

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2009
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>07/01/1945</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY</u> <u>518 E. BROAD STREET</u> <u>COLUMBUS, OH 43215</u>	2b Employer Identification Number (EIN) <u>31-4316080</u> 2c Sponsor's telephone number <u>614-464-5000</u> 2d Business code (see instructions) <u>524150</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/29/2010</u>	<u>CYNTHIA A. POWELL, VP</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/29/2010</u>	<u>CYNTHIA A. POWELL, VP</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") STATE AUTOMOBILE MUTUAL INSURANCE COMPANY 518 E. BROAD STREET COLUMBUS, OH 43215	3b Administrator's EIN 31-4316080 3c Administrator's telephone number 614-464-5000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	4082
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1909
b Retired or separated participants receiving benefits.....	6b	1022
c Other retired or separated participants entitled to future benefits.....	6c	910
d Subtotal. Add lines 6a , 6b , and 6c	6d	3841
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	169
f Total. Add lines 6d and 6e	6f	4010
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	64

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☒ 1 **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	613435	0	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
576	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
USI SECURITIES INC 95 GLASTONBURY BLVD GLASTONBURY, CT 06033

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
576	0		3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	173329

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract e(5) from d)	7f	

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	
Specify nature of costs ▶		

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2009	
2 Assets:	
a Market value	2a 175016805
b Actuarial value	2b 192518486
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 1039 81662250
b For terminated vested participants	3b 881 26877336
c For active participants:	
(1) Non-vested benefits	3c(1) 4357599
(2) Vested benefits	3c(2) 102138095
(3) Total active	3c(3) 2162 106495694
d Total	3d 4082 215035280
4 If the plan is at-risk, check the box and complete items (a) and (b)	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 6.45 %
6 Target normal cost	6 10491415

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		05/27/2010
Signature of actuary		Date
DOUGLAS A. GIBBY		08-03371
Type or print name of actuary		Most recent enrollment number
THE HARTFORD		614-659-0116
Firm name		Telephone number (including area code)
40 VILLAGE POINTE DRIVE POWELL, OH 43065		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	20316659	
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	20316659	0
10	Interest on item 9 using prior year's actual return of <u>-17.93</u> %	-3642777	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		1383058
b	Interest on (a) using prior year's effective rate of <u>6.03</u> %		83398
c	Total available at beginning of current plan year to add to prefunding balance		1466456
d	Portion of (c) to be added to prefunding balance.....		1466456
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	16673882	1466456

Part III Funding percentages			
14	Funding target attainment percentage.....	14	80.91 %
15	Adjusted funding target attainment percentage.....	15	80.91 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	101.22 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/25/2009	5000000				
05/06/2009	5000000				
05/23/2009	1547328				
08/03/2009	5000000				
			Totals ►	18(b)	16547328
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 16152229
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.64 %	2nd segment: 6.40 %	3rd segment: 6.56 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			0
22 Weighted average retirement age	22			63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	10491415
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	28138981	4756107
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	15247522
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	15247522
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	16152229
38 Interest-adjusted excess contributions for current year (see instructions).....	38	904707
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CORTINA ASSET MANAGEMENT

56-2450074

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 51	FUND INVESTMENT MANAGER	100696	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

SILCHESTER

36-7045783

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	FUND INVESTMENT MANAGER	90422	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MONDRIAN

56-2475915

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	FUND INVESTMENT MANAGER	62485	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PANAGORA ASSET MANAGEMENT

04-3183235

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	FUND INVESTMENT MANAGER	44763	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

JPMORGAN CHASE BANK, N.A.

13-4994650

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 50	CUSTODIAN	0	Yes ☒ No ☐	Yes ☐ No ☒	23398	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
JPMORGAN CHASE BANK, N.A.	19 50	23398

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
J.P. MORGAN ASSET MANAGEMENT 245 PARK AVENUE NEW YORK, NY 10167	OTHER INVESTMENT FEES AND EXPENSES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	1129	1209537
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	992607	833020
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	17524687	3185393
(2) U.S. Government securities.....	1c(2)	65173947	65325214
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	14319166	13039528
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	54853710	93555751
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	173329
(15) Other	1c(15)	22452246	23303098

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	175317492	200624870

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	106292	117114
k Total liabilities (add all amounts in lines 1g through 1j)	1k	106292	117114

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	175211200	200507756
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	16547328	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		16547328

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3354527	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3354527

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	1333583	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1333583

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	21816703	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		21816703
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		241519
d Total income. Add all income amounts in column (b) and enter total.....	2d		43293660

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	19956382	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		19956382
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	324485	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		324485
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		20280867

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		23012793
l Transfers of assets:			
(1) To this plan.....	2l(1)		2283763
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLARK, SCHAEFER, HACKETT & COMPANY

(2) EIN: 31-0800053

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 0

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 60% Investment-Grade Debt: 39% High-Yield Debt: 0% Real Estate: 0% Other: 1%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Audited Financial Statements and Supplemental Schedules

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Years Ended December 31, 2009 and 2008
with Independent Auditors' Report



CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Audited Financial Statements and Supplemental Schedules

December 31, 2009 and 2008

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Independent Auditors' Report

Benefits Committee
State Auto Insurance Companies Employee Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the State Auto Insurance Companies Employee Retirement Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by JPMorgan Chase Bank, N.A., the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian held the Plan's investment assets and executed investment transactions from May 31, 2008 to December 31, 2009. The Plan administrator has obtained certifications from the custodian as of December 31, 2009 and 2008 for the period from May 31, 2008 to December 31, 2009, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules as of and for the year ended December 31, 2009 and 2008. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA.

Clark, Schaefer, Hackett + Co.

Columbus, Ohio
July 27, 2010

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Statements of Net Assets Available for Benefits

	December 31	
	<u>2009</u>	<u>2008</u>
Assets		
Cash.....	\$ 1,209,537	1,129
Investments, at fair value:		
U.S. treasury securities and U.S. government agencies	35,009,477	34,884,793
Corporate obligations	12,774,143	14,061,332
U.S. government agencies mortgage-backed securities	28,179,397	28,558,814
Equity securities	93,729,080	54,853,710
Limited partnerships.....	23,303,098	22,452,246
Short-term money market funds.....	2,994,375	17,067,373
<i>Total investments</i>	<u>195,989,570</u>	<u>171,878,268</u>
Accrued investment income	812,326	931,658
Assets held for Group Comprehensive Medical Insurance Plan for Employees		
(401(h) Account)	2,592,743	2,445,488
Accrued investment income (401(h) Account)	20,694	32,670
Receivable for securities	-	28,279
<i>Total assets</i>	<u>200,624,870</u>	<u>175,317,492</u>
Liabilities		
Amount due to Group Comprehensive Medical Insurance Plan for Employees		
(401(h) Account)	2,613,437	2,478,158
Payable for securities	20,981	-
Accrued liabilities	96,133	106,292
<i>Total liabilities</i>	<u>2,730,551</u>	<u>2,584,450</u>
Net assets available for benefits	<u>\$197,894,319</u>	<u>172,733,042</u>

See accompanying notes.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	<u>2009</u>	<u>2008</u>
Employer contributions	\$16,547,328	12,000,000
Investment income (loss):		
Interest and dividends.....	4,858,588	6,076,962
Net appreciation (depreciation) in fair value of investments	<u>21,752,467</u>	<u>(43,946,579)</u>
<i>Total investment income (loss)</i>	43,158,383	(37,869,617)
Administrative expenses	324,487	399,499
Benefits paid directly to participants and beneficiaries	<u>19,956,382</u>	<u>15,583,740</u>
<i>Total deductions</i>	20,280,869	15,983,239
<i>Net increase (decrease) before transfer</i>	22,877,514	(41,852,856)
Transfer of plan assets	<u>2,283,763</u>	<u>-</u>
<i>Net increase (decrease) after transfer.....</i>	25,161,277	(41,852,856)
<u>Net assets available for benefits:</u>		
Beginning of year	<u>172,733,042</u>	<u>214,585,898</u>
End of year	<u>\$197,894,319</u>	<u>172,733,042</u>

See accompanying notes.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

1. Description of the Plan

Organization

The State Auto Insurance Companies Employee Retirement Plan (the "Plan") was established in July 1945 to provide retirement benefits for the employees of State Automobile Mutual Insurance Company and its affiliates (the "Company").

The following description of the Plan provides only general information. Participants should refer to the Plan document for a complete description of the Plan.

General

The Plan is a defined benefit plan and covers substantially all employees of the Company. Participants are eligible to receive pension benefits upon reaching age 65 or early retirement if certain age and length of service requirements are met. Benefits are determined by applying factors specified in the Plan to a participant's defined average annual compensation and are recognized when paid. Benefits are normally in the form of life annuity for unmarried participants and joint and survivor annuity for married participants. Optional methods of determining benefits are also available. Participants become fully vested upon completion of five years of service.

The Company has the right to amend the Plan at any time. No amendment shall cause the assets of the Plan to be used for purposes other than for the benefit of the participants prior to satisfaction of all liabilities under the Plan, or to adversely affect any retirement benefit being received.

In 2009, the following amendments were made to the Plan:

- Amendment to merge the Retirement Plan for Employees of Patrons Mutual Insurance Company of Connecticut (the "Patrons Plan") with and into the Plan, effective January 1, 2009.
- Amendment to the Plan's normal retirement date to be the later of the completion of five years of service or the attainment of age 65 for employees hired on or after June 1, 2009.
- Amendment to provide Plan participants as of December 31, 2009 with an election to freeze future benefit accruals under the Plan and receive an employer contribution to the State Auto Insurance Companies Capital Accumulation Plan, a defined contribution plan, or maintain benefit accruals under the Plan effective July 1, 2010.
- Amendment to provide that employees hired on or after January 1, 2010 will not be eligible to participate in the Plan.

In 2008, the following amendment was made to the Plan:

- A one-time Rule of 85 Early Retirement Pension opportunity was offered to eligible Participants with an Early Retirement Date between February 1, 2009 and June 1, 2009.

Transfer of Plan Assets

In 2007, the Company acquired Patrons Insurance Group. Effective January 1, 2009, the former employees of Patrons Insurance Group became participants in the Plan and received credit for their participation and vesting service as measured under the terms of the Patrons Plan. Patrons Plan assets and accumulated plan benefits of \$2,283,763 and \$2,588,669, respectively, were transferred to the Plan in January 2009.

Funding Policy

Contributions are made by the Company in such amounts as have been actuarially determined (using the Pension Protection Act of 2006 Target Liability Method for 2009 and 2008). The Plan meets the minimum funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

401(h) Account

During 1990, a provision was made to the Plan to allow funding for future retiree health benefits under Section 401(h) of the Internal Revenue Code ("401(h) Account"). This provision allows an additional annual contribution to the Section 401(h) Account for medical benefits not to exceed certain limitations, as defined by the Internal Revenue Code. The assets related to the Section 401(h) Account are short-term investments and fixed maturities which are available only to pay retiree health and welfare benefits. There were no transfers between the 401(h) Account and the Plan for the years ended December 31, 2009 and 2008.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

Administrative Expenses

The Plan paid investment management fees of \$324,487 and \$399,499 for the years ended December 31, 2009 and 2008, respectively.

Plan Termination

While the Company has not expressed any intent to terminate the Plan or to discontinue contributions, it is free to do so at any time, subject to the provisions set forth by ERISA. Should the Plan be terminated at some future time, all participants become 100% vested in benefits earned as of the termination date.

If the termination is the result of the bankruptcy or near bankruptcy of the Company and the Plan's assets are not adequate to pay all benefits vested prior to the termination, the Pension Benefit Guaranty Corporation ("PBGC") will take over the Plan and will pay those benefits which it guarantees. In this case, some participants may receive a smaller benefit than if the Plan had continued. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits (as described in the Plan) and the level of benefits guaranteed by the PBGC at that time.

If, however, the Plan is terminated for any reason other than the bankruptcy or near bankruptcy of the Company and the Plan has insufficient assets, the Company will be required to pay to the Plan an amount which together with Plan assets will satisfy all benefits accumulated to the date of the Plan termination.

Upon termination, the assets of the Plan shall be allocated in the following order:

- a. to continue benefits to participants or beneficiaries who were in pay status as of the beginning of the three-year period ending on the termination date,
- b. to provide benefits to participants who would have been entitled to receive benefits if such participants had retired prior to the beginning of the three-year period ending on the termination date,
- c. to provide all other insured benefits guaranteed by the PBGC,
- d. to provide all other non-forfeitable benefits,
- e. to provide all other benefits, and
- f. to provide any remaining assets to the participating employer.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accounting records of the Plan are maintained in conformity with U.S. generally accepted accounting principles ("GAAP"). Certain items in the 2008 statement of net assets available for benefits have been reclassified to conform to the 2009 presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Valuation of Investments and Related Investment Income

Investments are stated at fair value. The Plan invests in fixed maturities, equity securities, limited partnerships and short-term money market funds. Fair value is defined as the price that would be received to sell an asset (exit price) regardless of whether an observable liquid market price exists. See Note 3 for discussion on fair value measurements. Security transactions are accounted for on the trade date. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 5) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries and are based on employees' average compensation amounts beginning on January 1, 1993. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Assets Held for Group Comprehensive Medical Insurance Plan for Employees

The assets for the Group Comprehensive Medical Insurance Plan for Employees ("Group Medical Plan"), a self-insured plan, represent investments that are held for the future benefit of the Group Medical Plan under a 401(h) Account. The investment income, contributions, distributions, gains and losses related to this account are reflected in the Group Medical Plan and not in the accompanying financial statements.

Adoption of New Accounting Pronouncements*Fair Value Measurements and Disclosures – Investments in Certain Entities That Calculate Net Asset Value per Share*

In September 2009, the Financial Accounting Standards Board ("FASB") issued new guidance on the fair value measurements and disclosures of investments in certain entities that calculate net asset value per share (or its equivalent). The new guidance, which is now part of the FASB ASC Topic Fair Value Measurements and Disclosures, permits, as a practical expedient, a reporting entity to estimate the fair value of an investment within its scope using net asset value per share of the investment (or its equivalent) without adjustment, as long as the net asset value is calculated as of the reporting entity's measurement date in a manner consistent with the measurement principles of FASB ASC Topic Financial Services – Investment Companies. The new guidance also requires certain disclosures about the attributes of investments measured at net asset value, such as the nature of any restrictions on the investor's ability to redeem its investment at the measurement date or any unfunded capital commitments. The new guidance was effective on a prospective basis for the first reporting period, including interim periods, ending after December 15, 2009. The Plan adopted this new guidance effective December 31, 2009, and determined it had no effect on the Plan's financial statements.

Accounting Standards Codification

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162* ("the Codification"). The Codification reorganized existing U.S. accounting and reporting standards issued by the FASB and other related private sector standard setters into a single source of authoritative accounting principles arranged by topic. The Codification supersedes all existing U.S. accounting standards; all other accounting literature not included in the Codification (other than Securities and Exchange Commission guidance for publicly-traded companies) is considered non-authoritative. The Codification was effective on a prospective basis for interim and annual reporting periods ending after September 15, 2009. The adoption of the Codification changed the Plan's references to U.S. GAAP accounting standards but did not impact the Plan's financial statements.

Subsequent Events

In May 2009, the FASB issued new guidance for accounting for subsequent events. The new guidance, which is now part of the FASB ASC Topic Subsequent Events, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Specifically, the new guidance sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements. The new guidance was effective on a prospective basis for interim or annual periods ending after June 15, 2009. The Plan adopted this new guidance effective December 31, 2009, and determined it had no effect on the Plan's financial statements. The disclosures required by this new guidance are provided in Note 10.

Additional Fair Value Measurement Guidance

In April 2009, the FASB issued new guidance for determining when a transaction is not orderly and for estimating fair value when there has been a significant decrease in the volume and level of activity for an asset or liability. The new guidance, which is now part of the FASB ASC Topic Fair Value Measurements and Disclosures, requires disclosure of the inputs and valuation techniques used, as well as any changes in valuation techniques and inputs used during the period, to measure fair value in interim and annual periods. In addition, the presentation of the fair value hierarchy is required to be presented by major security type as described in the FASB ASC Topic Investments – Debt and Equity Securities. The provisions of the new guidance were effective for interim periods ending after June 15, 2009. The Plan adopted this new guidance effective December 31, 2009, and determined it did not have a material effect on the Plan's financial statements.

Pending Adoption of New Accounting Pronouncements*Improving Disclosures about Fair Value Measurements*

In January 2010, the FASB issued guidance to improve the disclosures related to fair value measurements. The new guidance requires expanded fair value disclosures, including the reasons for significant transfers between Level 1 and Level 2 and the amount of significant transfers into each level disclosed separately from transfers out of each level. For Level 3 fair value measurements, information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements shall be presented separately on a gross basis, rather than as one net number. In addition, clarification is provided about existing disclosure requirements, such as presenting fair value measurement disclosures for each class of assets and liabilities that are

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

determined based on their nature and risk characteristics and their placement in the fair value hierarchy (that is, Level 1, 2, or 3), as opposed to each major category of assets and liabilities, as required in the previous guidance. Disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements will be required for fair value measurement that fall in either Level 2 or Level 3. The new guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures related to the gross presentation of purchases, sales, issuances and settlements for Level 3 fair value measurements, which are effective for reporting periods beginning after December 15, 2010. The expanded disclosures will be included in the Plan's financial statements effective December 31, 2010, except for the disclosures related to the gross Level 3 presentation, which will be included in the Plan's financial statements effective December 31, 2011.

3. Fair Value Measurements and Investments

Below is the fair value hierarchy that categorizes into three levels the inputs to valuation techniques that are used to measure fair value:

- Level 1 includes observable inputs which reflect quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 includes observable inputs for assets or liabilities other than quoted prices included in Level 1, and it includes valuation techniques which use prices for similar assets and liabilities.
- Level 3 includes unobservable inputs which reflect the reporting entity's estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The Plan utilizes one nationally recognized pricing service to estimate the majority of its available for sale investment portfolio's fair value. The Plan obtains one price per security and the processes and control procedures employed by the Plan are designed to ensure the value is accurately recorded on an unadjusted basis. Through discussions with the pricing service, the Plan gains an understanding of the methodologies used to price the different types of securities, that the data and the valuation methods utilized are appropriate and consistently applied, and that the assumptions are reasonable and representative of fair value. To validate the reasonableness of the valuations obtained from the pricing service, the Plan compares to other fair value pricing information gathered from other independent pricing sources. At December 31, 2009 and 2008, the Plan did not adjust any of the prices received from the pricing service.

The following sections describe the valuation methods used by the Plan for each type of financial instrument it holds that are carried at fair value:

Fixed Maturities

The Plan utilizes a pricing service to estimate fair value measurements for its fixed maturity securities (described in the Fair Value table below). The fair value estimates of these investments are determined by evaluations that are based on observable market information rather than market quotes. Inputs to the evaluations include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, interest rate yield curves, credit spreads, and other market-observable information. All unadjusted estimates of fair value for these investments priced by the pricing service are included in the amounts disclosed in Level 2 of the hierarchy.

Equity Securities

The fair value of each equity security is based on an observable market price for an identical asset in an active market and is priced by the same pricing service discussed above. All but one equity security are recorded using unadjusted market prices and have been disclosed in Level 1. The Plan holds one mutual fund with underlying investments in real estate, which is valued using the net asset value ("NAV") of the fund provided by the administrator of the mutual fund. The NAV is not a quoted price on an active market and is therefore classified in Level 3 of the fair value hierarchy.

Limited Partnerships

The Plan's limited partnerships are managed by third party investment managers. The limited partnerships fair value has been determined using the NAV per share of the investments. The Plan employs procedures to assess the reasonableness of the fair value of the limited partnerships including obtaining and reviewing each limited partnership's audited financial statements. There are no unfunded commitments related to the limited partnerships. The Plan may not sell its investment in the limited partnerships; however, the Plan may redeem all or a portion of its investment in the limited partnerships at NAV per share with the appropriate prior written notice. The FASB's new guidance related to fair value measurements and disclosures of investments in certain entities that classify the fair value measurements of the limited partnerships as a Level 2 within the hierarchy due to the Plan's ability to redeem its investment in the limited partnerships at NAV per share at the measurement date. The limited partnerships, which have historically been classified as a Level 3, were transferred out of Level 3 and into Level 2 as of December 31, 2009.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

Short-term Money Market Funds

The carrying value approximates fair value and has been disclosed in Level 1.

The table below summarizes the Plan's investments within the fair value hierarchy at December 31, 2009 and 2008:

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
At December 31, 2009:	Total			
Fixed maturities:				
U.S. treasury securities and U.S. government agencies	\$ 35,009,477	-	35,009,477	-
Corporate obligations	12,774,143	-	12,774,143	-
U.S. government agencies mortgage-backed securities	28,179,397	-	28,179,397	-
<i>Total fixed maturities</i>	<i>75,963,017</i>	<i>-</i>	<i>75,963,017</i>	<i>-</i>
Equity securities:			-	-
Large-cap equity securities	68,628,058	68,628,058	-	-
Small-cap equity securities	24,927,693	24,927,693	-	-
Other	173,329	-	-	173,329
<i>Total equity securities</i>	<i>93,729,080</i>	<i>93,555,751</i>	<i>-</i>	<i>173,329</i>
Limited partnerships	23,303,098	-	23,303,098	-
Short-term money market funds	2,994,375	2,994,375	-	-
<i>Total</i>	<i>\$195,989,570</i>	<i>96,550,126</i>	<i>99,266,115</i>	<i>173,329</i>

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
At December 31, 2008:	Total			
Fixed maturities:				
U.S. government and agency obligations	\$ 63,443,607	-	63,443,607	-
Corporate obligations	14,061,332	-	14,061,332	-
<i>Total fixed maturities</i>	<i>77,504,939</i>	<i>-</i>	<i>77,504,939</i>	<i>-</i>
Equity securities	54,853,710	54,853,710	-	-
Limited partnerships	22,452,246	-	-	22,452,246
Short-term money market funds	17,067,373	17,067,373	-	-
<i>Total</i>	<i>\$171,878,268</i>	<i>71,921,083</i>	<i>77,504,939</i>	<i>22,452,246</i>

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

For assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately for each major category of assets is as follows:

	Equity securities	Limited partnerships
Beginning balance, January 1, 2009	\$ -	22,452,246
Total gains or losses (realized/unrealized) included in changes in net assets	(81,854)	5,935,544
Purchases, sales, issuances and settlements	255,183	(5,084,692)
Transfers in and/or out of Level 3	-	(23,303,098)
Ending balance, December 31, 2009	<u>\$173,329</u>	<u>-</u>
The amount of total gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets still held at December 31, 2009	<u>\$ (81,854)</u>	<u>4,360,796</u>

	Limited partnerships
Beginning balance, January 1, 2008	\$33,601,721
Total gains or losses (realized/unrealized) included in changes in net assets	(11,057,760)
Purchases, sales, issuances and settlements	(91,715)
Transfers in and/or out of Level 3	-
Ending balance, December 31, 2008	<u>\$22,452,246</u>
The amount of total gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets still held at December 31, 2008	<u>\$(11,050,197)</u>

During 2009 and 2008, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	Year Ended	
	2009	2008
Level 1:		
Equity securities	\$14,301,945	(32,699,252)
Level 2:		
U.S. treasury securities and U.S. government agencies.....	1,476,694	(833,175)
U.S. government agencies mortgage-backed securities.....	(421,113)	964,613
Corporate obligations	541,251	(321,005)
Level 3:		
Equity securities	(81,854)	-
Limited partnerships	5,935,544	(11,057,760)
Total realized and unrealized appreciation (depreciation).....	<u>\$21,752,467</u>	<u>(43,946,579)</u>

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
Notes to the Financial Statements, Continued

The following investments, at fair value, represented 5% or more of assets available for benefits as of December 31, 2009 and 2008:

	December 31	
	2009	2008
Limited partnerships:		
Mondrian International Equity Fund, LP	\$11,017,738	N/A
International Equity Group Trust	12,285,360	N/A
Short-term money market funds:		
JPMorgan Prime Money Market Fund	N/A	17,067,373

4. Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements and supplemental schedules as of and for the years ended December 31, 2009 and 2008 was obtained from data that has been prepared and certified to as complete and accurate by the custodian from May 31, 2008 to December 31, 2009:

- Investments (except for limited partnerships and the Principal Real Estate Investment)
- Net appreciation (depreciation) in fair value of investments (except for limited partnerships and the Principal Real Estate Investment)
- Interest and dividend income (except for limited partnerships and the Principal Real Estate Investment)
- Assets held at the end of year (except for limited partnerships and the Principal Real Estate Investment)

5. Accumulated Plan Benefits

Calculations of the present value of the accumulated plan benefits were made by consulting actuaries as of January 1, 2009 and 2008. Significant assumptions underlying the actuarial computations for 2009 and 2008 include: (a) assumed rate of return on investments of 8%, (b) retirement rate based at retirement age from age 55 to 59 at a rate of 2%, age 60 to 61 at 10%, age 62 at 30%, age 63 to 64 at 20%, and age 65 at 100%, (c) assumed mortality rate based on the RP-2000 Combined Healthy Table for males and females, and (d) employee turnover based upon 75% Financial Institution Termination Study Table.

The risks and uncertainties inherent in the estimate of accumulated plan benefits include, but are not limited to, actual experience different from the estimated factors of rate of return on investments, retirement ages, mortality rates and employee turnover. The Plan's net assets available for benefits and changes in net assets available for benefits could be impacted, perhaps significantly, in the future if the ultimate accumulated plan benefits vary from the amount currently recorded.

	January 1	
	2009	2008
Actuarial present value of accumulated benefits:		
Vested:		
Participants currently receiving benefits	\$71,248,005	65,929,133
Other participants	98,605,031	93,084,453
<i>Total vested</i>	<u>169,853,036</u>	<u>159,013,586</u>
Non-vested	3,110,457	2,028,574
<i>Total actuarial present value of accumulated benefits</i>	<u>\$172,963,493</u>	<u>161,042,160</u>

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

The consulting actuaries have computed the components of the change in the actuarial present value of accumulated pension benefits between the valuation dates as follows:

	January 1	
	2009	2008
Actuarial present value of accumulated pension benefits as of		
January 1, 2008 and 2007, respectively	\$161,042,160	152,815,882
Increase (decrease) during the year attributable to:		
Pension benefits accumulated	12,656,381	9,345,392
Interest accumulated	12,260,023	11,712,025
Pension benefits paid	(15,583,740)	(12,831,139)
Plan amendment – merger of Patrons Plan	2,588,669	-
Actuarial present value of accumulated pension benefits as of		
January 1, 2009 and 2008, respectively.....	\$172,963,493	161,042,160

6. Federal Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 5, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

7. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009 and 2008:

	2009	2008
Net assets available for benefits per the financial statements.....	\$197,894,319	172,733,042
401(h) Account net assets included in Form 5500	2,613,437	2,478,158
Net assets available for benefits per the 5500.....	\$200,507,756	175,211,200

The net assets of the 401(h) Account included in the Form 5500 are not available to pay pension benefits but can be used to pay retiree health and welfare benefits.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

The following is a reconciliation of the individual captions in the changes in net assets per the financial statements to the Form 5500 for the years ended December 31, 2009 and 2008:

	Financial statements	401(h) Account	Form 5500
	2009		
Interest, dividends and other investment income	\$4,858,588	71,040	4,929,628
Net appreciation in fair value of investments.....	21,752,467	64,238	21,816,705
	2008		
Interest, dividends and other investment income	\$6,076,962	119,391	6,196,353
Net (depreciation) in fair value of investments	(43,946,579)	(40,806)	(43,987,385)

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Transactions with Parties-In-Interest

The Plan invests in corporate obligations and money markets managed by JP Morgan Chase, custodian of the Plan. The Plan also invests in one Corporate obligation issued by a subsidiary of the Company. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

10. Subsequent Events

The Plan evaluated events subsequent to the date of the financial statements through July 27, 2010, which represented the date the financial statements were available to be issued.

Supplemental Schedules

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2009

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)	(c)						(d)	(e)
U.S. treasury securities and U.S. government agencies									
	FEDERAL FARM CREDIT BANK	Due	05/28/2013	6.06	%	2,000,000	Par	\$2,213,820	\$2,256,920
	FEDERAL FARM CREDIT BANK	Due	04/15/2020	5.55	%	1,000,000	Par	1,000,000	990,310
	FEDERAL FARM CREDIT BANK	Due	12/16/2015	4.88	%	1,000,000	Par	990,610	1,077,500
	FEDERAL HOME LOAN BANK	Due	02/12/2010	4.00	%	1,000,000	Par	969,370	1,004,060
	FEDERAL HOME LOAN MTG CORP	Due	02/15/2011	6.13	%	1,000,000	Par	1,000,000	1,059,690
	FEDERAL HOME LOAN MTG CORP	Due	01/15/2012	5.75	%	2,000,000	Par	1,997,140	2,177,500
	FEDERAL NATIONAL MTG ASSN	Due	05/15/2010	4.13	%	1,000,000	Par	967,150	1,014,380
	FEDERAL NATIONAL MTG ASSN	Due	11/15/2011	5.38	%	1,000,000	Par	997,830	1,078,130
	FEDERAL NATIONAL MTG ASSN	Due	08/02/2012	5.00	%	500,000	Par	495,078	542,655
	FEDERAL NATIONAL MTG ASSN	Due	08/07/2018	5.24	%	500,000	Par	511,930	523,125
	US TREASURY	Due	01/15/2025	2.38	%	1,000,000	Par	1,060,470	1,210,110
	US TREASURY	Due	01/15/2026	2.00	%	2,000,000	Par	2,054,674	2,187,727
	US TREASURY	Due	01/15/2027	2.38	%	2,000,000	Par	2,057,021	2,256,133
	US TREASURY	Due	01/15/2028	1.75	%	1,000,000	Par	939,572	989,490
	US TREASURY	Due	07/15/2012	3.00	%	1,900,000	Par	2,241,230	2,456,104
	US TREASURY	Due	01/15/2014	2.00	%	1,000,000	Par	1,081,778	1,237,222
	US TREASURY	Due	07/15/2014	2.00	%	1,000,000	Par	1,060,167	1,214,950
	US TREASURY	Due	01/15/2016	2.00	%	2,500,000	Par	2,534,581	2,875,490
	US TREASURY	Due	04/15/2011	2.38	%	1,250,000	Par	1,291,613	1,401,615
	US TREASURY	Due	07/15/2016	2.50	%	2,500,000	Par	2,784,226	2,914,219
	US TREASURY	Due	01/15/2017	2.38	%	1,500,000	Par	1,534,303	1,736,704
	US TREASURY	Due	04/15/2012	2.00	%	500,000	Par	544,566	556,630
	US TREASURY	Due	07/15/2017	2.63	%	1,500,000	Par	1,570,201	1,720,656
	US TREASURY	Due	01/15/2018	1.63	%	500,000	Par	511,090	528,157
Total U.S. treasury securities and U.S. government agencies								\$32,408,420	\$35,009,477

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2009

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)	(c)						(d)	(e)
U.S. government agencies mortgage-backed securities									
FHLMC	Due	12/01/2021	5.00	%	1,233,390	Par	\$ 1,224,718	\$ 1,294,055	
FHLMC	Due	12/01/2014	4.00	%	933,587	Par	908,205	957,755	
FHLMC	Due	04/01/2024	4.50	%	2,542,952	Par	2,493,682	2,593,259	
FNMA	Due	10/01/2016	7.50	%	821,124	Par	868,339	876,136	
FNMA	Due	09/01/2014	5.50	%	712,464	Par	719,143	744,106	
FNMA	Due	11/01/2026	5.50	%	1,265,063	Par	1,252,017	1,335,732	
FNMA	Due	01/01/2020	5.00	%	769,404	Par	756,180	810,854	
GNMA	Due	01/15/2043	7.25	%	2,999,232	Par	3,062,965	3,111,750	
GNMA	Due	11/15/2033	6.00	%	885,949	Par	921,179	945,331	
GNMA	Due	05/15/2016	8.18	%	478,090	Par	515,441	492,644	
GNMA	Due	09/15/2039	5.90	%	2,323,434	Par	2,457,032	2,389,654	
GNMA	Due	04/15/2034	5.50	%	1,631,756	Par	1,624,107	1,720,301	
GNMA	Due	04/15/2048	6.55	%	1,065,855	Par	1,147,792	1,140,980	
GNMA	Due	11/15/2033	6.50	%	1,916,326	Par	2,031,306	2,082,866	
GNMA	Due	08/15/2040	6.25	%	2,274,537	Par	2,283,064	2,432,391	
GNMA	Due	12/15/2050	6.72	%	1,176,396	Par	1,204,335	1,253,771	
GNMA	Due	09/15/2013	6.25	%	2,320,000	Par	2,369,300	2,388,162	
GNMA	Due	08/15/2038	6.50	%	1,512,783	Par	1,578,022	1,609,650	
U.S. government agencies mortgage-backed securities							\$27,416,827	\$28,179,397	

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2009

Identity of issue, borrower, lessor or similar parties			Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares					Cost	Current value
(a)	(b)		(c)					(d)	(e)
Corporate obligations									
	AT&T INC	Due	02/01/2018	5.50	%	2,000,000	Par	\$2,000,000	\$2,086,840
*	BANK ONE CORP	Due	08/15/2010	10.00	%	1,000,000	Par	1,106,885	1,055,570
	CITIGROUP INC	Due	10/01/2010	7.25	%	1,000,000	Par	1,037,570	1,036,100
	COULEE MEDICAL FOUNDATION	Due	04/20/2036	6.50	%	334,000	Par	334,000	334,835
	GENERAL ELECTRIC CAPITAL CORP	Due	10/19/2012	5.25	%	1,000,000	Par	930,660	1,064,220
	GENERAL ELECTRIC CAPITAL CORP	Due	10/06/2017	5.50	%	1,500,000	Par	1,493,830	1,471,740
	GENERAL ELECTRIC CAPITAL CORP	Due	06/15/2012	6.00	%	1,000,000	Par	1,073,500	1,077,910
	IBM CORPORATION	Due	06/15/2013	7.50	%	1,000,000	Par	1,048,170	1,158,860
	NATIONSBANK CORP	Due	08/15/2015	7.75	%	2,000,000	Par	2,120,590	2,194,200
*	STATE AUTO FINANCIAL CORP	Due	11/15/2013	6.25	%	220,000	Par	178,200	215,978
	UNITED PARCEL SERVICE	Due	01/15/2018	5.50	%	1,000,000	Par	1,013,040	1,077,890
Total corporate obligations								\$12,336,445	\$12,774,143
Equity securities									
	AT&T INC			50,000	Shares			\$1,869,800	\$1,401,500
	ATMI INC			29,820	Shares			548,241	555,248
	AIR PRODUCTS & CHEMICALS INC			10,000	Shares			541,694	810,600
	AMERICAN EXPRESS COMPANY			10,000	Shares			341,038	405,200
	AMERICAN TOWER CORP			15,000	Shares			507,311	648,150
	AMERIGROUP CORPORATION			13,561	Shares			334,622	365,605
	APPLE INC			15,000	Shares			1,741,740	3,160,980
	ARENA RESOURCES INC			5,300	Shares			184,885	228,536
	ARKANSAS BEST CORP			10,786	Shares			342,170	317,432
	ATLAS ENERGY INC			8,100	Shares			193,573	244,134
	AUTOMATIC DATA PROCESSING			30,000	Shares			1,229,223	1,284,600
	BAKER HUGHES INC			20,000	Shares			1,024,707	809,600
	BROCADE COMMUNICATIONS			41,000	Shares			278,706	312,830
	CDC SOFTWARE			10,562	Shares			112,504	102,029
	CAMPBELL SOUP CO			20,000	Shares			649,883	676,000
	CARRIZO OIL & GAS INC			7,100	Shares			193,678	188,221
	CARTER'S INC			23,606	Shares			495,073	619,658
	CHEVRON CORP			20,000	Shares			1,476,819	1,539,800
	CHICO'S FAS, INC			33,900	Shares			363,255	476,295
	COLGATE PALMOLIVE CO			20,000	Shares			868,753	1,643,000
	COLUMBIA BANKING SYSTEM INC			16,118	Shares			232,743	260,789
	COMMVAULT SYSTEMS INC			22,886	Shares			348,151	542,398
	COMPLETE PROD SERVICES			18,300	Shares			194,669	237,900
	COMTECH TELECOMM CRP			10,973	Shares			355,392	384,494
	CON-WAY INC			5,300	Shares			162,373	185,023
	COPART INC			12,361	Shares			387,226	452,660

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

(a)	Identity of issue, borrower, lessor or similar parties (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares (c)	Cost (d)	Current value (e)
	DEERE & CO	20,000 Shares	936,436	1,081,800
	DEVON ENERGY CORP	15,000 Shares	940,302	1,102,500
	DOUBLE TAKE SOFTWARE INC	42,677 Shares	498,828	426,343
	DUFF & PHELPS CORP	18,900 Shares	332,013	345,114
	DUKE ENERGY CORP	25,000 Shares	396,842	430,250
	ECLIPSYS CORP	6,413 Shares	109,399	118,769
	EXELON CORP	10,000 Shares	501,221	488,700
	EXXON MOBIL CORPORATION	35,000 Shares	2,897,654	2,386,650
	FEDEX CORP	15,000 Shares	945,394	1,251,750
	FLUOR CORP	25,000 Shares	1,612,335	1,126,000
	GENERAL DYNAMICS	10,000 Shares	524,115	681,700
	GENERAL ELECTRIC CORP	65,000 Shares	1,296,400	983,450
	GENTIVA HEALTH SERVICE	10,649 Shares	251,703	287,629
	GOLDMAN SACHS	2,500 Shares	443,019	422,100
	GOOGLE INC	3,000 Shares	1,370,183	1,859,940
	GRAFTECH INTERNATIONAL LTD	33,900 Shares	432,084	527,145
	GRANITE CONSTRUCTION INC	7,900 Shares	247,391	265,914
	GREAT LAKES DREDGE & DOCK CO	23,910 Shares	154,123	154,937
	HCC INSURANCE HOLDINGS INC	7,931 Shares	184,409	221,830
	HMS HOLDINGS CORP	7,758 Shares	243,547	377,737
	HARRIS CORP	15,000 Shares	518,708	713,250
	HEWLETT PACKARD CO	25,000 Shares	1,176,983	1,287,750
	HOME BANCSHARES INC	13,460 Shares	283,009	323,982
	HOME DEPOT INC	30,000 Shares	504,149	867,900
	HONEYWELL INTL INC	20,000 Shares	1,159,446	784,000
	ICF INTERNATIONAL INC	15,920 Shares	412,270	426,656
	IBERIABANK CORP	6,300 Shares	289,528	339,003
	ITT INDUSTRIES INC	15,000 Shares	760,148	746,100
	INSTEEL INDUSTRIES INC	15,253 Shares	178,851	198,289
	INTEL CORP	35,000 Shares	864,147	714,000
	IBM CORPORATION	10,000 Shares	761,299	1,309,000
	JDA SOFTWARE GROUP INC	29,100 Shares	499,235	741,177
*	JP MORGAN CHASE & CO	25,000 Shares	926,600	1,041,750
	JOHNSON & JOHNSON	25,000 Shares	1,457,663	1,610,250
	KELLOGG CO	25,000 Shares	1,110,748	1,330,000
	KNOLOGY INC	40,752 Shares	428,909	445,012
	KORN/FERRY INTL	20,969 Shares	293,462	345,990
	LKQ CORP	22,391 Shares	350,969	438,640
	L3 COMMUNICATIONS HLDG	20,000 Shares	1,536,180	1,739,000

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
			(e)
LANDSTAR SYSTEM INC	7,850 Shares	301,609	304,345
LINCARE HOLDINGS INC	8,250 Shares	211,332	306,364
LOCKHEED MARTIN CORPORATION	20,000 Shares	1,126,422	1,507,000
LOWES COMPANIES INC	50,000 Shares	1,512,603	1,169,500
MARATHON OIL CORP	20,000 Shares	782,406	624,400
MARRIOTT INTERNATIONAL INC	20,217 Shares	631,765	550,913
MATRIX SERVICE COMPANY	22,078 Shares	305,848	235,131
MCDONALDS CORP	30,000 Shares	1,256,316	1,873,200
MEDCATH CORP	21,558 Shares	290,542	170,524
MEDNAX INC	7,184 Shares	370,918	431,830
MERCURY COMPUTER SYSTEMS INC	20,521 Shares	215,689	225,936
MICROS SYSTEMS INC	15,543 Shares	415,414	482,299
MICROSOFT CORP	60,000 Shares	934,427	1,828,800
MONOTYPE IMAGING HOLDINGS INC	42,456 Shares	391,411	383,378
MONRO MUFFLER BRAKE	7,176 Shares	176,778	239,965
MONSANTO CO	15,000 Shares	1,208,266	1,226,250
NCI INC	9,516 Shares	270,713	263,117
NANOMETRICS	7,000 Shares	63,143	79,310
NATIONAL-OILWELL VARCO INC	15,000 Shares	531,803	661,350
NEUTRAL TANDEM INC	19,230 Shares	461,114	437,484
NEWMONT MINING CORP	15,000 Shares	679,358	709,650
NEWPARK RESOURCES INC	60,147 Shares	200,603	254,422
NIKE INC - CL B	35,000 Shares	1,501,353	2,312,450
NORFOLK SOUTHERN CORP	15,000 Shares	792,719	786,300
NORTHROP GRUMMAN CORP	20,000 Shares	749,098	1,117,000
NXSTAGE MEDICAL INC	43,257 Shares	406,839	361,196
OLD DOMINION FREIGHT LINE INC	8,532 Shares	254,679	261,932
OLYMPIC STEEL INC	8,600 Shares	238,584	280,188
OMNICOM GROUP INC	30,000 Shares	1,071,788	1,174,500
ORION MARINE GROUP INC	24,663 Shares	420,917	519,403
PEPSICO INC	35,000 Shares	1,558,448	2,128,000
PLANTRONICS INC NEW	19,171 Shares	381,197	498,063
PROCTER & GAMBLE CO	30,000 Shares	1,422,753	1,818,900
PSYCHEMEDICS CORP	17,475 Shares	152,404	128,441
PSYCHIATRIC SOLUTIONS INC	14,454 Shares	365,803	305,558
QUALCOMM INC	25,000 Shares	1,120,272	1,156,500
QUALITY SYSTEMS INC	2,100 Shares	119,989	131,880
RIVERBED TECHNOLOGY INC	17,260 Shares	274,450	396,462
SANDRIDGE ENERGY INC	24,400 Shares	289,040	230,092

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
SCHLUMBERGER LTD	10,000 Shares	619,100	650,900
SHUTTERFLY INC	13,500 Shares	186,430	240,435
SIGNATURE BANK	11,142 Shares	330,489	355,430
SILICON LABS INC	2,899 Shares	129,761	140,254
SKECHERS USA INC	22,153 Shares	314,913	651,519
SKILLSOFT PLC	54,540 Shares	448,174	571,579
SMART BALANCE	27,761 Shares	183,934	166,566
SONOSITE INC	12,666 Shares	313,749	299,297
STANLEY WORKS	12,500 Shares	586,024	643,875
STAPLES INC	10,000 Shares	203,200	245,900
STATE STREET CORP	20,000 Shares	1,546,136	870,800
SUN HEALTHCARE GROUP INC	41,681 Shares	425,818	382,214
SUPERIOR WELL SERVICE	24,389 Shares	225,169	347,787
TARGET CORP	10,000 Shares	491,352	483,700
TEXAS INSTRUMENTS INC	40,000 Shares	741,400	1,042,400
TEXAS ROADHOUSE INC	18,115 Shares	190,246	203,431
THORATEC CORP	14,299 Shares	353,373	384,929
3M CO	10,000 Shares	764,354	826,700
TOWER GROUP INC	8,444 Shares	197,837	197,674
UNITED PARCEL SERVICE	20,000 Shares	1,480,417	1,147,400
UNITED TECHNOLOGIES CORP	25,000 Shares	1,233,359	1,735,250
VAIL RESORTS INC	7,149 Shares	259,951	270,232
VERIZON COMMUNICATIONS	60,000 Shares	1,757,108	1,987,800
VITACOST COM INC	20,100 Shares	212,406	209,442
VOCUS INC	18,300 Shares	273,780	329,400
WMS INDUSTRIES INC	16,938 Shares	609,221	677,520
WASTE MANAGEMENT INC	35,000 Shares	1,017,809	1,183,350
WEBSense INC	23,800 Shares	366,766	415,548
WHITING PETROLEUM	2,500 Shares	121,222	178,625
WILLBROS GROUP INC	13,673 Shares	172,248	230,663
ARGO GROUP INTL HOLDINGS LTD	9,966 Shares	340,063	290,409
TRANSOCEAN LTD	10,000 Shares	755,645	828,000
PRINCIPAL REAL ESTATE INV	494 Shares	255,183	173,329
Total equity securities		\$83,373,382	\$93,729,080

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2009

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)	(c)						(d)	(e)
Limited partnerships									
	INTERNATIONAL EQUITY GROUP TRUST	211,225	Shares					\$12,267,090	\$12,285,360
	MONDRIAN INTL EQUITY FUND	495,026	Shares					12,493,811	11,017,738
Total limited partnerships								\$24,760,901	\$23,303,098
Short-term money market funds									
*	JP MORGAN PRIME MONEY MARKET FD	2,994,375	Par					\$2,994,375	\$2,994,375
Total investments								\$183,286,331	\$195,989,570
401(h) Account									
	FEDERAL NATIONAL MTG ASSN	Due	08/25/2014	3.50	%	250,000	Par	\$250,000	\$251,797
	US TREASURY	Due	07/15/2012	3.00	%	100,000	Par	117,959	129,268
	US TREASURY	Due	01/15/2014	2.00	%	250,000	Par	287,456	309,306
	US TREASURY	Due	04/15/2011	2.38	%	250,000	Par	257,278	280,323
	US TREASURY	Due	12/15/2011	1.13	%	250,000	Par	250,000	250,087
	US TREASURY	Due	08/31/2011	1.00	%	300,000	Par	300,563	300,153
	FEDERAL FARM CREDIT BANK	Due	02/04/2013	2.15	%	250,000	Par	249,813	251,328
	FEDERAL FARM CREDIT BANK	Due	03/14/2012	4.50	%	50,000	Par	50,463	53,297
	FEDERAL FARM CREDIT BANK	Due	04/19/2010	4.50	%	100,000	Par	100,070	101,281
	FEDERAL HOME LOAN BANK	Due	07/20/2017	6.00	%	100,000	Par	100,000	102,906
	FEDERAL HOME LOAN BANK	Due	09/27/2013	4.11	%	100,000	Par	103,995	106,594
	GENERAL ELECTRIC CORP	Due	12/06/2017	5.25	%	100,000	Par	100,000	102,186
	PROCTER & GAMBLE CO	Due	08/15/2014	4.95	%	150,000	Par	144,675	163,199
*	JP MORGAN PRIME MONEY MARKET FD	Due	01/01/2010	0.07	%	191,018	Par	191,018	191,018
Total 401(h) Account								\$2,503,290	\$2,592,743

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2009

Identity of party involved (a)	Description of assets (b)	Purchase price (c)	Selling price (d)	Cost of asset (e)	Value of asset on transaction date (h)	Net loss (i)
Category (i) – Single transaction in excess of 5% of plan assets						
Limited partnership						
PGT SMALL CAP CORE FUND	726,140.82 shares	\$ -	\$9,978,807	\$14,000,000	\$9,978,807	\$(4,021,193)
Category (iii) - Series of transactions in excess of 5% of plan assets						
Short-term money market funds						
* JP Morgan Prime money market fund	53,692,972 units; 231 transactions	\$53,692,972	\$ -	\$53,692,972	\$53,692,972	\$ -
* JP Morgan Prime money market fund	68,040,265 units; transactions	\$ -	\$68,040,265	\$68,040,265	\$68,040,265	\$ -

Notes:

There were no category (ii), or (iv) transactions during the year ended December 31, 2009.

* Denotes party-in-interest.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4j – Schedule of Reportable Transaction
For the Year Ended December 31, 2009

Identity of party involved (a)	Description of assets (b)	Purchase price (c)	Selling price (d)	Cost of asset (e)	Value of asset on transaction date (f)	Net loss (g)
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Category (i) – Single transaction in excess of 5% of plan assets

Limited partnership

PGT SMALL CAP CORE FUND	726,140.82 shares	\$ -	\$9,978,807	\$14,000,000	\$9,978,807	\$ (4,021,193)
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Notes:

There were no category (ii), (iii) or (iv) transactions during the year ended December 31, 2009.
Rental expense and expenses incurred with transactions are not applicable.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)						(d)	(e)
U.S. treasury securities and U.S. government agencies								
FEDERAL FARM CREDIT BANK	Due	05/28/2013	6.06	%	2,000,000	Par	\$2,213,820	\$2,256,920
FEDERAL FARM CREDIT BANK	Due	04/15/2020	5.55	%	1,000,000	Par	1,000,000	990,310
FEDERAL FARM CREDIT BANK	Due	12/16/2015	4.88	%	1,000,000	Par	990,610	1,077,500
FEDERAL HOME LOAN BANK	Due	02/12/2010	4.00	%	1,000,000	Par	969,370	1,004,060
FEDERAL HOME LOAN MTG CORP	Due	02/15/2011	6.13	%	1,000,000	Par	1,000,000	1,059,690
FEDERAL HOME LOAN MTG CORP	Due	01/15/2012	5.75	%	2,000,000	Par	1,997,140	2,177,500
FEDERAL NATIONAL MTG ASSN	Due	05/15/2010	4.13	%	1,000,000	Par	967,150	1,014,380
FEDERAL NATIONAL MTG ASSN	Due	11/15/2011	5.38	%	1,000,000	Par	997,830	1,078,130
FEDERAL NATIONAL MTG ASSN	Due	08/02/2012	5.00	%	500,000	Par	495,078	542,655
FEDERAL NATIONAL MTG ASSN	Due	08/07/2018	5.24	%	500,000	Par	511,930	523,125
US TREASURY	Due	01/15/2025	2.38	%	1,000,000	Par	1,060,470	1,210,110
US TREASURY	Due	01/15/2026	2.00	%	2,000,000	Par	2,054,674	2,187,727
US TREASURY	Due	01/15/2027	2.38	%	2,000,000	Par	2,057,021	2,256,133
US TREASURY	Due	01/15/2028	1.75	%	1,000,000	Par	939,572	989,490
US TREASURY	Due	07/15/2012	3.00	%	1,900,000	Par	2,241,230	2,456,104
US TREASURY	Due	01/15/2014	2.00	%	1,000,000	Par	1,081,778	1,237,222
US TREASURY	Due	07/15/2014	2.00	%	1,000,000	Par	1,060,167	1,214,950
US TREASURY	Due	01/15/2016	2.00	%	2,500,000	Par	2,534,581	2,875,490
US TREASURY	Due	04/15/2011	2.38	%	1,250,000	Par	1,291,613	1,401,615
US TREASURY	Due	07/15/2016	2.50	%	2,500,000	Par	2,784,226	2,914,219
US TREASURY	Due	01/15/2017	2.38	%	1,500,000	Par	1,534,303	1,736,704
US TREASURY	Due	04/15/2012	2.00	%	500,000	Par	544,566	556,630
US TREASURY	Due	07/15/2017	2.63	%	1,500,000	Par	1,570,201	1,720,656
US TREASURY	Due	01/15/2018	1.63	%	500,000	Par	511,090	528,157
Total U.S. treasury securities and U.S. government agencies							\$32,408,420	\$35,009,477

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)						(d)	(e)
U.S. government agencies mortgage-backed securities								
FHLMC	Due	12/01/2021	5.00	%	1,233,390	Par	\$ 1,224,718	\$ 1,294,055
FHLMC	Due	12/01/2014	4.00	%	933,587	Par	908,205	957,755
FHLMC	Due	04/01/2024	4.50	%	2,542,952	Par	2,493,682	2,593,259
FNMA	Due	10/01/2016	7.50	%	821,124	Par	868,339	876,136
FNMA	Due	09/01/2014	5.50	%	712,464	Par	719,143	744,106
FNMA	Due	11/01/2026	5.50	%	1,265,063	Par	1,252,017	1,335,732
FNMA	Due	01/01/2020	5.00	%	769,404	Par	756,180	810,854
GNMA	Due	01/15/2043	7.25	%	2,999,232	Par	3,062,965	3,111,750
GNMA	Due	11/15/2033	6.00	%	885,949	Par	921,179	945,331
GNMA	Due	05/15/2016	8.18	%	478,090	Par	515,441	492,644
GNMA	Due	09/15/2039	5.90	%	2,323,434	Par	2,457,032	2,389,654
GNMA	Due	04/15/2034	5.50	%	1,631,756	Par	1,624,107	1,720,301
GNMA	Due	04/15/2048	6.55	%	1,065,855	Par	1,147,792	1,140,980
GNMA	Due	11/15/2033	6.50	%	1,916,326	Par	2,031,306	2,082,866
GNMA	Due	08/15/2040	6.25	%	2,274,537	Par	2,283,064	2,432,391
GNMA	Due	12/15/2050	6.72	%	1,176,396	Par	1,204,335	1,253,771
GNMA	Due	09/15/2013	6.25	%	2,320,000	Par	2,369,300	2,388,162
GNMA	Due	08/15/2038	6.50	%	1,512,783	Par	1,578,022	1,609,650
U.S. government agencies mortgage-backed securities							\$27,416,827	\$28,179,397

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

Identity of issue, borrower, lessor or similar parties			Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares					Cost	Current value
(a)	(b)		(c)					(d)	(e)
Corporate obligations									
	AT&T INC	Due	02/01/2018	5.50	%	2,000,000	Par	\$2,000,000	\$2,086,840
*	BANK ONE CORP	Due	08/15/2010	10.00	%	1,000,000	Par	1,106,885	1,055,570
	CITIGROUP INC	Due	10/01/2010	7.25	%	1,000,000	Par	1,037,570	1,036,100
	COULEE MEDICAL FOUNDATION	Due	04/20/2036	6.50	%	334,000	Par	334,000	334,835
	GENERAL ELECTRIC CAPITAL CORP	Due	10/19/2012	5.25	%	1,000,000	Par	930,660	1,064,220
	GENERAL ELECTRIC CAPITAL CORP	Due	10/06/2017	5.50	%	1,500,000	Par	1,493,830	1,471,740
	GENERAL ELECTRIC CAPITAL CORP	Due	06/15/2012	6.00	%	1,000,000	Par	1,073,500	1,077,910
	IBM CORPORATION	Due	06/15/2013	7.50	%	1,000,000	Par	1,048,170	1,158,860
	NATIONSBANK CORP	Due	08/15/2015	7.75	%	2,000,000	Par	2,120,590	2,194,200
*	STATE AUTO FINANCIAL CORP	Due	11/15/2013	6.25	%	220,000	Par	178,200	215,978
	UNITED PARCEL SERVICE	Due	01/15/2018	5.50	%	1,000,000	Par	1,013,040	1,077,890
Total corporate obligations								<u>\$12,336,445</u>	<u>\$12,774,143</u>
Equity securities									
	AT&T INC			50,000	Shares			\$1,869,800	\$1,401,500
	ATMI INC			29,820	Shares			548,241	555,248
	AIR PRODUCTS & CHEMICALS INC			10,000	Shares			541,694	810,600
	AMERICAN EXPRESS COMPANY			10,000	Shares			341,038	405,200
	AMERICAN TOWER CORP			15,000	Shares			507,311	648,150
	AMERIGROUP CORPORATION			13,561	Shares			334,622	365,605
	APPLE INC			15,000	Shares			1,741,740	3,160,980
	ARENA RESOURCES INC			5,300	Shares			184,885	228,536
	ARKANSAS BEST CORP			10,786	Shares			342,170	317,432
	ATLAS ENERGY INC			8,100	Shares			193,573	244,134
	AUTOMATIC DATA PROCESSING			30,000	Shares			1,229,223	1,284,600
	BAKER HUGHES INC			20,000	Shares			1,024,707	809,600
	BROCADE COMMUNICATIONS			41,000	Shares			278,706	312,830
	CDC SOFTWARE			10,562	Shares			112,504	102,029
	CAMPBELL SOUP CO			20,000	Shares			649,883	676,000
	CARRIZO OIL & GAS INC			7,100	Shares			193,678	188,221
	CARTER'S INC			23,606	Shares			495,073	619,658
	CHEVRON CORP			20,000	Shares			1,476,819	1,539,800
	CHICO'S FAS, INC			33,900	Shares			363,255	476,295
	COLGATE PALMOLIVE CO			20,000	Shares			868,753	1,643,000
	COLUMBIA BANKING SYSTEM INC			16,118	Shares			232,743	260,789
	COMMAVULT SYSTEMS INC			22,886	Shares			348,151	542,398
	COMPLETE PROD SERVICES			18,300	Shares			194,669	237,900
	COMTECH TELECOMM CRP			10,973	Shares			355,392	384,494
	CON-WAY INC			5,300	Shares			162,373	185,023
	COPART INC			12,361	Shares			387,226	452,660

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
			(e)
DEERE & CO	20,000 Shares	936,436	1,081,800
DEVON ENERGY CORP	15,000 Shares	940,302	1,102,500
DOUBLE TAKE SOFTWARE INC	42,677 Shares	498,828	426,343
DUFF & PHELPS CORP	18,900 Shares	332,013	345,114
DUKE ENERGY CORP	25,000 Shares	396,842	430,250
ECLIPSYS CORP	6,413 Shares	109,399	118,769
EXELON CORP	10,000 Shares	501,221	488,700
EXXON MOBIL CORPORATION	35,000 Shares	2,897,654	2,386,650
FEDEX CORP	15,000 Shares	945,394	1,251,750
FLUOR CORP	25,000 Shares	1,612,335	1,126,000
GENERAL DYNAMICS	10,000 Shares	524,115	681,700
GENERAL ELECTRIC CORP	65,000 Shares	1,296,400	983,450
GENTIVA HEALTH SERVICE	10,649 Shares	251,703	287,629
GOLDMAN SACHS	2,500 Shares	443,019	422,100
GOOGLE INC	3,000 Shares	1,370,183	1,859,940
GRAFTECH INTERNATIONAL LTD	33,900 Shares	432,084	527,145
GRANITE CONSTRUCTION INC	7,900 Shares	247,391	265,914
GREAT LAKES DREDGE & DOCK CO	23,910 Shares	154,123	154,937
HCC INSURANCE HOLDINGS INC	7,931 Shares	184,409	221,830
HMS HOLDINGS CORP	7,758 Shares	243,547	377,737
HARRIS CORP	15,000 Shares	518,708	713,250
HEWLETT PACKARD CO	25,000 Shares	1,176,983	1,287,750
HOME BANCSHARES INC	13,460 Shares	283,009	323,982
HOME DEPOT INC	30,000 Shares	504,149	867,900
HONEYWELL INTL INC	20,000 Shares	1,159,446	784,000
ICF INTERNATIONAL INC	15,920 Shares	412,270	426,656
IBERIABANK CORP	6,300 Shares	289,528	339,003
ITT INDUSTRIES INC	15,000 Shares	760,148	746,100
INSTEEL INDUSTRIES INC	15,253 Shares	178,851	198,289
INTEL CORP	35,000 Shares	864,147	714,000
IBM CORPORATION	10,000 Shares	761,299	1,309,000
JDA SOFTWARE GROUP INC	29,100 Shares	499,235	741,177
* JP MORGAN CHASE & CO	25,000 Shares	926,600	1,041,750
JOHNSON & JOHNSON	25,000 Shares	1,457,663	1,610,250
KELLOGG CO	25,000 Shares	1,110,748	1,330,000
KNOLOGY INC	40,752 Shares	428,909	445,012
KORN/FERRY INTL	20,969 Shares	293,462	345,990
LKQ CORP	22,391 Shares	350,969	438,640
L3 COMMUNICATIONS HLDG	20,000 Shares	1,536,180	1,739,000

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
LANDSTAR SYSTEM INC	7,850 Shares	301,609	304,345
LINCARE HOLDINGS INC	8,250 Shares	211,332	306,364
LOCKHEED MARTIN CORPORATION	20,000 Shares	1,126,422	1,507,000
LOWES COMPANIES INC	50,000 Shares	1,512,603	1,169,500
MARATHON OIL CORP	20,000 Shares	782,406	624,400
MARRIOTT INTERNATIONAL INC	20,217 Shares	631,765	550,913
MATRIX SERVICE COMPANY	22,078 Shares	305,848	235,131
MCDONALDS CORP	30,000 Shares	1,256,316	1,873,200
MEDCATH CORP	21,558 Shares	290,542	170,524
MEDNAX INC	7,184 Shares	370,918	431,830
MERCURY COMPUTER SYSTEMS INC	20,521 Shares	215,689	225,936
MICROS SYSTEMS INC	15,543 Shares	415,414	482,299
MICROSOFT CORP	60,000 Shares	934,427	1,828,800
MONOTYPE IMAGING HOLDINGS INC	42,456 Shares	391,411	383,378
MONRO MUFFLER BRAKE	7,176 Shares	176,778	239,965
MONSANTO CO	15,000 Shares	1,208,266	1,226,250
NCI INC	9,516 Shares	270,713	263,117
NANOMETRICS	7,000 Shares	63,143	79,310
NATIONAL-OILWELL VARCO INC	15,000 Shares	531,803	661,350
NEUTRAL TANDEM INC	19,230 Shares	461,114	437,484
NEWMONT MINING CORP	15,000 Shares	679,358	709,650
NEWPARK RESOURCES INC	60,147 Shares	200,603	254,422
NIKE INC - CL B	35,000 Shares	1,501,353	2,312,450
NORFOLK SOUTHERN CORP	15,000 Shares	792,719	786,300
NORTHROP GRUMMAN CORP	20,000 Shares	749,098	1,117,000
NXSTAGE MEDICAL INC	43,257 Shares	406,839	361,196
OLD DOMINION FREIGHT LINE INC	8,532 Shares	254,679	261,932
OLYMPIC STEEL INC	8,600 Shares	238,584	280,188
OMNICOM GROUP INC	30,000 Shares	1,071,788	1,174,500
ORION MARINE GROUP INC	24,663 Shares	420,917	519,403
PEPSICO INC	35,000 Shares	1,558,448	2,128,000
PLANTRONICS INC NEW	19,171 Shares	381,197	498,063
PROCTER & GAMBLE CO	30,000 Shares	1,422,753	1,818,900
PSYCHEMEDICS CORP	17,475 Shares	152,404	128,441
PSYCHIATRIC SOLUTIONS INC	14,454 Shares	365,803	305,558
QUALCOMM INC	25,000 Shares	1,120,272	1,156,500
QUALITY SYSTEMS INC	2,100 Shares	119,989	131,880
RIVERBED TECHNOLOGY INC	17,260 Shares	274,450	396,462
SANDRIDGE ENERGY INC	24,400 Shares	289,040	230,092

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
SCHLUMBERGER LTD	10,000 Shares	619,100	650,900
SHUTTERFLY INC	13,500 Shares	186,430	240,435
SIGNATURE BANK	11,142 Shares	330,489	355,430
SILICON LABS INC	2,899 Shares	129,761	140,254
SKECHERS USA INC	22,153 Shares	314,913	651,519
SKILLSOFT PLC	54,540 Shares	448,174	571,579
SMART BALANCE	27,761 Shares	183,934	166,566
SONOSITE INC	12,666 Shares	313,749	299,297
STANLEY WORKS	12,500 Shares	586,024	643,875
STAPLES INC	10,000 Shares	203,200	245,900
STATE STREET CORP	20,000 Shares	1,546,136	870,800
SUN HEALTHCARE GROUP INC	41,681 Shares	425,818	382,214
SUPERIOR WELL SERVICE	24,389 Shares	225,169	347,787
TARGET CORP	10,000 Shares	491,352	483,700
TEXAS INSTRUMENTS INC	40,000 Shares	741,400	1,042,400
TEXAS ROADHOUSE INC	18,115 Shares	190,246	203,431
THORATEC CORP	14,299 Shares	353,373	384,929
3M CO	10,000 Shares	764,354	826,700
TOWER GROUP INC	8,444 Shares	197,837	197,674
UNITED PARCEL SERVICE	20,000 Shares	1,480,417	1,147,400
UNITED TECHNOLOGIES CORP	25,000 Shares	1,233,359	1,735,250
VAIL RESORTS INC	7,149 Shares	259,951	270,232
VERIZON COMMUNICATIONS	60,000 Shares	1,757,108	1,987,800
VITACOST COM INC	20,100 Shares	212,406	209,442
VOCUS INC	18,300 Shares	273,780	329,400
WMS INDUSTRIES INC	16,938 Shares	609,221	677,520
WASTE MANAGEMENT INC	35,000 Shares	1,017,809	1,183,350
WEBSense INC	23,800 Shares	366,766	415,548
WHITING PETROLEUM	2,500 Shares	121,222	178,625
WILLBROS GROUP INC	13,673 Shares	172,248	230,663
ARGO GROUP INTL HOLDINGS LTD	9,966 Shares	340,063	290,409
TRANSOCEAN LTD	10,000 Shares	755,645	828,000
PRINCIPAL REAL ESTATE INV	494 Shares	255,183	173,329
Total equity securities		\$83,373,382	\$93,729,080

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2009

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)	(c)						(d)	(e)
Limited partnerships									
	INTERNATIONAL EQUITY GROUP TRUST	211,225	Shares					\$12,267,090	\$12,285,360
	MONDRIAN INTL EQUITY FUND	495,026	Shares					12,493,811	11,017,738
Total limited partnerships								\$24,760,901	\$23,303,098
Short-term money market funds									
*	JP MORGAN PRIME MONEY MARKET FD	2,994,375	Par					\$2,994,375	\$2,994,375
Total investments								\$183,286,331	\$195,989,570
401(h) Account									
	FEDERAL NATIONAL MTG ASSN	Due	08/25/2014	3.50	%	250,000	Par	\$250,000	\$251,797
	US TREASURY	Due	07/15/2012	3.00	%	100,000	Par	117,959	129,268
	US TREASURY	Due	01/15/2014	2.00	%	250,000	Par	287,456	309,306
	US TREASURY	Due	04/15/2011	2.38	%	250,000	Par	257,278	280,323
	US TREASURY	Due	12/15/2011	1.13	%	250,000	Par	250,000	250,087
	US TREASURY	Due	08/31/2011	1.00	%	300,000	Par	300,563	300,153
	FEDERAL FARM CREDIT BANK	Due	02/04/2013	2.15	%	250,000	Par	249,813	251,328
	FEDERAL FARM CREDIT BANK	Due	03/14/2012	4.50	%	50,000	Par	50,463	53,297
	FEDERAL FARM CREDIT BANK	Due	04/19/2010	4.50	%	100,000	Par	100,070	101,281
	FEDERAL HOME LOAN BANK	Due	07/20/2017	6.00	%	100,000	Par	100,000	102,906
	FEDERAL HOME LOAN BANK	Due	09/27/2013	4.11	%	100,000	Par	103,995	106,594
	GENERAL ELECTRIC CORP	Due	12/06/2017	5.25	%	100,000	Par	100,000	102,186
	PROCTER & GAMBLE CO	Due	08/15/2014	4.95	%	150,000	Par	144,675	163,199
*	JP MORGAN PRIME MONEY MARKET FD	Due	01/01/2010	0.07	%	191,018	Par	191,018	191,018
Total 401(h) Account								\$2,503,290	\$2,592,743

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and the Principal Real Estate Investment).

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

1. Schedule SB, Line 19 – Discounted Employer Contribution

Effective Interest Rate: 6.45%

Date	Amount	Amount Discounted To 01/01/2009
03/25/2009	\$ 5,000,000	\$ 4,929,435
05/06/2009	5,000,000	4,894,108
05/29/2009	1,547,328	1,508,604
08/03/2009	<u>5,000,000</u>	<u>4,820,082</u>
\$ 16,547,328		\$ 16,152,229

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

1. Schedule SB, Line 22 - Weighted Average Retirement Age

The weighted average retirement age is determined by weighting each retirement age by the probability of retirement, then averaging over the sum of the retirement probabilities.

Age	Retirement Rate	Weight
55	2%	1.10
56	2%	1.10
57	2%	1.09
58	2%	1.09
59	2%	5.42
60	10%	4.96
61	10%	13.62
62	30%	36.32
63	20%	6.46
64	20%	5.25
65	100%	<u>21.32</u>
Total		62.50
Average Retirement Age		63

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

B. Valuation Method and Assumptions

1. Valuation Method

Pension Protection Act of 2006 Funding Target Method.

2. Valuation of Assets

Assets are valued using a 24-month smoothing method. The valuation assets may not be greater than 110% nor be less than 90% of the market value. The financial information used in this valuation was not audited by The Hartford.

3. Employees Included in the Calculations

All active employees who have met the plan's eligibility requirements as of the valuation date are included in the calculations. Former employees or their survivors who are entitled to an immediate or deferred benefit under the provisions of the plan are also included.

4. Actuarial Assumptions

a. Mortality:

- | | |
|---------------------|--|
| (1) Pre-retirement | 2009 Non-annuitant mortality for males and females |
| (2) Post-retirement | 2009 Annuitant mortality for males and females |

b. Termination:

75% Financial institution termination study table. Sample rates are illustrated in the table on the next page.

c. Salary progression:

5.00% compounded annually

d. Interest rate used for determining:

- | | |
|---------------------|---|
| (1) Normal funding: | January 24-month average transition rates |
| (a) Segment 1 | 5.64% compounded annually |
| (b) Segment 2 | 6.40% compounded annually |
| (c) Segment 3 | 6.56% compounded annually |
| (d) Effective Rate | 6.45% compounded annually |

e. Expenses:

Two-year average of past expenses. \$300,000 for 2009.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

f. Retirement age:

Age	Retirement Rate
55-59	2%
60-61	10%
62	30%
63-64	20%
65	100%

g. Social Security Taxable
Wage Base increases: 4.00% compounded annually.

h. The following are examples of the probability that a participant will die or terminate within the year:

Age	<u>Mortality</u>		<u>Termination</u>					
	Male	Female	<u>Years of Service</u>					
			0	1	2	3	4	5+
25	.00030	.00015	.22500	.18000	.15750	.14250	.12750	.10463
30	.00039	.00021	.19500	.15000	.12750	.11250	.09750	.07913
35	.00069	.00036	.17250	.12750	.10500	.09000	.07500	.05550
40	.00089	.00049	.15000	.10875	.09000	.07500	.06000	.03863
45	.00110	.00076	.12750	.09750	.07500	.06000	.04500	.02513
50	.00138	.00111	.10500	.08250	.06000	.04500	.03000	.01875
55	.00191	.00208	.08250	.06000	.04500	.03375	.02250	.01275
60	.00331	.00349	.06000	.04500	.03000	.02250	.01500	.00750
65	.01071	.00957	.00000	.00000	.00000	.00000	.00000	.00000

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

5. Other Considerations

- a. Participant salaries are limited to the IRC Section 401(a)(17) limit that was in effect as of the beginning of the plan year. Projected benefits are limited to the IRC Section 415(b) limit that was in effect as of the beginning of the plan year.
- b. Disability benefits are not considered to have material effect on cost and have not been specifically valued.
- c. It is assumed that 70% of eligible participants elect the 50% lump sum option.
- d. For the purpose of valuing death benefits, 85% of employees are assumed to be married. Wives are assumed to be 3 years younger than their husbands.
- e. Although we believe these to be accurate and complete, employee data supplied to us by the Employer and financial information supplied to us by the Trustee have not been audited by us.
- f. We rely on the Employer to inform us of any former participants who have been rehired and lost prior service because of the length of their break in service. These employees have participation requirements different from other new employees.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

C. Summary of Principal Plan Provisions

The following summary describes plan provisions assumed in calculating the cost of your pension plan:

1. General Information

- a. Original Effective Date: July 1, 1945
- b. Effective Date of Last Amendment: January 1, 2009
- c. Plan Year: January 1 to December 31
- d. Employer Fiscal Year: January 1 to December 31
- e. Employer ID Number: 31-4316080
- f. Plan Administrator's ID Number: 31-4316080
- g. Plan Number: 001
- h. Plan Administrator: State Automobile Mutual Insurance Company Benefit Committee

2. Eligibility

All employees of the Employer are eligible to participate in the Plan on the January 1 following the attainment of age 20.

3. Service

Service, both for vesting and benefit accrual purposes, is equal to total service with the Employer measured in months where any partial month shall constitute a complete month. For former Meridian participants, service prior to January 1, 2002 is calculated under terms of the Meridian plan.

4. Normal Retirement Date

Normal Retirement Date is the first day of the calendar month coincident with or next following attainment of age 65.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

5. Normal Retirement Benefit

The amount of the monthly benefit to be paid for life is the sum of (a) and (b) below:

- i. 1.75% of January 1, 1993 compensation times years of service as of January 1, 1993, plus .65% of January 1, 1993 compensation in excess of 1992 Social Security covered compensation times years of service as of January 1, 1993 up to 35 years. Plus
- j. 1.75% of average compensation from January 1, 1993 times years of service from January 1, 1993, plus .65% of average compensation from January 1, 1993 in excess of Social Security covered compensation times years of service from January 1, 1993, not to exceed 35 years less Service up to January 1, 1993.

For former Meridian Participants{PRIVATE }, the benefit is the lesser of:

- k. The Meridian formula using all service and compensation, or
- l. The Meridian formula for service prior to 2002 (using all compensation amounts) and the State Auto formula for service after 2001.

For Patrons participants, the benefit is the sum of:

- m. The 12/31/2008 Patrons Accrued Benefit increased 4% annually, plus
- n. The State Auto benefit after 2008 assuming all Patron's service for purposes of applying the 35 year cap.

6. Early Retirement

Upon completion of 15 years of service and the attainment of age 55, a participant may elect to retire. The service requirement is waived for former Meridian participants who were age 55 or had completed 5 years of service as of December 31, 2001. The participant may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the Accrued Benefit. Payments may begin before the Normal Retirement Date, with the benefit being reduced 4 percent for each of the first 5 years and 5 percent for each of the next 5 years that the payment date precedes the Normal Retirement Date. If age and service total to 90 or more and the participant is at least age 55 with at least 30 years of service, the above reductions will not apply.

7. Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death, a benefit based upon salary and service through his actual date of retirement.

8. Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be determined using his Average Compensation and Service at the effective date of calculation.

9. Annual Compensation

The participant's basic annualized earnings determined on each January 1, excluding any extraordinary pay, but including any 401(k) deferrals.



State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

10. Average Compensation

The average of all compensation amounts beginning on January 1, 1993.

11. Death Benefit

In the event of a vested active participant's death, a spouse's benefit will be payable assuming the participant had terminated on the day prior to death and elected a joint and full contingent annuitant survivor benefit commencing at the earliest possible retirement date. Reductions may apply to this benefit.

12. Severance Benefits

Upon the termination of employment after 5 or more years of service, a participant shall have a vested interest in his Accrued Benefit. The percentage vested shall be:

Years of Service	Vested Percent
Less than 5	0%
5 or more	100%

13. Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity, a life annuity. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option [a] below with the spouse as the beneficiary. The options are:

- o. A reduced benefit to be paid during the participant's lifetime with one-half the reduced benefit to be continued to his spouse for her lifetime after his death.
- p. A reduced benefit to be paid during the participant's lifetime with two-thirds the reduced benefit to be continued to his spouse for her lifetime after his death.
- q. A reduced benefit to be paid during the participant's lifetime with three-fourths the reduced benefit to be continued to his spouse for her lifetime after his death.
- r. A reduced benefit to be paid during the participant's lifetime with the same reduced benefit to be continued to his spouse for her lifetime after his death.
- s. A reduced benefit to be paid for 120 months certain and thereafter for life.
- t. A Social Security equalization benefit.
- u. A lump sum payment of up to 50% of the value of the participant's Accrued Benefit with the balance payable under any of the above options.

All Optional Methods of Settlement other than lump sums are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1971 Group Annuity Table for Males with an age setback of five years for the participant and no setback for any Eligible Spouse, Beneficiary, or Contingent Annuitant and 5.5% interest.

Lump sum payments are based on the applicable mortality table prescribed by the Secretary of the Treasury, as provided in Code Section 417 (e) and the annual segment rates of interest for the second month preceding the beginning of the Plan Year containing the date of distribution.



State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

14. Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

The above description is a summary only; for additional details, reference should be made to the formal plan document

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

1. Schedule SB, Line 24 – Change in Actuarial Assumptions

There were no non-prescribed changes in the Actuarial Assumptions.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

1. Schedule SB, Line 25 – Change in Funding Methods

The following changes in funding methods have been made since the prior valuation:

- The asset valuation was changed to the 2-year smoothing method.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

1. Schedule SB, Line 26 - Schedule of Active Participant Data

Number of Participants with XX Years of Credited Service											
Age	Under1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 +	Total
Under 25	10 -	18 -	3 -	- -	- -	- -	- -	- -	- -	- -	31 31,961
25 – 29	19 -	74 46,813	42 43,825	1 -	- -	- -	- -	- -	- -	- -	136 45,700
30 – 34	20 61,435	58 53,437	71 53,189	28 53,321	- -	- -	- -	- -	- -	- -	177 54,223
35 – 39	16 -	71 62,849	61 56,071	50 56,122	31 57,915	4 -	- -	- -	- -	- -	233 58,725
40 – 44	18 -	79 71,017	59 57,403	54 61,758	44 68,034	33 56,315	4 -	- -	- -	- -	291 65,333
45 – 49	14 -	70 69,912	86 58,414	53 59,575	61 68,673	47 64,580	34 59,809	13 -	- -	- -	378 63,738
50 – 54	7 -	64 68,602	54 61,690	68 62,745	63 64,107	34 68,272	29 76,586	62 62,761	12 -	- -	393 65,685
55 – 59	8 -	48 84,502	46 60,926	35 63,255	56 63,174	33 74,084	27 73,590	30 91,523	19 -	4 -	306 71,163
60 – 64	3 -	28 65,817	33 51,864	30 57,866	37 60,351	12 -	13 -	5 -	17 -	10 -	188 63,500
65 – 69	- -	5 -	7 -	4 -	2 -	1 -	5 -	- -	- -	2 -	26 56,380
70 +	1 -	- -	- -	2 -	- -	- -	- -	- -	- -	- -	3 -
All Ages	116 62,612	515 63,438	462 55,613	325 59,734	294 64,405	164 66,216	112 71,069	110 70,003	48 70,498	16 -	2,162 62,302

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

1. Schedule SB, Line 32 - Shortfall Amortization Base

Maintenance of Shortfall Amortization Base (SAB) as of January 1, 2009

Date Established	SAB Original Amount	Original Amort. Period	Balance as of 01/01/2009	Remaining Amort. Period	Shortfall Amortization Installment
01/01/2009	\$ 28,138,981	7	\$28,138,981	7	\$ 4,756,107

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

B Three-digit
plan number (PN) ▶

001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

D Employer Identification Number (EIN)

31-4316080

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2009**2** Assets:

	2a	
a Market value	175,016,805	
b Actuarial value	192,518,486	

3 Funding target/participant count breakdown

(1) Number of participants

(2) Funding Target

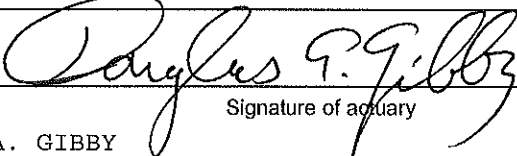
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	1,039	81,662,250
b For terminated vested participants	3b	881	26,877,336
c For active participants:			
(1) Non-vested benefits	3c(1)		4,357,599
(2) Vested benefits	3c(2)		102,138,095
(3) Total active	3c(3)	2,162	106,495,694
d Total	3d	4,082	215,035,280

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

	4a	4b
a Funding target disregarding prescribed at-risk assumptions		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		

5 Effective interest rate **5** 6.45 %**6** Target normal cost **6** 10,491,415**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

DOUGLAS A. GIBBY

Type or print name of actuary

THE HARTFORD

Firm name

40 VILLAGE POINTE DRIVE

POWELL

OH 43065

Address of the firm

5/27/2010

Date

08-03371

Most recent enrollment number

(614) 659-0116

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	20,316,659	N/A
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	20,316,659	0
10 Interest on item 9 using prior year's actual return of <u>(17.93)</u> %	(3,642,997)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		1,383,058
b Interest on (a) using prior year's effective rate of <u>6.03</u> %		83,398
c Total available at beginning of current plan year to add to prefunding balance		1,466,456
d Portion of (c) to be added to prefunding balance.....		1,466,456
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	16,930,065	1,594,239

Part III Funding percentages

14 Funding target attainment percentage.....	14	80.91 %
15 Adjusted funding target attainment percentage.....	15	80.91 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	101.22 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/25/2009	5,000,000				
05/06/2009	5,000,000				
05/23/2009	1,547,328				
08/03/2009	5,000,000				
Totals ▶			18(b)	16,547,328	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	16,152,229

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:1st segment:
5.64 %2nd segment:
6.40 %3rd segment:
6.56 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.☐

Yes

☒

No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.☒

Yes

☐

No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.☒

Yes

☐

No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (Item 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (Item 28 minus item 29)**30**

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions)**31**

10,491,415

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

28,138,981

4,756,107

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33**

0

34 Total funding requirement before reflecting carryover/prefunding balances (Item 31 + Item 32a + item 32b - item 33)**34**

15,247,522

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

0

0

0

36 Additional cash requirement (item 34 minus item 35)**36**

15,247,522

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)**37**

16,152,229

38 Interest-adjusted excess contributions for current year (see instructions)**38**

904,707

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)**39**

0

40 Unpaid minimum required contribution for all years**40**

0