430
2. Adjustments – Prior Years	490,495	170,143
3. Adjustments – Current Year	(104,695)	(85,327)
4. Current Total	(5,418,769)	1,883,246
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)	3,766,493
2. Current Year	(476,934)	2,053
3. Current Total	(4,118,927)	3,768,546
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain/(Loss)	-	676,158
2. Adjustments – Prior Years	490,495	170,143
3. Adjustments – Current Year	(104,695)	(85,327)
4. Current Year Restricted Surplus	385,800	-
5. Cumulative Total Transferred to Unassigned Funds		(760,974)
e. All Cedents and Reinsurers Involved in all Transactions Included in the Summary Totals Above:		
Entity		
25364 Swiss Reins Amer Corp		1,883,246
19530 Hallmark Natl Ins Co	(5,418,769)	

G. Reinsurance Accounted for as a Deposit: Not applicable.**H. Run-off Agreements: Not applicable.****I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: 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	2013 Accident Year	Prior Accident Years
Loss and LAE reserves at 12/31/12	486,155,650	-	486,155,650
Loss and LAE incurred in 2013	377,848,152	389,147,294	(11,299,142)
Loss and LAE paid in 2013	366,436,790	187,238,437	179,198,353
Loss and LAE reserves at 12/31/13	497,567,012	201,908,857	295,658,155

25. Changes in Incurred Losses and Loss Adjustment Expenses (continued):

Incurred losses and loss adjustment expenses attributable to prior accident years decreased approximately \$11.3 million during 2013. This decrease is the result of subsequent reserve review using more mature claim data. Approximately 30% of the favorable development is attributable to reduced loss adjustment expenses. Remaining favorable development is attributable primarily to Workers Compensation and Other Liability, driven by emergence of lower than anticipated claim severity, largely from accident years 2010-2012. Also contributing to the favorable development are decreases in property lines related to catastrophe losses, primarily from accident year 2012. Favorable development in Private Passenger Auto Other Liability is offset by increases in Private Passenger Auto No-Fault. For Commercial Auto Other Liability, favorable development in the Business Insurance segment is offset by higher than expected severity in the Specialty Insurance segment, driven by program business written through RED. Somewhat offsetting the favorable development, overall, is adverse development in the Commercial Multi-Peril Liability line due to a higher than expected number of large losses from accident years 2011 and 2012 on program business written through RED.

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	
		2012	2013
State Auto Mutual – lead reinsurer	25135	34.0%	34.0%
State Auto P&C	25127	51.0%	51.0%
Milbank	41653	14.0%	14.0%
SA Wisconsin	31755	0.0%	0.0%
SA Ohio	11017	0.0%	0.0%
Meridian Security	23353	0.0%	0.0%
Meridian Citizens Mutual	10502	0.5%	0.5%
Patrons Mutual	14923	0.5%	0.5%
Rockhill	28053	0.0%	0.0%
Plaza	30945	0.0%	0.0%
American Compensation	45934	0.0%	0.0%
Bloomington Compensation	12311	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.

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, 2013, 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	198,749,704	165,799,129	32,950,575
Milbank	54,558,742	22,401,801	32,156,941
SA Wisconsin	-	6,607,534	(6,607,534)
SA Ohio	-	16,264,062	(16,264,062)
Meridian Security	-	44,955,130	(44,955,130)
Meridian Citizens Mutual	1,948,527	11,157,918	(9,209,391)
Patrons Mutual	1,948,527	17,519,008	(15,570,481)
Rockhill	-	34,172,456	(34,172,456)
Plaza	-	22,029,923	(22,029,923)
American Compensation	-	12,822,362	(12,822,362)
Bloomington Compensation	-	1,421,792	(1,421,792)

The following tabular presentation reflects the reinsurance receivable and payable on loss and loss adjustment expense paid at December 31, 2013, 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	124,299,365	93,451,539
Milbank	34,121,394	14,843,270
SA Wisconsin	-	4,764,190
SA Ohio	-	8,270,454
Meridian Security	-	33,387,436
Meridian Citizens Mutual	1,218,621	6,449,327
Patrons Mutual	1,218,621	8,357,472
Rockhill	-	5,898,345
Plaza	-	9,214,625
American Compensation	-	5,510,465
Bloomington Compensation	-	706,731

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, 2013:

	Amount (\$)	
	Intercompany Amounts Due from State Auto Mutual	Intercompany Amounts Due to State Auto Mutual
State Auto P&C	-	3,581,036
Milbank	-	12,924,392
SA Wisconsin	1,840,932	-
SA Ohio	8,083,245	-
Meridian Security	11,532,550	-
Meridian Citizens Mutual	4,196,419	-
Patrons Mutual	5,880,631	-
Rockhill	11,396,898	-
Plaza	3,704,690	-
American Compensation	2,173,163	-
Bloomington Compensation	147,293	-

26. Intercompany Pooling Arrangements (continued):

Additionally, SA Wisconsin owes State Auto P&C \$50,275, Rockhill owes Plaza \$110,168, Rockhill owes American Compensation \$51, Plaza owes Bloomington Compensation \$12,088, American Compensation owes Plaza \$634, and American Compensation owes Bloomington Compensation \$668,438.

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
8,260,001	8,260,001

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	\$29,240
2. Date of the most recent evaluation of this liability	12/31/2013
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, 2013 and 2012, the amount of reserve credit recorded for high deductibles on unpaid claims was \$1,168,588 and \$592,092 respectively, and the amount billed and recoverable on paid claims was \$34,767 and \$114,714, 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 (\$)				
	2009	2010	2011	2012	2013
Beginning reserves	896,393	804,744	603,392	593,489	706,492
Incurred losses and loss adjustment expenses	(45,139)	(169,564)	27,910	163,845	89,852
Calendar year payments for losses and loss adjustment expenses	46,510	31,788	37,813	50,842	96,322
Ending reserves	804,744	603,392	593,489	706,492	700,022

Assumed Reinsurance Basis:	Amount (\$)				
	2009	2010	2011	2012	2013
Beginning reserves	581,211	47,060	37,686	44,299	23,443
Incurred losses and loss adjustment expenses	(501,822)	(1,489)	9,041	(19,802)	10,150
Calendar year payments for losses and loss adjustment expenses	32,329	7,885	2,428	1,054	2,689
Ending reserves	47,060	37,686	44,299	23,443	30,904

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2009	2010	2011	2012	2013
Beginning reserves	1,460,604	833,104	622,378	619,088	711,235
Incurred losses and loss adjustment expenses	(548,661)	(171,054)	36,950	144,043	117,003
Calendar year payments for losses and loss adjustment expenses	78,839	39,672	40,240	51,896	99,012
Ending reserves	833,104	622,378	619,088	711,235	729,226

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

	Amount (\$)
Direct Basis	510,000
Assumed Reinsurance Basis	16,601
Net of Ceded Reinsurance Basis	526,601

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

	Amount (\$)
Direct Basis	350,011
Assumed Reinsurance Basis	15,452
Net of Ceded Reinsurance Basis	364,613

33. Asbestos/Environmental Reserves (continued):

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 (\$)				
	2009	2010	2011	2012	2013
Beginning reserves	3,761,285	4,378,965	4,674,037	5,001,003	4,731,607
Incurred losses and loss adjustment expenses	1,161,273	815,170	950,033	570,787	1,021,877
Calendar year payments for losses and loss adjustment expenses	543,593	520,098	623,067	840,183	562,558
Ending reserves	4,378,965	4,674,037	5,001,003	4,731,607	5,190,926

Assumed Reinsurance Basis:	Amount (\$)				
	2009	2010	2011	2012	2013
Beginning reserves	-	-	-	-	-
Incurred losses and loss adjustment expenses	-	-	-	-	-
Calendar year payments for losses and loss adjustment expenses	-	-	-	-	-
Ending reserves	-	-	-	-	-

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2009	2010	2011	2012	2013
Beginning reserves	3,259,363	3,648,519	3,738,445	4,087,983	3,679,806
Incurred losses and loss adjustment expenses	843,004	610,024	840,480	432,006	1,939,517
Calendar year payments for losses and loss adjustment expenses	453,848	520,098	490,942	840,183	562,558
Ending reserves	3,648,519	3,738,445	4,087,983	3,679,806	5,056,765

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	2,595,463
Assumed Reinsurance Basis	-
Net of Ceded Reinsurance Basis	2,528,382

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

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

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

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]												
If yes, complete Schedule Y, Parts 1, 1A and 2.													
1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]												
1.3 State regulating? <u>Ohio</u>													
2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]												
2.2 If yes, date of change: <u>03/01/2013</u>													
3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. <u>12/31/2013</u>													
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. <u>12/31/2008</u>													
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). <u>03/01/2010</u>													
3.4 By what department or departments? <u>Ohio Department of Insurance</u>													
3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? <u>Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>]</u>													
3.6 Have all of the recommendations within the latest financial examination report been complied with? <u>Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>]</u>													
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? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
4.12 renewals? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
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? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
4.22 renewals? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
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.													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Name of Entity</td> <td style="width: 25%; text-align: center;">2 NAIC Co. Code</td> <td style="width: 25%; text-align: center;">3 State of Domicile</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>		1 Name of Entity	2 NAIC Co. Code	3 State of Domicile									
1 Name of Entity	2 NAIC Co. Code	3 State of Domicile											
6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
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? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
7.2 If yes,													
7.21 State the percentage of foreign control <u>.....0.000 %</u>													
7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 25%; text-align: center;">2 Type of Entity</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		1 Nationality	2 Type of Entity										
1 Nationality	2 Type of Entity												
8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
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? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
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.													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 16.66%; text-align: center;">1 Affiliate Name</td> <td style="width: 16.66%; text-align: center;">2 Location (City, State)</td> <td style="width: 16.66%; text-align: center;">3 FRB</td> <td style="width: 16.66%; text-align: center;">4 OCC</td> <td style="width: 16.66%; text-align: center;">5 FDIC</td> <td style="width: 16.66%; text-align: center;">6 SEC</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC						
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? <u>Ernst & Young LLP, 1100 Huntington Center, 41 South High Street, Columbus, Ohio 43215</u>													
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? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
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? <u>Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]</u>													
10.4 If the response to 10.3 is yes, provide information related to this exemption:													

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

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

12.12 Number of parcels involved3
12.13 Total book/adjusted carrying value \$.....7,308,089

12.2 If yes, provide explanation.
The Company owns 62.1% 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 [X] No []

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

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

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

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

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [X] No []

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
071004446	Albany Bank & Trust Co	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
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	200,000
241271193	Home Savings Bank	If principal company does not fulfill requirements, the LOC can be used	1,000,000
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
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	87,000
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
101114769	Community Bank	If principal company does not fulfill requirements, the LOC can be used	305,000
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
111923238	Texas Bank & Trust	If principal company does not fulfill requirements, the LOC can be used	50,000
073901233	Midwest One Bank	If principal company does not fulfill requirements, the LOC can be used	50,000
071925538	First Bank & Trust	If principal company does not fulfill requirements, the LOC can be used	169,830
053201487	First Citizens	If principal company does not fulfill requirements, the LOC can be used	40,000
111302833	The Waggoner National Bank	If principal company does not fulfill requirements, the LOC can be used	100,000
062103217	First Citizens Bank	If principal company does not fulfill requirements, the LOC can be used	79,049
071926197	Schaumburg Bank & Trust Co, NA	If principal company does not fulfill requirements, the LOC can be used	104,136
061101786	Exchange Bank	If principal company does not fulfill requirements, the LOC can be used	500,000
291971430	Viking Savings Bank	If principal company does not fulfill requirements, the LOC can be used	68,000
042204110	Greenville National Bank	If principal company does not fulfill requirements, the LOC can be used	90,000
067016257	Preferred Community Bank	If principal company does not fulfill requirements, the LOC can be used	108,666
111011878	Pavillion Bank	If principal company does not fulfill requirements, the LOC can be used	50,000

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS**

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$.....0
20.12 To stockholders not officers	\$.....0
20.13 Trustees, supreme or grand (Fraternal only)	\$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$.....0
20.22 To stockholders not officers	\$.....0
20.23 Trustees, supreme or grand (Fraternal only)	\$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others	\$.....0
21.22 Borrowed from others	\$.....0
21.23 Leased from others	\$.....0
21.24 Other	\$.....0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

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	\$.....167,290,378
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	\$.....7,054,707
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 []

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

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, OH	Investment required as a provision of obtaining loans

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
131394	Cortina Asset 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]

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted 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.....	428,972,616	423,158,402	(5,814,214)
30.2 Preferred stocks.....			0
30.3 Totals.....	428,972,616	423,158,402	(5,814,214)

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? \$.....2,522,412

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	1,881,763

34.1 Amount of payments for legal expenses, if any?

\$.....464,417

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	133,562

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....9,427

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
Reimagine Columbus Education	9,010

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.....	\$.....551,866,955	\$.....545,111,722
2.3 Premium Ratio (2.1/2.2).....	0.0	0.0
2.4 Reserve Numerator.....	\$.....20,205	\$.....21,267
2.5 Reserve Denominator.....	\$.....934,388,882	\$.....929,174,822
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 \$.....32,543,800
 3.22 Non-participating policies \$.....412,180,823

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 \$265 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 [] 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 [] 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 []

8.2 If yes, give full information:

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

- (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [] No []

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 []

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 []

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

- (a) The entity does not utilize reinsurance; or
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [] No []

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 [] No [] N/A []

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

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 [] N/A []

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

12.41 From	.....0.0 %
12.42 To	.....0.0 %

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

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 2013	2 2012	3 2011	4 2010	5 2009
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).....	803,829,633	811,242,505	844,659,589	695,346,295	588,690,481
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	508,226,577	498,051,220	495,410,919	454,157,264	433,905,671
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	641,347,423	628,535,372	587,688,816	532,164,681	460,470,902
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	8,714,564	7,974,737	5,590,929	5,332,181	4,588,683
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	32,608	(400)	(15,885)	36,287	(3,782)
6. Total (Line 35).....	1,962,150,805	1,945,803,434	1,933,334,368	1,687,036,708	1,487,651,954
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).....	265,895,630	267,875,782	205,854,496	129,677,563	109,334,735
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	164,363,371	158,679,267	119,067,862	85,673,740	81,792,491
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	122,468,537	122,770,060	110,877,524	99,601,784	87,390,101
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,806,932	2,679,463	1,462,193	1,008,387	867,311
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	32,608	(400)	(15,885)	36,287	(3,782)
12. Total (Line 35).....	555,567,078	552,004,172	437,246,190	315,997,761	279,380,855
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(21,428,248)	(51,198,336)	(79,515,549)	(14,904,192)	(11,811,326)
14. Net investment gain (loss) (Line 11).....	14,946,481	35,552,508	28,677,804	19,345,817	13,508,955
15. Total other income (Line 15).....	1,787,342	1,296,785	2,747,718	620,474	(1,240,096)
16. Dividends to policyholders (Line 17).....	85,098	101,971	76,896	111,483	81,317
17. Federal and foreign income taxes incurred (Line 19).....	(1,741,953)	(4,034,304)	(5,700,425)	(2,547,835)	(4,865,407)
18. Net income (Line 20).....	(3,037,570)	(10,416,710)	(42,466,498)	7,498,451	5,241,623
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	2,196,073,212	2,093,759,910	2,156,907,267	1,929,317,615	1,721,761,190
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	219,883,056	202,708,104	240,690,091	178,097,483	145,233,927
20.2 Deferred and not yet due (Line 15.2).....	396,254,830	378,626,596	337,431,807	333,873,855	313,001,324
20.3 Accrued retrospective premiums (Line 15.3).....	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,337,988,395	1,345,059,337	1,371,413,662	895,968,197	797,122,206
22. Losses (Page 3, Line 1).....	403,072,234	392,080,569	373,676,317	168,459,576	157,678,452
23. Loss adjustment expenses (Page 3, Line 3).....	94,494,778	94,075,081	87,553,014	38,338,678	37,290,432
24. Unearned premiums (Page 3, Line 9).....	254,378,592	249,858,057	241,848,022	143,822,964	126,573,936
25. Capital paid up (Page 3, Lines 30 & 31).....	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37).....	858,084,817	748,700,573	785,493,605	1,033,349,418	924,638,984
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(9,851,489)	(23,206,216)	312,521,269	26,049,647	5,083,720
Risk-Based Capital Analysis					
28. Total adjusted capital.....	858,084,817	748,700,573	785,493,605	1,033,349,418	924,638,984
29. Authorized control level risk-based capital.....	146,131,011	133,493,570	131,512,388	126,371,789	121,925,799
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).....	31.6	33.7	15.7	14.5	18.3
31. Stocks (Lines 2.1 & 2.2).....	53.3	50.7	71.7	73.3	71.2
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).....	2.4	2.9	4.1	4.0	4.5
34. Cash, cash equivalents and short-term investments (Line 5).....	6.8	6.1	6.3	6.5	4.8
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	0.0	XXX
37. Other invested assets (Line 8).....	5.8	5.8	2.2	1.7	1.3
38. Receivable for securities (Line 9).....	0.0	0.8	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.0	0.0	0.0	0.0	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).....	656,146,279	603,457,334	745,667,162	850,154,045	769,251,630
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	1,000,000	0	0	0
48. Total of above lines 42 to 47.....	657,146,279	604,457,334	745,667,162	850,154,045	769,251,630
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).....	76.6	80.7	94.9	82.3	83.2

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	65,192,297	(66,635,628)	(130,937,877)	84,615,669	(250,600,972)
52. Dividends to stockholders (Line 35).....	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38).....	109,384,244	(36,793,032)	(247,855,813)	108,710,434	(299,222,225)
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).....	463,584,302	454,436,963	310,987,155	335,231,016	281,008,183
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	245,376,177	267,384,731	290,680,835	253,922,543	241,587,612
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	302,008,418	349,375,547	443,615,270	302,691,600	302,773,108
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,253,776	547,032	933,680	1,328,449	642,947
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	529,133	186,478	231,205	160,191	911,732
59. Total (Line 35).....	1,012,751,806	1,071,930,751	1,046,448,145	893,333,799	826,923,583
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).....	154,047,428	152,022,435	(63,903,331)	62,065,205	50,799,104
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	82,776,833	89,638,227	48,167,947	47,925,180	46,041,234
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	61,250,413	73,748,385	48,244,052	56,610,464	56,500,690
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	419,229	173,708	6,813	688,327	120,714
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	448,348	115,894	(31,873)	30,436	687,328
65. Total (Line 35).....	298,942,251	315,698,649	32,483,607	167,319,612	154,149,070
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).....	56.2	61.3	70.1	59.6	57.6
68. Loss expenses incurred (Line 3).....	12.3	13.3	12.2	10.0	11.8
69. Other underwriting expenses incurred (Line 4).....	35.4	34.8	41.2	35.4	34.9
70. Net underwriting gain (loss) (Line 8).....	(3.9)	(9.4)	(23.4)	(5.0)	(4.4)
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).....	34.9	34.1	31.3	33.2	34.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	68.5	74.6	82.2	69.6	69.4
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).....	64.7	73.7	55.7	30.6	30.2
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).....	(11,837)	(7,030)	(10,888)	(12,943)	(17,147)
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).....	(1.6)	(0.9)	(1.1)	(1.4)	(1.4)
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).....	(16,585)	(19,828)	(29,813)	(22,612)	(16,470)
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).....	(2.1)	(1.9)	(3.2)	(1.8)	(1.4)

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

Yes No

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....4,601	.....2,697	.....647	.....56	.....104	.....2	.....59	.....2,598	....XXX.....
2. 2004.....	....497,774	.....26,513	.....471,261	.....241,116	.....14,329	.....16,473	.....952	.....28,028	.....81	.....8,983	.....270,254	....XXX.....
3. 2005.....	....515,272	.....31,407	.....483,865	.....266,434	.....15,242	.....17,749	.....636	.....28,855	.....324	.....9,336	.....296,836	....XXX.....
4. 2006.....	....524,545	.....39,975	.....484,570	.....244,572	.....10,988	.....18,098	.....383	.....29,630	.....225	.....9,384	.....280,704	....XXX.....
5. 2007.....	....526,089	.....47,314	.....478,775	.....240,172	.....10,582	.....18,644	.....362	.....29,861	.....390	.....9,422	.....277,343	....XXX.....
6. 2008.....	....515,056	.....30,281	.....484,775	.....299,073	.....17,037	.....19,340	.....900	.....36,164	.....950	.....9,304	.....335,688	....XXX.....
7. 2009.....	....552,140	.....37,341	.....514,800	.....303,865	.....12,135	.....20,169	.....603	.....33,942	.....68	.....7,932	.....345,171	....XXX.....
8. 2010.....	....603,281	.....37,348	.....565,933	.....330,987	.....8,324	.....21,118	.....1,206	.....33,699	.....164	.....8,224	.....376,109	....XXX.....
9. 2011.....	....647,288	.....40,062	.....607,226	.....394,491	.....13,191	.....21,492	.....1,145	.....45,116	.....292	.....15,114	.....446,470	....XXX.....
10. 2012.....	....674,411	.....129,299	.....545,112	.....310,567	.....62,007	.....14,383	.....750	.....39,932	.....4,100	.....13,880	.....298,025	....XXX.....
11. 2013.....	....681,118	.....129,251	.....551,867	.....186,974	.....33,675	.....6,368	.....464	.....29,393	.....1,358	.....6,907	.....187,238	....XXX.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	.....2,822,852	.....200,210	.....174,480	.....7,458	.....334,725	.....7,954	.....98,545	.....3,116,436	....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....34,200	.....24,374	.....13,391	.....4,352	.....1,468	.....132	.....2,711	.....915	.....2,006	.....47	.....116	.....23,956	....XXX.....
2. 2004.....	....1,348	.....459	.....1,593	.....350	.....105	.....0	.....333	.....0	.....147	.....0	.....64	.....2,718	....XXX.....
3. 2005.....	....4,636	.....2,860	.....1,877	.....431	.....390	.....16	.....449	.....14	.....233	.....0	.....90	.....4,263	....XXX.....
4. 2006.....	....3,008	.....665	.....3,474	.....865	.....432	.....15	.....1,045	.....82	.....350	.....5	.....110	.....6,677	....XXX.....
5. 2007.....	....2,278	.....493	.....6,415	.....1,096	.....373	.....6	.....2,053	.....240	.....519	.....1	.....151	.....9,801	....XXX.....
6. 2008.....	....4,513	.....109	.....6,781	.....1,442	.....549	.....0	.....1,895	.....324	.....612	.....0	.....223	.....12,476	....XXX.....
7. 2009.....	....7,245	.....666	.....8,601	.....1,402	.....860	.....16	.....2,149	.....179	.....833	.....5	.....341	.....17,419	....XXX.....
8. 2010.....	....18,931	.....1,102	.....11,738	.....1,258	.....1,971	.....45	.....3,074	.....267	.....1,591	.....10	.....733	.....34,624	....XXX.....
9. 2011.....	....41,066	.....2,503	.....19,920	.....2,599	.....3,961	.....96	.....5,327	.....748	.....3,151	.....93	.....1,355	.....67,386	....XXX.....
10. 2012.....	....59,169	.....5,681	.....45,871	.....3,636	.....4,658	.....115	.....11,442	.....916	.....5,779	.....233	.....2,273	.....116,338	....XXX.....
11. 2013.....	....97,347	.....11,927	.....86,309	.....8,370	.....4,942	.....46	.....20,870	.....1,399	.....14,492	.....309	.....7,049	.....201,909	....XXX.....
12. Totals.....	....273,741	.....50,839	.....205,969	.....25,800	.....19,709	.....486	.....51,347	.....5,084	.....29,713	.....703	.....12,505	.....497,567	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	.....18,866	.....5,091
2. 2004.....	....289,143	.....16,171	.....272,972	.....58.1	.....61.0	.....57.9	.....0	.....0	.....34.00	.....2,132	.....586
3. 2005.....	....320,622	.....19,523	.....301,099	.....62.2	.....62.2	.....62.2	.....0	.....0	.....34.00	.....3,222	.....1,041
4. 2006.....	....300,608	.....13,228	.....287,381	.....57.3	.....33.1	.....59.3	.....0	.....0	.....34.00	.....4,952	.....1,725
5. 2007.....	....300,315	.....13,171	.....287,144	.....57.1	.....27.8	.....60.0	.....0	.....0	.....34.00	.....7,104	.....2,698
6. 2008.....	....368,927	.....20,762	.....348,164	.....71.6	.....68.6	.....71.8	.....0	.....0	.....34.00	.....9,743	.....2,732
7. 2009.....	....377,664	.....15,074	.....362,590	.....68.4	.....40.4	.....70.4	.....0	.....0	.....34.00	.....13,777	.....3,641
8. 2010.....	....423,108	.....12,376	.....410,732	.....70.1	.....33.1	.....72.6	.....0	.....0	.....34.00	.....28,309	.....6,315
9. 2011.....	....534,523	.....20,667	.....513,856	.....82.6	.....51.6	.....84.6	.....0	.....0	.....34.00	.....55,884	.....11,502
10. 2012.....	....491,802	.....77,439	.....414,363	.....72.9	.....59.9	.....76.0	.....0	.....0	.....34.00	.....95,723	.....20,615
11. 2013.....	....446,695	.....57,548	.....389,147	.....65.6	.....44.5	.....70.5	.....0	.....0	.....34.00	.....163,359	.....38,550
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	.....403,072	.....94,495

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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior.....	194,483	183,613	176,494	173,207	169,682	167,259	168,852	167,605	166,735	167,247	512	(358)
2. 2004.....	267,763	263,073	252,114	250,253	249,552	247,225	246,434	245,549	245,356	244,878	(478)	(671)
3. 2005.....	XXX.....	294,141	286,372	275,274	273,841	272,749	271,776	272,622	272,474	272,336	(138)	(286)
4. 2006.....	XXX.....	XXX.....	275,612	268,209	266,422	261,463	258,868	257,961	257,873	257,631	(242)	(330)
5. 2007.....	XXX.....	XXX.....	XXX.....	266,417	261,648	260,495	260,426	258,871	257,767	257,155	(612)	(1,716)
6. 2008.....	XXX.....	XXX.....	XXX.....	XXX.....	335,666	319,862	315,331	313,811	312,638	312,339	(299)	(1,472)
7. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	349,732	336,527	332,555	330,544	327,888	(2,656)	(4,667)
8. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	384,311	382,665	379,311	375,616	(3,695)	(7,049)
9. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	466,010	467,920	465,974	(1,946)	(37)
10. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	375,266	372,985	(2,281)	XXX.....
11. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	346,929	XXX.....	XXX.....
										12. Totals.....	(11,837)	(16,585)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013		
1. Prior.....	000.....	56,243	85,662	109,063	120,841	125,613	132,487	137,132	142,754	145,249	XXX.....	XXX.....
2. 2004.....	140,268	191,321	211,817	225,293	234,050	238,310	240,422	241,400	241,981	242,307	XXX.....	XXX.....
3. 2005.....	XXX.....	135,751	205,057	232,422	249,365	257,374	262,064	265,058	266,808	268,305	XXX.....	XXX.....
4. 2006.....	XXX.....	XXX.....	149,483	202,507	223,180	235,711	243,908	247,814	249,920	251,299	XXX.....	XXX.....
5. 2007.....	XXX.....	XXX.....	XXX.....	143,175	193,656	214,501	230,172	240,505	245,473	247,872	XXX.....	XXX.....
6. 2008.....	XXX.....	XXX.....	XXX.....	XXX.....	190,380	250,402	273,307	287,203	294,697	300,475	XXX.....	XXX.....
7. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	192,723	253,028	282,538	302,643	311,297	XXX.....	XXX.....
8. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	211,047	289,005	322,753	342,574	XXX.....	XXX.....
9. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	271,781	358,716	401,646	XXX.....	XXX.....
10. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	180,308	262,193	XXX.....	XXX.....
11. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	159,203	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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior.....	90,574	63,161	46,921	34,657	27,563	22,948	20,212	16,292	13,031	10,835
2. 2004.....	53,650	34,348	17,292	9,978	7,174	4,802	3,576	2,531	1,942	1,576
3. 2005.....	XXX.....	60,538	35,407	18,060	11,171	7,540	4,471	3,398	2,635	1,881
4. 2006.....	XXX.....	XXX.....	53,306	30,023	20,044	12,292	8,181	5,606	4,212	3,572
5. 2007.....	XXX.....	XXX.....	XXX.....	49,751	31,104	21,100	14,450	10,812	8,386	7,132
6. 2008.....	XXX.....	XXX.....	XXX.....	XXX.....	59,080	33,657	20,263	11,941	8,916	6,911
7. 2009.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	67,244	41,100	20,027	12,902	9,168
8. 2010.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	77,368	46,338	24,912	13,288
9. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	90,016	51,898	21,899
10. 2012.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	97,137	52,761
11. 2013.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	97,409

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.....	7,344,928	7,460,779	0	4,783,277	4,994,265	7,539,332	30,513	0
2. Alaska.....	AK L.....	0	0	0	0	0	0	0	0
3. Arizona.....	AZ L.....	2,949,594	2,827,105	0	1,610,388	1,740,856	4,029,731	2,512	0
4. Arkansas.....	AR L.....	18,846,907	19,509,083	0	9,925,570	9,900,014	9,199,819	117,010	0
5. California.....	CA Q.....	0	0	0	0	0	0	0	0
6. Colorado.....	CO L.....	5,669,879	5,465,810	0	2,659,756	2,219,251	3,198,075	21,216	0
7. Connecticut.....	CT L.....	1,047,138	970,116	0	920,557	566,169	955,697	1,339	0
8. Delaware.....	DE L.....	75,959	89,505	0	18,790	24,434	97,540	122	0
9. District of Columbia.....	DC L.....	340,035	347,335	0	238,076	415,429	493,019	172	0
10. Florida.....	FL L.....	823,707	648,706	0	284,902	489,097	1,745,561	.55	0
11. Georgia.....	GA L.....	4,907,973	5,204,279	0	3,337,657	2,224,546	4,621,660	11,811	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.....	8,128,018	8,568,991	0	5,129,849	2,739,577	21,793,781	11,221	0
15. Indiana.....	IN L.....	20,824,146	20,696,783	0	9,738,537	8,112,314	14,964,405	77,183	0
16. Iowa.....	IA L.....	744,423	847,948	0	730,196	(11,101)	871,356	2,958	0
17. Kansas.....	KS L.....	5,897,183	4,813,307	0	2,774,994	3,153,484	1,977,597	.31,727	0
18. Kentucky.....	KY L.....	18,016,254	18,690,272	0	7,538,288	5,315,601	12,782,866	.43,580	0
19. Louisiana.....	LA L.....	96,737	41,445	0	0	1,483	1,483	0	0
20. Maine.....	ME L.....	0	0	0	0	0	0	0	0
21. Maryland.....	MD L.....	23,730,272	23,543,792	0	12,260,344	10,654,278	15,113,404	108,238	0
22. Massachusetts.....	MA L.....	376,039	348,140	0	390,742	258,233	211,748	763	0
23. Michigan.....	MI L.....	42,611,696	42,526,959	0	30,548,049	40,961,199	65,630,199	179,962	0
24. Minnesota.....	MN L.....	3,320,566	3,394,551	0	1,192,706	723,754	4,288,073	12,658	0
25. Mississippi.....	MS L.....	2,487,434	2,268,789	0	508,808	955,034	1,648,538	3,250	0
26. Missouri.....	MO L.....	1,281,453	1,338,450	0	3,164,618	2,891,080	1,362,316	1,537	0
27. Montana.....	MT L.....	0	0	0	0	0	0	0	0
28. Nebraska.....	NE L.....	2,493	312	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.....	78,763	64,432	0	0	26,196	26,196	0	0
34. North Carolina.....	NC L.....	10,686,769	10,282,344	0	2,791,068	3,193,265	6,094,450	.17,126	0
35. North Dakota.....	ND L.....	.692,230	.722,047	0	.313,088	.277,322	.639,663	.478	0
36. Ohio.....	OH L.....	141,517,420	142,154,996	0	55,461,188	.51,276,229	78,497,909	.477,387	0
37. Oklahoma.....	OK L.....	847,236	.901,161	0	.281,573	.1,982,527	3,042,443	.463	0
38. Oregon.....	OR L.....	0	0	0	0	0	0	0	0
39. Pennsylvania.....	PA L.....	16,870,288	17,551,700	0	7,551,654	2,382,756	22,004,804	.48,578	0
40. Rhode Island.....	RI L.....	0	0	0	0	0	0	0	0
41. South Carolina.....	SC L.....	22,251,690	21,786,669	0	11,354,489	.11,308,939	.8,587,588	.134,298	0
42. South Dakota.....	SD L.....	324,315	.314,624	0	.38,581	-.65,233	.256,197	.665	0
43. Tennessee.....	TN L.....	19,564,568	19,956,614	0	.7,479,850	.7,600,506	.21,806,195	.53,246	0
44. Texas.....	TX L.....	53,550,561	49,276,396	0	22,639,428	.29,850,255	.36,781,785	.135,676	0
45. Utah.....	UT L.....	394,511	.381,151	0	.317,847	.471,285	.463,297	.970	0
46. Vermont.....	VT L.....	0	0	0	0	0	0	0	0
47. Virginia.....	VA L.....	2,432,430	2,601,527	0	1,372,711	.644,159	.3,205,558	.4,009	0
48. Washington.....	WA L.....	0	0	0	0	0	0	0	0
49. West Virginia.....	WV L.....	4,500,948	4,246,958	0	1,092,578	.933,962	.3,825,158	.6,260	0
50. Wisconsin.....	WI L.....	1,490,060	1,600,849	75,313	.646,698	.604,806	.2,098,037	.5,429	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	444,724,623	441,443,925	75,313	.209,096,857	.208,815,971	.359,855,480	.1,542,413	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.

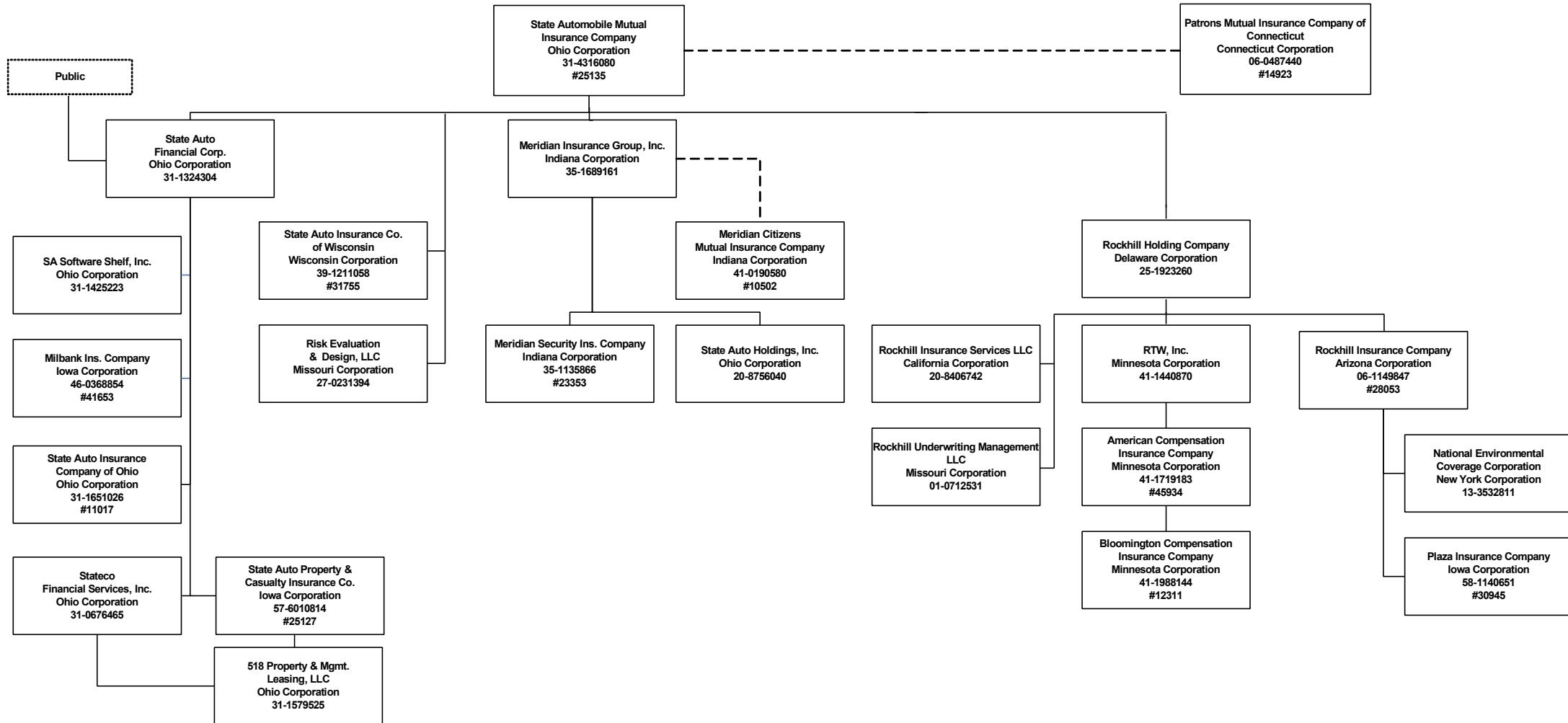
Explanation of Basis of Allocation of Premiums by States, etc.

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

PART 1 – ORGANIZATIONAL CHART

ORGANIZATIONAL STRUCTURE OF STATE AUTO HOLDING COMPANY SYSTEM



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