AMENDED FILING EXPLANATION

Correction of classification of Cash From Operations and Cash From Miscellaneous Sources which impacted Cash Flow Page 5 and Five-Year Historical Data Page 17.
Correction of commission expenses for direct and assumed business which impacted the Underwriting and Investment Exhibit Page 11 and Exhibit of Premiums and Losses Page 19.
Correction between Defense and Cost Containment Unpaid Expenses and Adjusting and Other Unpaid Expenses which impacted Five-Year Historical Data Page 18, Schedule P Summary Pages 33-34, Schedule P - Part 1D Page 38, Schedule P - Part 2D Page 57, and Schedule P - Part 4D Page 67.
Restatement of current and prior year results for affiliate State Auto Financial which impacted Information Concerning Parent, Subsidiaries and Affiliates Note 10 Page 14.7.
Entered Electronic Filing Data for Premium Deficiency Reserves EF14.#30 to reflect the responses in Note 30 Page 14.17.

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

* 2 5 1 3 5 2 0 1 8 2 0 1 0 0 1 0 0 *

ANNUAL STATEMENT

For the Year Ended December 31, 2018

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 OH | State of Domicile or Port of Entry OH | 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	Zachary James Skidmore *(Name)*	614-917-5995 *(Area Code) (Telephone Number) (Extension)*
	corporateaccounting@stateauto.com *(E-Mail Address)*	317-715-4519 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Michael Edward LaRocco	President	2. Melissa Ann Centers	Secretary
3. Matthew Robert Pollak	Treasurer	4.	

OTHER

Jason Earl Berkey	Senior Vice President	Steven Eugene English	Senior Vice President
Kim Burton Garland	Senior Vice President	John Michael Petrucci	Senior Vice President
Elise deLanglade Spriggs	Senior Vice President	Paul Martin Stachura	Senior Vice President
Gregory Allan Tacchetti	Senior Vice President	Scott Alan Jones	Vice President
Matthew Stanley Mrozek	Vice President		

DIRECTORS OR TRUSTEES

Robert Ellison Baker	Michael Joseph Fiorile	James Edward Kunk	Michael Edward LaRocco
Marsha Pasquinelly Ryan	Edwin Jesse Simcox	Dwight Eric Smith	Roger Philip Sugarman

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

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

Michael Edward LaRocco	Melissa Ann Centers	Matthew Robert Pollak
President	Secretary	Treasurer

Subscribed and sworn to before me
This 22nd day of April 2019

a. Is this an original filing? Yes [ ] No [X]

b. If no
1. State the amendment number: 1
2. Date filed: 4/22/2019
3. Number of pages attached: 30

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	608,993,650	645,272,139
2.	Net investment income	29,386,036	29,502,058
3.	Miscellaneous income	(2,391,734)	432,650
4.	Total (Lines 1 through 3)	635,987,952	675,206,847
5.	Benefit and loss related payments	382,445,272	354,334,362
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	296,741,573	318,004,926
8.	Dividends paid to policyholders	127,331	225,696
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(1,055,152)	(4,986,992)
10.	Total (Lines 5 through 9)	678,259,024	667,577,992
11.	Net cash from operations (Line 4 minus Line 10)	(42,271,072)	7,628,855
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	116,186,527	100,375,846
	12.2 Stocks	97,398,749	108,683,093
	12.3 Mortgage loans	0	0
	12.4 Real estate	5,774,294	0
	12.5 Other invested assets	2,257,786	2,259,091
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	20,455
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	221,617,356	211,338,485
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	46,483,571	77,314,622
	13.2 Stocks	19,191,420	107,732,704
	13.3 Mortgage loans	0	0
	13.4 Real estate	1,562,381	1,187,222
	13.5 Other invested assets	960,154	4,257,637
	13.6 Miscellaneous applications	5,163,017	836,983
	13.7 Total investments acquired (Lines 13.1 to 13.6)	73,360,543	191,329,168
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)	148,256,813	20,009,317
	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)	(85,720,191)	(44,166,501)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(85,720,191)	(44,166,501)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	20,265,550	(16,528,329)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	7,511,239	24,039,568
	19.2 End of year (Line 18 plus Line 19.1)	27,776,789	7,511,239

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

20.0001	0	0

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	27,708,326	0	0	27,708,326
1.2 Reinsurance assumed	95,683,793	0	0	95,683,793
1.3 Reinsurance ceded	81,681,569	0	0	81,681,569
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	41,710,550	0	0	41,710,550
2. Commission and brokerage:				
2.1 Direct, excluding contingent	0	66,409,855	0	66,409,855
2.2 Reinsurance assumed, excluding contingent	0	215,485,778	0	215,485,778
2.3 Reinsurance ceded, excluding contingent	0	185,778,118	0	185,778,118
2.4 Contingent - direct	0	7,054,694	0	7,054,694
2.5 Contingent - reinsurance assumed	0	21,679,259	0	21,679,259
2.6 Contingent - reinsurance ceded	0	18,776,347	0	18,776,347
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	106,075,121	0	106,075,121
3. Allowances to manager and agents	0	1,781,389	0	1,781,389
4. Advertising	7,832	260,439	0	268,271
5. Boards, bureaus and associations	375,284	3,139,563	0	3,514,847
6. Surveys and underwriting reports	0	8,670,126	0	8,670,126
7. Audit of assureds' records	0	368,646	0	368,646
8. Salary and related items:				
8.1 Salaries	21,888,272	44,714,429	104,248	66,706,949
8.2 Payroll taxes	1,585,768	3,092,014	4,170	4,681,952
9. Employee relations and welfare	4,341,461	8,097,950	21,965	12,461,376
10. Insurance	211,739	362,517	588	574,844
11. Directors' fees	0	1,081,161	0	1,081,161
12. Travel and travel items	658,576	1,469,552	677	2,128,805
13. Rent and rent items	1,435,050	2,874,326	7,330	4,316,706
14. Equipment	307,552	557,032	1,539	866,123
15. Cost or depreciation of EDP equipment and software	4,339,534	13,924,407	11,874	18,275,815
16. Printing and stationery	86,165	332,894	509	419,568
17. Postage, telephone and telegraph, exchange and express	804,585	3,478,217	12,370	4,295,172
18. Legal and auditing	74,978	501,052	1,899,240	2,475,270
19. Totals (Lines 3 to 18)	36,116,796	94,705,714	2,064,510	132,887,020
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....27,299	0	14,678,332	0	14,678,332
20.2 Insurance department licenses and fees	0	1,860,614	0	1,860,614
20.3 Gross guaranty association assessments	0	68,202	0	68,202
20.4 All other (excluding federal and foreign income and real estate)	0	31,779	0	31,779
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	16,638,927	0	16,638,927
21. Real estate expenses	0	0	3,661,684	3,661,684
22. Real estate taxes	0	0	493,704	493,704
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	2,882,104	19,464,362	8,141	22,354,608
25. Total expenses incurred	80,709,450	236,884,124	6,228,039	(a) 323,821,613
26. Less unpaid expenses - current year	131,605,107	52,123,816	837,018	184,565,940
27. Add unpaid expenses - prior year	131,065,721	30,414,653	1,018,584	162,498,959
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)	80,170,064	215,174,962	6,409,606	301,754,631

DETAILS OF WRITE-INS

2401. Professional consultants	2,795,383	20,083,986	8,144	22,887,513
2402. Miscellaneous	86,722	(619,624)	(3)	(532,906)
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 through 2403 plus 2498) (Line 24 above)	2,882,104	19,464,362	8,141	22,354,608

(a) Includes management fees of $.....1,711,487 to affiliates and $.....182,266 to non-affiliates.

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, 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:

	SSAP #	F/S Page	F/S Line #	Amount ($) 2018	Amount ($) 2017
NET INCOME					
(1) State Auto Mutual state basis (Page 4, Line 20, Columns 1 & 2)				12,287,614	(18,766,591)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				—	—
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1 - 2 - 3 = 4)				12,287,614	(18,766,591)
SURPLUS					
(5) State Auto Mutual state basis (Page 3, Line 37, Columns 1 & 2)				765,930,369	778,946,185
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				—	—
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5 - 6 - 7 = 8)				765,930,369	778,946,185

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"), 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"), 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"), Bloomington Compensation Insurance Company ("Bloomington Compensation"), Rockhill Underwriting Management, LLC ("RUM"), Network E&S Insurance Brokers, LLC ("Network"), Facilitators, Inc. ("Facilitators"), and State Auto Labs Corp. ("SA Labs"). Partners General Insurance Agency, LLC ("Partners") was sold on March 1, 2018.

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 with the exception of one property which is classified as properties held for sale and carried at depreciated cost.

In addition, the Company uses the following accounting policies:

1. Short-term investments: Not applicable.
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, State Auto Holdings, stated at unaudited GAAP equity value, and RHC, stated at audited U.S. GAAP equity value, are admitted to the extent allowed by SSAP No. 97 - *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No.88*. A 59.9% publicly owned holding company subsidiary, State Auto Financial, is stated at audited U.S. GAAP equity value. Noninsurance subsidiaries, Facilitators, RED, and Network, are stated at unaudited GAAP equity value and admitted to the extent allowed by SSAP No. 97. At December 31, 2018 and 2017, unamortized goodwill was $584,261 and $12,230,023, respectively, of which, $0 was nonadmitted.
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: Not applicable.
10. The Company anticipates investment income as a factor in the premium deficiency calculation, except accident and health business, in accordance with SSAP No. 53 - *Property-Casualty Contracts - Premiums*.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and, while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the period determined.
12. The Company has not materially modified its capitalization policy from the prior period.
13. Pharmaceutical rebate receivables: Not applicable.

D. Going Concern:

Management has evaluated the Company's viability and has no doubt as to the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors: Not applicable.

3. Business Combinations and Goodwill:

A. Statutory Purchase Method:

1. On February 10, 2009, the Company purchased 100% interest in RHC, a Delaware corporation. RHC writes specialty property and casualty business through four insurance subsidiaries, Rockhill, Plaza, American Compensation and Bloomington Compensation and has a subsidiary that is a third party administrator providing workers compensation case and claim management services.
2. The RHC transaction described in Note 3A was accounted for as a statutory purchase.
3. The cost of the RHC purchase was $248,627,800 resulting in goodwill of $150,178,743, of which $0 was nonadmitted at December 31, 2018.
4. Goodwill amortization for the period ended December 31, 2018 relating to the purchase of RHC was $8,971,026.

B. Statutory Merger: Not applicable.

C. Assumption Reinsurance: Not applicable.

D. Impairment Loss:

1. During 2017, management determined a portion of the excess and surplus lines business was not core to the Company's strategy and has decided to begin exiting this business segment.
2. On December 31, 2017, the Company impaired goodwill associated with the RHC purchase. The impairment of $15,330,145 was charged to realized capital gains and losses. The fair value was determined based on the GAAP value of the company and intangible assets associated with directly owned subsidiaries and market value of insurance business.

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	(523,401)
2. 12 Months or Longer	(6,468,818)
b. The aggregate related fair value of securities with unrealized losses	
1. Less than 12 Months	45,621,014
2. 12 Months or Longer	132,784,754

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. Dollar Repurchase Agreements and/or Securities Lending Transactions: Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing: Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing: Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale: Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale: Not applicable.

J. Real Estate: Not applicable.

K. Low-Income Housing Tax Credits (LIHTC): Not applicable.

5. Investments (continued):

L. Restricted Assets:

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

	Amount ($)									Percentage (%)	
	Gross (Admitted & Nonadmitted) Restricted										
	Current Year										
	1	2	3	4	5	6	7	8	9	10	11
	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 Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
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 - excluding FHLB capital stock	—	—	—	—	—	—	—	—	—	—	—
i. FHLB capital stock	4,143,200	—	—	—	4,143,200	4,143,200	—	—	4,143,200	0.17%	0.18%
j. On deposit with state	6,467,387	—	—	—	6,467,387	6,578,429	(111,042)	—	6,467,387	0.27%	0.28%
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—	—	—	—	—
l. Pledged as collateral to FHLB (including assets backing funding agreements)	33,718,649	—	—	—	33,718,649	35,119,190	(1,400,541)	—	33,718,649	1.41%	1.47%
m. Pledged as collateral not captured in other categories	52,891,196	—	—	—	52,891,196	71,193,658	(18,302,462)	—	52,891,196	2.22%	2.30%
n. Other restricted assets	—	—	—	—	—	—	—	—	—	—	—
o. Total restricted assets	97,220,432	—	—	—	97,220,432	117,034,477	(19,814,045)	—	97,220,432	4.08%	4.24%

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

	Amount ($)								Percentage (%)	
	Gross (Admitted & Nonadmitted) Restricted									
	Current Year									
	1	2	3	4	5	6	7	8	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 (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Reinsurance	52,891,196	—	—	—	52,891,196	71,193,658	(18,302,462)	52,891,196	2.22%	2.30%
Total (c)	52,891,196	—	—	—	52,891,196	71,193,658	(18,302,462)	52,891,196	2.22%	2.30%

3. Detail of other restricted assets: Not applicable.
4. Collateral received and reflected as assets: Not applicable.

5. Investments (continued):

M. Working Capital Finance Investments: Not applicable.

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

O. Structured Notes: Not applicable.

P. 5GI Securities: Not applicable.

Q. Short Sales: Not applicable.

R. Prepayment Penalty and Acceleration Fees:

	General Account	Protected Cell Account
1. Number of CUSIPs	2	—
2. Aggregate Amount of Insurance Income	$ (19,031)	$ —

6. Joint Ventures, Partnerships and Limited Liability Companies:

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

B. Impairments: Not applicable.

7. Investment Income:

A. Accrued Investment Income:

The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted: Not applicable.

8. Derivative Instruments: Not applicable.

9. Income Taxes:

A. The components of the net deferred tax asset/(liability) at December 31, 2018 and 2017 are as follows:

	Amount ($)								
	2018			2017			Change		
1.	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	82,781,704	6,151,808	88,933,512	82,211,081	3,688,677	85,899,758	570,623	2,463,131	3,033,754
b. Statutory valuation allowance adjustment	71,198,171	6,151,808	77,349,979	64,197,966	3,688,677	67,886,643	7,000,205	2,463,131	9,463,336
c. Adjusted gross deferred tax assets	11,583,533	—	11,583,533	18,013,115	—	18,013,115	(6,429,582)	—	(6,429,582)
d. Deferred tax assets nonadmitted	—	—	—	—	—	—	—	—	—
e. Subtotal net admitted deferred tax asset	11,583,533	—	11,583,533	18,013,115	—	18,013,115	(6,429,582)	—	(6,429,582)
f. Deferred tax liabilities	6,811,678	4,771,855	11,583,533	9,462,886	8,550,229	18,013,115	(2,651,208)	(3,778,374)	(6,429,582)
g. Net admitted deferred tax assets/ (liability)	4,771,855	(4,771,855)	—	8,550,229	(8,550,229)	—	(3,778,374)	3,778,374	—

	Amount ($)								
	2018			2017			Change		
2.	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	118,383,311	NA	NA	114,519,756	NA	NA	3,863,555
c. Adjusted gross DTA's offset by gross DTLs	6,811,677	4,771,855	11,583,532	14,614,522	3,398,593	18,013,115	(7,802,845)	1,373,262	(6,429,583)
d. Total DTA's admitted	6,811,677	4,771,855	11,583,532	14,614,522	3,398,593	18,013,115	(7,802,845)	1,373,262	(6,429,583)

3.	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation	407%	389%
b. Amount of adjusted capital & surplus used to determine recovery period and threshold limitation in 2(b)2 above	789,222,071	763,465,038

9. Income Taxes (continued):

4.	2018		2017		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
a. Impact of tax planning strategies:						
1. Adjusted gross DTAs	11,583,533	—	18,013,115	—	(6,429,582)	—
2. Percentage of total adjusted gross DTAs by tax character attributable to planning	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
3. Net admitted adjusted gross DTAs	11,583,533	—	18,013,115	—	(6,429,582)	—
4. Percentage of net admitted gross DTAs attributable to planning	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%

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

B. Unrecognized Deferred Tax Liabilities: None.

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

	Amount ($)		
	2018	2017	Change
1. Current income tax:			
a. Federal	1,151,513	(8,340,321)	9,491,834
b. Foreign	—	—	—
c. Subtotal	1,151,513	(8,340,321)	9,491,834
d. Federal Income tax on net capital gains	2,305,881	7,183,349	(4,877,468)
e. Utilization of capital loss carry-forwards	—	—	—
f. Other	—	—	—
g. Federal and foreign income taxes incurred	3,457,394	(1,156,972)	4,614,366

	Amount ($)		
	2019	2018	Change
2. Deferred tax assets:			
a. Ordinary			
1. Discounting of unpaid losses	10,653,078	12,151,071	(1,497,993)
2. Unearned premium reserve	12,877,719	13,494,541	(616,822)
3. Policyholder reserves		—	—
4. Investments		—	—
5. Deferred acquisition costs		—	—
6. Policyholder dividends accrual		—	—
7. Fixed Assets		87,165	(87,165)
8. Compensation & benefits accrual	8,624,354	6,711,516	1,912,838
9. Pension accrual	11,557,269	12,160,904	(603,635)
10. Receivables - nonadmitted	489,531	522,713	(33,182)
11. Net operating loss carry-forward	33,510,749	30,046,550	3,464,199
12. Tax credit carry-forward	804,829	698,121	106,708
13. Other	4,264,175	6,338,500	(2,074,325)
Subtotal	82,781,704	82,211,081	570,623
b. Statutory valuation allowance adjustment	71,198,171	64,197,966	7,000,205
c. Nonadmitted		—	—
d. Admitted ordinary deferred tax assets	11,583,533	18,013,115	(6,429,582)
e. Capital:			
1. Investments	6,151,808	3,688,677	2,463,131
2. Net capital loss carry-forward		—	—
3. Real estate		—	—
4. Other		—	—
Subtotal	6,151,808	3,688,677	2,463,131
f. Statutory valuation allowance adjustment	6,151,808	3,688,677	2,463,131
g. Nonadmitted		—	—
h. Admitted capital deferred tax assets		—	—
i. Admitted deferred tax assets	11,583,533	18,013,115	(6,429,582)

9. Income Taxes (continued):

3. Deferred tax liabilities:			
a. Ordinary			
1. Investments	12,827	10,339	2,488
2. Fixed assets	50,451	—	50,451
3. Deferred and uncollected premium		—	—
4. Policyholder reserves	4,626,997	6,071,520	(1,444,523)
5. Other	2,121,403	3,381,027	(1,259,624)
Subtotal	6,811,678	9,462,886	(2,651,208)
b. Capital:			
1. Investments	4,771,855	8,550,229	(3,778,374)
2. Real estate		—	—
3. Other		—	—
Subtotal	4,771,855	8,550,229	(3,778,374)
c. Deferred tax liabilities	11,583,533	18,013,115	(6,429,582)

4. Net deferred tax asset/(liabilities):	—	—	—

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

	Amount ($) Tax Effect @ 21%	Effective Tax Rate
Tax Reconciliation by Effective Rate:		
Income before tax	3,306,453	21.0 %
Tax exempt interest and dividends received income deduction	(1,383,208)	(8.8)%
Permanent difference on nonadmitted taxable assets	(2,012,871)	(12.8)%
STAT unrecognized pension liability	569,646	3.6 %
Unrecognized postretirement	(83,853)	(0.5)%
Change in valuation allowance	9,485,889	(32.1)%
Other	(5,059,048)	60.2 %
Rate change	2,095,545	13.3 %
Total	6,918,553	43.9 %
Tax Reconciliation by Statement of Income:		
Federal & foreign tax, excluding taxes on realized gains	1,151,512	7.3 %
Current taxes on realized gains	2,305,881	14.6 %
Change in net deferred income taxes	3,461,160	22.0 %
Total	6,918,553	43.9 %

E. Operating Loss and Tax Credit Carry-forward:

1. At December 31, 2018, the Company had $159,574,995 of operating loss carry-forwards beginning in 2002 through 2017, which expire, if unused, beginning in 2022 through 2037. The Company has $22,522 of alternative minimum tax credits that do not expire. The Company had foreign tax credits of $782,277 originating in 2009 through 2017 which expire, if unused beginning in 2019 through 2027.
2. For 2018 and 2017, there is no income tax expense that is available for recoupment in the event of future net losses.
3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

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
   Facilitators
   Meridian Security
   State Auto Holding
   Eagle Development Corporation
   Rockhill
   Plaza
   American Compensation
   Bloomington Compensation
   RHC
   RTW, Inc.
   SA Labs
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.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT):

No RTT is owed under the TCJA.

9. Income Taxes (continued):

I. Alternative Minimum Tax (AMT) Credit:

1. Gross AMT Credit Recognized as:	Amount ($)
a. Current year recoverable	22,552
b. Deferred tax asset (DTA)	22,552
2. Beginning Balance of AMT Credit Carryforward	45,104
3. Amounts Recovered	22,552
4. Adjustments	—
5. Ending Balance of AMT Credit Carryforward (5=2-3-4)	22,552
6. Reduction for Sequestration	—
7. Nonadmitted by Reporting Entity prior to SSAP 101 limitations	22,552
8. Reporting Entity Ending Balance (8=5-6-7)	—

10. Information Concerning Parent, Subsidiaries and Affiliates:

A. Nature of the Relationships:

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

B. Details of Transactions Greater than ½% of Admitted Assets:

On August 10, 2018, the Board of Directors of Rockhill Holding Company approved a $43,000,000 return of capital to be paid to the Company. This was paid in cash on September 28, 2018.

C. Change in Terms of Intercompany Agreements: Not applicable.

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 $631,239 will be paid in 2019.

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

	Amount ($)			
	December 31, 2018		December 31, 2017	
	Due To:	Due From:	Due To:	Due From:
State Auto P&C	3,300,660	—	6,032,736	—
Milbank	—	5,438,010	—	10,664,384
SA Wisconsin	748,569	—	1,513,835	—
SA Ohio	2,254,693	—	5,059,340	—
Meridian Security	35,553,029	—	23,227,352	—
Patrons Mutual	—	757,715	558,149	—
Plaza	—	46,303,081	—	16,944,071
Rockhill	—	45,777,218	—	23,221,681
American Compensation	11,588,470	—	12,284,937	—
Bloomington Compensation	87,904	—	543,238	—
RUM	559,112	—	—	5,474
RTW, Inc.	—	1,205,237	—	8,466,432
Partners	—	—	—	341,911
State Auto Financial	—	208,895	—	357,742
Stateco	409,132	—	30,818	—
Rockhill Insurance Services, LLC	—	—	—	266,461
Other Affiliates	—	378,880	—	43,476

E. Guarantees or Contingencies for Related Parties:

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. This requirement expired in 2017.

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 2018 and 2017, the following management and/or cost sharing agreements were effective:

1. the "2015 Management and Operations Agreement" to which State Auto Mutual, State Auto P&C, Milbank, SA Ohio, Meridian Security, Patrons Mutual, State Auto Financial, Stateco, 518 Property Management and Leasing LLC, State Auto Holdings, Facilitators, Network, and SA Labs are parties;
2. the "Midwest Management Agreement" to which State Auto Mutual, State Auto P&C, and SA Wisconsin are parties;
3. the "RTW Consulting Services Agreement" to which State Auto Mutual, State Auto P&C, Meridian Security, and Milbank entered into an agreement with RTW, Inc., an affiliate for overall claims case management for the workers' compensation program;
4. the "Rockhill Management & Operations Agreement" to which State Auto Mutual, State Auto P&C, Rockhill, Plaza, American Compensation, Bloomington Compensation, RHC, NECC, RTW, Inc., Rockhill Insurance Services, LLC., and RUM are parties;
5. the "Rockhill-RUM Administrative Services Agreement" to which Rockhill and RUM are parties;
6. the "Rockhill-RIS Surplus Lines Broker Agreement'" to which Rockhill and Rockhill Insurance Services, LLC. are parties;
7. the "Rockhill Cost Sharing Agreement" to which Rockhill, RHC, and RUM are parties;
8. the "RTW-ACI Intercompany Management Agreement" to which American Compensation and RTW, Inc. are parties;
9. the "RTW-BCI Intercompany Management Agreement" to which Bloomington Compensation and RTW, Inc. are parties;
10. the "RUM Administrative Services Agreement" to which State Auto Mutual and RUM are parties;
11. 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;
12. the "RUM-ACI Administrative Services Agreement" to which RUM and American Compensation are parties;
13. the "RUM Underwriting Services Agreement" to which RUM and Plaza are parties; and
14. the "RTW Administrative Services Agreement" to which RTW, Inc. and Plaza are parties;

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

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 "2015 Management & Operations Agreement", the "RTW Consulting Services Agreement", the "Rockhill Management & Operations Agreement", the "Rockhill Cost Sharing Agreement", the "RTW Administrative Services Agreement", the "RTW-ACI Intercompany Management Agreement", and the "RTW-BCI Intercompany Management 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, 2018, the Company owned 59.9% 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, 2018 of $34.04 was $883,475,469. The Company's investment in State Auto Financial has been reflected in the accompanying statutory financial statements at an audited U.S. GAAP equity value at December 31, 2018 of $470,068,996. At December 31, 2018, 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 $513,121,160.

At December 31, 2017, the Company owned 61.2% 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, 2017 of $29.12 was $755,836,038. The Company's investment in State Auto Financial has been reflected in the accompanying statutory financial statements at an audited U.S. GAAP equity value at December 31, 2017 of $470,146,447. At December 31, 2017, 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 $539,117,640.

Based on publicly available financial information for State Auto Financial, the following provides summarized financial information for the twelve month period ending December 31, 2018 and 2017, respectively:

	Amount ($)	
Description	**December 31, 2018**	**December 31, 2017**
Total assets	2,895,829,649	3,019,040,559
Total liabilities	2,077,343,979	2,184,050,831
Stockholders' equity	818,485,670	834,989,728
Net (loss) income	12,801,855	(17,774,309)

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, State Auto Holdings, 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, 2018 and 2017 was $74,601,662 and $72,904,469, respectively. The Company has limited the value of its investment in State Auto Holdings 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 State Auto Holdings, if not already recorded in the financial statements. At December 31, 2018 and 2017, the Company's investment in State Auto Holdings was held at an admitted value of $74,578,000 and $72,904,469, respectively, after nonadmitting $23,662 and $0, respectively.

M. All SCA Investments:

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities):

SCA Entity	Percentage of SCA Ownership (%)	Gross Amount ($)	Admitted Amount ($)	Nonadmitted Amount ($)
a. SSAP No. 97 8a Entities		—	—	—
b. SSAP No. 97 8b(ii) Entities		—	—	—
c. SSAP No. 97 8b(iii) Entities		—	—	—
State Auto Financial	59.9	470,068,996	470,068,996	—
State Auto Holdings	100	74,601,662	74,578,000	23,662
RHC	100	58,773,895	58,773,895	—
Facilitators	100	9,930	—	9,930
RED	100	—	—	—
Network	100	(1,654)	(1,654)	—
State Auto Labs	100	6,162,586	—	6,162,586
Total SSAP No. 97 8b(iii) Entities		609,615,415	603,419,237	6,196,178
d. SSAP No. 97 8b(iv) Entities		—	—	—
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)		609,615,415	603,419,237	6,196,178
f. Aggregate Total (a+e)		609,615,415	603,419,237	6,196,178

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

2. NAIC Filing Response Information:

SCA Entity	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount ($)	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code
a. SSAP No. 97 8a Entities			—			
b. SSAP No. 97 8b(ii) Entities			—			
c. SSAP No. 97 8b(iii) Entities			—			
State Auto Financial	S2	12/20/2018	470,146,447	Yes	No	N/A
State Auto Holdings	N/A	N/A	N/A	N/A	N/A	N/A
RHC	S2	12/20/2018	110,730,260	Yes	No	N/A
Facilitators	S2	12/05/2017	—	Yes	No	N/A
RED	N/A	N/A	N/A	N/A	N/A	N/A
Network	N/A	N/A	N/A	N/A	N/A	N/A
State Auto Labs	N/A	N/A	N/A	N/A	N/A	N/A
Total SSAP No. 97 8b(iii) Entities			580,876,707			
d. SSAP No. 97 8b(iv) Entities			—			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)			580,876,707			
f. Aggregate Total (a+e)			580,876,707			

N. Investment in Insurance SCAs: Not applicable.

O. SCA Loss Tracking: Not applicable.

11. Debt:

A. On September 12, 2018, the Company entered into a Cash Management Advance Agreement (the "CMA") with the Federal Home Loan Bank of Cincinnati (“FHLB”). The CMA provides the Company with a $50,000,000 one-year line of credit available for general corporate purposes. Draws under the CMA are to be funded at the Company's option of a daily variable rate advance for 90 days or a fixed rate for a term up to 30 days. All advances under the CMA are to be fully secured by a pledge of specific investment securities of the Company. As of December 31, 2018, no advances had been made under the CMA.

On September 12, 2018, the Company entered into a REPO Based Advance Agreement (the "REPO") with the FHLB. The REPO provides the Company with a $50,000,000 one-year line of credit available for general corporate purposes. Draws under the REPO are to be funded at a fixed rate for a term from one day to one year. All advances under the REPO are to be fully secured by a pledge of specific investment securities of the Company. As of December 31, 2018, no advances had been made under the REPO.

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 7.0%. The total loan interest incurred through December 31, 2018 and 2017 was $4,900,000 and $4,900,000, respectively.

B. FHLB (Federal Home Loan Bank) Agreements

1. On February 9, 2009, the Company borrowed $19,000,000 from the FHLB for a period of ten years at a fixed rate of 4.89%. On February 7, 2014, the Company refinanced this loan with FHLB for a period of five years at a fixed rate of 2.05%. This is an interest-only loan with principal due at the maturity date of February 7, 2019. This loan is collateralized by treasury bonds and mortgage-backed securities on deposit with FHLB. The total loan interest incurred through December 31, 2018 and 2017 was $389,500 and $389,500, respectively.

On September 2, 2016, the Company borrowed $11,500,000 from FHLB for a period of five years at a fixed rate of 1.73%. This loan provides for interest-only payments during it's term, with principal due in full at maturity. The FHLB Loans may be prepaid in full after three years without penalty and are fully secured by a pledge of specific investment securities of SAM. The total loan interest incurred through December 31, 2018 and 2017 was $198,950 and $198,950, respectively.

The tables below indicates the amount of the FHLB capital stock purchased, collateral pledged and assets and liabilities related to the agreements with the FHLB.

2. FHLB Capital Stock

a. Aggregate Totals

	Amount ($)	
	December 31, 2018	December 31, 2017
Membership stock - Class A	—	—
Membership stock - Class B	2,888,752	2,953,271
Activity stock	1,254,448	1,189,929
Excess stock	—	—
Aggregate total	4,143,200	4,143,200
Actual or estimated borrowing capacity as determined by the Company	32,325,045	33,288,883

The borrowing capacity for each security pledged is provided by FHLB, which is based on a factor of the market value based on the type of investment. Available borrowing capacity is determined by taking the total borrowing capacity provided by FHLB and reducing it by the Company's current total borrowing.

b. Membership Stock (Class A and B) Eligible for Redemption

	Amount ($)	
	Class A Stock	Class B Stock
Current year total	—	2,888,752
Not eligible for redemption	—	2,888,752
Less than 6 months	—	—
6 months to less than 1 year	—	—
1 year to less than 3 years	—	—
3 to 5 years	—	—

11. Debt (continued):

3. Collateral Pledged to FHLB

a. Amount Pledged

General account	Amount ($)	
	December 31, 2018	December 31, 2017
Fair value	41,412,460	39,878,935
Carrying value	46,505,763	39,983,804
Aggregate total borrowing	30,500,000	30,500,000

b. Maximum Amount Pledged

General account	Amount ($)	
	December 31, 2018	December 31, 2017
Fair value	41,412,460	39,878,935
Carrying value	46,505,763	39,983,804
Aggregate total borrowing	30,500,000	30,500,000

4. Borrowing from FHLB

a. Amount Borrowed

General account	Amount ($)	
	December 31, 2018	December 31, 2017
Debt	30,500,000	30,500,000
Funding agreements	—	—
Other	—	—
Aggregate total	30,500,000	30,500,000

b. Maximum Amount Borrowed

General account	Amount ($)
	December 31, 2018
Debt	30,500,000
Funding agreements	—
Other	—
Aggregate total	30,500,000

c. The Company has no prepayment obligations under its debt arrangement.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:

All employees of the State Auto Group are employees of State Auto P&C, 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.

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. The Company's pooling percentage is 34.5%. 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	
	2018	2017	2018	2017
Defined benefit obligation	(147,701,794)	(161,451,961)	(8,834,635)	(9,776,055)
Fair value of plan assets	131,626,409	140,639,859	—	—
Funded status (underfunded)/overfunded	(16,075,385)	(20,812,102)	(8,834,635)	(9,776,055)

The Company's share of net expense for the defined benefit pension plan was $3,312,739 and $4,334,055 in 2018 and 2017, respectively and for postretirement benefit plan was a negative expense of $524,408 and $495,224 in 2018 and 2017, respectively.

The Company's share of the supplemental executive retirement plan liability ("SERP") was $3,730,957 and $3,660,456 at December 31, 2018 and 2017, respectively. The Company's share of the SERP expense was $160,132 and $175,222 for 2018 and 2017, 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 $2,995,784 and $3,387,186 for 2018 and 2017, respectively.

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

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 2018 were $816,316 including the prescription drug benefits. The Company's subsidy related to Medicare Prescription Drug, Improvement and Modernization Act of 2003 was $21,823 for 2018 and estimates future annual subsidies to be approximately $100,640.

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 $0 and $483,311 at December 31, 2018 and 2017, 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 $145,812,672. 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. Liabilities, Contingencies and Assessments:

A. Contingent Commitments:

The Company has committed up to $840,000 in additional capital contributions to Stonehenge Opportunity Fund III, LLC over the next one year, $6,290,000 in additional capital contributions to Stonehenge Opportunity Fund IV, LLC over the next four years and $312,500 in capital contributions to Rev1 Ventures for Columbus Fund 1, LLC over the next three years (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 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. This requirement expired in May 2017.

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 $669,312 and a related premium tax benefit asset of $62,777. 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	86,366
Decreases current year:	
Policy surcharges collected	—
Policy surcharges charged off	—
Premium tax offset applied	23,589
Increases current year:	
Policy surcharges collected	—
Policy surcharges charged off	—
Premium tax offset applied	—
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	62,777

The Company has no guaranty fund liabilities and assets related to assessments from insolvencies of entities that wrote long-term care contracts.

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 2018	11,000

14. Liabilities, Contingencies and Assessments (Continued):

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. Joint and Several Liabilities: Not applicable.

G. All Other Contingencies:

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

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 $9,423,688 and $2,799,494 as of December 31, 2018 and 2017, 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 2023. Rental expense for 2018 and 2017 was $4,555,558 and $6,014,947, respectively.
   b. Contingent rental payments: Not applicable.
   c. Renewal or purchase options and escalation clauses: Certain leases contain a renewal option allowing the Company to renew the lease. Renewal terms are negotiated at such time as the Company notifies the lessor of its intent to renew the lease. Some of the Company's leases contain escalation clauses, which are scheduled rent increases over the lease term.
   d. Restrictions: Not applicable.
   e. Early termination: Not applicable.
2. a. At December 31, 2018 future minimum lease payments on noncancellable operating leases are as follows:

	Year Ending December 31	Operating Leases ($)
1.	2019	4,487,661
2.	2020	3,705,654
3.	2021	2,631,215
4.	2022	2,147,382
5.	2023	977,702
6.	Total	13,949,614

   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:

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

20. Fair Value Measurement (Continued):

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks and other invested assets. The estimated fair value of the equity securities within this category are based on unadjusted market prices provided by the Securities Valuation Office ("SVO") and are thus classified as level 1. The Company's other invested assets include an investment that consists primarily of holdings in publicly-traded mutual funds. The Company believes that its prices for these publicly-traded mutual funds, which are based on an observable market price for an identical asset in an active market, reflect their fair values.

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

Level 3 - Significant Unobservable Inputs: This category, for items measured at fair value on a recurring basis, includes common stocks that are not publicly traded. The estimated fair value of the equity securities within this category are based on per share cost and are thus classified as level 3. The Company holds equity securities as a member of Federal Home Loan Bank of Cincinnati (FHLB), which is not publicly traded. SVO does not provide a fair value for this security.

Net asset value (NAV): This category, for items measured at net asset value, 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 a third party trustee statement.

1. The Company has categorized its assets that are measured at fair value or net asset 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)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Common stock					
Industrial and misc	120,520,517	—	4,143,200	—	124,663,717
Total common stocks	120,520,517	—	4,143,200	—	124,663,717
Other invested assets					
Any other class of asset	6,178,090				6,178,090
Partnership interests	—	—	—	28,579,224	28,579,224
Total other invested assets	6,178,090	—	—	28,579,224	34,757,314
Total assets at fair value/(NAV)	126,698,607	—	4,143,200	28,579,224	159,421,031

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

	Amount ($)									
Description	Beginning Balance at 01/01/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
Assets:										
Common stock										
Industrial and misc	4,143,200	—	—	—	—	—	—	—	—	4,143,200
Total assets	4,143,200	—	—	—	—	—	—	—	—	4,143,200

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, 2018.
4. As of December 31, 2018 and December 31, 2017, the reported fair value of the Company's investment in Level 3 equity securities of FHLB, was $4,143,200, respectively. See item A above for a discussion of valuation techniques and inputs used in determining fair value. Since these equity securities are not publicly traded, they are classified as Level 3.
5. The Company has no derivative assets or liabilities.

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 or net asset 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 value of real estate held for sale using the most recent fair market value less estimated cost to sell.

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, 2018:

	Amount ($)						
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	459,983,170	470,733,705	—	459,983,170	—	—	—
Common stocks	124,663,717	120,254,252	120,520,517	—	4,143,200	—	—
Other invested assets	42,181,080	42,181,080	6,178,090	—	—	28,579,224	7,423,766
Borrowed money	101,282,371	100,500,000	—	71,121,301	30,161,070	—	—

20. Fair Value Measurement (continued):

December 31, 2017:

Type of Financial Instrument	Amount ($)						
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	541,993,551	542,199,628	—	541,993,551	—	—	—
Common stocks	176,053,269	176,053,269	171,910,069	—	4,143,200	—	—
Other invested assets	48,746,170	48,746,170	6,482,814	33,546,022	—	—	8,717,334
Real estate held for sale	9,500,000	5,773,751	—	—	9,500,000	—	—
Borrowed money	102,791,904	100,500,000	—	72,584,074	30,207,830	—	—

D. Financial Instruments for which Not Practical to Estimate Fair Values:

Type of Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Joint venture or partnership interests that have underlying characteristics of common stock - unaffiliated - Stonehenge Opportunity Fund III, LLC	2,432,177	—	N/A	Investment value is based on 9/30/2018 statement provided by Stonehenge III with adjustments for activity incurred since the date of statement.
Joint venture or partnership interests that have underlying characteristics of common stock - unaffiliated - Stonehenge Opportunity Fund IV, LLC	3,823,780	—	N/A	Investment value is based on 9/30/2018 statement provided by Stonehenge IV with adjustments for activity incurred since the date of statement.
Joint venture or partnership interests that have underlying characteristics of common stock - unaffiliated - Rev1 Ventures for Columbus Fund, LLC	138,029	—	N/A	Investment value is based on 9/30/2018 statement provided by Rev1 Ventures with adjustments for activity incurred since the date of statement.
Joint venture or partnership interests that have underlying characteristics of other - unaffiliated - NCT Ventures Fund I LP	1,029,780	—	N/A	Investment value is based on 9/30/2018 statement provided by NCT Ventures.

E. Financial Instruments using the NAV practical expedient:

This category, for items measured at net asset value, 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 a third party trustee statement. As of December 31, 2018 and December 31, 2017, the reported net asset value of the Company's investment in the fund, was $28,579,224 and $33,546,022, respectively.

The Company employs procedures to assess the reasonableness of the fair value of the fund including obtaining and reviewing the fund's audited financial statements. There is no unfunded commitment related to the fund. The Company may not sell its investment in the fund; however, the Company may redeem all or a portion of its investment in the fund at net asset value per share with the appropriate prior written notice. In accordance with SSAP No. 110R - Fair Value, this investment is measured at fair value using the net asset value per share practical expedient and has not been classified in the fair value hierarchy.

21. Other Items:

A. Unusual or Infrequent Items: Not applicable.

B. Troubled Debt Restructuring: Not applicable.

C. Other Disclosures:

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

Florida Statute 625.012(5) requires that the Company disclose the amount of Agents' balances or uncollected premiums and the premiums collected from "controlled" or "controlling" persons. The Company had $183,835,721 and $222,794,641 at December 31, 2018 and December 31, 2017, respectively, of uncollected premiums. No premiums were collected from "controlled" or "controlling persons" during the years ended 2018 and 2017.

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 2018 and 2017. Additionally, the Company received no payments from the Special Disability Trust Fund. The Trust Fund made no assessments during the years ended 2018 and 2017.

D. Business Interruption Insurance Recoveries: Not applicable.

E. State Transferable and Non-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. Proceeds from Insurance-Linked Securities: Not applicable.

22. Events Subsequent:

Subsequent events have been considered through February 22, 2019 for the statutory statements issued on February 22, 2019.

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	1,509,266,796
41653	46-0368854	Milbank	414,308,527
		Total	1,923,575,323

B. Reinsurance Recoverable in Dispute: Not applicable.

C. Reinsurance Assumed and Ceded:

1. The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2018, stated in dollars:

	Amount ($)					
	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	690,101,197	—	582,119,126	—	107,982,072	—
All other	307,976	136,551	3,127,745	128,133	(2,819,769)	8,418
Totals	690,409,173	136,551	585,246,871	128,133	105,162,303	8,418
Direct Unearned Premium Reserve: 201,450,061						

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	—	(1,838,757)	(16,874,542)	15,035,785
b. Sliding Scale Adjustments	—	—	102,120	(102,120)
c. Other Profit Commission Arrangements	—	—	—	—
Total	—	(1,838,757)	(16,772,422)	14,933,665

3. Protected Cells: Not applicable.

D. Uncollectible Reinsurance: Not applicable.

E. Commutation of Ceded Reinsurance:

The Company has reported in its operations in the current year, as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

	Statement of Income Account	Amount ($)
1.	Losses incurred	—
2.	Loss adjustment expenses incurred	—
3.	Premiums earned	—
4.	Other	—
5.	**Company**	**Amount ($)**
	Praetorian Insurance Company	—

F. Retroactive Reinsurance:

On December 31, 2010, concurrent with the sale of State Auto National Insurance Company ("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.

On December 31, 2014 State Auto Mutual entered into an adverse development reinsurance contract ("ADC") to cede losses incurred on policies incepted between November 15, 2009 and January 13, 2013 written by Restaurant Coverage Association and classified as Liquor Liability business and Commercial General Liability. The ADC agreement is a retroactive reinsurance transaction subject to the Pooling Arrangement. Retroactive reserves are included in other liabilities on the balance sheet. Pre-pooled retroactive reserves ceded by the Company at December 31, 2018
are as follows:

Amount ($)	
Loss and Expense Reserves	
Accident Year	Commercial Multiple Peril
2009	1,646
2010	1,066,913
2011	4,921,609
2012	6,144,045
2013	6,865,703
2014	84
Totals	19,000,000

23. Reinsurance (continued):

The retroactive reserves assumed and ceded below represent State Auto Mutual's pooling percentage December 31, 2018.

1.	Amount ($)	
	Assumed (LPT)	**Ceded (ADC)**
a. Reserves Transferred:		
1. Initial Reserves (Assumed)/Ceded	(5,889,930)	3,450,000
2. Adjustments - Prior Years	483,311	3,105,000
3. Adjustments - Current Year	(483,311)	—
4. Current Total	(5,889,930)	6,555,000
b. Consideration Received/(Paid)		
1. Initial Consideration	5,889,930	(6,555,000)
2. Adjustments - Prior Years	—	—
3. Adjustments - Current Year	—	—
4. Current Total	5,889,930	(6,555,000)
c. Paid Losses (Reimbursed)/Recovered		
1. Prior Years	(5,406,619)	—
2. Current Year	—	—
3. Current Total	(5,406,619)	—
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain/(Loss)	—	(3,105,000)
2. Adjustments - Prior Years	—	3,105,000
3. Adjustments - Current Year	—	—
4. Current Year Restricted Surplus	—	—
5. Cumulative Total Transferred to Unassigned Funds		
e. All Cedents and Reinsurers Involved in all Transactions Included in the Summary Totals Above:		
Entity		
10227 Munich Reins Amer Inc		6,555,000
19530 Hallmark Natl Ins Co	(5,889,930)	
f. Total paid loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for authorized and certified reinsurers):		

Authorized Reinsurers:	**Total Paid/Loss LAE Recoverable**	**Amounts Over 90 Days Overdue**	
10227 Munich Reins Amer Inc	6,555,000	—	
Total	6,555,000	—	
Unauthorized Reinsurers:	**Total Paid/Loss LAE Recoverable**	**Amounts Over 90 Days Overdue**	**Collateral Held**
None	—	—	—
Certified Reinsurers:	**Total Paid/Loss LAE Recoverable**	**Amounts Over 90 Days Overdue**	**Collateral Held**
None	—	—	—

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.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation: Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination: Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expenses:

A. Incurred losses and loss adjustment expenses attributable to prior accident years have decreased approximately $42,738,465 during 2018 year-to-date. This decrease is primarily the result of subsequent reserve reviews using more mature claim data. Of this favorable development, Personal Auto business accounts for $14,289,887, Workers' Compensation accounts for $7,622,057, Middle Market Commercial accounts for $7,624,051, Small Commercial Package accounts for $5,444,177 and Commercial Auto accounts for $4,888,654.

Per Schedule P Part 1 -Summary	**Amount ($)**		
	All Accident Years	**2018 Accident Year**	**Prior Accident Years**
Loss and LAE reserves at 12/31/17	671,700,624		671,700,624
Loss and LAE incurred in 2018	423,601,257	440,419,899	(16,818,642)
Loss and LAE paid in 2018	482,663,335	223,868,775	258,794,560
Loss and LAE reserves at 12/31/18	612,638,546	216,551,124	396,087,422

B. The Company had no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

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	
		2017	2018
State Auto Mutual - lead reinsurer	25135	34.5%	34.5%
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%
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, 2018, 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	233,829,490	183,067,621	50,761,869
Milbank	64,188,488	47,035,387	17,153,101
SA Wisconsin	—	3,147,013	(3,147,013)
SA Ohio	—	9,496,043	(9,496,043)
Meridian Security	—	79,975,556	(79,975,556)
Patrons Mutual	2,292,446	11,328,190	(9,035,744)
Rockhill	—	704,479	(704,479)
Plaza	—	2,049,323	(2,049,323)
American Compensation	—	20,387,288	(20,387,288)
Bloomington Compensation	—	1,346,744	(1,346,744)

The following tabular presentation reflects the reinsurance receivable and payable on loss and loss adjustment expense paid at December 31, 2018, 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	164,019,435	112,505,412
Milbank	45,024,943	27,286,699
SA Wisconsin	—	2,115,315
SA Ohio	—	7,415,741
Meridian Security	—	43,601,931
Patrons Mutual	1,608,034	9,131,000
Rockhill	—	25,573,049
Plaza	—	40,739,345
American Compensation	—	8,330,738
Bloomington Compensation	—	1,057,386

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, 2018:

	Amount ($)	
	Intercompany Amounts Due from State Auto Mutual	Intercompany Amounts Due to State Auto Mutual
State Auto P&C	3,300,660	—
Milbank	—	5,438,010
SA Wisconsin	748,569	—
SA Ohio	2,254,693	—
Meridian Security	35,553,029	—
Patrons Mutual	—	757,715
Rockhill	—	45,777,218
Plaza	—	46,303,081
American Compensation	11,588,470	—
Bloomington Compensation	87,904	—

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**
8,029,200	8,029,200

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	—
2.Date of the most recent evaluation of this liability	12/31/2018
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:

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

1. Counter Party Exposure Recorded on Unpaid Claims and Billed Recoverables on Paid Claims:

	Amount ($)			
Annual Statement Line of Business	Gross (of High Deductible Loss Reserves	Reserve Credit for High Deductibles	Billed Recoverables on Paid Claims	Total High Deductibles and Billed Recoverables
16.0 Workers' compensation	24,918	—	9,174	34,092
17.1 Other liability - occurrence	137,420	—	117,669	255,089
19.4 Commercial auto liability	89,837	—	528,141	617,978
21.2 Commercial auto physical damage	1,000	—	—	1,000

2. Unsecured Amounts of High Deductibles:

	Amount ($)
a. Total high deductibles and billed recoverables on paid claims	908,159
b. Collateral on balance sheet	246,398
c. Collateral off balance sheet	150,000
d. Total unsecured deductibles and billed recoverables on paid claims	511,761
e. Percentage unsecured	56.4%

3. High Deductible Recoverables Amounts on Paid Claims:

	Amount ($)
a. Amount of overdue nonadmitted (due to aging or collateral)	112,143
b. Total over 90 days overdue admitted	404,795
c. Total overdue (a+b)	516,938

4. The Deductible Amounts for the Highest Ten Unsecured High Deductible Policies:

	Amount ($)
Courterparty Ranking	Top Ten Unsecured High Deductibles Amounts
Counterparty 1	257,145
Counterparty 2	39,944
Counterparty 3	38,503
Counterparty 4	23,046
Counterparty 5	20,057
Counterparty 6	17,750
Counterparty 7	13,679
Counterparty 8	12,500
Counterparty 9	12,204
Counterparty 10	11,425

B. The Company has no unsecured high deductible recoverables for individual obligors part of a group under the same management or control which are greater than 1% of capital and surplus.

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.

	Amount ($)				
Direct Basis:	**2014**	**2015**	**2016**	**2017**	**2018**
Beginning reserves	710,316	693,282	619,540	556,858	581,395
Incurred losses and loss adjustment expenses	76,206	(27,985)	(54,607)	56,970	107,560
Calendar year payments for losses and loss adjustment expenses	93,240	45,757	8,075	32,433	93,828
Ending reserves	693,282	619,540	556,858	581,395	595,127

	Amount ($)				
Assumed Reinsurance Basis:	**2014**	**2015**	**2016**	**2017**	**2018**
Beginning reserves	31,359	32,382	33,902	22,306	38,477
Incurred losses and loss adjustment expenses	3,113	2,404	(10,556)	17,521	(2,465)
Calendar year payments for losses and loss adjustment expenses	2,090	884	1,040	1,350	426
Ending reserves	32,382	33,902	22,306	38,477	35,586

	Amount ($)				
Net of Ceded Reinsurance Basis:	**2014**	**2015**	**2016**	**2017**	**2018**
Beginning reserves	739,950	723,938	651,717	577,439	619,872
Incurred losses and loss adjustment expenses	79,318	(25,580)	(65,163)	76,216	105,096
Calendar year payments for losses and loss adjustment expenses	95,330	46,641	9,115	33,783	94,255
Ending reserves	723,938	651,717	577,439	619,872	630,713

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

	Amount ($)
Direct Basis	448,500
Assumed Reinsurance Basis	22,586
Net of Ceded Reinsurance Basis	471,086

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

	Amount ($)
Direct Basis	297,564
Assumed Reinsurance Basis	17,793
Net of Ceded Reinsurance Basis	315,356

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.

	Amount ($)				
Direct Basis:	**2014**	**2015**	**2016**	**2017**	**2018**
Beginning reserves	5,267,263	5,750,006	6,173,851	8,298,468	9,401,854
Incurred losses and loss adjustment expenses	949,608	986,148	2,732,127	2,009,814	583,382
Calendar year payments for losses and loss adjustment expenses	466,865	562,303	607,510	9,906,428	675,163
Ending reserves	5,750,006	6,173,851	8,298,468	9,401,854	9,310,073

	Amount ($)				
Assumed Reinsurance Basis:	**2014**	**2015**	**2016**	**2017**	**2018**
Beginning reserves	—	—	—	—	—
Incurred losses and loss adjustment expenses	—	—	—	—	—
Calendar year payments for losses and loss adjustment expenses	—	—	—	—	—
Ending reserves	—	—	—	—	—

	Amount ($)				
Net of Ceded Reinsurance Basis:	**2014**	**2015**	**2016**	**2017**	**2018**
Beginning reserves	5,131,129	5,551,768	5,987,687	8,005,142	9,080,068
Incurred losses and loss adjustment expenses	887,504	998,222	2,624,965	1,981,354	485,218
Calendar year payments for losses and loss adjustment expenses	466,865	562,303	607,510	906,428	675,163
Ending reserves	5,551,768	5,987,687	8,005,142	9,080,068	8,890,123

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

	Amount ($)
Direct Basis	7,072,500
Assumed Reinsurance Basis	—
Net of Ceded Reinsurance Basis	7,072,500

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

	Amount ($)
Direct Basis	4,655,036
Assumed Reinsurance Basis	—
Net of Ceded Reinsurance Basis	4,445,061

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

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

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

FIVE-YEAR HISTORICAL DATA

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

		1 2018	2 2017	3 2016	4 2015	5 2014
	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)	742,122,272	879,736,271	910,990,076	902,034,676	846,019,130
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	495,668,321	525,928,222	502,206,673	490,830,231	509,708,763
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	645,455,073	577,888,118	613,115,756	641,025,365	659,891,480
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,706,394	1,660,945	1,700,526	2,930,233	8,715,114
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	149	233	208	(13,355)
6.	Total (Line 35)	1,884,952,059	1,985,213,705	2,028,013,264	2,036,820,713	2,024,321,132
	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)	253,681,561	300,714,782	311,357,331	298,046,521	284,934,922
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	166,989,474	175,482,260	167,357,389	162,094,745	167,723,422
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	221,148,931	196,969,811	207,355,180	215,022,477	178,493,656
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	579,390	560,949	366,192	745,875	2,691,352
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	149	233	208	(13,355)
12.	Total (Line 35)	642,399,356	673,727,951	686,436,325	675,909,826	633,829,998
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	(3,394,870)	(51,441,025)	(47,739,368)	(19,352,698)	(57,082,813)
14.	Net investment gain (loss) (Line 11)	19,408,153	24,160,485	29,568,659	19,340,848	33,064,917
15.	Total other income (Line 15)	(2,391,734)	444,007	(2,082,431)	2,401,567	(543,405)
16.	Dividends to policyholders (Line 17)	182,423	270,379	164,566	141,567	128,633
17.	Federal and foreign income taxes incurred (Line 19)	1,151,512	(8,340,321)	(5,862,099)	(2,961,472)	(7,137,427)
18.	Net income (Line 20)	12,287,614	(18,766,591)	(14,555,607)	5,209,622	(17,552,507)
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,295,424,837	2,407,293,508	2,461,059,714	2,386,409,637	2,352,071,830
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 15.1)	183,835,721	222,794,641	268,097,195	251,000,743	247,361,580
	20.2 Deferred and not yet due (Line 15.2)	486,614,076	444,052,126	418,805,659	392,405,148	395,041,118
	20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	1,529,494,468	1,628,347,323	1,638,507,472	1,561,743,315	1,535,307,594
22.	Losses (Page 3, Line 1)	481,033,444	540,634,903	508,055,392	455,541,845	420,722,585
23.	Loss adjustment expenses (Page 3, Line 3)	131,605,107	131,065,721	124,056,885	107,159,175	99,808,578
24.	Unearned premiums (Page 3, Line 9)	306,612,363	321,298,608	324,653,171	323,522,427	321,809,230
25.	Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26.	Surplus as regards policyholders (Page 3, Line 37)	765,930,369	778,946,185	822,552,242	824,666,322	816,764,236
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	(42,271,072)	7,628,855	13,452,883	94,027,218	17,973,492
	Risk-Based Capital Analysis					
28.	Total adjusted capital	765,930,369	778,946,185	822,552,242	824,666,322	816,764,236
29.	Authorized control level risk-based capital	193,782,107	196,201,984	184,509,741	176,608,106	164,371,701
	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)	36.2	37.0	37.7	38.5	33.6
31.	Stocks (Lines 2.1 & 2.2)	57.0	57.5	56.5	52.4	53.0
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)	1.4	1.6	1.6	1.9	2.2
34.	Cash, cash equivalents and short-term investments (Line 5)	2.1	0.5	1.6	3.4	8.2
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	0.0
37.	Other invested assets (Line 8)	3.2	3.3	2.6	3.8	2.9
38	Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39.	Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
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)	622,028,372	665,980,135	694,794,576	699,567,488	684,777,465
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	0	0	0	0	0
48.	Total of above lines 42 to 47	622,028,372	665,980,135	694,794,576	699,567,488	684,777,465
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)	81.2	85.5	84.5	84.8	83.8

FIVE-YEAR HISTORICAL DATA

(Continued)

		1 2018	2 2017	3 2016	4 2015	5 2014
	Capital and Surplus Accounts (Page 4)					
51.	Net unrealized capital gains (losses) (Line 24)	(14,966,909)	(3,723,633)	4,317,579	3,129,233	975,434
52.	Dividends to stockholders (Line 35)	0	0	0	0	0
53.	Change in surplus as regards policyholders for the year (Line 38)	(13,015,816)	(43,606,057)	(2,114,080)	7,902,086	(49,487,995)
	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)	545,463,839	485,261,693	502,679,441	485,022,353	469,714,458
55.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	290,764,507	263,056,880	247,361,613	233,632,278	257,246,728
56.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	360,185,342	342,412,593	316,759,860	314,867,574	336,479,216
57.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	134,431	540,321	623,301	1,111,720	130,333
58.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	128,902	75,554	82,032	69,754	24,488
59.	Total (Line 35)	1,196,677,020	1,091,347,040	1,067,506,248	1,034,703,679	1,063,595,222
	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)	183,382,563	162,567,329	167,246,766	161,411,600	158,350,314
61.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	98,559,135	90,002,542	85,231,323	80,528,140	88,248,669
62.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	120,439,225	117,345,662	106,762,855	97,765,117	71,350,731
63.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	46,455	178,146	214,304	378,558	46,599
64.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	65,893	26,776	26,430	17,879	(20,649)
65.	Total (Line 35)	402,493,271	370,120,455	359,481,678	340,101,294	317,975,665
	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)	52.2	59.5	60.1	55.6	57.8
68.	Loss expenses incurred (Line 3)	12.3	12.7	13.0	12.9	13.7
69.	Other underwriting expenses incurred (Line 4)	36.1	35.4	33.9	34.4	38.5
70.	Net underwriting gain (loss) (Line 8)	(0.5)	(7.6)	(7.0)	(2.9)	(10.0)
	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)	37.2	35.5	34.2	33.9	34.7
72.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	64.5	72.2	73.1	68.5	71.5
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)	83.9	86.5	83.5	82.0	77.6
	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)	(42,202)	(25,712)	9,024	7,910	23,442
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)	(5.4)	(3.1)	1.1	1.0	2.7
	Two Year Loss Development ($000 omitted)					
76.	Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(48,331)	(10,690)	7,426	29,022	15,045
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)	(5.9)	(1.3)	0.9	3.4	2.0

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
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported-Direct and Assumed
1. Prior	XXX	XXX	XXX	5,661	2,628	1,078	49	395	3	105	4,454	XXX
2. 2009	560,260	37,890	522,370	317,259	13,519	22,712	801	34,953	78	8,391	360,525	XXX
3. 2010	612,152	37,898	574,255	358,560	10,256	28,668	2,651	35,415	265	8,890	409,471	XXX
4. 2011	656,807	40,651	616,156	453,356	15,904	36,003	2,355	49,124	392	17,096	519,832	XXX
5. 2012	684,328	131,200	553,128	414,954	70,922	35,855	2,078	47,311	4,717	16,691	420,404	XXX
6. 2013	691,134	131,151	559,982	355,866	49,433	29,288	1,914	41,835	1,935	15,565	373,708	XXX
7. 2014	699,699	129,611	570,087	341,024	52,055	28,767	2,094	43,222	1,751	16,147	357,114	XXX
8. 2015	716,992	42,662	674,329	331,178	4,181	28,935	419	48,509	161	16,446	403,860	XXX
9. 2016	716,544	30,856	685,688	330,342	5,873	22,490	308	37,813	31	14,939	384,433	XXX
10. 2017	704,769	27,973	676,796	307,829	5,618	13,973	106	36,282	17	15,201	352,344	XXX
11. 2018	691,560	34,470	657,091	212,896	5,628	6,260	149	28,939	37	8,695	242,282	XXX
12. Totals	XXX	XXX	XXX	3,428,925	236,016	254,030	12,924	403,798	9,386	138,166	3,828,426	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
	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	Salvage and Subrogation Anticipated		
1. Prior	31,626	18,099	15,786	4,730	839	55	3,219	810	2,408	108	126	30,075	XXX
2. 2009	913	139	2,438	454	58	6	724	16	207	1	72	3,725	XXX
3. 2010	1,552	236	2,656	220	289	0	1,080	20	495	0	102	5,595	XXX
4. 2011	3,512	406	4,116	412	400	7	1,387	74	547	23	131	9,039	XXX
5. 2012	5,114	726	6,174	452	506	0	2,279	136	864	16	165	13,607	XXX
6. 2013	6,946	562	7,598	259	702	2	2,707	111	1,261	109	218	18,172	XXX
7. 2014	10,763	423	10,931	454	997	17	3,799	194	1,575	0	280	26,977	XXX
8. 2015	20,847	531	19,223	741	2,091	67	6,718	317	2,676	16	485	49,883	XXX
9. 2016	38,748	1,059	33,856	1,333	3,686	21	12,275	444	4,721	50	1,124	90,379	XXX
10. 2017	56,111	1,680	56,425	690	2,977	23	21,136	294	7,370	14	2,362	141,317	XXX
11. 2018	111,705	3,827	76,115	4,688	1,861	187	28,050	1,886	16,754	28	8,684	223,869	XXX
12. Totals	287,837	27,690	235,318	14,431	14,405	385	83,375	4,302	38,877	365	13,751	612,639	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	24,583	5,492
2. 2009	379,264	15,014	364,250	67.7	39.6	69.7	0	0	0.00	2,757	967
3. 2010	428,715	13,648	415,066	70.0	36.0	72.3	0	0	0.00	3,752	1,844
4. 2011	548,444	19,573	528,871	83.5	48.1	85.8	0	0	0.00	6,809	2,229
5. 2012	513,057	79,047	434,010	75.0	60.2	78.5	0	0	0.00	10,109	3,497
6. 2013	446,203	54,324	391,880	64.6	41.4	70.0	0	0	0.00	13,724	4,448
7. 2014	441,079	56,988	384,091	63.0	44.0	67.4	0	0	0.00	20,817	6,160
8. 2015	460,177	6,434	453,743	64.2	15.1	67.3	0	0	0.00	38,798	11,085
9. 2016	483,931	9,118	474,812	67.5	29.6	69.2	0	0	0.00	70,212	20,167
10. 2017	502,103	8,442	493,661	71.2	30.2	72.9	0	0	0.00	110,167	31,151
11. 2018	482,581	16,431	466,150	69.8	47.7	70.9	0	0	0.00	179,305	44,564
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	481,033	131,605

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year
1. Prior	210,114	202,666	197,329	193,710	192,437	190,465	188,873	186,882	187,233	189,233	2,000	2,350
2. 2009	354,875	341,476	337,445	335,404	332,709	330,846	329,758	330,496	330,359	329,169	(1,190)	(1,327)
3. 2010	XXX	389,963	388,293	384,889	381,140	383,406	381,812	381,521	380,683	379,421	(1,262)	(2,100)
4. 2011	XXX	XXX	472,863	474,801	472,826	483,225	484,744	483,772	481,581	479,615	(1,965)	(4,157)
5. 2012	XXX	XXX	XXX	380,785	378,470	396,695	398,564	397,174	392,859	390,568	(2,291)	(6,606)
6. 2013	XXX	XXX	XXX	XXX	352,031	348,420	354,885	355,346	354,285	350,827	(3,457)	(4,519)
7. 2014	XXX	XXX	XXX	XXX	XXX	342,971	345,300	348,261	344,105	341,044	(3,061)	(7,217)
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	405,128	414,636	407,270	402,736	(4,534)	(11,900)
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	445,217	439,220	432,360	(6,859)	(12,857)
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	469,623	450,040	(19,583)	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	420,523	XXX	XXX
12. Totals											(42,202)	(48,331)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior	000	61,326	98,616	121,469	135,540	143,291	150,576	154,499	157,395	161,457	XXX	XXX
2. 2009	195,557	256,749	286,693	307,093	315,874	320,601	322,429	324,539	325,287	325,650	XXX	XXX
3. 2010	XXX	214,151	293,255	327,499	347,612	362,257	368,708	371,375	373,127	374,321	XXX	XXX
4. 2011	XXX	XXX	275,777	363,992	407,552	437,693	457,566	465,318	468,918	471,101	XXX	XXX
5. 2012	XXX	XXX	XXX	182,959	266,049	311,445	344,422	364,033	372,095	377,810	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	161,544	240,102	283,380	309,676	326,466	333,807	XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX	169,089	240,299	280,335	301,220	315,642	XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	191,325	280,129	322,572	355,513	XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199,589	295,425	346,652	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	212,173	316,078	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	213,380	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1. Prior	103,801	72,182	51,311	39,692	32,376	27,401	22,418	17,373	15,417	13,466
2. 2009	68,232	41,704	20,322	13,092	9,303	6,762	4,580	4,305	4,032	2,692
3. 2010	XXX	78,506	47,019	25,279	13,483	10,829	7,661	6,334	4,827	3,496
4. 2011	XXX	XXX	91,340	52,662	22,221	19,053	12,639	10,736	7,754	5,017
5. 2012	XXX	XXX	XXX	98,565	53,537	39,397	23,239	17,644	12,243	7,865
6. 2013	XXX	XXX	XXX	XXX	98,842	59,065	32,874	22,845	15,903	9,935
7. 2014	XXX	XXX	XXX	XXX	XXX	92,590	58,331	33,896	21,576	14,082
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	119,041	74,998	41,860	24,883
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	137,822	83,296	44,354
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	135,708	76,578
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	97,591