

The subsidiary value of the Company's ownership in State Auto Financial Corporation was corrected, adjusting the total Common Stock, total Net Admitted Assets, and total Surplus. The following pages and schedules were revised to reflect this change:

- 2 Assets**
- 3 Liabilities**
- 4 Statement of Income**
- 12 Exhibit of Capital Gains (Losses)**
- 14 Notes to Financial Statements #1**
- 14.7 Notes to Financial Statements #10**
- 17 Five-Year Historical**
- SI01 Summary Investment Schedule**
- SI03 Schedule D - Verification**
- SI04 Schedule D - Summary by Country**
- E12 Schedule D - Part 2 - Section 2 - Common Stocks Owned**
- E16 Schedule D - Part 6 - Section 1 - Valuation of Shares of Subsidiary**
- P440 Statement of Actuarial Opinion**
- P440B Statement of Actuarial Opinion - Exhibit B - Disclosures**



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021
OF THE CONDITION AND AFFAIRS OF THE

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

NAIC Group Code 0175 NAIC Company Code 25135 Employer's ID Number 31-4316080
(Current) (Prior)

Organized under the Laws of Ohio, State of Domicile or Port of Entry OH
Country of Domicile United States of America

Incorporated/Organized 08/15/1921 Commenced Business 09/01/1921

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, 833-724-3577
(Street and Number) (City or Town, State, Country and Zip Code) (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, 614-464-5000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.stateauto.com

Statutory Statement Contact Zachary Skidmore, 614-917-5995
(Name) (Area Code) (Telephone Number)
corporateaccounting@stateauto.com, 317-715-4519
(E-mail Address) (FAX Number)

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

Robert Ellison Baker James Edward Kunk Michelle Miller Lantow
Michael Edward LaRocco Peter Browning Migliorato # Marsha Pasquinelly Ryan
James Robert Sappington Dwight Eric Smith Roger Philip Sugarman

State of Ohio SS
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
President

Melissa Ann Centers
Secretary

Matthew Robert Pollak
Treasurer

Subscribed and sworn to before me this
16th day of March 2022

a. Is this an original filing? Yes [] No [X]
b. If no,
1. State the amendment number.....1
2. Date filed03/16/2022
3. Number of pages attached..... 14

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	409,348,997	0	409,348,997	437,133,657
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	737,758,103	26,275,193	711,482,910	713,739,501
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	0	56,662,884	0	56,662,884
4.2 Properties held for the production of income (less \$ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ 0 encumbrances)	0	0	0	0
5. Cash (\$ 51,647,796 , Schedule E - Part 1), cash equivalents (\$ 15,024,325 , Schedule E - Part 2) and short-term investments (\$ 0 , Schedule DA)	66,672,121	0	66,672,121	69,556,905
6. Contract loans (including \$ 0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	46,745,329	0	46,745,329	55,771,213
9. Receivable for securities	3,132	0	3,132	13,000
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,317,190,567	26,275,193	1,290,915,374	1,316,072,549
13. Title plants less \$ 0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	2,019,234	0	2,019,234	2,810,387
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	168,582,618	1,318,593	167,264,024	164,670,443
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ 444,346 earned but unbilled premiums)	637,951,556	44,434	637,907,122	575,455,859
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	273,683,686	0	273,683,686	228,234,844
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	671,240	0	671,240	639,275
18.2 Net deferred tax asset	2	0	2	0
19. Guaranty funds receivable or on deposit	37,251	0	37,251	63,952
20. Electronic data processing equipment and software	64,549,734	64,356,154	193,579	412,613
21. Furniture and equipment, including health care delivery assets (\$ 0)	5,361,034	5,361,034	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	109,145,950	4,262,420	104,883,530	69,444,561
24. Health care (\$ 0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	13,147,426	6,187,252	6,960,174	3,925,339
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,592,340,296	107,805,080	2,484,535,215	2,361,729,822
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,592,340,296	107,805,080	2,484,535,215	2,361,729,822
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Accounts receivable	3,614,393	234,588	3,379,805	2,730,356
2502. Equities and deposits in pools and associations	515,769	0	515,769	580,672
2503. MCCA refund receivable	2,974,000	0	2,974,000	0
2598. Summary of remaining write-ins for Line 25 from overflow page	6,043,264	5,952,664	90,600	614,311
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	13,147,426	6,187,252	6,960,174	3,925,339

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	456,773,011	433,231,345
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	314,874,018	271,166,591
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	113,645,504	113,774,699
4. Commissions payable, contingent commissions and other similar charges	16,950,009	28,763,920
5. Other expenses (excluding taxes, licenses and fees)	9,378,818	13,357,219
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	9,560,450	10,718,317
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$100,500,000 and interest thereon \$527,034	101,027,034	101,040,205
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$816,236,091 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	426,598,134	379,518,461
10. Advance premium	17,093,823	14,912,852
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	150,382,811	103,848,185
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	17,205	4,634
14. Amounts withheld or retained by company for account of others	10,081,139	9,987,356
15. Remittances and items not allocated	629,722	815,065
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	552,000	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	6,310,608	7,436,255
19. Payable to parent, subsidiaries and affiliates	65,535,189	57,343,888
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$0 and interest thereon \$0	0	0
25. Aggregate write-ins for liabilities	6,806,547	1,621,736
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,706,216,021	1,547,540,728
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	1,706,216,021	1,547,540,728
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	778,319,194	814,189,094
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$0)	0	0
36.20 shares preferred (value included in Line 31 \$0)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	778,319,194	814,189,094
38. TOTALS (Page 2, Line 28, Col. 3)	2,484,535,215	2,361,729,822
DETAILS OF WRITE-INS		
2501. Escheated funds payable	5,536,651	3,566,831
2502. Equities and deposits in pools and associations	64,956	35,720
2503. MCCA policyholder refund payable	2,974,000	0
2598. Summary of remaining write-ins for Line 25 from overflow page	(1,769,060)	(1,980,815)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	6,806,547	1,621,736
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	795,265,448	732,949,214
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	541,244,698	441,244,461
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	85,335,846	75,654,169
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	246,534,228	265,762,423
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5).....	873,114,772	782,661,053
7. Net income of protected cells	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(77,849,325)	(49,711,839)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	19,171,926	20,798,318
10. Net realized capital gains or (losses) less capital gains tax of \$ 2,598,187 (Exhibit of Capital Gains (Losses))	15,619,797	(516,275)
11. Net investment gain (loss) (Lines 9 + 10).....	34,791,723	20,282,043
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 32,401 amount charged off \$ 2,673,308)	(2,640,907)	(4,304,159)
13. Finance and service charges not included in premiums	1,377,820	1,541,843
14. Aggregate write-ins for miscellaneous income	(4,846,879)	(3,470,953)
15. Total other income (Lines 12 through 14).....	(6,109,966)	(6,233,269)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(49,167,568)	(35,663,065)
17. Dividends to policyholders	43,607	64,499
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(49,211,175)	(35,727,564)
19. Federal and foreign income taxes incurred	(3,308,952)	629,095
20. Net income (Line 18 minus Line 19)(to Line 22).....	(45,902,223)	(36,356,659)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	814,189,094	853,640,687
22. Net income (from Line 20).....	(45,902,223)	(36,356,659)
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 709,124	17,069,297	(738,308)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	709,123	345,036
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(8,032,553)	(1,120,938)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(552,000)	10,000
29. Change in surplus notes	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1 Paid in	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0
32.3 Transferred to surplus	0	0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)	0	0
33.3 Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus	838,457	(1,590,724)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(35,869,900)	(39,451,593)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	778,319,194	814,189,094
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....	0	0
1401. Miscellaneous income (expense)	(3,864,964)	84,924
1402. Gain (loss) on sale of fixed assets	(967,852)	(3,536,164)
1403. Governmental fines and penalties	(14,063)	(19,713)
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	(4,846,879)	(3,470,953)
3701. Prior year correction	838,457	(1,590,724)
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	838,457	(1,590,724)

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,045,058	1,963,083
1.1 Bonds exempt from U.S. tax	(a) 1,394,532	1,038,305
1.2 Other bonds (unaffiliated)	(a) 8,618,138	8,265,112
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	1,087,670	1,091,700
2.21 Common stocks of affiliates	10,378,869	10,378,869
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 5,213,894	5,213,894
5. Contract loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 21,338	21,339
7. Derivative instruments	(f) 0	0
8. Other invested assets	1,791,247	1,791,247
9. Aggregate write-ins for investment income	15,836	15,836
10. Total gross investment income	30,566,583	29,779,384
11. Investment expenses	(g) 5,085,806	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) 0	
13. Interest expense	(h) 3,580,695	
14. Depreciation on real estate and other invested assets	(i) 1,940,957	
15. Aggregate write-ins for deductions from investment income	0	
16. Total deductions (Lines 11 through 15)	10,607,458	
17. Net investment income (Line 10 minus Line 16)	19,171,926	
DETAILS OF WRITE-INS		
0901. Miscellaneous Income	15,836	15,836
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	15,836	15,836
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page	0	
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	0	

(a) Includes \$ 1,022,057 accrual of discount less \$ 2,623,246 amortization of premium and less \$ 490,621 paid for accrued interest on purchases.

(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.

(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.

(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.

(e) Includes \$ 21,335 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.

(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.

(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.

(i) Includes \$ 1,940,957 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(28,093)	0	(28,093)	1,369,832	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	608,805	0	608,805	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	11,320,891	0	11,320,891	3,757,516	0
2.21 Common stocks of affiliates	63,260	0	63,260	14,401,640	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	(985,307)	0	(985,307)	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	7,238,428	0	7,238,428	(1,750,594)	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	18,217,984	0	18,217,984	17,778,394	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

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 (\$)	
				2021	2020
NET INCOME					
(1) State Auto Mutual state basis (Page 4, Line 20, Columns 1 & 2)				(45,902,223)	(36,356,659)
(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)				(45,902,223)	(36,356,659)
SURPLUS					
(5) State Auto Mutual state basis (Page 3, Line 37, Columns 1 & 2)				778,319,194	814,189,094
(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)				778,319,194	814,189,094

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"), 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").

B. Use of Estimates in the Preparation of the Financial Statements:

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and of revenue and expense for the period then ended. It also requires estimates in the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

C. Accounting Policy:

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

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

In addition, the Company uses the following accounting policies:

1. 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 58.0% publicly owned holding company subsidiary, State Auto Financial, is stated at audited U.S. GAAP equity value. Noninsurance subsidiaries, Facilitators and Network, are stated at unaudited GAAP equity value and admitted to the extent allowed by SSAP No. 97. At both December 31, 2021 and 2020, there was no unamortized goodwill.
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 continuously monitors the Company's financial results and compliance with regulatory requirements. There are currently no circumstances that could call into question the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors:

Not applicable.

3. Business Combinations and Goodwill:

Not applicable.

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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	(2,106,500)
2. 12 Months or Longer	(1,125,212)
b. The aggregate related fair value of securities with unrealized losses	
1. Less than 12 Months	80,490,005
2. 12 Months or Longer	24,501,551

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.

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5. Investments (continued):

L. Restricted Assets:

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

	Amount (\$)								Percentage (%)			
	Gross (Admitted & Nonadmitted) Restricted						6	7	8	9		
	Current Year					Total From Prior Year	Increase (Decrease) (5 minus 6)	Total Nonadmitted Restricted				
	1	2	3	4	5							
	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	6,600,700	—	—	—	6,600,700	8,282,700	(1,682,000)	—	6,600,700	0.26 %	0.27 %	
j. On deposit with state	6,629,012	—	—	—	6,629,012	6,376,386	252,626	—	6,629,012	0.26 %	0.27 %	
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—	—	—	—	—	
l. Pledged as collateral to FHLB (including assets backing funding agreements)	55,994,404	—	—	—	55,994,404	32,668,855	23,325,549	—	55,994,404	2.17 %	2.27 %	
m. Pledged as collateral not captured in other categories	23,468,514	—	—	—	23,468,514	39,975,207	(16,506,693)	—	23,468,514	0.91 %	0.95 %	
n. Other restricted assets	—	—	—	—	—	—	—	—	—	—	—	
o. Total restricted assets	92,692,630	—	—	—	92,692,630	87,303,148	5,389,482	—	92,692,630	3.60 %	3.76 %	

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

	Amount (\$)								Percentage (%)			
	Gross (Admitted & Nonadmitted) Restricted						6	7	8			
	Current Year					Total From Prior Year	Increase (Decrease) (5 minus 6)	Total Current Year Admitted Restricted				
	1	2	3	4	5							
	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	23,468,514	—	—	—	23,468,514	39,975,207	(16,506,693)	23,468,514	0.91 %	0.95 %		
Total (c)	23,468,514	—	—	—	23,468,514	39,975,207	(16,506,693)	23,468,514	0.91 %	0.95 %		

3. Detail of other restricted assets: Not applicable.

4. Collateral received and reflected as assets: Not applicable.

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5. Investments (continued):

- M. Working Capital Finance Investments: Not applicable.
- N. Offsetting and Netting of Assets and Liabilities: Not applicable.
- O. 5GI Securities: Not applicable.
- P. Short Sales: Not applicable.
- Q. Prepayment Penalty and Acceleration Fees: Not applicable.

	General Account	Protected Cell
(1) Number Of CUSIPs	2	—
(2) Aggregate Amount of Investment Income	562,555	—

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, 2021 and 2020 are as follows:

1.	Amount (\$)								
	2021			2020			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross deferred tax assets	90,537,438	6,233,889	96,771,327	80,198,802	5,905,426	86,104,228	10,338,636	328,463	10,667,099
b. Statutory valuation allowance adjustment	74,317,769	6,233,889	80,551,658	66,374,814	5,905,426	72,280,240	7,942,955	328,463	8,271,418
c. Adjusted gross deferred tax assets	16,219,668	—	16,219,668	13,823,988	—	13,823,988	2,395,680	—	2,395,680
d. Deferred tax assets nonadmitted	—	—	—	—	—	—	—	—	—
e. Subtotal net admitted deferred tax asset	16,219,668	—	16,219,668	13,823,988	—	13,823,988	2,395,680	—	2,395,680
f. Deferred tax liabilities	5,111,381	11,108,287	16,219,668	3,424,825	10,399,163	13,823,988	1,686,556	709,124	2,395,680
g. Net admitted deferred tax assets/(liability)	11,108,287	(11,108,287)	—	10,399,163	(10,399,163)	—	709,124	(709,124)	—
2.	Amount (\$)								
	2021			2020			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation components SSAP No. 101									
a. Recovered through loss carrybacks	—	—	—	—	—	—	—	—	—
b. The lesser of 2(b)1 and 2(b)2 below:	—	—	—	—	—	—	—	—	—
1. Adjusted gross DTA's expected to be realized within one or three years	—	—	—	—	—	—	—	—	—
2. Adjusted DTA's allowed per limitation threshold	NA	NA	113,627,123	NA	NA	126,168,460	NA	NA	(12,541,337)
c. Adjusted gross DTA's offset by gross DTLs	10,408,524	5,811,144	16,219,668	7,918,561	5,905,426	13,823,987	2,489,963	(94,282)	2,395,681
d. Total DTA's admitted	10,408,524	5,811,144	16,219,668	7,918,561	5,905,426	13,823,987	2,489,963	(94,282)	2,395,681
3.	2021	2020							
a. Ratio percentage used to determine recovery period and threshold limitation	404%	417%							
b. Amount of adjusted capital & surplus used to determine recovery period and threshold limitation in 2(b)2 above	757,514,155	841,123,066							

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9. Income Taxes (continued):

4.	2021		2020		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
a. Impact of tax planning strategies:						
1. Adjusted gross DTAs	16,219,668	—	13,823,988	—	2,395,680	—
2. Percentage of total adjusted gross DTAs by tax character attributable to planning	0.0 %	100.0 %	0.0 %	100.0 %	0.0 %	0.0 %
3. Net admitted adjusted gross DTAs	16,219,668	—	13,823,988	—	2,395,680	—
4. Percentage of net admitted gross DTAs attributable to planning	0.0 %	100.0 %	0.0 %	100.0 %	0.0 %	0.0 %

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 (\$)		
	2021	2020	Change
1. Current income tax:			
a. Federal	(3,308,854)	629,095	(3,937,949)
b. Foreign	—	—	—
c. Subtotal	(3,308,854)	629,095	(3,937,949)
d. Federal Income tax on net capital gains	2,598,187	(1,265,601)	3,863,788
e. Utilization of capital loss carry-forwards			—
f. Other			—
g. Federal and foreign income taxes incurred	(710,667)	(636,506)	(74,161)
2. Deferred tax assets:	Amount (\$)		
	2021	2020	Change
a. Ordinary			
1. Discounting of unpaid losses	8,230,463	8,663,938	(433,475)
2. Unearned premium reserve	17,917,122	15,939,776	1,977,346
3. Policyholder reserves	—	—	—
4. Investments	—	—	—
5. Deferred acquisition costs	—	—	—
6. Policyholder dividends accrual	—	—	—
7. Fixed Assets	—	459,715	(459,715)
8. Compensation & benefits accrual	4,782,938	6,101,214	(1,318,276)
9. Pension accrual	—	—	—
10. Receivables - nonadmitted	335,499	462,479	(126,980)
11. Net operating loss carry-forward	53,038,425	42,845,163	10,193,262
12. Tax credit carry-forward	1,174,740	962,983	211,757
13. Other	5,058,250	4,763,534	294,716
Subtotal	90,537,437	80,198,802	10,338,635
b. Statutory valuation allowance adjustment	74,317,769	66,374,814	7,942,955
c. Nonadmitted			—
d. Admitted ordinary deferred tax assets	16,219,668	13,823,988	2,395,680
e. Capital			
1. Investments	6,018,401	4,520,975	1,497,426
2. Net capital loss carry-forward	215,488	1,384,451	(1,168,963)
3. Real estate			—
4. Other			—
Subtotal	6,233,889	5,905,426	328,463
f. Statutory valuation allowance adjustment	6,233,889	5,905,426	328,463
g. Nonadmitted			—
h. Admitted capital deferred tax assets			—
i. Admitted deferred tax assets	16,219,668	13,823,988	2,395,680

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9. Income Taxes (continued):

	Amount (\$)		
	2021	2020	Change
3. Deferred tax liabilities:			
a. Ordinary			
1. Investments	2,983	2,137	846
2. Fixed assets	360,458	—	360,458
3. Deferred and uncollected premium	—	—	—
4. Policyholder reserves	2,375,520	2,969,400	(593,880)
5. Other	2,372,420	453,287	1,919,133
Subtotal	5,111,381	3,424,824	1,686,557
b. Capital			
1. Investments	11,108,287	10,399,163	709,124
2. Real estate	—	—	—
3. Other	—	—	—
Subtotal	11,108,287	10,399,163	709,124
c. Deferred tax liabilities	16,219,668	13,823,987	2,395,681
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	(9,788,897)	21.0 %
Tax exempt interest and dividends received income deduction	(1,328,702)	2.9 %
Permanent difference on nonadmitted taxable assets	(821,586)	1.7 %
STAT unrecognized pension liability	—	— %
Unrecognized postretirement	—	— %
Change in valuation allowance	8,271,418	(17.7)%
Other	2,247,978	(4.9)%
Rate change	—	— %
Total	(1,419,790)	3.0 %
Tax Reconciliation by Statement of Income:		
Federal & foreign tax, excluding taxes on realized gains	(3,308,854)	7.1 %
Current taxes on realized gains	2,598,187	(5.6)%
Change in net deferred income taxes	(709,123)	1.5 %
Total	(1,419,790)	3.0 %

E. Operating Loss and Tax Credit Carry-forward:

- At December 31, 2021, the Company had \$252,563,930 of operating loss carry-forwards beginning in 2002 through 2021, which expire, if unused, beginning in 2022 through 2041. The Company generated a capital loss carryover of \$2,397,288 in 2020. Of this amount, \$1,371,154 was carried back to a previous tax year. The remaining capital loss carryover of \$1,026,134 will be carried forward for 5 years from its initial creation in 2020 before expiration. The Company had foreign tax credits of \$1,174,740 originating in 2012 through 2021 which expire, if unused beginning in 2022 through 2031.
- For 2021 and 2020, there is no income tax expense that is available for recoupment in the event of future net losses.
- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return:

- 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

- 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.

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9. Income Taxes (continued):

I. Alternative Minimum Tax (AMT) Credit:

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

On November 12, 2021, the Board of Directors of RHC declared a \$400,000 ordinary stockholders dividend to be paid to the Company. This dividend was paid in cash on December 30, 2021.

C. Transactions with Related Parties Not Reported on Schedule Y: Not applicable.

D. Amounts Due to or from Related Parties:

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

	Amount (\$)			
	December 31, 2021		December 31, 2020	
	Due To:	Due From:	Due To:	Due From:
State Auto P&C	—	65,203,727	—	33,240,432
Milbank	—	7,436,695	—	3,850,328
SA Wisconsin	459,123	—	946,437	—
SA Ohio	2,346,099	—	3,486,267	—
Meridian Security	57,740,031	—	50,205,975	—
Patrons Mutual	2,633,234	—	1,040,562	—
Plaza	—	2,417,095	—	9,193,278
Rockhill	—	32,638,798	—	21,587,118
American Compensation	454,270	—	822,799	—
Bloomington Compensation	1,598,468	—	—	651,614
RUM	—	2,027	759	—
RTW, Inc.	—	92,045	—	304,130
State Auto Financial	—	789,434	394,219	—
Stateco	300,666	—	341,782	—
Rockhill Holding Company	—	21,255	14,038	—
Other Affiliates	—	541,576	—	526,612

E. 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 2021 and 2020, 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;

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.

F. Guarantees or Contingencies for Related Parties: Not applicable.

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

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, 2021, the Company owned 58.0% of the common stock outstanding of State Auto Financial. The aggregate value of the Company's ownership in State Auto Financial, based on the quoted market price at December 31, 2021 of \$51.69 was \$1,341,111,276. 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, 2021 of \$487,883,028. At December 31, 2021, based on available financial information of State Auto Financial, the Company's share of the underlying equity in net assets of State Auto Financial was \$566,767,180.

At December 31, 2020, the Company owned 59.1% of the common stock outstanding of State Auto Financial. The aggregate value of the Company's ownership in State Auto Financial, based on the quoted market price at December 31, 2020 of \$17.74 was \$460,336,481. 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, 2020 of \$484,217,583. At December 31, 2020, 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 \$596,935,063.

Based on available financial information for State Auto Financial, the following provides summarized financial information for the twelve month period ending December 31, 2021 and 2020, respectively:

Description	Amount (\$)	
	December 31, 2021	December 31, 2020
Total assets	3,103,992,245	3,102,521,115
Total liabilities	2,126,807,464	2,092,478,734
Stockholders' equity	977,184,781	1,010,042,381
Net (loss) income	(4,097,104)	81,789,561

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, 2021 and 2020 was \$78,993,824 and \$77,611,606, 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, 2021 and 2020, the Company's investment in State Auto Holdings was held at an admitted value of \$78,948,730 and \$77,566,518, respectively, after nonadmitting \$45,094 and \$45,088, 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	58.0	487,883,028	487,883,028	—
State Auto Holdings	100	79,038,918	78,993,824	45,094
RHC	100	58,578,937	58,578,937	—
Facilitators	100	9,833	—	9,833
Network	100	(1,568)	(2,370)	802
State Auto Labs	100	26,219,464	—	26,219,464
Total SSAP No. 97 8b(iii) Entities		651,728,612	625,453,419	26,275,193
d. SSAP No. 97 8b(iv) Entities		—	—	—
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	—	651,728,612	625,453,419	26,275,193
f. Aggregate Total (a+e)	—	651,728,612	625,453,419	26,275,193

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	08/20/2021	484,217,583	Yes	No	N/A
RHC	S2	08/31/2021	59,536,449	Yes	No	N/A
Facilitators	S2	08/19/2021	N/A	Yes	No	N/A
Network	N/A	N/A	N/A	N/A	N/A	N/A
State Auto Labs	S1	08/19/2021	N/A	Yes	No	N/A
Total SSAP No. 97 8b(iii) Entities			543,754,032			
d. SSAP No. 97 8b(iv) Entities			—			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)			543,754,032			
f. Aggregate Total (a+e)			543,754,032			

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

- N. Investment in Insurance SCAs: Not applicable.
- O. SCA Loss Tracking: Not applicable.

11. Debt:

- A. On September 12, 2020, 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 \$50.0 million 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. No advances had been made under the CMA when it expired on September 11, 2021.

On September 12, 2020, the Company entered into a REPO Based Advance Agreement (the "REPO") with the FHLB. The REPO provides the Company with a \$50.0 million 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. No advances had been made under the REPO when it expired on September 11, 2021.

On March 19, 2020, the Company received a 180-day loan, known as a repurchase agreement ("REPO loan"), in the amount of \$40.0 million from the FHLB at a fixed rate of 0.25%. The REPO loan was intended to provide additional liquidity. All principal and interest is due at maturity of such advances and is not pre-payable. On September 22, 2020, the REPO loan was renewed for an additional 180 days. On December 21, 2020, the REPO loan was retired. Total loan interest incurred through December 21, 2020 was \$30,284.

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 was due in May 2019. The company refinanced these loans with State Auto P&C and Milbank in May 2019. The principal amount is due in May 2029. At the option of the Company, early repayment may be made. Interest is due semi-annually at a fixed annual interest rate of 4.05%. The total loan interest incurred through December 31, 2021 and 2020 was \$2,842,767 and \$2,840,175, respectively.

B. FHLB (Federal Home Loan Bank) Agreements

- 1. On January 22, 2019, the Company refinanced its \$19,000,000 loan with the FHLB for a period of five years at a fixed rate of 3.16% with a maturity date of January 22, 2024. This is an interest-only loan with principal due at the maturity date. This loan is collateralized by treasury bonds and mortgage-backed securities on deposit with FHLB. The total loan interest incurred through December 31, 2021 and 2020 was \$600,400 and \$600,539, respectively.

On September 2, 2016, the Company borrowed \$11,500,000 from the FHLB for a period of five years at a fixed rate of 1.73%. On September 2, 2021 this loan was refinanced for one year at a fixed rate of 0.23%. This is an interest-only loan with interest payments due monthly and principal due in full at the maturity date of September 2, 2022. The loan is not redeemable prior to September 2, 2022. The total loan interest incurred through December 31, 2021 and 2020 was \$141,280 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, 2021	December 31, 2020
Membership stock - Class A	—	—
Membership stock - Class B	2,361,730	3,749,110
Activity stock	4,238,970	4,533,590
Excess stock	—	—
Aggregate total	6,600,700	8,282,700
Actual or estimated borrowing capacity as determined by the Company	53,946,351	74,232,043

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	—	2,361,730
Not eligible for redemption	—	2,361,730
Less than 6 months	—	—
6 months to less than 1 year	—	—
1 year to less than 3 years	—	—
3 to 5 years	—	—

3. Collateral Pledged to FHLB

a. Amount Pledged

General account	Amount (\$)	
	December 31, 2021	December 31, 2020
Fair value	59,022,738	34,961,032
Carrying value	55,994,404	32,668,855
Aggregate total borrowing	31,671,710	32,843,420

b. Maximum Amount Pledged

General account	Amount (\$)	
	December 31, 2021	December 31, 2020
Fair value	59,022,738	34,961,032
Carrying value	55,994,404	32,668,855
Aggregate total borrowing	31,671,710	32,843,420

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11. Debt (continued):

4. Borrowing from FHLB

a. Amount Borrowed

General account	Amount (\$)	
	December 31, 2021	December 31, 2020
Debt	31,671,710	32,843,420
Funding agreements	—	—
Other	—	—
Aggregate total	31,671,710	32,843,420

b. Maximum Amount Borrowed

General account	Amount (\$)	
	December 31, 2021	
Debt	31,671,710	
Funding agreements	—	
Other	—	
Aggregate total	31,671,710	

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

12. Retirement Plans, Deferred Compensation, Postretirement 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. At December 31, 2021, State Auto P&C allocated the defined benefit pension plan and postretirement plan's expenses to the Company based on the Company's pooling percentage per the Pooling Arrangement. The Company's pooling percentage is 34.5%.

The Company's share of net expense for the defined benefit pension plan was \$451,288 and \$3,316,954 in 2021 and 2020, respectively and for postretirement benefit plan was a negative expense of \$1,217,659 and \$1,224,967 in 2021 and 2020, respectively.

The Company's share of the supplemental executive retirement plan liability ("SERP") expense was \$249,144 and \$214,461 for 2021 and 2020, 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 \$4,077,595 and \$3,895,007 for 2021 and 2020, respectively.

H. Postretirement Benefits and Compensated Absences: Not applicable.

I. Impact of Medicare Modernization Act on Postretirement 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 2021 were \$250,728 including the prescription drug benefits. The Company's subsidy related to Medicare Prescription Drug, Improvement and Modernization Act of 2003 was \$87,222 for 2021.

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:

On November 12, 2021, the Board of Directors of RHC declared a \$400,000 ordinary stockholders dividend to be paid to the Company. This dividend was paid in cash on December 30, 2021.

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.

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

I. Changes in Special Surplus Funds: Not applicable.

J. Changes in Unassigned Funds:

The portion of unassigned funds (surplus) represented by cumulative net unrealized gains is \$193,712,220. 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 \$1,813,178 in additional capital contributions to Stonehenge Opportunity Fund III, LLC over the next one year, \$7,190,000 in additional capital contributions to Stonehenge Opportunity Fund IV, LLC over the next four years and \$90,853 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.

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 \$475,282 and a related premium tax benefit asset of \$12,674. 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	23,995
Decreases current year:	
Policy surcharges collected	—
Policy surcharges charged off	—
Premium tax offset applied	11,321
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	12,674

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: Not applicable.

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 \$9,500,000 and \$11,000,000 as of December 31, 2021 and 2020, 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 2021 and 2020 was \$1,157,522 and \$1,549,935, 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, 2021 future minimum lease payments on noncancelable operating leases are as follows:

	Year Ending December 31	Operating Leases (\$)
1.	2022	1,009,963
2.	2023	136,490
3.	2024	—
4.	Total	1,146,453

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.

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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.

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	66,388,715	—	6,600,700	—	72,989,415	
Total common stocks	66,388,715	—	6,600,700	—	72,989,415	
Other invested assets						
Any other class of asset	8,539,965				8,539,965	
Partnership interests	—	—	—	—	28,405,232	—
Total other invested assets	8,539,965	—	—	—	28,405,232	36,945,197
Total assets at fair value/(NAV)	74,928,680	—	6,600,700	28,405,232	109,934,612	

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

Description	Amount (\$)								
	Beginning Balance at 01/01/2021	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
Assets:									
Common stock									
Industrial and misc	8,282,700	—	—	—	—	—	(1,682,000)	—	6,600,700
Total assets	8,282,700	—	—	—	—	—	(1,682,000)	—	6,600,700

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, 2021.
4. As of December 31, 2021 and December 31, 2020, the reported fair value of the Company's investment in Level 3 equity securities of FHLB, was \$6,600,700 and \$4,892,700, respectively. See item A above for a discussion of valuation techniques and inputs used in determining fair value. Since these equity securities are not publicly traded, they are classified as Level 3.
5. The Company has no derivative assets or liabilities.

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20. Fair Value Measurement (continued):

- 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 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, 2021:

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	413,565,806	409,348,997	—	413,565,806	—	—	—
Common stocks	72,989,415	72,989,415	66,388,715	—	6,600,700	—	—
Other invested assets	46,745,303	46,745,303	8,539,965	—	—	28,405,232	9,800,106
Cash, cash equivalents, and short-term investments	66,672,121	66,672,121	51,672,246	14,999,875	—	—	—
Receivable for securities	3,132	3,132	3,132	—	—	—	—
Borrowed money	106,567,564	100,500,000	—	76,062,542	30,505,022	—	—

December 31, 2020:

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	454,996,469	437,133,657	—	454,996,469	—	—	—
Common stocks	79,516,779	79,516,779	71,234,079	—	8,282,700	—	—
Other invested assets	55,771,186	55,771,186	7,722,679	—	—	37,978,423	10,070,085
Cash, cash equivalents, and short-term investments	69,556,797	69,556,905	60,257,253	9,299,544	—	—	—
Receivable for securities	13,000	13,000	13,000	—	—	—	—
Borrowed money	111,400,028	100,500,000	—	80,353,097	31,046,931	—	—

- 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	326,031	—	N/A	Investment value is based on 9/30/2021 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	8,511,264	—	N/A	Investment value is based on 9/30/2021 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	586,885	—	N/A	Investment value is based on 9/30/2021 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	375,926	—	N/A	Investment value is based on 9/30/2021 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, 2021 and December 31, 2020, the reported net asset value of the Company's investment in the fund, was \$28,405,232 and \$37,978,423, 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:

As a result of the 2018-2020 Michigan Catastrophic Claims Association ("MCCA") Premium Audit Program, the Company made an adjustment to surplus to reflect the activity pertaining to the prior year reporting period. The net impact was recorded in 2020 as a prior year correction surplus decrease (Statement of Income Page, Line 37) in the amount of \$1,590,724.

On April 21, 2020 the Company announced the *In This Together* plan to provide premium relief for personal auto policyholders as a result of the COVID-19 pandemic. This premium relief program included a 5% discount applied at the next renewal for policyholders with an active policy as of June 1, 2020 residing in states that approved this plan. The discount was accounted for as an adjustment to premium.

- B. Troubled Debt Restructuring: Not applicable.

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21. Other Items (continued):

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 \$167,264,024 and \$164,670,443 at December 31, 2021 and December 31, 2020, respectively, of uncollected premiums. No premiums were collected from "controlled" or "controlling persons" during the years ended 2021 and 2020.

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 2021 and 2020. Additionally, the Company received no payments from the Special Disability Trust Fund. The Trust Fund made no assessments during the years ended 2021 and 2020.

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:

On July 12, 2021, State Auto Financial Corporation ("STFC"), an Ohio corporation, and State Automobile Mutual Insurance Company ("SAM"), an Ohio mutual insurance company, entered into an Agreement and Plan of Merger and Combination (the "Merger Agreement") with Liberty Mutual Holding Company Inc. ("LMHC"), a Massachusetts mutual holding company, Pymatuning, Inc. ("Merger Sub I"), an Ohio corporation and wholly-owned indirect subsidiary of LMHC, and Andover, Inc. ("Merger Sub II"), an Ohio corporation and wholly-owned direct subsidiary of LMHC. The Merger Agreement provides for SAM to reorganize pursuant to a Plan of Reorganization adopted by the SAM board of directors, which shall be effectuated through a merger of Merger Sub II with SAM, with SAM surviving as an Ohio domiciled stock insurance subsidiary of LMHC. LMHC will grant equity rights in LMHC to each SAM member upon the extinguishment of such SAM member's equity rights in SAM at the time of merger ("SAM Transaction"). Simultaneously with the SAM Transaction, the Merger Agreement provides for LMHC to effect the acquisition of STFC through the merger of Merger Sub I with and into STFC (the "STFC Merger") with STFC the surviving corporation. The SAM Transaction was unanimously approved by the SAM Board of directors (upon the unanimous recommendation of a special committee of independent SAM directors). The STFC Merger was unanimously approved by the STFC board of directors (upon the unanimous recommendation of a special committee of independent STFC directors).

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	1,689,388,303
41653	46-0368854	Milbank	463,753,644
	AA-9991159	Michigan Catastrophic Claims	40,602,328
		Total	2,193,744,275

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, 2021, stated in dollars:

	Amount (\$)					
	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates	853,676,585	—	809,918,198	—	43,758,387	—
All other	425,070	167,857	6,317,892	1,844,723	(5,892,822)	(1,676,866)
Totals	854,101,655	167,857	816,236,090	1,844,723	37,865,565	(1,676,866)
Direct Unearned Premium Reserve: 388,732,570						

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	—	701,312	(10,990,386)	11,691,698
b. Sliding Scale Adjustments	—	—	529,383	(529,383)
c. Other Profit Commission Arrangements	—	—	—	—
Total	—	701,312	(10,461,003)	11,162,315

3. Protected Cells: Not applicable.

D. Uncollectible Reinsurance: Not applicable.

E. Commutation of Ceded Reinsurance: Not applicable.

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23. Reinsurance (continued):

F. Retroactive Reinsurance:

On December 31, 2014 State Auto Mutual entered into an adverse development reinsurance contract ("ADC") to cede losses incurred on policies inceptioned 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, 2021 are as follows:

Amount (\$)	
Loss and Expense Reserves	
Accident Year	Commercial Multiple Peril
2009	4
2010	367,123
2011	2,171,638
2012	1,776,037
2013	3,018,839
2014	—
Totals	7,333,641

The retroactive reserves assumed and ceded below represent the Company's pooling percentage at December 31, 2021.

	Amount (\$)	
	Assumed	Ceded (ADC)
1.		
a. Reserves Transferred:		
1. Initial Reserves (Assumed)/Ceded	—	3,450,000
2. Adjustments - Prior Years	—	(642,652)
3. Adjustments - Current Year	—	(277,241)
4. Current Total	—	2,530,107
b. Consideration Received/(Paid):		
1. Initial Consideration	—	(6,555,000)
2. Adjustments - Prior Years	—	—
3. Adjustments - Current Year	—	—
4. Current Total	—	(6,555,000)
c. Paid Losses (Reimbursed)/Recovered:		
1. Prior Years	—	(3,747,652)
2. Current Year	—	(277,241)
3. Current Total	—	(4,024,893)
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain/(Loss)	—	(3,105,000)
2. Adjustments - Prior Years	—	(642,652)
3. Adjustments - Current Year	—	(277,241)
4. Current Year Restricted Surplus	—	(4,024,893)
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		2,530,107
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	2,530,107	—
Total	2,530,107	—
Unauthorized Reinsurers:	Total Paid/Loss LAE Recoverable	Amounts Over 90 Days Overdue
None	—	—
Certified Reinsurers:	Total Paid/Loss LAE Recoverable	Amounts Over 90 Days Overdue
None	—	—
Collateral Held		

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 \$17.3M during 2021 year-to-date. This decrease is primarily the result of subsequent reserve reviews using more mature claim data. Of this favorable development, Workers' Compensation accounts for \$17.5M, Middle Market Commercial business accounts for \$11.1M, and Small Commercial Package business accounts for \$3.5M. Favorable development in these Commercial Lines segments was partially offset by unfavorable development of \$7.8M in Personal Auto, \$4.0M in Homeowners, and \$2.9M in Commercial Auto. This was driven primarily by higher-than-expected severity on both Bodily Injury claims and Michigan PIP claims in Personal Auto and catastrophe loss development in Homeowners.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

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

Per Schedule P Part 1 -Summary	Amount (\$)		
	All Accident Years	2021 Accident Year	Prior Accident Years
Loss and LAE reserves at 12/31/20	547,006,004		547,006,004
Loss and LAE incurred in 2021	626,580,544	621,174,479	5,406,065
Loss and LAE paid in 2021	603,168,073	269,702,203	333,465,870
Loss and LAE reserves at 12/31/21	570,418,475	351,472,276	218,946,199

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	
		2021	2020
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, 2021, 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	312,257,137	182,181,896	130,075,241
Milbank	85,717,646	72,376,229	13,341,417
SA Wisconsin	—	1,553,229	(1,553,229)
SA Ohio	—	5,005,726	(5,005,726)
Meridian Security	—	137,438,597	(137,438,597)
Patrons Mutual	3,061,344	7,584,255	(4,522,911)
Rockhill	—	(12,003)	12,003
Plaza	—	2,340,405	(2,340,405)
American Compensation	—	8,917,154	(8,917,154)
Bloomington Compensation	—	2,320,274	(2,320,274)

The following tabular presentation reflects the reinsurance receivable and payable on loss and loss adjustment expense paid at December 31, 2021, 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	206,567,984	140,800,491
Milbank	56,704,937	51,966,579
SA Wisconsin	—	1,093,814
SA Ohio	—	2,683,392
Meridian Security	—	77,386,546
Patrons Mutual	2,025,176	3,998,452
Rockhill	—	22,248,125
Plaza	—	5,097,697
American Compensation	—	8,342,021
Bloomington Compensation	—	755,418

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

26. Intercompany Pooling Arrangements (continued):

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, 2021:

	Amount (\$)	
	Intercompany Amounts Due from State Auto Mutual	Intercompany Amounts Due to State Auto Mutual
State Auto P&C	—	65,203,727
Milbank	—	7,436,695
SA Wisconsin	459,123	—
SA Ohio	2,346,099	—
Meridian Security	57,740,031	—
Patrons Mutual	2,633,234	—
Rockhill	—	32,638,798
Plaza	—	2,417,095
American Compensation	454,270	—
Bloomington Compensation	1,598,468	—

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
6,586,314	6,586,314

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	December 31, 2021
3. Was anticipated investment income utilized in the calculation?	No

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:

Annual Statement Line of Business	Amount (\$)			
	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	—	—	2,448	2,448
17.1 Other liability - occurrence	—	—	102,174	102,174
19.4 Commercial auto liability	—	—	(39,084)	(39,084)
21.2 Commercial auto physical damage	—	—	—	—

2. Unsecured Amounts of High Deductibles:

	Amount (\$)
a. Total high deductibles and billed recoverables on paid claims	65,538
b. Collateral on balance sheet	12,980
c. Collateral off balance sheet	50,000
d. Total unsecured deductibles and billed recoverables on paid claims	2,558
e. Percentage unsecured	3.9 %

3. High Deductible Recoverables Amounts on Paid Claims:

	Amount (\$)
a. Amount of overdue nonadmitted (due to aging or collateral)	—
b. Total over 90 days overdue admitted	38,875
c. Total overdue (a+b)	38,875

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

31. High Deductibles (continued):

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

	Amount (\$)
Counterparty Ranking	Top Ten Unsecured High Deductibles Amounts
Counterparty 1	24,529
Counterparty 2	17,003
Counterparty 3	15,300
Counterparty 4	4,310
Counterparty 5	2,000
Counterparty 6	2,000
Counterparty 7	1,618
Counterparty 8	1,307
Counterparty 9	1,000
Counterparty 10	1,000

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.

Direct Basis:	Amount (\$)				
	2017	2018	2019	2020	2021
Beginning reserves	556,858	581,395	595,127	1,133,294	1,031,471
Incurred losses and loss adjustment expenses	56,970	107,560	707,061	150,282	318,467
Calendar year payments for losses and loss adjustment expenses	32,433	93,828	168,894	252,105	274,582
Ending reserves	581,395	595,127	1,133,294	1,031,471	1,075,356

Assumed Reinsurance Basis:	Amount (\$)				
	2017	2018	2019	2020	2021
Beginning reserves	22,306	38,477	35,586	41,880	38,979
Incurred losses and loss adjustment expenses	17,521	(2,465)	7,123	(1,376)	3,134
Calendar year payments for losses and loss adjustment expenses	1,350	426	829	1,525	1,192
Ending reserves	38,477	35,586	41,880	38,979	40,921

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2017	2018	2019	2020	2021
Beginning reserves	577,439	619,872	630,713	1,175,174	1,021,990
Incurred losses and loss adjustment expenses	76,216	105,096	714,184	(174,106)	(46,898)
Calendar year payments for losses and loss adjustment expenses	33,783	94,255	169,723	(20,922)	47,556
Ending reserves	619,872	630,713	1,175,174	1,021,990	927,536

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

	Amount (\$)
Direct Basis	810,750
Assumed Reinsurance Basis	24,083
Net of Ceded Reinsurance Basis	834,833

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

	Amount (\$)
Direct Basis	537,678
Assumed Reinsurance Basis	20,461
Net of Ceded Reinsurance Basis	463,768

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

33. Asbestos/Environmental Reserves (continued):

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

Direct Basis:	Amount (\$)				
	2017	2018	2019	2020	2021
Beginning reserves	8,298,468	9,401,854	9,316,973	11,479,038	10,957,297
Incurred losses and loss adjustment expenses	2,009,814	590,282	3,148,573	694,339	551,104
Calendar year payments for losses and loss adjustment expenses	906,428	675,163	986,508	1,216,080	695,658
Ending reserves	9,401,854	9,316,973	11,479,038	10,957,297	10,812,743

Assumed Reinsurance Basis:	Amount (\$)				
	2017	2018	2019	2020	2021
Beginning reserves	—	—	—	—	—
Incurred losses and loss adjustment expenses	—	—	—	—	—
Calendar year payments for losses and loss adjustment expenses	—	—	—	—	—
Ending reserves	—	—	—	—	—

Net of Ceded Reinsurance Basis:	Amount (\$)				
	2017	2018	2019	2020	2021
Beginning reserves	8,005,142	9,080,068	8,897,023	11,043,944	10,750,175
Incurred losses and loss adjustment expenses	1,981,354	492,118	3,133,429	884,143	565,179
Calendar year payments for losses and loss adjustment expenses	906,428	675,163	986,508	1,177,912	697,160
Ending reserves	9,080,068	8,897,023	11,043,944	10,750,175	10,618,194

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

	Amount (\$)
Direct Basis	9,315,000
Assumed Reinsurance Basis	—
Net of Ceded Reinsurance Basis	9,315,000

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

	Amount (\$)
Direct Basis	5,406,371
Assumed Reinsurance Basis	—
Net of Ceded Reinsurance Basis	5,309,097

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

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

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

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FIVE-YEAR HISTORICAL DATA

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

	1 2021	2 2020	3 2019	4 2018	5 2017
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)	791,973,417	752,326,498	745,965,632	742,122,272	879,736,271
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	674,934,632	621,097,813	559,181,118	495,668,321	525,928,222
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	999,627,469	885,024,203	736,498,082	645,455,073	577,888,118
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,590,188	1,836,692	1,954,816	1,706,394	1,660,945
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	32	0	149
6. Total (Line 35)	2,468,125,706	2,260,285,206	2,043,599,680	1,884,952,059	1,985,213,705
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)	270,846,022	256,396,049	254,888,763	253,681,561	300,714,782
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	230,114,317	213,128,811	192,093,049	166,989,474	175,482,260
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	340,657,973	302,746,481	251,984,456	221,148,931	196,969,811
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	543,492	625,756	665,501	579,390	560,949
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	32	0	149
12. Total (Line 35)	842,161,805	772,897,096	699,631,801	642,399,356	673,727,951
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(77,849,325)	(49,711,839)	(27,957,889)	(3,394,870)	(51,441,025)
14. Net investment gain or (loss) (Line 11)	34,791,723	20,282,043	31,367,832	19,408,153	24,160,485
15. Total other income (Line 15)	(6,109,966)	(6,233,269)	(723,734)	(2,391,734)	444,007
16. Dividends to policyholders (Line 17)	43,607	64,499	287,754	182,423	270,379
17. Federal and foreign income taxes incurred (Line 19)	(3,308,952)	629,095	(1,641,510)	1,151,512	(8,340,321)
18. Net income (Line 20)	(45,902,223)	(36,356,659)	4,039,965	12,287,614	(18,766,591)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,484,535,215	2,361,729,822	2,343,193,781	2,295,424,837	2,407,293,508
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	167,264,024	164,670,443	170,203,240	183,835,721	222,794,641
20.2 Deferred and not yet due (Line 15.2)	637,907,122	575,455,859	525,084,260	486,614,076	444,052,126
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,706,216,021	1,547,540,728	1,489,553,094	1,529,494,468	1,628,347,323
22. Losses (Page 3, Line 1)	456,773,011	433,231,345	441,645,155	481,033,444	540,634,903
23. Loss adjustment expenses (Page 3, Line 3)	113,645,504	113,774,699	121,140,423	131,605,107	131,065,721
24. Unearned premiums (Page 3, Line 9)	426,598,134	379,518,461	340,615,471	306,612,363	321,298,608
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	778,319,194	814,189,094	853,640,687	765,930,369	778,946,185
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(23,675,163)	(9,657,983)	(76,790,186)	(42,271,072)	7,628,855
Risk-Based Capital Analysis					
28. Total adjusted capital	778,319,194	814,189,094	853,640,687	765,930,369	778,946,185
29. Authorized control level risk-based capital	187,870,784	201,535,501	198,767,172	193,782,107	196,201,984
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	31.7	33.2	33.7	36.2	37.0
31. Stocks (Lines 2.1 & 2.2)	55.1	54.2	56.7	57.0	57.5
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	4.4	3.0	1.7	1.4	1.6
34. Cash, cash equivalents and short-term investments (Line 5)	5.2	5.3	3.5	2.1	0.5
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	3.6	4.2	4.4	3.2	3.3
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 (Schedule D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	664,768,688	645,352,420	647,480,877	622,028,372	665,980,135
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	664,768,688	645,352,420	647,480,877	622,028,372	665,980,135
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)	85.4	79.3	75.8	81.2	85.5

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2021	2 2020	3 2019	4 2018	5 2017
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	17,069,297	(738,308)	40,150,359	(14,966,909)	(3,723,633)
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	(35,869,900)	(39,451,593)	87,710,318	(13,015,816)	(43,606,057)
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)	447,859,050	449,798,572	521,555,721	545,463,839	485,261,693
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	424,404,694	352,667,430	309,482,263	290,764,507	263,056,880
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	641,540,469	510,506,943	406,031,293	360,185,342	342,412,593
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(402,266)	500,038	609,596	134,431	540,321
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	58,392	71,208	77,297	128,902	75,554
59. Total (Line 35)	1,513,460,339	1,313,544,191	1,237,756,170	1,196,677,020	1,091,347,040
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)	153,386,770	152,042,631	171,297,860	183,382,563	162,567,329
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	144,949,625	121,577,133	106,053,744	98,559,135	90,002,542
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	219,478,773	175,860,034	139,384,488	120,439,225	117,345,662
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(132,281)	153,906	202,994	46,455	178,146
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	20,145	24,567	27,321	65,893	26,776
65. Total (Line 35)	517,703,032	449,658,271	416,966,408	402,493,271	370,120,455
Operating Percentages (Page 4) (Line 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)	68.1	60.2	56.8	52.2	59.5
68. Loss expenses incurred (Line 3)	10.7	10.3	10.7	12.3	12.7
69. Other underwriting expenses incurred (Line 4)	31.0	36.3	36.7	36.1	35.4
70. Net underwriting gain (loss) (Line 8)	(9.8)	(6.8)	(4.2)	(0.5)	(7.6)
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)	30.0	35.2	35.0	37.2	35.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	78.8	70.5	67.5	64.5	72.2
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)	108.2	94.9	82.0	83.9	86.5
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)	(22,560)	(21,668)	(32,975)	(42,202)	(25,712)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(2.8)	(2.5)	(4.3)	(5.4)	(3.1)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(49,633)	(50,545)	(62,043)	(48,331)	(10,690)
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)	(5.8)	(6.6)	(8.0)	(5.9)	(1.3)

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

Yes No

If no, please explain: _____