



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

Organized under the Laws of \_\_\_\_\_ (Current) (Prior) \_\_\_\_\_, State of Domicile or Port of Entry \_\_\_\_\_ OH  
Country of Domicile \_\_\_\_\_ Ohio \_\_\_\_\_ United States of America \_\_\_\_\_ OH

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  
(Street and Number)  
Columbus, OH, US 43215, 833-724-3577  
(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  
(Street and Number)  
Columbus, OH, US 43215      614-464-5000  
(City or Town, State, Country and Zip Code)      (Area Code) (Telephone Number)

Internet Website Address [www.stateauto.com](http://www.stateauto.com)

Statutory Statement Contact Zachary Skidmore, 614-917-5995  
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(E-mail Address) (FAX Number)

## OFFICERS

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

## 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 Tacchetti, Senior Vice President  
Scott Alan Jones, Vice President      Matthew Stanley Mrozek, Vice President

## **DIRECTORS OR TRUSTEES**

State of Ohio County of Franklin SS

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  
23rd day of February 2022

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

## ASSETS

|   | Current Year  |                         |   | Prior Year                  |
|---|---------------|-------------------------|---|-----------------------------|
|   | 1<br>Assets   | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>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 .....   | 722,839,870   | 26,275,193              | 696,564,678                               | 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 \$<br>encumbrances) .....  | 0             | 56,662,884              | 56,662,884                                | 39,858,273                  |
| 4.2 Properties held for the production of income (less<br>\$ ..... 0 encumbrances) .....  | 0             | 0                       | 0   | 0                           |
| 4.3 Properties held for sale (less \$ ..... 0<br>encumbrances) .....  | 0             | 0                       | 0   | 0                           |
| 5. Cash (\$ ..... 51,647,796 , Schedule E - Part 1), cash equivalents<br>(\$ ..... 15,024,325 , Schedule E - Part 2) and short-term<br>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) .....   | 1,302,272,334 | 26,275,193              | 1,275,997,142                             | 1,316,072,549               |
| 13. Title plants less \$ ..... 0 charged off (for Title insurers<br>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<br>deferred and not yet due (including \$ ..... 444,346<br>earned but unbilled premiums) .....              | 637,951,556   | 44,434                  | 637,907,122                               | 575,455,859                 |
| 15.3 Accrued retrospective premiums (\$ ..... 0 ) and<br>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<br>(\$ ..... 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<br>Protected Cell Accounts (Lines 12 to 25) .....   | 2,577,422,063 | 107,805,080             | 2,469,616,983                             | 2,361,729,822               |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....  | 0             | 0                       | 0   | 0                           |
| 28. Total (Lines 26 and 27) .....   | 2,577,422,063 | 107,805,080             | 2,469,616,983                             | 2,361,729,822               |
| <b>DETAILS OF WRITE-INS</b>   |               |                         |   |                             |
| 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<br>Current Year    | 2<br>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) .....  | 763,400,962          | 814,189,094          |
| 36. Less treasury stock, at cost:   |                      |                      |
| 36.1 .....0 shares common (value included in Line 30 \$ .....0) .....   | 0                    | 0                    |
| 36.2 .....0 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) .....  | 763,400,962          | 814,189,094          |
| 38. <b>TOTALS (Page 2, Line 28, Col. 3)</b>   | <b>2,469,616,983</b> | <b>2,361,729,822</b> |
| <b>DETAILS OF WRITE-INS</b>   |                      |                      |
| 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. <b>Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)</b>   | <b>6,806,547</b>     | <b>1,621,736</b>     |
| 2901. ....  |                      |                      |
| 2902. ....  |                      |                      |
| 2903. ....  |                      |                      |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....   | 0                    | 0                    |
| 2999. <b>Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)</b>   | <b>0</b>             | <b>0</b>             |
| 3201. ....  |                      |                      |
| 3202. ....  |                      |                      |
| 3203. ....  |                      |                      |
| 3298. Summary of remaining write-ins for Line 32 from overflow page .....   | 0                    | 0                    |
| 3299. <b>Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)</b>   | <b>0</b>             | <b>0</b>             |

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

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 795,265,448       | 732,949,214     |
| 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)    |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 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      |
| <b>OTHER INCOME</b>  |                   |                 |
| 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)    |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 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.....   | 2,151,065         | (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).....   | (50,788,132)      | (39,451,593)    |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 763,400,962       | 814,189,094     |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 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  
**CASH FLOW**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| <b>Cash from Operations</b>   |                   |                 |
| 1. Premiums collected net of reinsurance .....  | 826,588,325       | 765,256,207     |
| 2. Net investment income .....  | 23,450,939        | 23,726,017      |
| 3. Miscellaneous income .....   | (6,109,966)       | (6,233,269)     |
| 4. Total (Lines 1 through 3) .....  | 843,929,297       | 782,748,955     |
| 5. Benefit and loss related payments .....  | 519,167,206       | 447,346,988     |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    | 0                 | 0               |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 349,072,444       | 345,519,003     |
| 8. Dividends paid to policyholders .....  | 43,607            | 227,727         |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 2,598,187 tax on capital gains (losses) .....    | (678,797)         | (686,780)       |
| 10. Total (Lines 5 through 9) .....   | 867,604,460       | 792,406,938     |
| 11. Net cash from operations (Line 4 minus Line 10) .....   | (23,675,163)      | (9,657,983)     |
| <b>Cash from Investments</b>  |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:  |                   |                 |
| 12.1 Bonds .....  | 165,228,863       | 185,481,628     |
| 12.2 Stocks .....   | 32,381,165        | 58,838,553      |
| 12.3 Mortgage loans .....   | 0                 | 0               |
| 12.4 Real estate .....  | 0                 | 0               |
| 12.5 Other invested assets .....  | 19,669,287        | 11,058,814      |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                           | 0                 | 0               |
| 12.7 Miscellaneous proceeds .....   | 9,868             | 0               |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....   | 217,289,182       | 255,378,995     |
| 13. Cost of investments acquired (long-term only):  |                   |                 |
| 13.1 Bonds .....  | 137,094,850       | 169,128,504     |
| 13.2 Stocks .....   | 15,726,760        | 12,894,728      |
| 13.3 Mortgage loans .....   | 0                 | 0               |
| 13.4 Real estate .....  | 19,730,875        | 19,520,573      |
| 13.5 Other invested assets .....  | 5,155,569         | 1,123,364       |
| 13.6 Miscellaneous applications .....   | 0                 | 13,000          |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....  | 177,708,054       | 202,680,169     |
| 14. Net increase (decrease) in contract loans and premium notes .....   | 0                 | 0               |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | 39,581,128        | 52,698,826      |
| <b>Cash from Financing and Miscellaneous Sources</b>  |                   |                 |
| 16. Cash provided (applied):  |                   |                 |
| 16.1 Surplus notes, capital notes .....   | 0                 | 0               |
| 16.2 Capital and paid in surplus, less treasury stock .....   | 0                 | 0               |
| 16.3 Borrowed funds .....   | 0                 | 0               |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               | 0                 | 0               |
| 16.5 Dividends to stockholders .....  | 0                 | 0               |
| 16.6 Other cash provided (applied) .....  | (18,790,750)      | (20,824,912)    |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (18,790,750)      | (20,824,912)    |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>                                      |                   |                 |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | (2,884,784)       | 22,215,931      |
| 19. Cash, cash equivalents and short-term investments:  |                   |                 |
| 19.1 Beginning of year .....  | 69,556,905        | 47,340,974      |
| 19.2 End of period (Line 18 plus Line 19.1) .....   | 66,672,121        | 69,556,905      |

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 - PREMIUMS EARNED

| Line of Business  | 1<br>Net Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>Dec. 31 Prior Year -<br>per Col. 3,<br>Last Year's Part 1 | 3<br>Unearned Premiums<br>Dec. 31 Current<br>Year - per Col. 5<br>Part 1A | 4<br>Premiums Earned<br>During Year<br>(Cols. 1 + 2 - 3) |
|---|---|---|---|--|
| 1. Fire .....   | 36,264,987  | 16,388,106  | 19,334,335  | 33,318,758   |
| 2. Allied lines .....   | 58,962,972  | 25,933,235  | 33,677,384  | 51,218,823   |
| 3. Farmowners multiple peril .....  | 34,823,186  | 14,092,759  | 17,835,851  | 31,080,094   |
| 4. Homeowners multiple peril .....  | 233,831,504   | 114,959,699   | 132,051,005   | 216,740,198  |
| 5. Commercial multiple peril .....  | 71,807,225  | 33,787,924  | 37,191,043  | 68,404,107   |
| 6. Mortgage guaranty .....  | 0   | 0   | 0   | 0  |
| 8. Ocean marine .....   | 16,771  | 7,200   | 9,342   | 14,629   |
| 9. Inland marine .....  | 7,608,322   | 3,558,867   | 3,797,984   | 7,369,205  |
| 10. Financial guaranty .....  | 0   | 0   | 0   | 0  |
| 11.1 Medical professional liability - occurrence .....                    | 0   | 0   | 0   | 0  |
| 11.2 Medical professional liability - claims-made .....                   | 0   | 0   | 0   | 0  |
| 12. Earthquake .....  | 2,464,645   | 1,507,094   | 1,428,614   | 2,543,125  |
| 13. Group accident and health .....                                       | 0   | 0   | 0   | 0  |
| 14. Credit accident and health (group and individual) .....               | 0   | 0   | 0   | 0  |
| 15. Other accident and health .....                                       | 326   | 349   | 258   | 417  |
| 16. Workers' compensation .....   | 35,254,610  | 14,872,752  | 17,377,972  | 32,749,390   |
| 17.1 Other liability - occurrence .....                                   | 44,755,064  | 20,202,072  | 23,142,194  | 41,814,943   |
| 17.2 Other liability - claims-made .....                                  | (179,666)   | (65,949)  | (50,812)  | (194,803)  |
| 17.3 Excess workers' compensation .....                                   | 0   | 0   | 0   | 0  |
| 18.1 Products liability - occurrence .....                                | 5,669,942   | 2,722,925   | 2,453,734   | 5,939,132  |
| 18.2 Products liability - claims-made .....                               | 0   | 0   | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability .....                         | 99,962,709  | 46,366,268  | 41,268,595  | 105,060,382  |
| 19.3, 19.4 Commercial auto liability .....                                | 85,383,363  | 31,979,178  | 41,934,156  | 75,428,385   |
| 21. Auto physical damage .....  | 124,698,692   | 52,495,842  | 54,280,436  | 122,914,098  |
| 22. Aircraft (all perils) .....   | 0   | 0   | 0   | 0  |
| 23. Fidelity .....  | 526,941   | 308,084   | 264,531   | 570,494  |
| 24. Surety .....  | 16,224  | 11,801  | 10,261  | 17,764   |
| 26. Burglary and theft .....  | 114,701   | 36,397  | 61,077  | 90,021   |
| 27. Boiler and machinery .....  | 179,286   | 92,829  | 85,830  | 186,285  |
| 28. Credit .....  | 0   | 0   | 0   | 0  |
| 29. International .....   | 0   | 0   | 0   | 0  |
| 30. Warranty .....  | 0   | 0   | 0   | 0  |
| 31. Reinsurance - nonproportional assumed property .....                  | 0   | 0   | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability .....                 | 0   | 0   | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines .....           | 0   | 0   | 0   | 0  |
| 34. Aggregate write-ins for other lines of business .....                 | 0   | 0   | 0   | 0  |
| 35. TOTALS .....  | 842,161,805   | 379,257,432   | 426,153,789   | 795,265,448  |
| <b>DETAILS OF WRITE-INS</b>   |   |   |   |  |
| 3401. ....  |   |   |   |  |
| 3402. ....  |   |   |   |  |
| 3403. ....  |   |   |   |  |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... | 0   | 0   | 0   | 0  |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....        | 0   | 0   | 0   | 0  |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business   | 1<br>Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | 2<br>Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | 3<br>Earned But Unbilled<br>Premium | 4<br>Reserve for Rate<br>Credits and<br>Retrospective<br>Adjustments Based<br>on Experience | 5<br>Total Reserve for<br>Unearned Premiums<br>Cols. 1 + 2 + 3 + 4 |
|--|--|--|-------------------------------------|---|--|
| 1. Fire .....  | 19,331,797   | 2,538  | 0                                   | 0   | 19,334,335   |
| 2. Allied lines .....  | 33,673,126   | 4,258  | 0                                   | 0   | 33,677,384   |
| 3. Farmowners multiple peril .....   | 17,835,851   | 0  | 0                                   | 0   | 17,835,851   |
| 4. Homeowners multiple peril .....   | 132,051,005  | 0  | 0                                   | 0   | 132,051,005  |
| 5. Commercial multiple peril .....   | 37,203,826   | 0  | (12,783)                            | 0   | 37,191,043   |
| 6. Mortgage guaranty .....   | 0  | 0  | 0                                   | 0   | 0  |
| 8. Ocean marine .....  | 9,342  | 0  | 0                                   | 0   | 9,342  |
| 9. Inland marine .....   | 3,735,011  | 62,973   | 0                                   | 0   | 3,797,984  |
| 10. Financial guaranty .....   | 0  | 0  | 0                                   | 0   | 0  |
| 11.1 Medical professional liability - occurrence .....                       | 0  | 0  | 0                                   | 0   | 0  |
| 11.2 Medical professional liability - claims-made .....                      | 0  | 0  | 0                                   | 0   | 0  |
| 12. Earthquake .....   | 1,428,614  | 0  | 0                                   | 0   | 1,428,614  |
| 13. Group accident and health .....  | 0  | 0  | 0                                   | 0   | 0  |
| 14. Credit accident and health (group and<br>individual) .....               | 0  | 0  | 0                                   | 0   | 0  |
| 15. Other accident and health .....  | 258  | 0  | 0                                   | 0   | 258  |
| 16. Workers' compensation .....  | 17,698,481   | 0  | (320,509)                           | 0   | 17,377,972   |
| 17.1 Other liability - occurrence .....                                      | 23,137,665   | 5,589  | (1,060)                             | 0   | 23,142,194   |
| 17.2 Other liability - claims-made .....                                     | (50,919)   | 107  | 0                                   | 0   | (50,812)   |
| 17.3 Excess workers' compensation .....                                      | 0  | 0  | 0                                   | 0   | 0  |
| 18.1 Products liability - occurrence .....                                   | 2,563,727  | 0  | (109,993)                           | 0   | 2,453,734  |
| 18.2 Products liability - claims-made .....                                  | 0  | 0  | 0                                   | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability .....                            | 41,268,595   | 0  | 0                                   | 0   | 41,268,595   |
| 19.3, 19.4 Commercial auto liability .....                                   | 41,934,150   | 6  | 0                                   | 0   | 41,934,156   |
| 21. Auto physical damage .....   | 54,280,436   | 0  | 0                                   | 0   | 54,280,436   |
| 22. Aircraft (all perils) .....  | 0  | 0  | 0                                   | 0   | 0  |
| 23. Fidelity .....   | 243,327  | 21,204   | 0                                   | 0   | 264,531  |
| 24. Surety .....   | 8,027  | 2,234  | 0                                   | 0   | 10,261   |
| 26. Burglary and theft .....   | 60,642   | 435  | 0                                   | 0   | 61,077   |
| 27. Boiler and machinery .....   | 85,755   | .75  | 0                                   | 0   | 85,830   |
| 28. Credit .....   | 0  | 0  | 0                                   | 0   | 0  |
| 29. International .....  | 0  | 0  | 0                                   | 0   | 0  |
| 30. Warranty .....   | 0  | 0  | 0                                   | 0   | 0  |
| 31. Reinsurance - nonproportional assumed<br>property .....                  | 0  | 0  | 0                                   | 0   | 0  |
| 32. Reinsurance - nonproportional assumed<br>liability .....                 | 0  | 0  | 0                                   | 0   | 0  |
| 33. Reinsurance - nonproportional assumed<br>financial lines .....           | 0  | 0  | 0                                   | 0   | 0  |
| 34. Aggregate write-ins for other lines of business .....                    | 0  | 0  | 0                                   | 0   | 0  |
| 35. TOTALS .....   | 426,498,716  | 99,419   | (444,346)                           | 0   | 426,153,789  |
| 36. Accrued retrospective premiums based on experience .....                 |  |  |                                     |   | 0  |
| 37. Earned but unbilled premiums .....                                       |  |  |                                     |   | .444,346   |
| 38. Balance (Sum of Line 35 through 37) .....                                |  |  |                                     |   | 426,598,135  |
| <b>DETAILS OF WRITE-INS</b>  |  |  |                                     |   |  |
| 3401. ....   |  |  |                                     |   |  |
| 3402. ....   |  |  |                                     |   |  |
| 3403. ....   |  |  |                                     |   |  |
| 3498. Summary of remaining write-ins for Line 34<br>from overflow page ..... | 0  | 0  | 0                                   | 0   | 0  |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line<br>34 above) .....        | 0  | 0  | 0                                   | 0   | 0  |

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

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

| Line of Business  | 1<br>Direct Business (a) | Reinsurance Assumed  |                          | Reinsurance Ceded  |                        | 6<br>Net Premiums<br>Written<br>Cols. 1+2+3+4-5 |
|---|--------------------------|----------------------|--------------------------|--------------------|------------------------|---|
|   |                          | 2<br>From Affiliates | 3<br>From Non-Affiliates | 4<br>To Affiliates | 5<br>To Non-Affiliates |   |
| 1. Fire   | 35,286,850               | 71,216,280           | 37,282                   | 68,850,917         | 1,424,508              | 36,264,987                                      |
| 2. Allied lines   | 42,687,008               | 134,374,346          | 84,426                   | 111,944,193        | 6,238,615              | 58,962,972                                      |
| 3. Farmowners multiple peril  | 99,800,739               | 2,856,453            | 0                        | 66,113,585         | 1,720,421              | 34,823,186                                      |
| 4. Homeowners multiple peril  | 74,929,264               | 604,733,649          | 344,014                  | 443,940,970        | 2,234,452              | 233,831,504                                     |
| 5. Commercial multiple peril  | 113,152,495              | 100,777,110          | 0                        | 136,329,660        | 5,792,720              | 71,807,225                                      |
| 6. Mortgage guaranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 8. Ocean marine   | 1,917                    | 46,696               | 0                        | 31,841             | 0                      | 16,771  |
| 9. Inland marine  | 7,814,683                | 14,276,210           | 0                        | 14,444,785         | 37,785                 | 7,608,322                                       |
| 10. Financial guaranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 11.1 Medical professional liability - occurrence                    | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 11.2 Medical professional liability - claims-made                   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 12. Earthquake  | 2,363,238                | 5,007,969            | 0                        | 4,679,253          | 227,310                | 2,464,645                                       |
| 13. Group accident and health                                       | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 14. Credit accident and health (group and individual)               | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 15. Other accident and health                                       | 1,401                    | 0                    | 0                        | 620                | .455                   | .326  |
| 16. Workers' compensation   | 19,982,076               | 82,156,583           | .465,028                 | 66,932,665         | 416,593                | 35,254,610                                      |
| 17.1 Other liability - occurrence                                   | 64,635,483               | 69,394,382           | 341                      | 84,969,760         | 4,305,383              | 44,755,064                                      |
| 17.2 Other liability - claims-made                                  | 1,383,325                | (453,600)            | 0                        | (341,106)          | 1,450,498              | (179,666)                                       |
| 17.3 Excess workers' compensation                                   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 18.1 Products liability - occurrence                                | 5,425,871                | 11,078,202           | 0                        | 10,764,672         | .69,459                | 5,669,942                                       |
| 18.2 Products liability - claims-made                               | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 19.1, 19.2 Private passenger auto liability                         | 29,764,641               | 259,949,403          | 0                        | 189,784,275        | (32,940)               | 99,962,709                                      |
| 19.3, 19.4 Commercial auto liability                                | 178,300,193              | 69,280,594           | .610,714                 | .162,104,645       | 703,492                | 85,383,363                                      |
| 21. Auto physical damage  | 96,622,659               | 264,824,906          | 4,695                    | 236,746,792        | .6,777                 | 124,698,692                                     |
| 22. Aircraft (all perils)   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 23. Fidelity  | 528,642                  | 998,724              | 0                        | 1,000,425          | 0                      | 526,941   |
| 24. Surety  | 61,421                   | 0                    | 0                        | .30,803            | 14,394                 | 16,224  |
| 26. Burglary and theft  | 222,816                  | 111,195              | .69                      | 217,765            | .1,614                 | .114,701  |
| 27. Boiler and machinery  | 2,971,134                | 13,997               | 0                        | 340,384            | 2,465,461              | .179,286  |
| 28. Credit  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 29. International   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 30. Warranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 31. Reinsurance - nonproportional assumed property                  | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 32. Reinsurance - nonproportional assumed liability                 | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 33. Reinsurance - nonproportional assumed financial lines           | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 34. Aggregate write-ins for other lines of business                 | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 35. TOTALS  | 775,935,857              | 1,690,643,100        | 1,546,749                | 1,598,886,905      | 27,076,996             | 842,161,805                                     |
| <b>DETAILS OF WRITE-INS</b>   |                          |                      |                          |                    |                        |   |
| 3401.   |                          |                      |                          |                    |                        |   |
| 3402.   |                          |                      |                          |                    |                        |   |
| 3403.   |                          |                      |                          |                    |                        |   |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)        | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$ 0

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$ 0

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - LOSSES PAID AND INCURRED

| Line of Business  | Losses Paid Less Salvage |                             |                               |  | 5           | 6           | 7           | 8       |
|---|--------------------------|-----------------------------|-------------------------------|--|-------------|-------------|-------------|---------|
|   | 1<br>Direct Business     | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |             |             |             |         |
| 1. Fire .....   | 21,130,155               | 46,231,955                  | 44,329,257                    | 23,032,854                             | 13,146,098  | 14,615,908  | 21,563,044  | 64.7    |
| 2. Allied lines .....   | 24,125,478               | 102,927,599                 | 84,470,533                    | 42,582,544                             | 17,524,814  | 18,464,498  | 41,642,860  | 81.3    |
| 3. Farmowners multiple peril .....  | 41,048,959               | 564,719                     | 27,615,295                    | 13,998,383                             | 13,605,274  | 5,155,264   | 22,448,394  | 72.2    |
| 4. Homeowners multiple peril .....  | 38,081,197               | 442,557,004                 | 314,895,666                   | 165,742,535                            | 55,283,098  | 40,056,999  | 180,968,634 | 83.5    |
| 5. Commercial multiple peril .....  | 62,780,045               | 55,621,315                  | 78,704,985                    | 39,696,375                             | 40,685,790  | 39,958,412  | 40,423,753  | 59.1    |
| 6. Mortgage guaranty .....  | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 8. Ocean marine .....   | 0                        | 120,231                     | 78,751                        | 41,480                                 | 26,279      | 11          | 67,748      | .463.1  |
| 9. Inland marine .....  | 1,541,561                | 3,079,617                   | 3,032,183                     | 1,588,995                              | 1,177,398   | 443,020     | 2,323,374   | 31.5    |
| 10. Financial guaranty .....  | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 11.1 Medical professional liability - occurrence .....                    | 0                        | 0                           | 0                             | 0                                      | 4,910       | 5,782       | (872)       | 0.0     |
| 11.2 Medical professional liability - claims-made .....                   | 0                        | 3,238,908                   | 2,121,485                     | 1,117,423                              | 2,597,551   | 3,652,306   | 62,668      | 0.0     |
| 12. Earthquake .....  | 5,605                    | 0                           | 3,671                         | 1,934                                  | 102,838     | 17,250      | 87,522      | 3.4     |
| 13. Group accident and health .....                                       | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 14. Credit accident and health (group and individual) .....               | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 15. Other accident and health .....                                       | 10,098                   | 0                           | 7,715                         | 2,382                                  | 2,065       | 4,433       | 15          | .3.5    |
| 16. Workers' compensation .....   | 7,292,813                | 52,111,788                  | 39,429,156                    | 19,975,445                             | 62,337,995  | 77,621,565  | 4,691,875   | 14.3    |
| 17.1 Other liability - occurrence .....                                   | 20,455,413               | 49,403,158                  | 45,524,895                    | 24,333,676                             | 80,811,812  | 94,330,282  | 10,815,206  | 25.9    |
| 17.2 Other liability - claims-made .....                                  | 10,021                   | 1,728,895                   | 1,147,857                     | 591,060                                | 1,172,935   | 1,447,398   | 316,596     | (162.5) |
| 17.3 Excess workers' compensation .....                                   | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 18.1 Products liability - occurrence .....                                | 677,203                  | 2,044,636                   | 1,782,805                     | .939,034                               | 3,963,554   | 4,994,694   | (92,105)    | (1.6)   |
| 18.2 Products liability - claims-made .....                               | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 19.1, 19.2 Private passenger auto liability .....                         | 20,751,716               | 187,944,369                 | 137,503,634                   | 71,192,451                             | 83,649,217  | 74,141,016  | 80,700,652  | 76.8    |
| 19.3, 19.4 Commercial auto liability .....                                | 50,083,367               | 52,116,764                  | 66,962,450                    | 35,237,681                             | 74,180,274  | 53,519,255  | 55,898,700  | 74.1    |
| 21. Auto physical damage .....  | 53,318,209               | 172,001,066                 | 147,590,967                   | 77,728,309                             | 5,515,601   | 3,856,778   | 79,387,132  | 64.6    |
| 22. Aircraft (all perils) .....   | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 23. Fidelity .....  | 50,205                   | (2,018)                     | 31,562                        | 16,624                                 | 14,435      | 97,808      | (66,748)    | (11.7)  |
| 24. Surety .....  | (460,550)                | 0                           | (309,262)                     | (151,288)                              | 240,263     | 237,667     | (148,692)   | (837.0) |
| 26. Burglary and theft .....  | 27,500                   | 15,948                      | 28,458                        | 14,989                                 | 15,693      | 2,540       | 28,143      | 31.3    |
| 27. Boiler and machinery .....  | 766,999                  | 0                           | 766,999                       | 0                                      | 137,273     | 206,987     | (69,714)    | (37.4)  |
| 28. Credit .....  | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 29. International .....   | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 30. Warranty .....  | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX                      | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                      | 58,392                      | 38,247                        | 20,145                                 | 577,840     | 401,471     | 196,514     | 0.0     |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                      | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 34. Aggregate write-ins for other lines of business .....                 | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 35. TOTALS .....  | 341,695,993              | 1,171,764,346               | 995,757,307                   | 517,703,032                            | 456,773,010 | 433,231,344 | 541,244,697 | 68.1    |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                               |  |             |             |             |         |
| 3401. ....  |                          |                             |                               |  |             |             |             |         |
| 3402. ....  |                          |                             |                               |  |             |             |             |         |
| 3403. ....  |                          |                             |                               |  |             |             |             |         |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....        | 0                        | 0                           | 0                             | 0                                      | 0           | 0           | 0           | 0.0     |

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business  | Reported Losses |                             |   |  | Incurred But Not Reported |                             |                           | 8           | 9           |
|---|-----------------|-----------------------------|---|--|---------------------------|-----------------------------|---------------------------|-------------|-------------|
|   | 1<br>Direct     | 2<br>Reinsurance<br>Assumed | 3<br>Deduct<br>Reinsurance<br>Recoverable | 4<br>Net Losses Excl.<br>Incurred But Not<br>Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance<br>Assumed | 7<br>Reinsurance<br>Ceded |             |             |
| 1. Fire .....   | 11,195,026      | 22,399,578                  | 22,004,480                                | 11,590,125   | 1,500,955                 | 3,019,471                   | 2,964,452                 | 13,146,098  | 2,479,118   |
| 2. Allied lines .....   | 5,815,078       | 28,581,977                  | 26,014,947                                | 8,382,108  | 5,757,497                 | 22,449,433                  | 19,064,224                | 17,524,814  | 2,796,311   |
| 3. Farmowners multiple peril .....                                  | 16,738,208      | 244,046                     | 11,125,013                                | 5,857,242  | 22,502,720                | .75,600                     | 14,830,288                | 13,605,274  | 1,239,662   |
| 4. Homeowners multiple peril .....                                  | 8,209,353       | 65,864,611                  | 48,761,376                                | 25,312,587   | 8,902,490                 | 78,080,698                  | 57,012,678                | 55,283,098  | 9,608,760   |
| 5. Commercial multiple peril .....                                  | 33,260,120      | 41,945,198                  | 49,965,854                                | 25,239,465   | 22,486,923                | 22,767,938                  | 29,808,536                | 40,685,790  | 16,565,574  |
| 6. Mortgage guaranty .....  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 8. Ocean marine .....   | 0               | 40,000                      | 26,200                                    | .13,800  | 2                         | .36,169                     | 23,692                    | 26,279      | 2,937       |
| 9. Inland marine .....  | 133,779         | 1,015,984                   | 753,095                                   | .396,668   | .126,832                  | 2,136,153                   | 1,482,255                 | 1,177,398   | 129,767     |
| 10. Financial guaranty .....  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 11.1 Medical professional liability - occurrence .....              | 0               | 0                           | 0   | 0  | 0                         | 14,233                      | 9,323                     | 4,910       | 3,225       |
| 11.2 Medical professional liability - claims-made .....             | 0               | 5,684,949                   | 3,723,642                                 | 1,961,307  | 0                         | 1,844,183                   | 1,207,940                 | 2,597,551   | 859,131     |
| 12. Earthquake .....  | 0               | 50,001                      | 32,751                                    | .17,250  | 51,569                    | 196,512                     | 162,493                   | 102,838     | 29,206      |
| 13. Group accident and health .....                                 | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | (a) 0       | 0           |
| 14. Credit accident and health (group and individual) .....         | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 15. Other accident and health .....                                 | 5,986           | 0                           | 3,921                                     | 2,065  | 0                         | 0                           | 0                         | (a) 2,065   | 0           |
| 16. Workers' compensation .....                                     | 32,319,493      | 79,655,281                  | 78,456,802                                | 33,517,972   | 15,205,177                | 68,635,658                  | 55,020,812                | 62,337,995  | 14,434,833  |
| 17.1 Other liability - occurrence .....                             | 43,681,133      | 82,268,493                  | 84,796,421                                | 41,153,205   | 34,446,282                | 81,344,218                  | 76,131,892                | 80,811,812  | 29,094,454  |
| 17.2 Other liability - claims-made .....                            | 110,691         | 1,986,924                   | 1,475,951                                 | 621,664  | 0                         | 1,598,000                   | 1,046,729                 | 1,172,935   | 537,296     |
| 17.3 Excess workers' compensation .....                             | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 18.1 Products liability - occurrence .....                          | 1,877,424       | 3,052,163                   | 3,224,068                                 | 1,705,519  | 2,913,304                 | 3,631,726                   | .4,286,995                | 3,963,554   | 2,068,725   |
| 18.2 Products liability - claims-made .....                         | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 19.1, 19.2 Private passenger auto liability .....                   | 55,254,543      | 143,035,583                 | .143,005,058                              | .55,285,068  | 9,142,375                 | .73,072,549                 | 53,850,775                | .83,649,217 | .17,034,525 |
| 19.3, 19.4 Commercial auto liability .....                          | 89,905,455      | 65,991,916                  | .103,498,507                              | .52,398,864  | .36,021,052               | .27,628,178                 | 41,867,821                | .74,180,274 | .13,414,228 |
| 21. Auto physical damage .....                                      | 6,931,575       | 14,913,681                  | .14,308,643                               | .7,536,613   | .26,196                   | .(5,882,716)                | .(3,835,508)              | .5,515,601  | .3,156,623  |
| 22. Aircraft (all perils) .....                                     | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 23. Fidelity .....  | 0               | 0                           | 0   | 0  | 6,527                     | .35,319                     | .27,411                   | .14,435     | 13,935      |
| 24. Surety .....  | 615,867         | 0                           | 403,393                                   | .212,474   | 80,547                    | 0                           | .52,758                   | .240,263    | .97,820     |
| 26. Burglary and theft .....  | 0               | .9,494                      | .6,185                                    | .3,309   | .647                      | .35,251                     | .23,514                   | .15,693     | .13,362     |
| 27. Boiler and machinery .....                                      | 10,000          | 0                           | .10,000                                   | 0  | .119,735                  | .278,163                    | .260,624                  | .137,273    | .66,013     |
| 28. Credit .....  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 29. International .....   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 30. Warranty .....  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 31. Reinsurance - nonproportional assumed property .....            | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0           | 0           |
| 32. Reinsurance - nonproportional assumed liability .....           | XXX             | 588,450                     | 385,435                                   | .203,015   | XXX                       | 1,086,448                   | .711,624                  | .577,840    | 0           |
| 33. Reinsurance - nonproportional assumed financial lines .....     | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0           | 0           |
| 34. Aggregate write-ins for other lines of business .....           | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 35. TOTALS .....  | 306,063,731     | 557,328,331                 | 591,981,741                               | 271,410,320  | 159,290,829               | 382,083,186                 | 356,011,326               | 456,773,010 | 113,645,504 |
| <b>DETAILS OF WRITE-INS</b>   |                 |                             |   |  |                           |                             |                           |             |             |
| 3401. ....  |                 |                             |   |  |                           |                             |                           |             |             |
| 3402. ....  |                 |                             |   |  |                           |                             |                           |             |             |
| 3403. ....  |                 |                             |   |  |                           |                             |                           |             |             |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)        | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0           | 0           |

(a) Including \$ .....0 for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3 - EXPENSES

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total      |
|---|----------------------------------|-------------------------------------|-----------------------------|-----------------|
| 1. Claim adjustment services:   |                                  |                                     |                             |                 |
| 1.1 Direct .....  | 51,084,644                       | 0                                   | 0                           | 51,084,644      |
| 1.2 Reinsurance assumed .....   | 81,511,984                       | 0                                   | 0                           | 81,511,984      |
| 1.3 Reinsurance ceded .....   | 89,221,918                       | 0                                   | 0                           | 89,221,918      |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                | 43,374,710                       | 0                                   | 0                           | 43,374,710      |
| 2. Commission and brokerage:  |                                  |                                     |                             |                 |
| 2.1 Direct excluding contingent .....   | 0                                | 111,523,252                         | 0                           | 111,523,252     |
| 2.2 Reinsurance assumed, excluding contingent .....                                     | 0                                | 225,863,221                         | 0                           | 225,863,221     |
| 2.3 Reinsurance ceded, excluding contingent .....                                       | 0                                | 222,805,500                         | 0                           | 222,805,500     |
| 2.4 Contingent - direct .....   | 0                                | 8,551,494                           | 0                           | 8,551,494       |
| 2.5 Contingent - reinsurance assumed .....  | 0                                | 8,458,749                           | 0                           | 8,458,749       |
| 2.6 Contingent - reinsurance ceded .....  | 0                                | 11,001,939                          | 0                           | 11,001,939      |
| 2.7 Policy and membership fees .....  | 0                                | 0                                   | 0                           | 0               |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....        | 0                                | 120,589,277                         | 0                           | 120,589,277     |
| 3. Allowances to managers and agents .....  | 0                                | 1,659,249                           | 0                           | 1,659,249       |
| 4. Advertising .....  | 5,104                            | 207,378                             | 0                           | 212,482         |
| 5. Boards, bureaus and associations .....   | 431,884                          | 2,652,739                           | 0                           | 3,084,622       |
| 6. Surveys and underwriting reports .....   | 0                                | 12,032,586                          | 0                           | 12,032,586      |
| 7. Audit of assureds' records .....   | 0                                | 310,834                             | 0                           | 310,834         |
| 8. Salary and related items:  |                                  |                                     |                             |                 |
| 8.1 Salaries .....  | 22,307,467                       | 36,275,741                          | (9,813)                     | 58,573,395      |
| 8.2 Payroll taxes .....   | 1,777,942                        | 2,833,305                           | 3,739                       | 4,614,987       |
| 9. Employee relations and welfare .....   | 4,978,509                        | 6,914,777                           | 10,804                      | 11,904,090      |
| 10. Insurance .....   | 319,752                          | 468,034                             | 679                         | 788,465         |
| 11. Directors' fees .....   | 0                                | 2,379,594                           | 0                           | 2,379,594       |
| 12. Travel and travel items .....   | 574,105                          | 643,933                             | 468                         | 1,218,506       |
| 13. Rent and rent items .....   | 1,068,961                        | 1,886,814                           | 3,770                       | 2,959,545       |
| 14. Equipment .....   | 224,927                          | 413,981                             | 855                         | 639,762         |
| 15. Cost or depreciation of EDP equipment and software .....                            | 6,349,416                        | 19,284,900                          | 19,105                      | 25,653,420      |
| 16. Printing and stationery .....   | 24,518                           | 131,800                             | 273                         | 156,591         |
| 17. Postage, telephone and telegraph, exchange and express .....                        | 891,313                          | 4,836,345                           | 2,793                       | 5,730,450       |
| 18. Legal and auditing .....  | 127,597                          | 936,791                             | 1,755,108                   | 2,819,496       |
| 19. Totals (Lines 3 to 18) .....  | 39,081,495                       | 93,868,800                          | 1,787,781                   | 134,738,076     |
| 20. Taxes, licenses and fees:   |                                  |                                     |                             |                 |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ ..... | 12,213                           | 0                                   | 19,291,401                  | 0               |
| 20.2 Insurance department licenses and fees .....                                       | 0                                | 1,536,484                           | 0                           | 1,536,484       |
| 20.3 Gross guaranty association assessments .....                                       | 0                                | (78,002)                            | 0                           | (78,002)        |
| 20.4 All other (excluding federal and foreign income and real estate) .....             | 0                                | 28,267                              | 0                           | 28,267          |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                   | 0                                | 20,778,150                          | 0                           | 20,778,150      |
| 21. Real estate expenses .....  | 0                                | 0                                   | 2,858,328                   | 2,858,328       |
| 22. Real estate taxes .....   | 0                                | 0                                   | 414,604                     | 414,604         |
| 23. Reimbursements by uninsured plans .....   | 0                                | 0                                   | 0                           | 0               |
| 24. Aggregate write-ins for miscellaneous expenses .....                                | 2,879,642                        | 11,298,001                          | 25,093                      | 14,202,736      |
| 25. Total expenses incurred .....   | 85,335,846                       | 246,534,228                         | 5,085,806                   | (a) 336,955,880 |
| 26. Less unpaid expenses - current year .....   | 113,645,504                      | 33,304,689                          | 681,666                     | 147,631,859     |
| 27. Add unpaid expenses - prior year .....  | 113,774,699                      | 46,827,760                          | 734,782                     | 161,337,241     |
| 28. Amounts receivable relating to uninsured plans, prior year .....                    | 0                                | 0                                   | 0                           | 0               |
| 29. Amounts receivable relating to uninsured plans, current year .....                  | 0                                | 0                                   | 0                           | 0               |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....                            | 85,465,041                       | 260,057,299                         | 5,138,922                   | 350,661,262     |
| <b>DETAILS OF WRITE-INS</b>   |                                  |                                     |                             |                 |
| 2401. Professional Consultants .....  | 2,864,930                        | 11,010,918                          | 9,667                       | 13,885,515      |
| 2402. Miscellaneous .....   | 14,712                           | 287,083                             | 15,426                      | 317,221         |
| 2403. .....   | 0                                | 0                                   | 0                           | 0               |
| 2498. Summary of remaining write-ins for Line 24 from overflow page .....               | 0                                | 0                                   | 0                           | 0               |
| 2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....                      | 2,879,642                        | 11,298,001                          | 25,093                      | 14,202,736      |

(a) Includes management fees of \$ 1,277,107 to affiliates and \$ 365,455 to non-affiliates.

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

|   | 1<br>Collected During Year | 2<br>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                 |                         |
| <b>DETAILS OF WRITE-INS</b>   |                            |                         |
| 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<br>Realized Gain (Loss)<br>On Sales or Maturity | 2<br>Other Realized<br>Adjustments | 3<br>Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized Capital<br>Gain (Loss) | 5<br>Change in Unrealized<br>Foreign Exchange<br>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  | (516,592)   | 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  | 2,860,162   | 0  |
| <b>DETAILS OF WRITE-INS</b>  |   |                                    |   |   |  |
| 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  |

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**  
**EXHIBIT OF NON-ADMITTED ASSETS**

|  | 1<br>Current Year Total<br>Nonadmitted Assets | 2<br>Prior Year Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|--|---|---|---|
| 1. Bonds (Schedule D) .....  | 0   | 0   | 0   |
| 2. Stocks (Schedule D):  |   |   |   |
| 2.1 Preferred stocks .....   | 0   | 0   | 0   |
| 2.2 Common stocks .....  | 26,275,193                                    | 11,129,699                                  | (15,145,494)  |
| 3. Mortgage loans on real estate (Schedule B):   |   |   |   |
| 3.1 First liens .....  | 0   | 0   | 0   |
| 3.2 Other than first liens .....   | 0   | 0   | 0   |
| 4. Real estate (Schedule A):   |   |   |   |
| 4.1 Properties occupied by the company .....   | 0   | 0   | 0   |
| 4.2 Properties held for the production of income .....   | 0   | 0   | 0   |
| 4.3 Properties held for sale .....   | 0   | 0   | 0   |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) ..... | 0   | 0   | 0   |
| 6. Contract loans .....  | 0   | 0   | 0   |
| 7. Derivatives (Schedule DB) .....   | 0   | 0   | 0   |
| 8. Other invested assets (Schedule BA) .....   | 0   | 0   | 0   |
| 9. Receivables for securities .....  | 0   | 0   | 0   |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....  | 0   | 0   | 0   |
| 11. Aggregate write-ins for invested assets .....  | 0   | 0   | 0   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 26,275,193                                    | 11,129,699                                  | (15,145,494)  |
| 13. Title plants (for Title insurers only) .....   | 0   | 0   | 0   |
| 14. Investment income due and accrued .....  | 0   | 0   | 0   |
| 15. Premiums and considerations:   |   |   |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....                                     | 1,318,593                                     | 1,926,256                                   | 607,663   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                  | 44,434  | 9,222                                       | (.35,212)   |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                   | 0   | 0   | 0   |
| 16. Reinsurance:   |   |   |   |
| 16.1 Amounts recoverable from reinsurers .....   | 0   | 0   | 0   |
| 16.2 Funds held by or deposited with reinsured companies .....   | 0   | 0   | 0   |
| 16.3 Other amounts receivable under reinsurance contracts .....  | 0   | 0   | 0   |
| 17. Amounts receivable relating to uninsured plans .....   | 0   | 0   | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                   | 0   | 0   | 0   |
| 18.2 Net deferred tax asset .....  | 0   | 0   | 0   |
| 19. Guaranty funds receivable or on deposit .....  | 0   | 0   | 0   |
| 20. Electronic data processing equipment and software .....  | 64,356,154                                    | 74,015,752                                  | 9,659,598   |
| 21. Furniture and equipment, including health care delivery assets .....   | 5,361,034                                     | 5,881,345                                   | 520,311   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....                                     | 0   | 0   | 0   |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 4,262,420                                     | 0   | (4,262,420)   |
| 24. Health care and other amounts receivable .....   | 0   | 0   | 0   |
| 25. Aggregate write-ins for other than invested assets .....   | 6,187,252                                     | 6,810,251                                   | 622,999   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) ..... | 107,805,080                                   | 99,772,525                                  | (8,032,555)   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                    | 0   | 0   | 0   |
| 28. Total (Lines 26 and 27) .....  | 107,805,080                                   | 99,772,525                                  | (8,032,555)   |
| <b>DETAILS OF WRITE-INS</b>  |   |   |   |
| 1101. .....  |   |   |   |
| 1102. .....  |   |   |   |
| 1103. .....  |   |   |   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  | 0   | 0   | 0   |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....   | 0   | 0   | 0   |
| 2501. Accounts receivable .....  | 234,588                                       | 198,446                                     | (.36,142)   |
| 2502. Prepaid expenses .....   | 5,950,978                                     | 6,540,845                                   | 589,867   |
| 2503. Advances .....   | 1,686   | 2,603                                       | 917   |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  | 0   | 68,357                                      | 68,357  |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....   | 6,187,252                                     | 6,810,251                                   | 622,999   |

## 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         |
| <b>NET INCOME</b>   |        |          |            |              |              |
| (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) |
| <b>SURPLUS</b>  |        |          |            |              |              |
| (5) State Auto Mutual state basis (Page 3, Line 37, Columns 1 & 2)            |        |          |            | 763,400,962  | 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)  |        |          |            | 763,400,962  | 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.

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

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.

|  | <b>Amount (\$)</b> |
|--|--------------------|
| 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.

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

**5. Investments (continued):**

**L. Restricted Assets:**

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

|  | Amount (\$)                               |  |  |                  |                       |                                 |                              |                                       |   | Percentage (%)                                   |   |  |  |
|--|---|--|--|------------------|-----------------------|---------------------------------|------------------------------|---------------------------------------|---|--|---|--|--|
|  | Gross (Admitted & Nonadmitted) Restricted |  |  |                  |                       |                                 |                              | 8                                     | 9   |  |   |  |  |
|  | Current Year                              |  |  |                  |                       | 6                               |                              |                                       |   |  |   |  |  |
|  | 1   | 2  | 3                                      | 4                | 5                     | 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) |  |
| 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 |  |  |                  |                       |                                 |  | 8   | 9  |   |  |  |  |
|                             | Current Year                              |  |  |                  |                       | 6                               |  |   |  |   |  |  |  |
|                             | 1   | 2  | 3                                      | 4                | 5                     | 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 |  |  |
| 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.

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

**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 |

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

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   |

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

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 (\$)<br>Tax Effect @<br>21% | Effective<br>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.

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

## 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.

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

## 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 \$472,964,796. 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 \$551,848,947.

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                            | 472,964,796       | 472,964,796          | —                       |
| 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                             |                                 | 636,810,380       | 610,535,187          | 26,275,193              |
| d. SSAP No. 97 8b(iv) Entities                                 |                                 | —                 | —                    | —                       |
| e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d) | —                               | 636,810,380       | 610,535,187          | 26,275,193              |
| f. Aggregate Total (a+e)                                       | —                               | 636,810,380       | 610,535,187          | 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                |                            |  |      |

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

## 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        |

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

## 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.

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

## 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.

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

## 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.

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

## 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                      | —                         |
| <b>Totals</b>             | <b>7,333,641</b>          |

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  | —                               | —                            |

### 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<br>Part 1 -Summary | Amount (\$)              |                          |                            |
|-----------------------------------|--------------------------|--------------------------|----------------------------|
|                                   | All<br>Accident<br>Years | 2021<br>Accident<br>Year | Prior<br>Accident<br>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<br>(the "State Auto Pool") | NAIC Co.<br>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<br>Yes / No | Statement Value (\$)<br>(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 (\$) |
|---------------------------|-------------|
|                           | 9,315,000   |
| Direct Basis              | —           |
| Assumed Reinsurance Basis | 9,315,000   |

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

|                           | Amount (\$) |
|---------------------------|-------------|
|                           | 5,406,371   |
| Direct Basis              | —           |
| Assumed Reinsurance Basis | 5,406,371   |

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

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

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

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

**PART 1 - COMMON INTERROGATORIES  
 GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  Yes [ X ]  No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....  Yes [ X ]  No [ ]  N/A [ ]

1.3 State Regulating? .....  Ohio

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? .....  Yes [ ]  No [ X ]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....  Yes [ ]  No [ X ]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....  12/31/2018

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....  12/31/2018

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....  01/09/2020

3.4 By what department or departments?  
 Ohio Department of Insurance .....

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....  Yes [ ]  No [ ]  N/A [ X ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? .....  Yes [ ]  No [ ]  N/A [ X ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.11 sales of new business? .....  Yes [ ]  No [ X ]  
 4.12 renewals? .....  Yes [ ]  No [ X ]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.21 sales of new business? .....  Yes [ ]  No [ X ]  
 4.22 renewals? .....  Yes [ ]  No [ X ]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  Yes [ ]  No [ X ]  
 If yes, complete and file the merger history data file with the NAIC.

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|---------------------|------------------------|------------------------|

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....  Yes [ ]  No [ X ]

6.2 If yes, give full information: .....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....  Yes [ ]  No [ X ]

7.2 If yes,  
 7.21 State the percentage of foreign control; .....  0.0 %  
 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|------------------|---------------------|

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

8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]  
 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| .....               | .....                       | .....    | .....    | .....     | .....    |

8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? ..... Yes [ ] No [ X ]

8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ X ] N/A [ ]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

PricewaterhouseCoopers LLP; 41 South High Street, Columbus, Ohio 43215

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Matthew S. Mrozek, FCAS, 518 East Broad Street, Columbus, Ohio 43215, Officer of reporting entity

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

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

12.12 Number of parcels involved ..... 0

12.13 Total book/adjusted carrying value ..... \$ ..... 4,072,669

12.2 If, yes provide explanation:

The Company owns 58.0% of State Auto Financial which indirectly owns 100% of 518 Property Management and Leasing LLP.

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

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

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

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

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

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

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

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

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

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

The Nominating and Governance Committee of the Company's Board of Directors annually reviews the Associate Code of Business Conduct, which is applicable to all senior managers. In 3Q 2020 the Associate Code of Business Conduct was revised to update and include the following sections: Antitrust and Fair Competition; Health, Safety and Environment; Reporting and Investigation; and Training. Revision date was August 13, 2021.

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

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

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

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

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

| 1<br>American<br>Bankers<br>Association<br>(ABA) Routing<br>Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit                 | 4<br>Amount |
|--|--------------------------------------|--|-------------|
| 072000096  | Comerica Bank                        | If Principal Company Does Not Fulfill Requirements, the LOC can be used. | 70,000      |
| 031333353  | PNC Bank N.A.                        | If Principal Company Does Not Fulfill Requirements, the LOC can be used. | 98,564      |
| 041200762  | Huntington Bank                      | If Principal Company Does Not Fulfill Requirements, the LOC can be used. | 25,000      |
| 044002161  | Fifth Third Bank                     | If Principal Company Does Not Fulfill Requirements, the LOC can be used. | 25,000      |
|  | Suntrust                             | If Principal Company Does Not Fulfill Requirements, the LOC can be used. | 1,130,000   |

**BOARD OF DIRECTORS**

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

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

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

**FINANCIAL**

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

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

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

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

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

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

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

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

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

22.2 If answer is yes:

|  |            |
|--|------------|
| 22.21 Amount paid as losses or risk adjustment | \$ ..... 0 |
| 22.22 Amount paid as expenses                  | \$ ..... 0 |
| 22.23 Other amounts paid                       | \$ ..... 0 |

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [  ] No [  ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 0

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [  ] No [  ]

24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

| Name of Third-Party | Is the<br>Third-Party Agent<br>a Related Party<br>(Yes/No) |
|---------------------|--|
| .....               | .....  |

**INVESTMENT**

25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03) ..... Yes [  ] No [  ]

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

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

25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ ..... 0

25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ ..... 0

25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? .... Yes [ ] No [ ] N/A [ X ]

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? .... Yes [ ] No [ ] N/A [ X ]

25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? .... Yes [ ] No [ ] N/A [ X ]

25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:

|  |
|--|
| 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ ..... 0                  |
| 25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .... \$ ..... 0 |
| 25.093 Total payable for securities lending reported on the liability page .... \$ ..... 0                                       |

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). .... Yes [ X ] No [ ]

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

|  |
|--|
| 26.21 Subject to repurchase agreements .... \$ ..... 0   |
| 26.22 Subject to reverse repurchase agreements .... \$ ..... 0   |
| 26.23 Subject to dollar repurchase agreements .... \$ ..... 0  |
| 26.24 Subject to reverse dollar repurchase agreements .... \$ ..... 0                                      |
| 26.25 Placed under option agreements .... \$ ..... 0   |
| 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock .... \$ ..... 0      |
| 26.27 FHLB Capital Stock .... \$ ..... 6,600,700   |
| 26.28 On deposit with states .... \$ ..... 6,629,012   |
| 26.29 On deposit with other regulatory bodies .... \$ ..... 0  |
| 26.30 Pledged as collateral - excluding collateral pledged to an FHLB .... \$ ..... 23,468,514             |
| 26.31 Pledged as collateral to FHLB - including assets backing funding agreements .... \$ ..... 55,994,404 |
| 26.32 Other .... \$ ..... 0  |

26.3 For category (26.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|----------------------------|------------------|-------------|

27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? .... Yes [ ] No [ X ]

27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .... Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? .... Yes [ ] No [ ]

27.4 If the response to 27.3 is YES, does the reporting entity utilize:

|   |                |
|---|----------------|
| 27.41 Special accounting provision of SSAP No. 108 .... | Yes [ ] No [ ] |
| 27.42 Permitted accounting practice ....                | Yes [ ] No [ ] |
| 27.43 Other accounting guidance ....                    | Yes [ ] No [ ] |

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? .... Yes [ ] No [ X ]

28.2 If yes, state the amount thereof at December 31 of the current year. .... \$ ..... 0

29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .... Yes [ ] No [ X ]

29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1<br>Name of Custodian(s)                 | 2<br>Custodian's Address                                      |
|---|---|
| JP Morgan Chase Worldwide Securities .... | 4 Chase Metrotech Center, 16th Floor, Brooklyn, NY 11245 .... |
| The Northern Trust Company ....           | 50 S. LaSalle Street, B-10, Chicago, Illinois 60675 ....      |

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

29.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1<br>Name(s)                 | 2<br>Location(s)     | 3<br>Complete Explanation(s)                                |
|------------------------------|----------------------|---|
| Federal Home Loan Bank ..... | Cincinnati, OH ..... | Investment required as a provision of obtaining loans ..... |

JP Morgan Chase Bank .....

New York, NY .....

Vanguard Funds (VSCPX/VFISX) .....

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [ ] No [ X ]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| .....              | .....              | .....               | .....       |

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual               | 2<br>Affiliation |
|---|------------------|
| Silchester International Investors, LLP ..... | U.....           |
| Stateco .....                                 | A.....           |
| Brown Brothers Harriman .....                 | U.....           |

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual               | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|--|---|------------------------------------|----------------------|---|
| 131394 .....                                   | Silchester International Investors, LLP ..... | NONE .....                         | SEC .....            | NO .....  |
| .....  | Brown Brothers Harriman .....                 | 5493006KMX1VFTPYPW14 .....         | No .....             | NO .....  |
| .....  | Stateco .....                                 | .....                              | .....                | .....   |

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?..... Yes [ X ] No [ ]

30.2 If yes, complete the following schedule:

| 1<br>CUSIP #          | 2<br>Name of Mutual Fund            | 3<br>Book/Adjusted<br>Carrying Value |
|-----------------------|-------------------------------------|--------------------------------------|
| 922908-39-7 .....     | Vanguard Small-Cap Index Fund ..... | 9,498,642 .....                      |
| 30.2999 - Total ..... | .....                               | 9,498,642 .....                      |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the<br>Mutual Fund | 3<br>Amount of Mutual<br>Fund's Book/Adjusted<br>Carrying Value<br>Attributable to the<br>Holding | 4<br>Date of<br>Valuation |
|---|--|---|---------------------------|
| Vanguard Small-Cap Index Fund .....         | Pool Corp .....  | 37,045 .....  | 12/31/2021 .....          |

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

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

|                             | 1<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 31.1 Bonds .....            | 424,348,731                        | 428,565,541     | 4,216,810   |
| 31.2 Preferred stocks ..... | .0                                 | 0               | 0   |
| 31.3 Totals .....           | 424,348,731                        | 428,565,541     | 4,216,810   |

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

Pricing services and broker / dealers .....

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

.....

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

33.2 If no, list exceptions:

.....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ X ] N/A [ ]

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

**OTHER**

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ 2,862,644

38.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1<br>Name                             | 2<br>Amount Paid |
|---------------------------------------|------------------|
| Insurance Services Offices, Inc ..... | 1,651,376        |

39.1 Amount of payments for legal expenses, if any? .....\$ 1,125,884

39.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1<br>Name                  | 2<br>Amount Paid |
|----------------------------|------------------|
| Kirkland & Ellis LLP ..... | 522,875          |

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ 515

40.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1<br>Name                      | 2<br>Amount Paid |
|--------------------------------|------------------|
| Insurance Regulatory EXA ..... | 147              |

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

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

| 1.1                               | Does the reporting entity have any direct Medicare Supplement Insurance in force? .....  | Yes [ ] No [ X ]   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
|-----------------------------------|--|--|--|-------------------|-----------------|-----------------------------|---|---|-------------------------------|-------------|-------------|-----------------------------------|-------|-------|-----------------------------|-------|-------|-------------------------------|---------------|---------------|-----------------------------------|-------|-------|
| 1.2                               | If yes, indicate premium earned on U. S. business only. ....   | \$ 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 1.3                               | What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ....                       | \$ 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 1.31                              | Reason for excluding<br>.....  |  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 1.4                               | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....           | \$ 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 1.5                               | Indicate total incurred claims on all Medicare Supplement Insurance. ....  | \$ 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 1.6                               | Individual policies:   | Most current three years:<br>1.61 Total premium earned ..... \$ 0<br>1.62 Total incurred claims ..... \$ 0<br>1.63 Number of covered lives ..... 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
|                                   |  | All years prior to most current three years<br>1.64 Total premium earned ..... \$ 0<br>1.65 Total incurred claims ..... \$ 0<br>1.66 Number of covered lives ..... 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 1.7                               | Group policies:  | Most current three years:<br>1.71 Total premium earned ..... \$ 0<br>1.72 Total incurred claims ..... \$ 0<br>1.73 Number of covered lives ..... 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
|                                   |  | All years prior to most current three years<br>1.74 Total premium earned ..... \$ 0<br>1.75 Total incurred claims ..... \$ 0<br>1.76 Number of covered lives ..... 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.                                | Health Test:   | <table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">1<br/>Current Year</th> <th style="text-align: center;">2<br/>Prior Year</th> </tr> </thead> <tbody> <tr> <td>2.1 Premium Numerator .....</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>2.2 Premium Denominator .....</td> <td style="text-align: right;">795,265,448</td> <td style="text-align: right;">732,949,214</td> </tr> <tr> <td>2.3 Premium Ratio (2.1/2.2) .....</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>2.4 Reserve Numerator .....</td> <td style="text-align: right;">2,323</td> <td style="text-align: right;">4,782</td> </tr> <tr> <td>2.5 Reserve Denominator .....</td> <td style="text-align: right;">1,311,890,668</td> <td style="text-align: right;">1,197,691,096</td> </tr> <tr> <td>2.6 Reserve Ratio (2.4/2.5) .....</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">0.000</td> </tr> </tbody> </table> |  | 1<br>Current Year | 2<br>Prior Year | 2.1 Premium Numerator ..... | 0 | 0 | 2.2 Premium Denominator ..... | 795,265,448 | 732,949,214 | 2.3 Premium Ratio (2.1/2.2) ..... | 0.000 | 0.000 | 2.4 Reserve Numerator ..... | 2,323 | 4,782 | 2.5 Reserve Denominator ..... | 1,311,890,668 | 1,197,691,096 | 2.6 Reserve Ratio (2.4/2.5) ..... | 0.000 | 0.000 |
|                                   | 1<br>Current Year  | 2<br>Prior Year  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.1 Premium Numerator .....       | 0  | 0  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.2 Premium Denominator .....     | 795,265,448  | 732,949,214  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.3 Premium Ratio (2.1/2.2) ..... | 0.000  | 0.000  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.4 Reserve Numerator .....       | 2,323  | 4,782  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.5 Reserve Denominator .....     | 1,311,890,668  | 1,197,691,096  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 2.6 Reserve Ratio (2.4/2.5) ..... | 0.000  | 0.000  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 3.1                               | Did the reporting entity issue participating policies during the calendar year? .....  | Yes [ X ] No [ ]   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 3.2                               | If yes, provide the amount of premium written for participating and/or non-participating policies<br>during the calendar year: | 3.21 Participating policies ..... \$ 27,864,635<br>3.22 Non-participating policies ..... \$ 748,071,222  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 4.                                | For mutual reporting Entities and Reciprocal Exchanges Only:   |  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 4.1                               | Does the reporting entity issue assessable policies? .....   | Yes [ ] No [ X ]   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 4.2                               | Does the reporting entity issue non-assessable policies? .....   | Yes [ X ] No [ ]   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 4.3                               | If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....                  | % 0.0  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 4.4                               | Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....           | \$ 0   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 5.                                | For Reciprocal Exchanges Only:   |  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 5.1                               | Does the Exchange appoint local agents? .....  | Yes [ ] No [ ]   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 5.2                               | If yes, is the commission paid:<br>.....   | 5.21 Out of Attorney's-in-fact compensation ..... Yes [ ] No [ ] N/A [ ]<br>5.22 As a direct expense of the exchange ..... Yes [ ] No [ ] N/A [ ]  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 5.3                               | What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?<br>.....                           |  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 5.4                               | Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? .....                   | Yes [ ] No [ ]   |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |
| 5.5                               | If yes, give full information<br>.....   |  |  |                   |                 |                             |   |   |                               |             |             |                                   |       |       |                             |       |       |                               |               |               |                                   |       |       |

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

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

All of the State Auto Group companies writing workers' compensation are included in the casualty excess of loss reinsurance agreement which provides a total of \$7 million coverage in excess of a \$3 million retention. In addition, all companies are covered for a catastrophe workers' compensation claim in the workers' compensation and casualty agreements which provide an additional \$40 million of coverage for events involving multiple workers.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.

Computer modeling is performed quarterly by the Companies' property reinsurance broker on a group basis using the combined property exposures of each State Auto Group company. Natural perils that could impact the Companies include a New Madrid earthquake, an Atlantic or Gulf Coast hurricane, and severe thunderstorm systems, including tornado/hail damage. Catastrophe models used are Applied Insurance Research (AIR) and Risk Management Solutions (RMS).

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

The Company is a direct writer of workers' compensation insurance in the states in which it operates. The maximum loss is a function of the benefits statutes in the states in which the Company operates.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [ X ] No [ ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?

Yes [ ] No [ X ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions: 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [ ] No [ X ]

8.2 If yes, give full information

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

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

Yes [ ] No [ X ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [ ] No [ X ]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [ ] No [ X ]

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

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

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

Yes [ ] No [ X ]

Yes [ ] No [ X ]

Yes [ ] No [ X ]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [ X ] No [ ] N/A [ ]

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

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

11.2 If yes, give full information  
.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  
12.11 Unpaid losses ..... \$ 0  
12.12 Unpaid underwriting expenses (including loss adjustment expenses) ..... \$ 0

12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds ..... \$ 0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? ..... Yes [ ] No [ X ] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
12.41 From ..... 0.0 %  
12.42 To ..... 0.0 %

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

12.6 If yes, state the amount thereof at December 31 of the current year:  
12.61 Letters of credit ..... \$ 0  
12.62 Collateral and other funds ..... \$ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): ..... \$ 13,000,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ..... 3

14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ X ] No [ ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
The Company's reinsurance treaties are written to include multiple members of the State Auto Group. The total ceded premiums for each treaty are calculated based on that contract's definition of subject premium. Each cedant company's portion of the total ceded premiums is based on its contribution to that subject premium base.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? ..... Yes [ ] No [ X ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ ] No [ X ]

14.5 If the answer to 14.4 is no, please explain:  
As noted in #14.2 above, ceded premiums are allocated based on each cedant company's proportionate share of that contract's calculated subject premium base. Although not specified in each contract, Statutory Accounting Principles logically direct the Company to match each company's costs with that company's benefits under each contract.

15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]

15.2 If yes, give full information  
.....

16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

|                        | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home .....       | .0                             | 0                            | 0                              | .0                              | 0                             |
| 16.12 Products .....   | .0                             | 0                            | 0                              | .0                              | 0                             |
| 16.13 Automobile ..... | .0                             | 0                            | 0                              | .0                              | 0                             |
| 16.14 Other* .....     | 0                              | 0                            | 0                              | 0                               | 0                             |

\* Disclose type of coverage:  
.....

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

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? ..... Yes [ ] No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

|  |            |
|--|------------|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance ..... | \$ ..... 0 |
| 17.12 Unfunded portion of Interrogatory 17.11 .....  | \$ ..... 0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 .....  | \$ ..... 0 |
| 17.14 Case reserves portion of Interrogatory 17.11 .....   | \$ ..... 0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11 .....   | \$ ..... 0 |
| 17.16 Unearned premium portion of Interrogatory 17.11 .....  | \$ ..... 0 |
| 17.17 Contingent commission portion of Interrogatory 17.11 .....   | \$ ..... 0 |

18.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. ..... \$ ..... 0

18.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

18.4 If yes, please provide the balance of funds administered as of the reporting date. ..... \$ ..... 0

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [ ]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ ]

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

**FIVE-YEAR HISTORICAL DATA**

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

|   | 1<br>2021     | 2<br>2020     | 3<br>2019     | 4<br>2018     | 5<br>2017     |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>  |               |               |               |               |               |
| 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 |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>   |               |               |               |               |               |
| 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   |
| <b>Statement of Income (Page 4)</b>   |               |               |               |               |               |
| 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)  |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |               |               |               |               |               |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)   | 2,469,616,983 | 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)  | 763,400,962   | 814,189,094   | 853,640,687   | 765,930,369   | 778,946,185   |
| <b>Cash Flow (Page 5)</b>   |               |               |               |               |               |
| 27. Net cash from operations (Line 11)  | (23,675,163)  | (9,657,983)   | (76,790,186)  | (42,271,072)  | 7,628,855     |
| <b>Risk-Based Capital Analysis</b>  |               |               |               |               |               |
| 28. Total adjusted capital  | 763,400,962   | 814,189,094   | 853,640,687   | 765,930,369   | 778,946,185   |
| 29. Authorized control level risk-based capital   | 187,689,528   | 201,535,501   | 198,767,172   | 193,782,107   | 196,201,984   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>                      |               |               |               |               |               |
| 30. Bonds (Line 1)  | 32.1          | 33.2          | 33.7          | 36.2          | 37.0          |
| 31. Stocks (Lines 2.1 & 2.2)  | 54.6          | 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)  | 3.7           | 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         |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>   |               |               |               |               |               |
| 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)   | 649,850,456   | 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   | 649,850,456   | 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) | 85.1          | 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<br>2021     | 2<br>2020     | 3<br>2019     | 4<br>2018     | 5<br>2017     |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Capital and Surplus Accounts (Page 4)</b>   |               |               |               |               |               |
| 51. Net unrealized capital gains (losses) (Line 24)  | 2,151,065     | (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)  | (50,788,132)  | (39,451,593)  | 87,710,318    | (13,015,816)  | (43,606,057)  |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>   |               |               |               |               |               |
| 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 |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>  |               |               |               |               |               |
| 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   |
| <b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>   |               |               |               |               |               |
| 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)         |
| <b>Other Percentages</b>   |               |               |               |               |               |
| 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)   | 110.3         | 94.9          | 82.0          | 83.9          | 86.5          |
| <b>One Year Loss Development (\$000 omitted)</b>   |               |               |               |               |               |
| 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)         |
| <b>Two Year Loss Development (\$000 omitted)</b>   |               |               |               |               |               |
| 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: \_\_\_\_\_

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES****SCHEDULE P - PART 1 - SUMMARY**

(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            |  |   | 12<br>Number of Claims Reported Direct and Assumed |  |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) |  |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 4,492                          | 1,844      | 1,148                                 | 304        | 423                          | 29         | 102                                    | 3,885   | XXX  |  |
| 2. 2012  | 684,330                 | 131,200    | 553,130          | 424,216                        | 75,822     | 38,143                                | 3,238      | 47,585                       | 4,739      | 17,849                                 | 426,145   | XXX  |  |
| 3. 2013  | 691,101                 | 131,151    | 559,950          | 361,659                        | 50,390     | 30,776                                | 2,139      | 42,407                       | 2,187      | 15,757                                 | 380,126   | XXX  |  |
| 4. 2014  | 699,712                 | 129,612    | 570,100          | 350,428                        | 52,523     | 33,951                                | 3,527      | 43,750                       | 1,750      | 16,439                                 | 370,329   | XXX  |  |
| 5. 2015  | 716,992                 | 42,663     | 674,329          | 350,292                        | 5,788      | 36,519                                | 914        | 49,618                       | 847        | 17,249                                 | 428,880   | XXX  |  |
| 6. 2016  | 716,544                 | 30,856     | 685,688          | 382,445                        | 8,906      | 34,579                                | 752        | 40,008                       | 38         | 15,999                                 | 447,337   | XXX  |  |
| 7. 2017  | 704,768                 | 27,972     | 676,796          | 386,255                        | 8,574      | 31,602                                | 384        | 42,583                       | 514        | 17,741                                 | 450,969   | XXX  |  |
| 8. 2018  | 691,559                 | 34,696     | 656,863          | 350,714                        | 13,036     | 23,158                                | 1,026      | 43,864                       | 226        | 19,663                                 | 403,448   | XXX  |  |
| 9. 2019  | 691,695                 | 28,455     | 663,240          | 373,043                        | 10,321     | 19,473                                | 704        | 45,919                       | 210        | 20,183                                 | 427,199   | XXX  |  |
| 10. 2020   | 755,806                 | 22,857     | 732,949          | 401,006                        | 17,209     | 16,412                                | 154        | 41,692                       | 106        | 19,753                                 | 441,642   | XXX  |  |
| 11. 2021   | 825,655                 | 30,389     | 795,266          | 364,463                        | 25,804     | 7,120                                 | 248        | 34,620                       | 1,246      | 14,491                                 | 378,905   | XXX  |  |
| 12. Totals   | XXX                     | XXX        | XXX              | 3,749,012                      | 270,216    | 272,883                               | 13,389     | 432,469                      | 11,891     | 175,226                                | 4,158,867   | XXX  |  |

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |  |  |  |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|--|--|--|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             |                            |             |   |  |   |  |  |  |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |  |  |  |
| 1. Prior   | 36,162                   | 24,356      | 13,510                   | 3,092       | 918                                 | .100        | 3,872                    | .567        | 2,432                      | .111        | 123                                       | 28,670                                     | XXX   |  |  |  |
| 2. 2012    | 1,801                    | 108         | 2,478                    | 322         | 336                                 | 14          | 888                      | 138         | 237                        | 9           | 67  | 5,149                                      | XXX   |  |  |  |
| 3. 2013    | 2,339                    | 10          | 2,178                    | 27          | 251                                 | .2          | 922                      | 12          | 183                        | 0           | 78  | 5,823                                      | XXX   |  |  |  |
| 4. 2014    | 6,226                    | 2,721       | 2,626                    | 61          | 659                                 | 0           | 991                      | 26          | 444                        | .22         | 85  | 8,115                                      | XXX   |  |  |  |
| 5. 2015    | 6,445                    | 370         | 4,431                    | 136         | 830                                 | .116        | 1,794                    | .58         | 533                        | .1          | 124                                       | 13,352                                     | XXX   |  |  |  |
| 6. 2016    | 8,478                    | .156        | 6,469                    | .271        | 979                                 | .15         | 2,597                    | .116        | 982                        | 0           | 158                                       | 18,948                                     | XXX   |  |  |  |
| 7. 2017    | 18,935                   | 4,758       | 9,767                    | 683         | 1,490                               | .13         | 3,744                    | .85         | 1,674                      | 2           | 222                                       | 30,069                                     | XXX   |  |  |  |
| 8. 2018    | 23,946                   | 3,447       | 11,116                   | .893        | 1,700                               | .158        | 5,553                    | .382        | 2,246                      | .4          | 624                                       | 39,677                                     | XXX   |  |  |  |
| 9. 2019    | 27,481                   | 2,052       | 14,061                   | 703         | .2,465                              | .121        | 6,241                    | .300        | 3,681                      | .9          | 1,347                                     | 50,744                                     | XXX   |  |  |  |
| 10. 2020   | 54,971                   | 3,547       | 27,160                   | 24          | .3,456                              | .20         | 11,024                   | .10         | 7,171                      | .11         | 3,005                                     | 100,171                                    | XXX   |  |  |  |
| 11. 2021   | 130,993                  | 4,842       | 100,720                  | 2,943       | 1,883                               | .50         | 21,001                   | 0           | 22,984                     | .44         | 15,342                                    | 269,702                                    | XXX   |  |  |  |
| 12. Totals | 317,777                  | 46,367      | 194,516                  | 9,154       | 14,966                              | 610         | 58,630                   | 1,693       | 42,567                     | 213         | 21,175                                    | 570,419                                    | XXX   |  |  |  |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred /Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|------------|---|-------------|-----------|--|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                     | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            | Direct and Assumed                      | Ceded       | Net       | Direct and Assumed   | Ceded       | Net       | Loss                | Loss Expense       |  | Losses Unpaid                             | Loss Expenses Unpaid       |
| 1. Prior   | XXX                                     | XXX         | XXX       | XXX  | XXX         | XXX       | 0                   | 0                  | XXX  | 22,225                                    | 6,445                      |
| 2. 2012    | 515,685                                 | 84,391      | 431,294   | .75.4  | 64.3        | 78.0      | 0                   | 0                  | 34.5   | 3,848                                     | 1,301                      |
| 3. 2013    | 440,715                                 | 54,767      | 385,949   | .63.8  | 41.8        | 68.9      | 0                   | 0                  | 34.5   | 4,480                                     | 1,343                      |
| 4. 2014    | 439,074                                 | 60,630      | 378,444   | .62.8  | 46.8        | 66.4      | 0                   | 0                  | 34.5   | 6,069                                     | 2,045                      |
| 5. 2015    | 450,462                                 | 8,230       | 442,232   | .62.8  | 19.3        | 65.6      | 0                   | 0                  | 34.5   | 10,370                                    | 2,981                      |
| 6. 2016    | 476,538                                 | 10,253      | 466,285   | .66.5  | 33.2        | 68.0      | 0                   | 0                  | 34.5   | 14,521                                    | 4,427                      |
| 7. 2017    | 496,050                                 | 15,012      | 481,038   | .70.4  | 53.7        | 71.1      | 0                   | 0                  | 34.5   | 23,261                                    | 6,808                      |
| 8. 2018    | 462,298                                 | 19,172      | 443,125   | .66.8  | 55.3        | 67.5      | 0                   | 0                  | 34.5   | 30,722                                    | 8,955                      |
| 9. 2019    | 492,363                                 | 14,420      | 477,943   | .71.2  | 50.7        | 72.1      | 0                   | 0                  | 34.5   | 38,787                                    | 11,956                     |
| 10. 2020   | 562,892                                 | 21,079      | 541,813   | .74.5  | 92.2        | 73.9      | 0                   | 0                  | 34.5   | 78,560                                    | 21,611                     |
| 11. 2021   | 683,784                                 | 35,176      | 648,608   | .82.8  | 115.8       | 81.6      | 0                   | 0                  | 34.5   | 223,929                                   | 45,774                     |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX  | XXX         | XXX       | 0                   | 0                  | XXX  | 456,773                                   | 113,646                    |

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

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

**SCHEDULE P - PART 2 - SUMMARY**

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|                                     | 1<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 | 6<br>2017 | 7<br>2018 | 8<br>2019 | 9<br>2020 | 10<br>2021 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                            | 267,680  | 258,209   | 267,161   | 264,419   | 261,930   | 259,117   | 256,658   | 254,296   | 252,438   | 250,618    | (1,821)        | (3,679)        |
| 2. 2012                             | 380,785  | 378,470   | 396,695   | 398,564   | 397,174   | 392,859   | 390,568   | 389,830   | 388,546   | 388,219    | (326)          | (1,611)        |
| 3. 2013                             | XXX  | 352,031   | 348,420   | 354,885   | 355,346   | 354,285   | 350,827   | 349,383   | 347,422   | 345,546    | (1,876)        | (3,837)        |
| 4. 2014                             | XXX  | XXX       | 342,971   | 345,300   | 348,261   | 344,104   | 341,044   | 339,170   | 337,724   | 336,022    | (1,702)        | (3,148)        |
| 5. 2015                             | XXX  | XXX       | XXX       | 405,128   | 414,635   | 407,270   | 402,736   | 397,833   | 395,811   | 392,929    | (2,881)        | (4,903)        |
| 6. 2016                             | XXX  | XXX       | XXX       | XXX       | 445,217   | 439,220   | 432,360   | 430,139   | 428,922   | 425,332    | (3,590)        | (4,807)        |
| 7. 2017                             | XXX  | XXX       | XXX       | XXX       | XXX       | 469,622   | 450,039   | 444,082   | 442,785   | 437,297    | (5,489)        | (6,785)        |
| 8. 2018                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 420,523   | 407,388   | 400,904   | 397,245    | (3,659)        | (10,143)       |
| 9. 2019                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 439,282   | 435,184   | 428,562   | (6,622)    | (10,720)       |                |
| 10. 2020                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 487,661   | 493,067    | 5,405          | XXX            |
| 11. 2021                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 592,293   | XXX        | XXX            |                |
|                                     |  |           |           |           |           |           |           |           |           | 12. Totals | (22,560)       | (49,633)       |

**SCHEDULE P - PART 3 - SUMMARY**

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---|--|
|                                     | 1<br>2012   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 | 6<br>2017 | 7<br>2018 | 8<br>2019 | 9<br>2020 | 10<br>2021 |   |  |
| 1. Prior                            | 000   | 86,131    | 143,438   | 178,881   | 195,336   | 204,333   | 212,091   | 216,862   | 220,778   | 224,269    | XXX   | XXX  |
| 2. 2012                             | 182,959   | 266,048   | 311,445   | 344,422   | 364,033   | 372,095   | 377,810   | 381,235   | 382,863   | 383,299    | XXX   | XXX  |
| 3. 2013                             | XXX   | 161,544   | 240,102   | 283,380   | 309,676   | 326,467   | 333,807   | 337,328   | 338,877   | 339,906    | XXX   | XXX  |
| 4. 2014                             | XXX   | XXX       | 169,089   | 240,299   | 280,335   | 301,220   | 315,642   | 323,479   | 326,341   | 328,329    | XXX   | XXX  |
| 5. 2015                             | XXX   | XXX       | XXX       | 191,325   | 280,129   | 322,572   | 355,513   | 370,588   | 376,358   | 380,109    | XXX   | XXX  |
| 6. 2016                             | XXX   | XXX       | XXX       | XXX       | 199,589   | 295,425   | 346,652   | 378,752   | 398,435   | 407,367    | XXX   | XXX  |
| 7. 2017                             | XXX   | XXX       | XXX       | XXX       | XXX       | 212,172   | 316,077   | 357,459   | 388,554   | 408,899    | XXX   | XXX  |
| 8. 2018                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 213,380   | 305,241   | 336,190   | 359,810    | XXX   | XXX  |
| 9. 2019                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 251,730   | 349,277   | 381,490   | XXX        | XXX   |  |
| 10. 2020                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 288,465   | 400,056   | XXX        | XXX   |  |
| 11. 2021                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 345,531   | XXX        | XXX   |  |

**SCHEDULE P - PART 4 - SUMMARY**

| Years in Which Losses Were Incurred | BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |         | 10<br>2021 |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|------------|
|                                     | 1<br>2012   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 | 6<br>2017 | 7<br>2018 | 8<br>2019 | 9<br>2020 | 2021    |            |
| 1. Prior                            | 130,310   | 77,383    | 64,044    | 47,297    | 38,749    | 32,030    | 24,671    | 20,287    | 16,774    | 13,724  |            |
| 2. 2012                             | 98,565  | 53,537    | 39,397    | 23,240    | 17,644    | 12,243    | 7,865     | 5,311     | 3,650     | 2,906   |            |
| 3. 2013                             | XXX   | 98,842    | 59,065    | 32,874    | 22,845    | 15,903    | 9,935     | 7,453     | 5,677     | 3,061   |            |
| 4. 2014                             | XXX   | XXX       | 92,590    | 58,331    | 33,896    | 21,576    | 14,082    | 9,591     | 6,811     | 3,530   |            |
| 5. 2015                             | XXX   | XXX       | XXX       | 119,041   | 74,998    | 41,860    | 24,883    | 15,717    | 10,947    | 6,032   |            |
| 6. 2016                             | XXX   | XXX       | XXX       | XXX       | 137,822   | 83,296    | 44,354    | 28,162    | 16,418    | 8,679   |            |
| 7. 2017                             | XXX   | XXX       | XXX       | XXX       | XXX       | 135,708   | 76,578    | 46,619    | 28,979    | 12,744  |            |
| 8. 2018                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 97,591    | 56,557    | 29,537    | 15,394  |            |
| 9. 2019                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 88,340    | 42,784    | 19,299  |            |
| 10. 2020                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 88,944    | 38,151  |            |
| 11. 2021                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 118,779 |            |

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

| States, Etc.   | 1<br>Active Status<br>(a) | Gross Premiums, Including<br>Policy and Membership Fees,<br>Less Return Premiums and<br>Premiums on Policies Not<br>Taken |                                   | 4<br>Dividends<br>Paid or<br>Credited to<br>Policyholders<br>on Direct<br>Business | 5<br>Direct<br>Losses<br>Paid<br>(Deducting<br>Salvage) | 6<br>Direct<br>Losses<br>Incurred | 7<br>Direct<br>Losses<br>Unpaid | 8<br>Finance and<br>Service<br>Charges Not<br>Included in<br>Premiums | 9<br>Direct<br>Premiums<br>Written for<br>Federal<br>Purchasing<br>Groups<br>(Included in<br>Column 2) |
|--|---------------------------|---|-----------------------------------|--|---|-----------------------------------|---------------------------------|---|--|
|  |                           | 2<br>Direct<br>Premiums<br>Written  | 3<br>Direct<br>Premiums<br>Earned |  |   |                                   |                                 |   |  |
|  |                           |   |                                   |  |   |                                   |                                 |   |  |
| 1. Alabama   | AL                        | 15,955,579  | 12,144,575                        | 0  | 5,555,158   | 7,221,421                         | 5,999,909                       | 13,524  | 0  |
| 2. Alaska  | AK                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 3. Arizona   | AZ                        | 21,656,762  | 14,944,757                        | 0  | 7,108,043   | 12,175,081                        | 9,553,091                       | 13,994  | 0  |
| 4. Arkansas  | AR                        | 23,839,964  | 19,685,446                        | 0  | 8,751,743   | 10,912,100                        | 8,294,238                       | 29,302  | 0  |
| 5. California  | CA                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 6. Colorado  | CO                        | 14,012,995  | 10,971,191                        | 0  | 5,069,441   | 7,338,446                         | 6,366,909                       | 9,757   | 0  |
| 7. Connecticut   | CT                        | 31,669,718  | 27,706,967                        | 0  | 14,954,458  | 17,645,288                        | 12,295,971                      | 32,851  | 0  |
| 8. Delaware  | DE                        | 434,185   | 375,168                           | 0  | 76,929  | 99,643                            | 422,026                         | 158   | 0  |
| 9. District of Columbia  | DC                        | 344,305   | 347,969                           | 0  | (273,521)   | (356,107)                         | 412,230                         | 77  | 0  |
| 10. Florida  | FL                        | 457,729   | 435,240                           | 0  | 443,289   | 397,938                           | 466,651                         | 174   | 0  |
| 11. Georgia  | GA                        | 26,012,314  | 20,688,471                        | 0  | 9,214,918   | 19,558,432                        | 22,446,578                      | 21,471  | 0  |
| 12. Hawaii   | HI                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 13. Idaho  | ID                        | 0   | 0                                 | 0  | 0   | 29                                | (32)                            | 0   | 0  |
| 14. Illinois   | IL                        | 20,536,857  | 17,440,753                        | 0  | 11,691,384  | 13,838,547                        | 18,975,361                      | 13,460  | 0  |
| 15. Indiana  | IN                        | 21,089,076  | 19,117,350                        | 0  | 9,232,487   | 9,794,910                         | 12,998,134                      | 31,509  | 0  |
| 16. Iowa   | IA                        | 4,885,853   | 3,838,540                         | 2,912  | 2,447,239   | 7,548,294                         | 10,559,660                      | 3,152   | 0  |
| 17. Kansas   | KS                        | 33,817,152  | 30,294,769                        | 0  | 13,164,941  | 23,210,320                        | 15,185,780                      | 30,717  | 0  |
| 18. Kentucky   | KY                        | 20,550,396  | 18,863,021                        | 0  | 7,275,376   | 19,814,660                        | 21,579,002                      | 31,944  | 0  |
| 19. Louisiana  | LA                        | 0   | 0                                 | 0  | 0   | (200)                             | (38)                            | 0   | 0  |
| 20. Maine  | ME                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 21. Maryland   | MD                        | 27,090,241  | 25,644,875                        | 0  | 12,327,115  | 8,527,925                         | 17,310,985                      | 54,259  | 0  |
| 22. Massachusetts  | MA                        | 6,917,259   | 5,960,823                         | 0  | 1,125,732   | 3,484,328                         | 5,298,968                       | 9,946   | 0  |
| 23. Michigan   | MI                        | 23,389,992  | 22,036,959                        | 0  | 13,594,584  | 17,086,819                        | 55,877,485                      | 30,444  | 0  |
| 24. Minnesota  | MN                        | 19,983,531  | 15,424,895                        | 0  | 7,065,153   | 6,693,653                         | 7,897,114                       | 15,315  | 0  |
| 25. Mississippi  | MS                        | 17,867,542  | 14,199,663                        | 0  | 8,463,775   | 8,908,266                         | 8,186,389                       | 9,271   | 0  |
| 26. Missouri   | MO                        | 64,115,803  | 55,586,335                        | 0  | 30,546,413  | 39,049,075                        | 20,490,869                      | 37,962  | 0  |
| 27. Montana  | MT                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 28. Nebraska   | NE                        | 0   | 0                                 | 0  | 0   | (5)                               | 0                               | 0   | 0  |
| 29. Nevada   | NV                        | 135,808   | 18,524                            | 0  | 0   | 3,141                             | 3,141                           | 0   | 0  |
| 30. New Hampshire  | NH                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 31. New Jersey   | NJ                        | 0   | 0                                 | 0  | 0   | (30)                              | (6)                             | 0   | 0  |
| 32. New Mexico   | NM                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 33. New York   | NY                        | 0   | 0                                 | 0  | (124)   | (124)                             | 0                               | 0   | 0  |
| 34. North Carolina   | NC                        | 20,959,372  | 18,403,473                        | 0  | 10,438,205  | 12,117,603                        | 9,377,900                       | 22,681  | 0  |
| 35. North Dakota   | ND                        | 17,294,803  | 15,222,107                        | 0  | 8,149,803   | 8,944,521                         | 4,665,487                       | 12,004  | 0  |
| 36. Ohio   | OH                        | 72,729,616  | 72,884,543                        | 0  | 30,517,481  | 29,569,530                        | 41,174,344                      | 121,551   | 0  |
| 37. Oklahoma   | OK                        | 9,511,744   | 7,122,640                         | 0  | 3,243,554   | 4,772,161                         | 2,777,317                       | 1,175   | 0  |
| 38. Oregon   | OR                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 39. Pennsylvania   | PA                        | 27,085,456  | 23,731,822                        | 0  | 11,546,842  | 11,180,449                        | 18,160,029                      | 32,507  | 0  |
| 40. Rhode Island   | RI                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 41. South Carolina   | SC                        | 20,569,321  | 18,373,773                        | 0  | 8,877,932   | 9,576,689                         | 7,889,774                       | 44,536  | 0  |
| 42. South Dakota   | SD                        | 11,151,247  | 9,016,801                         | 0  | 4,631,417   | 8,092,001                         | 5,700,821                       | 5,172   | 0  |
| 43. Tennessee  | TN                        | 27,960,889  | 25,863,339                        | 0  | 12,028,969  | 12,153,498                        | 20,439,478                      | 29,408  | 0  |
| 44. Texas  | TX                        | 145,569,617   | 127,937,240                       | 0  | 74,394,253  | 108,347,088                       | 79,909,391                      | 89,579  | 0  |
| 45. Utah   | UT                        | 5,928,932   | 4,654,045                         | 0  | 1,574,819   | 3,374,018                         | 2,373,325                       | 6,963   | 0  |
| 46. Vermont  | VT                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 47. Virginia   | VA                        | 8,271,002   | 5,725,187                         | 0  | 3,204,753   | 4,681,958                         | 4,801,890                       | 6,519   | 0  |
| 48. Washington   | WA                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 49. West Virginia  | WV                        | 7,738,703   | 6,405,765                         | 0  | 3,053,725   | 3,233,844                         | 2,991,201                       | 10,075  | 0  |
| 50. Wisconsin  | WI                        | 6,402,096   | 5,344,110                         | 123,485  | 2,199,707   | 4,826,309                         | 4,473,187                       | 4,921   | 0  |
| 51. Wyoming  | WY                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 52. American Samoa   | AS                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 53. Guam   | GU                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 54. Puerto Rico  | PR                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 55. U.S. Virgin Islands  | VI                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 56. Northern Mariana Islands   | MP                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 57. Canada   | CAN                       | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 58. Aggregate other alien ..   | OT                        | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 59. Totals   | XXX                       | 775,935,857   | 676,411,138                       | 126,397  | 341,695,993   | 453,821,517                       | 465,354,560                     | 776,378   | 0  |
| DETAILS OF WRITE-INS   |                           |   |                                   |  |   |                                   |                                 |   |  |
| 58001.   | XXX                       |   |                                   |  |   |                                   |                                 |   |  |
| 58002.   | XXX                       |   |                                   |  |   |                                   |                                 |   |  |
| 58003.   | XXX                       |   |                                   |  |   |                                   |                                 |   |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX                       | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)  | XXX                       | 0   | 0                                 | 0  | 0   | 0                                 | 0                               | 0   | 0  |

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....50 R - Registered - Non-domiciled RRGs.....0  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....0 Q - Qualified - Qualified or accredited reinsurer.....1  
 D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state.....0 N - None of the above - Not allowed to write business in the state.....6

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

(b) Explanation of basis of allocation of premiums by states, etc.

Fire, Allied Lines, Farmowners Multi Peril, Commercial Multi Peril, Inland Marine, Earthquake, Burglary and Theft, Boiler and Machinery: Location of property

Workers' Compensation: Main place of work

Auto Liability, Auto Physical Damage: Principal garage location

Liability other than Auto: Location of risk

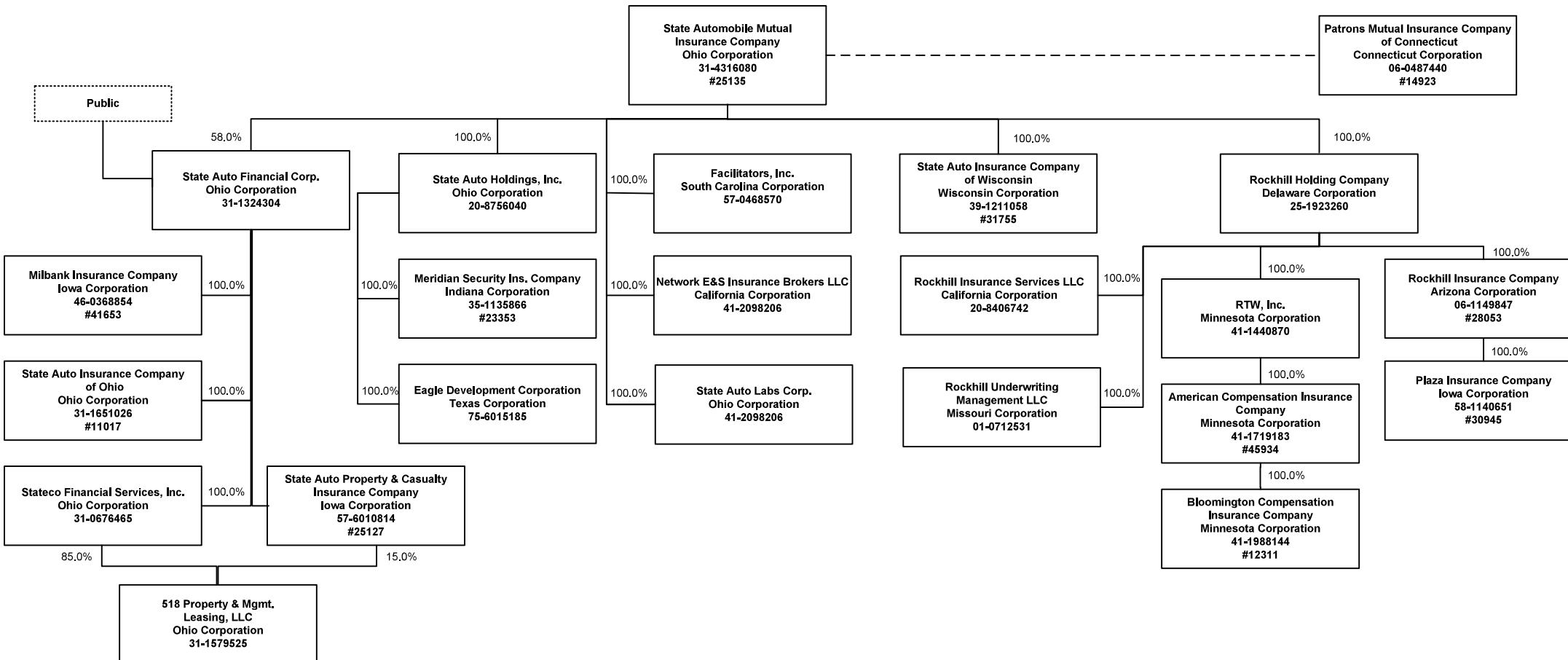
Fidelity: Location of insured

Other Accident and Health, Surety: Rating risk state

Ocean Marine: Location of policy negotiation

## ORGANIZATIONAL STRUCTURE OF STATE AUTO HOLDING COMPANY SYSTEM

As of December 31, 2021



ANNUAL STATEMENT FOR THE YEAR 2021 OF THE STATE AUTOMOBILE MUTUAL INSURANCE COMPANY  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

|   | Current Year |                         |   | Prior Year                  |
|---|--------------|-------------------------|---|-----------------------------|
|   | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 2504. Prepaid expenses .....  | 5,950,978    | 5,950,978               | 0   | 0                           |
| 2505. Advances .....  | 1,686        | 1,686                   | 0   | 0                           |
| 2506. Loss deductibles .....  | 90,600       | 0                       | 90,600                                    | 614,311                     |
| 2597. Summary of remaining write-ins for Line 25 from overflow page | 6,043,264    | 5,952,664               | 90,600                                    | 614,311                     |

Additional Write-ins for Liabilities Line 25

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 2504. Miscellaneous liabilities .....                               | 761,047           | 826,533         |
| 2505. Retroactive reinsurance reserves – ceded .....                | (2,530,107)       | (2,807,348)     |
| 2597. Summary of remaining write-ins for Line 25 from overflow page | (1,769,060)       | (1,980,815)     |

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

|   | 1<br>Current Year Total<br>Nonadmitted Assets | 2<br>Prior Year Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|---|---|---|
| 2504. Loss deductibles .....  | 0   | 68,357                                      | 68,357  |
| 2597. Summary of remaining write-ins for Line 25 from overflow page | 0   | 68,357                                      | 68,357  |