

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                         |
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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                |                                                                                 |                                            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                |                                                                                 |                                            |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |                                                                |                                                                                 |                                            |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan;                 | <input type="checkbox"/> a multiple-employer plan; or                           |                                            |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan;    | <input type="checkbox"/> a DFE (specify) ____                                   |                                            |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report;              | <input type="checkbox"/> the final return/report;                               |                                            |
|                                                                                                          | <input type="checkbox"/> an amended return/report;             | <input type="checkbox"/> a short plan year return/report (less than 12 months). |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                       |                                                                                 |                                            |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558;                 | <input type="checkbox"/> automatic extension;                                   | <input type="checkbox"/> the DFVC program; |
|                                                                                                          | <input type="checkbox"/> special extension (enter description) |                                                                                 |                                            |

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

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/14/2011 | CYNTHIA A. POWELL, VP                                        |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/14/2011 | CYNTHIA A. POWELL, VP                                        |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | 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 (2010)  
v.092307.1

|                                                                                                                                                                                       |                                                                                                               |
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| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY<br><br>518 E. BROAD STREET<br>COLUMBUS, OH 43215 | <b>3b</b> Administrator's EIN<br>31-4316080<br><br><b>3c</b> Administrator's telephone number<br>614-464-5000 |
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|                                                                                                                                                                                                                       |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

|                                                                         |          |      |
|-------------------------------------------------------------------------|----------|------|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 4010 |
|-------------------------------------------------------------------------|----------|------|

|                                                                                                                                                        |           |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |      |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 1943 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 1057 |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 986  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 3986 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 173  |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 4159 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> |      |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 79   |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

**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:

|                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**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) ☒ <sup>1</sup> **A** (Insurance Information)  
 (4) ☒ **C** (Service Provider Information)  
 (5) ☒ **D** (DFE/Participating Plan Information)  
 (6) ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div><div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury<br/>Internal Revenue Service</div></div><div><div>Department of Labor<br/>Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div></div> | <div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div> | <div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                                                         |                                                                         |                |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------|
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                              |                                                                         |                |
| <div>A Name of plan</div> <div>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN</div>                            | <div>B Three-digit plan number (PN)</div> <div>▶</div>                  | <div>001</div> |
|                                                                                                                         |                                                                         |                |
| <div>C Plan sponsor's name as shown on line 2a of Form 5500.</div> <div>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY</div> | <div>D Employer Identification Number (EIN)</div> <div>31-4316080</div> |                |

|        |                                                                                                                                                                                                                                                                    |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | <div>Information Concerning Insurance Contract Coverage, Fees, and Commissions</div> <div>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.</div> |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                         |
|-------------------------|
| 1 Coverage Information: |
|-------------------------|

|                                                                                      |
|--------------------------------------------------------------------------------------|
| <div>(a) Name of insurance carrier</div> <div>PRINCIPAL LIFE INSURANCE COMPANY</div> |
|--------------------------------------------------------------------------------------|

| (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                                                                           | 01/01/2010              | 12/31/2010 |

|                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 |
| 0                                    | 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 |
|--------------------------------------------------------------------------------------------------|

| (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>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|          |                                                                                                                                                                                                                                                                           |              |  |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--|
| <b>4</b> | Current value of plan's interest under this contract in the general account at year end .....                                                                                                                                                                             | <b>4</b>     |  |
| <b>5</b> | Current value of plan's interest under this contract in separate accounts at year end .....                                                                                                                                                                               | <b>5</b>     |  |
| <b>6</b> | Contracts With Allocated Funds:                                                                                                                                                                                                                                           |              |  |
| <b>a</b> | State the basis of premium rates ▶                                                                                                                                                                                                                                        |              |  |
| <b>b</b> | Premiums paid to carrier .....                                                                                                                                                                                                                                            | <b>6b</b>    |  |
| <b>c</b> | Premiums due but unpaid at the end of the year .....                                                                                                                                                                                                                      | <b>6c</b>    |  |
| <b>d</b> | 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. ....<br>Specify nature of costs ▶                                                                     | <b>6d</b>    |  |
| <b>e</b> | Type of contract: (1) <input type="checkbox"/> individual policies                      (2) <input type="checkbox"/> group deferred annuity<br>(3) <input type="checkbox"/> other (specify) ▶                                                                             |              |  |
| <b>f</b> | If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ <input type="checkbox"/>                                                                                                                                          |              |  |
| <b>7</b> | Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)                                                                                                                                                             |              |  |
| <b>a</b> | Type of contract: (1) <input type="checkbox"/> deposit administration                      (2) <input type="checkbox"/> immediate participation guarantee<br>(3) <input type="checkbox"/> guaranteed investment                      (4) <input type="checkbox"/> other ▶ |              |  |
| <b>b</b> | Balance at the end of the previous year .....                                                                                                                                                                                                                             | <b>7b</b>    |  |
| <b>c</b> | Additions: (1) Contributions deposited during the year .....                                                                                                                                                                                                              | <b>7c(1)</b> |  |
|          | (2) Dividends and credits .....                                                                                                                                                                                                                                           | <b>7c(2)</b> |  |
|          | (3) Interest credited during the year .....                                                                                                                                                                                                                               | <b>7c(3)</b> |  |
|          | (4) Transferred from separate account .....                                                                                                                                                                                                                               | <b>7c(4)</b> |  |
|          | (5) Other (specify below) .....                                                                                                                                                                                                                                           | <b>7c(5)</b> |  |
|          |                                                                                                                                                                                                                                                                           |              |  |
|          | (6) Total additions .....                                                                                                                                                                                                                                                 | <b>7c(6)</b> |  |
| <b>d</b> | Total of balance and additions (add <b>b</b> and <b>c(6)</b> ). ....                                                                                                                                                                                                      | <b>7d</b>    |  |
| <b>e</b> | Deductions:                                                                                                                                                                                                                                                               |              |  |
|          | (1) Disbursed from fund to pay benefits or purchase annuities during year .....                                                                                                                                                                                           | <b>7e(1)</b> |  |
|          | (2) Administration charge made by carrier .....                                                                                                                                                                                                                           | <b>7e(2)</b> |  |
|          | (3) Transferred to separate account .....                                                                                                                                                                                                                                 | <b>7e(3)</b> |  |
|          | (4) Other (specify below) .....                                                                                                                                                                                                                                           | <b>7e(4)</b> |  |
|          |                                                                                                                                                                                                                                                                           |              |  |
|          | (5) Total deductions .....                                                                                                                                                                                                                                                | <b>7e(5)</b> |  |
| <b>f</b> | Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) .....                                                                                                                                                                                        | <b>7f</b>    |  |

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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.

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

|                                                                                                                                                                                                       |                                   |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------|
| <b>Part I</b>                                                                                                                                                                                         | <b>Basic Information</b>          |                           |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>                                                                                                                     |                                   |                           |
| <b>2</b> Assets:                                                                                                                                                                                      |                                   |                           |
| <b>a</b> Market value .....                                                                                                                                                                           | <b>2a</b> <u>197889428</u>        |                           |
| <b>b</b> Actuarial value .....                                                                                                                                                                        | <b>2b</b> <u>205079797</u>        |                           |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                   |                                   |                           |
|                                                                                                                                                                                                       | <b>(1) Number of participants</b> | <b>(2) Funding Target</b> |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                           | <b>3a</b> <u>1184</u>             | <u>96831435</u>           |
| <b>b</b> For terminated vested participants .....                                                                                                                                                     | <b>3b</b> <u>928</u>              | <u>28808044</u>           |
| <b>c</b> For active participants:                                                                                                                                                                     |                                   |                           |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                  | <b>3c(1)</b>                      | <u>4555223</u>            |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                      | <b>3c(2)</b>                      | <u>92273434</u>           |
| <b>(3)</b> Total active .....                                                                                                                                                                         | <b>3c(3)</b> <u>2184</u>          | <u>96828657</u>           |
| <b>d</b> Total .....                                                                                                                                                                                  | <b>3d</b> <u>4296</u>             | <u>222468136</u>          |
| <b>4</b> If the plan is at-risk, check the box and complete items (a) and (b) .....                                                                                                                   | <input type="checkbox"/>          |                           |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                             | <b>4a</b>                         |                           |
| <b>b</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 ..... | <b>4b</b>                         |                           |
| <b>5</b> Effective interest rate .....                                                                                                                                                                | <b>5</b> <u>6.61</u> %            |                           |
| <b>6</b> Target normal cost .....                                                                                                                                                                     | <b>6</b> <u>10077140</u>          |                           |

**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.

|                                                                  |                                                      |
|------------------------------------------------------------------|------------------------------------------------------|
| <b>SIGN HERE</b>                                                 | <u>08/31/2011</u>                                    |
| Signature of actuary<br><u>DOUGLAS A. GIBBY</u>                  | Date<br><u>11-03371</u>                              |
| Type or print name of actuary<br><u>THE HARTFORD</u>             | Most recent enrollment number<br><u>614-659-0116</u> |
| Firm name<br><u>40 VILLAGE POINTE DRIVE<br/>POWELL, OH 43065</u> | Telephone number (including area code)               |
| 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) 2010**  
**v.092308.1**

| <b>Part II</b>                                                                                           | <b>Beginning of year carryover and prefunding balances</b> |                               |  |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------|--|
|                                                                                                          | <b>(a) Carryover balance</b>                               | <b>(b) Prefunding balance</b> |  |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 16930065                                                   | 1594239                       |  |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 0                                                          | 0                             |  |
| <b>9</b> Amount remaining (Item 7 minus item 8).....                                                     | 16930065                                                   | 1594239                       |  |
| <b>10</b> Interest on item 9 using prior year's actual return of <u>15.00</u> % .....                    | 2539510                                                    | 239136                        |  |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                                                            |                               |  |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                                                            | 904707                        |  |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>6.45</u> % .....                        |                                                            | 58354                         |  |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                                                            | 963061                        |  |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                           |                                                            | 963061                        |  |
| <b>12</b> Reduction in balances due to elections or deemed elections.....                                |                                                            |                               |  |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....              | 19469575                                                   | 2796436                       |  |

| <b>Part III</b>                                                                                                                                                           | <b>Funding percentages</b> |       |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------|---|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b>                  | 82.17 | % |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b>                  | 82.17 | % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b>                  | 88.78 | % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b>                  |       | % |

| <b>Part IV</b>                                                                           | <b>Contributions and liquidity shortfalls</b> |                                 |                          |                                   |                                 |   |
|------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|---|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                               |                                 |                          |                                   |                                 |   |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s)             | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |   |
| 04/02/2010                                                                               | 4000000                                       |                                 |                          |                                   |                                 |   |
| 07/06/2010                                                                               | 4000000                                       |                                 |                          |                                   |                                 |   |
| 10/07/2010                                                                               | 5000000                                       |                                 |                          |                                   |                                 |   |
| 04/01/2011                                                                               | 5000000                                       |                                 |                          |                                   |                                 |   |
| 07/28/2011                                                                               | 5000000                                       |                                 |                          |                                   |                                 |   |
| 08/12/2011                                                                               | 5000000                                       |                                 |                          |                                   |                                 |   |
| <b>Totals ►</b>                                                                          |                                               |                                 | <b>18(b)</b>             | 28000000                          | <b>18(c)</b>                    | 0 |

|                                                                                                                                                                                        |            |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                   |            |          |
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years.....                                                                                     | <b>19a</b> | 0        |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                     | <b>19b</b> | 0        |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....                                                                 | <b>19c</b> | 26218252 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                            |            |          |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                         |            |          |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |            |          |
| <b>c</b> 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  |
| 0                                                                                                                                                                                      | 0          | 0        |
| (4) 4th                                                                                                                                                                                |            |          |
| 0                                                                                                                                                                                      |            |          |

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

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.60 % | 2nd segment:<br>6.65 % | 3rd segment:<br>6.76 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 63                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous items**

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

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

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

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions).....                                                                                                        | <b>31</b>           | 10077140           |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 30755625            | 5680262            |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |
| <b>33</b> 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 ..... | <b>33</b>           |                    |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....                                                   | <b>34</b>           | 15757402           |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          | 1026836             | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35).....                                                                                                                   | <b>36</b>           | 14730566           |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....                                                   | <b>37</b>           | 26218252           |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions).....                                                                                            | <b>38</b>           | 11487686           |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....                                                                       | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

|                                                                                                            |                                                             |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                 |                                                             |
| <b>A</b> Name of plan<br>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN                           | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
|                                                                                                            |                                                             |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY | <b>D</b> Employer Identification Number (EIN)<br>31-4316080 |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

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

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

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

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**(b)** Enter name and EIN or address of person who provided you disclosures 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>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 21 51                         | FUND INVESTMENT MANAGER                                                                                  | 266271                                                                        | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

SILCHESTER

36-7045783

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 28 51                         | FUND INVESTMENT MANAGER                                                                                  | 124779                                                                        | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

MONDRIAN

56-2475915

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 28 51                         | FUND INVESTMENT MANAGER                                                                                  | 61667                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

JPMORGAN CHASE BANK, N.A.

13-4994650

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 19 50                         | CUSTODIAN                                                                                                | 0                                                                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                   | 23529                                                                                                                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

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

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

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

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

**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.

| <b>(a)</b> Enter service provider name as it appears on line 2 | <b>(b)</b> Service Codes<br>(see instructions) | <b>(c)</b> Enter amount of indirect compensation |
|----------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
| JPMORGAN CHASE BANK, N.A.                                      | 19 50                                          | 23529                                            |

| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation | <b>(e)</b> 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<br>245 PARK AVENUE<br>NEW YORK, NY 10167      | OTHER INVESTMENT FEES AND EXPENSES                                                                                                                                        |

| <b>(a)</b> Enter service provider name as it appears on line 2 | <b>(b)</b> Service Codes<br>(see instructions) | <b>(c)</b> Enter amount of indirect compensation |
|----------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
|                                                                |                                                |                                                  |

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

| <b>(a)</b> Enter service provider name as it appears on line 2 | <b>(b)</b> Service Codes<br>(see instructions) | <b>(c)</b> Enter amount of indirect compensation |
|----------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
|                                                                |                                                |                                                  |

| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation | <b>(e)</b> 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.

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

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN:                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN:                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN:                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN;                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN;                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2010</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                      | <b>1a</b>       | 1209537               | 1146066         |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                       |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                            | <b>1b(1)</b>    |                       | 15000000        |
| <b>(2)</b> Participant contributions .....                                                         | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other .....                                                                             | <b>1b(3)</b>    | 833020                | 719878          |
| <b>c</b> General investments:                                                                      |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    | 3185393               | 2362259         |
| <b>(2)</b> U.S. Government securities .....                                                        | <b>1c(2)</b>    | 65325214              | 61187518        |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other .....                                                                         | <b>1c(3)(B)</b> | 13039528              | 13101511        |
| <b>(4)</b> Corporate stocks (other than employer securities):                                      |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                            | <b>1c(4)(B)</b> | 93555751              | 118380040       |
| <b>(5)</b> Partnership/joint venture interests .....                                               | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                 | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   | 173329                |                 |
| <b>(15)</b> Other .....                                                                            | <b>1c(15)</b>   | 23303098              | 25503637        |

**1d** Employer-related investments:

|                                                                      |       | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|-------|-----------------------|-----------------|
| (1) Employer securities .....                                        | 1d(1) |                       |                 |
| (2) Employer real property .....                                     | 1d(2) |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | 1e    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | 1f    | 200624870             | 237400909       |

**Liabilities**

|                                                                           |    |        |        |
|---------------------------------------------------------------------------|----|--------|--------|
| <b>g</b> Benefit claims payable .....                                     | 1g |        |        |
| <b>h</b> Operating payables .....                                         | 1h |        |        |
| <b>i</b> Acquisition indebtedness .....                                   | 1i |        |        |
| <b>j</b> Other liabilities .....                                          | 1j | 117114 | 104274 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | 1k | 117114 | 104274 |

**Net Assets**

|                                                           |    |           |           |
|-----------------------------------------------------------|----|-----------|-----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | 1l | 200507756 | 237296635 |
|-----------------------------------------------------------|----|-----------|-----------|

**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) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|----------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |          |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | 2a(1)(A) | 28000000   |           |
| <b>(B)</b> Participants .....                                                                              | 2a(1)(B) |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | 2a(1)(C) |            |           |
| (2) Noncash contributions .....                                                                            | 2a(2)    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | 2a(3)    |            | 28000000  |
| <b>b Earnings on investments:</b>                                                                          |          |            |           |
| (1) Interest:                                                                                              |          |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | 2b(1)(A) | 3507140    |           |
| <b>(B)</b> U.S. Government securities .....                                                                | 2b(1)(B) |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | 2b(1)(C) |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | 2b(1)(D) |            |           |
| <b>(E)</b> Participant loans .....                                                                         | 2b(1)(E) |            |           |
| <b>(F)</b> Other .....                                                                                     | 2b(1)(F) |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | 2b(1)(G) |            | 3507140   |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | 2b(2)(A) |            |           |
| <b>(B)</b> Common stock .....                                                                              | 2b(2)(B) | 1924257    |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | 2b(2)(C) |            |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | 2b(2)(D) |            | 1924257   |
| (3) Rents .....                                                                                            | 2b(3)    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | 2b(4)(A) |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | 2b(4)(B) |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | 2b(4)(C) |            | 0         |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> | 19101556   |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 19101556  |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            |           |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            | 18238     |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 52551191  |

**Expenses**

|                                                                                            |              |          |          |
|--------------------------------------------------------------------------------------------|--------------|----------|----------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |          |          |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 15286065 |          |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |          |          |
| (3) Other .....                                                                            | <b>2e(3)</b> |          |          |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |          | 15286065 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |          |          |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |          |          |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |          |          |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |          |          |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |          |          |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> | 476247   |          |
| (4) Other .....                                                                            | <b>2i(4)</b> |          |          |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |          | 476247   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |          | 15762312 |

**Net Income and Reconciliation**

|                                                                               |              |  |          |
|-------------------------------------------------------------------------------|--------------|--|----------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 36788879 |
| <b>l</b> Transfers of assets:                                                 |              |  |          |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |          |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |          |

**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  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>a</b> 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>b</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  |         |
| <b>c</b> 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  |         |
| <b>d</b> 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  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 1500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |         |
| <b>g</b> 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  |         |
| <b>h</b> 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  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |         |
| <b>j</b> 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   |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     |    |         |
| <b>n</b> 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) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                                  | <div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| A Name of plan<br>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                 | B Three-digit plan number (PN) ►<br>001                                                         |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                 | D Employer Identification Number (EIN)<br>31-4316080                                            |
| Part I                                                                                                                                                                                                                                                                                                                                                           | Distributions                                                                                                                                                                                                                                                                                   |                                                                                                 |
| 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):<br><br>EIN(s): _____<br><br>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 2                                                                                             |
| 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)                                                                                                                           |                                                                                                 |
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A<br>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 _____<br>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? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A                |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| Part III                                                                                                                                                                                                                                                                                                                                                         | Amendments                                                                                                                                                                                                                                                                                      |                                                                                                 |
| 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..... <input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> No |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock? ..... <input type="checkbox"/> Yes <input type="checkbox"/> 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.) ..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                   |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                 |                                                                                                 |
| Schedule R (Form 5500) 2010<br>v.092308.1                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                 |                                                                                                 |

**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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 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: 66% Investment-Grade Debt: 33% 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, 2010 and 2009  
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, 2010 and 2009

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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, 2010 and 2009, 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 holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the custodian as of December 31, 2010 and 2009 and for the years then ended, 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 taken as a whole. 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  
September 29, 2011

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN  
Statements of Net Assets Available for Benefits

|                                                                          | December 31          |                    |
|--------------------------------------------------------------------------|----------------------|--------------------|
|                                                                          | <u>2010</u>          | <u>2009</u>        |
| <b>Assets</b>                                                            |                      |                    |
| Cash.....                                                                | \$ 1,146,066         | 1,209,537          |
| Investments, at fair value:                                              |                      |                    |
| U.S. treasury securities and U.S. government agencies .....              | 29,075,775           | 35,009,477         |
| Corporate obligations .....                                              | 12,826,878           | 12,774,143         |
| U.S. government agencies mortgage-backed securities .....                | 29,910,474           | 28,179,397         |
| Equity securities .....                                                  | 118,380,040          | 93,729,080         |
| Limited partnerships.....                                                | 25,503,637           | 23,303,098         |
| Short-term money market funds.....                                       | 2,162,146            | 2,994,375          |
| <i>Total investments</i> .....                                           | <u>217,858,950</u>   | <u>195,989,570</u> |
| Contribution receivable .....                                            | 15,000,000           | -                  |
| Accrued investment income .....                                          | 699,619              | 812,326            |
| Assets held for Group Comprehensive Medical Insurance Plan for Employees |                      |                    |
| (401(h) Account) .....                                                   | 2,676,015            | 2,592,743          |
| Accrued investment income (401(h) Account) .....                         | 14,377               | 20,694             |
| Receivable for securities .....                                          | 5,882                | -                  |
| <i>Total assets</i> .....                                                | <u>237,400,909</u>   | <u>200,624,870</u> |
| <b>Liabilities</b>                                                       |                      |                    |
| Amount due to Group Comprehensive Medical Insurance Plan for Employees   |                      |                    |
| (401(h) Account) .....                                                   | 2,690,392            | 2,613,437          |
| Payable for securities .....                                             | -                    | 20,981             |
| Accrued liabilities .....                                                | 104,274              | 96,133             |
| <i>Total liabilities</i> .....                                           | <u>2,794,666</u>     | <u>2,730,551</u>   |
| <b>Net assets available for benefits</b> .....                           | <u>\$234,606,243</u> | <u>197,894,319</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>2010</u>            | <u>2009</u>        |
| Employer contributions .....                                      | \$28,000,000           | 16,547,328         |
| Investment income:                                                |                        |                    |
| Interest and dividends.....                                       | 5,383,812              | 4,858,588          |
| Net appreciation in fair value of investments .....               | <u>19,090,424</u>      | <u>21,752,467</u>  |
| <i>Total investment income</i> .....                              | <u>24,474,236</u>      | <u>26,611,055</u>  |
| <i>Total income</i> .....                                         | 52,474,236             | 43,158,383         |
| Administrative expenses .....                                     | 476,247                | 324,487            |
| Benefits paid directly to participants and<br>beneficiaries ..... | <u>15,286,065</u>      | <u>19,956,382</u>  |
| <i>Total deductions</i> .....                                     | <u>15,762,312</u>      | <u>20,280,869</u>  |
| <i>Net increase before transfer</i> .....                         | 36,711,924             | 22,877,514         |
| Transfer of plan assets .....                                     | <u>-</u>               | <u>2,283,763</u>   |
| <i>Net increase after transfer</i> .....                          | 36,711,924             | 25,161,277         |
| Net assets available for benefits:                                |                        |                    |
| Beginning of year .....                                           | <u>197,894,319</u>     | <u>172,733,042</u> |
| End of year.....                                                  | <u>\$234,606,243</u>   | <u>197,894,319</u> |

See accompanying notes.

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

---

## 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 2010, an amendment was made to change the sponsor of the Plan from State Auto Mutual Insurance Company to its affiliate State Auto Property & Casualty Insurance Company, which is the employer of all participants covered by the Plan.

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 current and future benefit accruals under the Plan and receive an employer contribution to the State Auto Insurance Companies Retirement Savings Plan, formerly known as the State Auto Insurance Companies Capital Accumulation Plan, a defined contribution plan, or maintain current and future 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.

### Transfer of Plan Assets

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 March 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 2010 and 2009). 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, 2010 and 2009.

### Administrative Expenses

The Plan paid investment management fees of \$476,247 and \$324,487 for the years ended December 31, 2010 and 2009, respectively.

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

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### **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").

### **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**

The Plan invests in fixed maturities, equity securities, limited partnerships and short-term money market funds. The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. 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***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 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 Plan adopted this guidance effective January 1, 2010, except for the gross presentation of purchases, sales, issuances and settlements in the Level 3 reconciliation, which is effective for annual and interim reporting periods beginning after December 15, 2010. The disclosures required by this new guidance are provided in the accompanying Note 3.

**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).

Transfers between level categorizations may occur due to changes in the availability of market observable inputs. Transfers in and out of level categorizations are reported as having occurred at the end of the year in which the transfer occurred. There were no transfers between level categorizations during the years ended December 31, 2010 and 2009, other than within other invested assets as described below.

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, 2010 and 2009, 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.

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

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*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. Equity securities are recorded using unadjusted market prices and have been disclosed in Level 1. At December 31, 2009 the Plan held one mutual fund with underlying investments in real estate, which was valued using the net asset value ("NAV") of the fund provided by the administrator of the mutual fund. The NAV was not a quoted price on an active market and was classified in Level 3 of the fair value hierarchy.

*Limited Partnerships*

The Plan's limited partnerships invest primarily in equity securities of foreign issuers and 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 limited partnerships were transferred out of Level 3 and into Level 2 as of December 31, 2009, in accordance with FASB ASC Topic Fair Value Measurements and Disclosures due to the Plan's ability to redeem its investment at NAV per share at the measurement date.

*Short-term Money Market Funds*

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

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

The table below summarizes the Plan's investments within the fair value hierarchy at December 31, 2010 and 2009:

|                                                       | Total         | Quoted prices<br>in active<br>markets for<br>identical assets<br>(Level 1) | Significant<br>other<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|-------------------------------------------------------|---------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| <b>At December 31, 2010:</b>                          |               |                                                                            |                                                           |                                                    |
| Fixed maturities:                                     |               |                                                                            |                                                           |                                                    |
| U.S. treasury securities and U.S. government agencies | \$ 29,075,775 | -                                                                          | 29,075,775                                                | -                                                  |
| Corporate obligations                                 | 12,826,878    | -                                                                          | 12,826,878                                                | -                                                  |
| U.S. government agencies mortgage-backed securities   | 29,910,474    | -                                                                          | 29,910,474                                                | -                                                  |
| <i>Total fixed maturities</i>                         | 71,813,127    | -                                                                          | 71,813,127                                                | -                                                  |
| Equity securities:                                    |               |                                                                            | -                                                         | -                                                  |
| Large-cap equity securities                           | 86,363,565    | 86,363,565                                                                 | -                                                         | -                                                  |
| Small-cap equity securities                           | 32,016,475    | 32,016,475                                                                 | -                                                         | -                                                  |
| <i>Total equity securities</i>                        | 118,380,040   | 118,380,040                                                                | -                                                         | -                                                  |
| Limited partnerships                                  | 25,503,637    | -                                                                          | 25,503,637                                                | -                                                  |
| Short-term money market funds                         | 2,162,146     | 2,162,146                                                                  | -                                                         | -                                                  |
| <i>Total</i>                                          | \$217,858,950 | 120,542,186                                                                | 97,316,764                                                | -                                                  |

|                                                       | Total         | Quoted prices<br>in active<br>markets for<br>identical assets<br>(Level 1) | Significant<br>other<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|-------------------------------------------------------|---------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| <b>At December 31, 2009:</b>                          |               |                                                                            |                                                           |                                                    |
| 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>                         | 75,963,017    | -                                                                          | 75,963,017                                                | -                                                  |
| 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>                        | 93,729,080    | 93,555,751                                                                 | -                                                         | 173,329                                            |
| Limited partnerships                                  | 23,303,098    | -                                                                          | 23,303,098                                                | -                                                  |
| Short-term money market funds                         | 2,994,375     | 2,994,375                                                                  | -                                                         | -                                                  |
| <i>Total</i>                                          | \$195,989,570 | 96,550,126                                                                 | 99,266,115                                                | 173,329                                            |

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<br>securities |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--|
| Beginning balance, January 1, 2010                                                                                                                                                             | \$ 173,329           |  |
| Total gains or losses (realized/unrealized) included in changes in net assets                                                                                                                  | 7,226                |  |
| Purchases, sales, issuances and settlements                                                                                                                                                    | (180,555)            |  |
| Transfers in and/or out of Level 3                                                                                                                                                             | -                    |  |
| Ending balance, December 31, 2010                                                                                                                                                              | <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, 2010 | <u>\$ -</u>          |  |

|                                                                                                                                                                                                | Equity<br>securities | Limited<br>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>        |

During 2010 and 2009, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|                                                            | Year Ended<br>2010  | 2009              |
|------------------------------------------------------------|---------------------|-------------------|
| Level 1:                                                   |                     |                   |
| Equity securities .....                                    | \$15,689,700        | 14,301,945        |
| Level 2:                                                   |                     |                   |
| U.S. treasury securities and U.S. government agencies..... | 484,009             | 1,476,694         |
| U.S. government agencies mortgage-backed securities.....   | 488,044             | (421,113)         |
| Corporate obligations .....                                | 97,510              | 541,251           |
| Limited partnerships.....                                  | 2,323,935           | -                 |
| Level 3:                                                   |                     |                   |
| Equity securities .....                                    | 7,226               | (81,854)          |
| Limited partnerships.....                                  | -                   | 5,935,544         |
| Total realized and unrealized appreciation.....            | <u>\$19,090,424</u> | <u>21,752,467</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, 2010 and 2009:

|                                              | December 31 |            |
|----------------------------------------------|-------------|------------|
|                                              | 2010        | 2009       |
| Limited partnerships:                        |             |            |
| Mondrian International Equity Fund, LP ..... | \$ N/A      | 11,017,738 |
| International Equity Group Trust.....        | 14,129,146  | 12,285,360 |

#### 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, 2010 and 2009 was obtained from data that has been prepared and certified to as complete and accurate by the custodian:

- 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, 2010 and 2009. Significant assumptions underlying the actuarial computations for 2010 and 2009 include: (a) assumed rate of return on investments of 6.61% in 2010 and 8% in 2009, (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 2010 IRS Annuitant and Nonannuitant tables for males and females in 2010 and RP-2000 Combined Healthy Table for males and females in 2009, 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     |             |
|--------------------------------------------------------------------|---------------|-------------|
|                                                                    | 2010          | 2009        |
| Actuarial present value of accumulated benefits:                   |               |             |
| Vested:                                                            |               |             |
| Participants currently receiving benefits.....                     | \$96,831,435  | 71,248,005  |
| Other participants.....                                            | 121,081,478   | 98,605,031  |
| <i>Total vested</i> .....                                          | 217,912,913   | 169,853,036 |
| Non-vested .....                                                   | 4,555,223     | 3,110,457   |
| <i>Total actuarial present value of accumulated benefits</i> ..... | \$222,468,136 | 172,963,493 |

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            |                    |
|---------------------------------------------------------------|----------------------|--------------------|
|                                                               | <u>2010</u>          | <u>2009</u>        |
| Actuarial present value of accumulated pension benefits as of |                      |                    |
| January 1, 2009 and 2008, respectively .....                  | \$172,963,493        | 161,042,160        |
| Increase (decrease) during the year attributable to:          |                      |                    |
| Pension benefits accumulated .....                            | 17,455,625           | 12,656,381         |
| Interest accumulated .....                                    | 13,038,824           | 12,260,023         |
| Pension benefits paid .....                                   | (19,956,382)         | (15,583,740)       |
| Plan amendment – merger of Patrons Plan .....                 | -                    | 2,588,669          |
| Change in actuarial assumption .....                          | <u>38,966,576</u>    | <u>-</u>           |
| Actuarial present value of accumulated pension benefits as of |                      |                    |
| January 1, 2010 and 2009, respectively.....                   | <u>\$222,468,136</u> | <u>172,963,493</u> |

## 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.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

## 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, 2010 and 2009:

|                                                                     | <u>2010</u>          | <u>2009</u>        |
|---------------------------------------------------------------------|----------------------|--------------------|
| Net assets available for benefits per the financial statements..... | \$234,606,243        | 197,894,319        |
| 401(h) Account net assets included in Form 5500 .....               | <u>2,690,392</u>     | <u>2,613,437</u>   |
| Net assets available for benefits per the 5500.....                 | <u>\$237,296,635</u> | <u>200,507,756</u> |

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, 2010 and 2009:

|                                                       | Financial<br>statements | 401(h)<br>Account | Form<br>5500      |
|-------------------------------------------------------|-------------------------|-------------------|-------------------|
|                                                       | <b>2010</b>             |                   |                   |
| Interest, dividends and other investment income ..... | <b>\$5,383,812</b>      | <b>65,823</b>     | <b>5,449,635</b>  |
| Net appreciation in fair value of investments.....    | <b>19,090,424</b>       | <b>11,132</b>     | <b>19,101,556</b> |
|                                                       | <b>2009</b>             |                   |                   |
| Interest, dividends and other investment income ..... | <b>\$4,858,588</b>      | <b>71,040</b>     | <b>4,929,628</b>  |
| Net appreciation in fair value of investments.....    | <b>21,752,467</b>       | <b>64,238</b>     | <b>21,816,705</b> |

#### 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 September 29, 2011, which represented the date the financial statements were available to be issued.

# Supplemental Schedules

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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)

December 31, 2010

| Identity of issue, borrower, lessor<br>or similar parties   |                               | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   |           |     | Cost         | Current<br>value |
|-------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|-----------|-----|--------------|------------------|
| (a)                                                         | (b)                           | (c)                                                                                                                               |            |      |   |           |     | (d)          | (e)              |
| U.S. treasury securities and U.S. government agencies       |                               |                                                                                                                                   |            |      |   |           |     |              |                  |
|                                                             | FEDERAL FARM CREDIT BANK      | Due                                                                                                                               | 12/16/2015 | 4.88 | % | 1,000,000 | Par | \$ 990,610   | \$ 1,124,090     |
|                                                             | FEDERAL HOME LOAN MTG CORP    | Due                                                                                                                               | 02/15/2011 | 6.13 | % | 1,000,000 | Par | 1,000,000    | 1,006,690        |
|                                                             | FEDERAL HOME LOAN MTG CORP    | Due                                                                                                                               | 01/15/2012 | 5.75 | % | 2,000,000 | Par | 1,997,140    | 2,107,980        |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 11/15/2011 | 5.38 | % | 1,000,000 | Par | 997,830      | 1,043,080        |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 08/02/2012 | 5.00 | % | 500,000   | Par | 495,078      | 534,755          |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 08/07/2018 | 5.24 | % | 500,000   | Par | 511,930      | 542,925          |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2025 | 2.38 | % | 1,000,000 | Par | 1,060,470    | 1,291,182        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2026 | 2.00 | % | 2,000,000 | Par | 2,054,674    | 2,340,080        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2027 | 2.38 | % | 2,000,000 | Par | 2,057,021    | 2,410,541        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2028 | 1.75 | % | 1,000,000 | Par | 939,572      | 1,062,740        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 02/15/2040 | 2.13 | % | 1,000,000 | Par | 1,142,304    | 1,071,035        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2014 | 2.00 | % | 1,000,000 | Par | 1,081,778    | 1,270,776        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2014 | 2.00 | % | 1,000,000 | Par | 1,060,167    | 1,254,111        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2016 | 2.00 | % | 2,500,000 | Par | 2,534,581    | 2,999,784        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2016 | 2.50 | % | 2,500,000 | Par | 2,784,226    | 3,038,708        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2017 | 2.38 | % | 1,500,000 | Par | 1,534,303    | 1,812,869        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 04/15/2012 | 2.00 | % | 500,000   | Par | 544,566      | 558,483          |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2017 | 2.63 | % | 1,500,000 | Par | 1,570,201    | 1,801,425        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2018 | 1.63 | % | 500,000   | Par | 511,090      | 558,571          |
|                                                             | SALT LAKE CNTY UTAH SALES TAX | Due                                                                                                                               | 11/01/2020 | 3.50 | % | 1,305,000 | Par | 1,329,247    | 1,245,950        |
| Total U.S. treasury securities and U.S. government agencies |                               |                                                                                                                                   |            |      |   |           |     | \$26,196,788 | \$29,075,775     |

\* 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).

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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   |           |     | Cost         | Current<br>value |     |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|-----------|-----|--------------|------------------|-----|
| (a)                                                       | (b)                                                                                                                               | (c)        |      |   |           |     |              | (d)              | (e) |
| U.S. government agencies mortgage-backed securities       |                                                                                                                                   |            |      |   |           |     |              |                  |     |
| FHLMC                                                     | Due                                                                                                                               | 12/01/2021 | 5.00 | % | 736,456   | Par | \$ 731,278   | \$ 781,679       |     |
| FHLMC                                                     | Due                                                                                                                               | 12/01/2014 | 4.00 | % | 607,115   | Par | 590,609      | 627,896          |     |
| FHLMC                                                     | Due                                                                                                                               | 04/01/2024 | 4.50 | % | 1,774,022 | Par | 1,739,650    | 1,867,601        |     |
| FNMA                                                      | Due                                                                                                                               | 10/01/2016 | 7.50 | % | 797,814   | Par | 843,689      | 825,552          |     |
| FNMA                                                      | Due                                                                                                                               | 09/01/2014 | 5.50 | % | 479,439   | Par | 483,934      | 519,823          |     |
| FNMA                                                      | Due                                                                                                                               | 11/01/2026 | 5.50 | % | 828,825   | Par | 820,277      | 889,503          |     |
| FNMA                                                      | Due                                                                                                                               | 05/01/2020 | 4.75 | % | 1,340,866 | Par | 1,385,282    | 1,409,150        |     |
| GNMA                                                      | Due                                                                                                                               | 01/15/2043 | 7.25 | % | 2,977,800 | Par | 3,041,078    | 3,061,394        |     |
| GNMA                                                      | Due                                                                                                                               | 11/15/2033 | 6.00 | % | 722,035   | Par | 750,747      | 802,845          |     |
| GNMA                                                      | Due                                                                                                                               | 05/15/2016 | 8.18 | % | 419,439   | Par | 452,208      | 419,325          |     |
| GNMA                                                      | Due                                                                                                                               | 04/15/2048 | 6.55 | % | 1,059,850 | Par | 1,141,326    | 1,141,824        |     |
| GNMA                                                      | Due                                                                                                                               | 11/15/2033 | 6.50 | % | 1,882,986 | Par | 1,995,965    | 2,032,668        |     |
| GNMA                                                      | Due                                                                                                                               | 08/15/2040 | 6.25 | % | 2,250,361 | Par | 2,258,798    | 2,439,540        |     |
| GNMA                                                      | Due                                                                                                                               | 12/15/2050 | 6.72 | % | 4,609,396 | Par | 4,718,869    | 5,059,947        |     |
| GNMA                                                      | Due                                                                                                                               | 09/15/2013 | 6.25 | % | 2,831,993 | Par | 2,892,173    | 3,001,877        |     |
| COULEE MEDICAL FOUNDATION                                 | Due                                                                                                                               | 04/20/2036 | 6.50 | % | 5,000,000 | Par | 5,000,000    | 5,029,850        |     |
| U.S. government agencies mortgage-backed securities       |                                                                                                                                   |            |      |   |           |     | \$28,845,883 | \$29,910,474     |     |

\* 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).

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, 2010

| Identity of issue, borrower, lessor<br>or similar parties |                                | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |        |   |           |     | Cost         | Current<br>value |
|-----------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|--------|---|-----------|-----|--------------|------------------|
| (a)                                                       | (b)                            | (c)                                                                                                                               |            |        |   |           |     | (d)          | (e)              |
| Corporate obligations                                     |                                |                                                                                                                                   |            |        |   |           |     |              |                  |
|                                                           | AT&T INC                       | Due                                                                                                                               | 02/01/2018 | 5.50   | % | 2,000,000 | Par | \$ 2,000,000 | \$ 2,221,760     |
|                                                           | BLACKROCK INC                  | Due                                                                                                                               | 12/10/2019 | 5.00   | % | 2,120,000 | Par | 2,302,362    | 2,213,746        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 10/19/2012 | 5.25   | % | 1,000,000 | Par | 930,660      | 1,068,780        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 10/06/2017 | 5.50   | % | 1,500,000 | Par | 1,493,830    | 1,508,505        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 06/15/2012 | 6.00   | % | 1,000,000 | Par | 1,073,500    | 1,069,010        |
|                                                           | IBM CORPORATION                | Due                                                                                                                               | 06/15/2013 | 7.50   | % | 1,000,000 | Par | 1,048,170    | 1,149,650        |
|                                                           | NATIONSBANK CORP               | Due                                                                                                                               | 08/15/2015 | 7.75   | % | 2,000,000 | Par | 2,120,590    | 2,234,040        |
| *                                                         | STATE AUTO FINANCIAL CORP      | Due                                                                                                                               | 11/15/2013 | 6.25   | % | 220,000   | Par | 178,200      | 225,357          |
|                                                           | UNITED PARCEL SERVICE          | Due                                                                                                                               | 01/15/2018 | 5.50   | % | 1,000,000 | Par | 1,013,040    | 1,136,030        |
| Total corporate obligations                               |                                |                                                                                                                                   |            |        |   |           |     | \$12,160,352 | \$12,826,878     |
| Equity securities                                         |                                |                                                                                                                                   |            |        |   |           |     |              |                  |
|                                                           | AT&T INC                       |                                                                                                                                   | 45,000     | Shares |   |           |     | \$1,668,150  | \$1,322,100      |
|                                                           | ATMI INC                       |                                                                                                                                   | 34,215     | Shares |   |           |     | 591,030      | 682,247          |
|                                                           | ABBOTT LABS                    |                                                                                                                                   | 25,000     | Shares |   |           |     | 1,291,853    | 1,197,750        |
|                                                           | AEROVIRONMENT INC              |                                                                                                                                   | 6,513      | Shares |   |           |     | 161,354      | 174,744          |
|                                                           | AMERICAN ELECTRIC POWER INC    |                                                                                                                                   | 25,000     | Shares |   |           |     | 869,226      | 899,500          |
|                                                           | AMERICAN EXPRESS COMPANY       |                                                                                                                                   | 22,500     | Shares |   |           |     | 835,545      | 965,700          |
|                                                           | AMERICAN TOWER CORP            |                                                                                                                                   | 15,000     | Shares |   |           |     | 507,311      | 774,600          |
|                                                           | AMERISAFE INC                  |                                                                                                                                   | 19,475     | Shares |   |           |     | 358,229      | 340,813          |
|                                                           | AMERIGROUP CORPORATION         |                                                                                                                                   | 8,621      | Shares |   |           |     | 223,592      | 378,634          |
|                                                           | APPLE INC                      |                                                                                                                                   | 7,000      | Shares |   |           |     | 692,357      | 2,257,920        |
|                                                           | ARKANSAS BEST CORP             |                                                                                                                                   | 11,336     | Shares |   |           |     | 353,171      | 310,833          |
|                                                           | ATLAS ENERGY INC               |                                                                                                                                   | 13,740     | Shares |   |           |     | 367,290      | 604,148          |
|                                                           | AUTOMATIC DATA PROCESSING      |                                                                                                                                   | 40,000     | Shares |   |           |     | 1,639,769    | 1,851,200        |
|                                                           | BEST BUY COMPANY INC           |                                                                                                                                   | 30,000     | Shares |   |           |     | 1,171,581    | 1,028,700        |
|                                                           | BLACKBOARD INC                 |                                                                                                                                   | 13,051     | Shares |   |           |     | 550,006      | 539,006          |
|                                                           | CARDTRONICS INC                |                                                                                                                                   | 29,167     | Shares |   |           |     | 354,764      | 516,256          |
|                                                           | CARTER'S INC                   |                                                                                                                                   | 16,816     | Shares |   |           |     | 403,952      | 496,240          |
|                                                           | CHEVRON CORP                   |                                                                                                                                   | 32,500     | Shares |   |           |     | 2,466,825    | 2,965,625        |
|                                                           | COCA-COLA COMPANY              |                                                                                                                                   | 22,500     | Shares |   |           |     | 1,233,847    | 1,479,825        |
|                                                           | CODEXIS INC                    |                                                                                                                                   | 9,159      | Shares |   |           |     | 119,012      | 97,085           |
|                                                           | COLGATE PALMOLIVE CO           |                                                                                                                                   | 20,000     | Shares |   |           |     | 868,753      | 1,607,400        |
|                                                           | COLUMBIA BANKING SYSTEM INC    |                                                                                                                                   | 20,069     | Shares |   |           |     | 314,508      | 422,653          |
|                                                           | COMMVAULT SYSTEMS INC          |                                                                                                                                   | 31,448     | Shares |   |           |     | 567,294      | 900,042          |
|                                                           | COMPLETE PROD SERVICES         |                                                                                                                                   | 13,085     | Shares |   |           |     | 188,625      | 386,662          |
|                                                           | COMTECH TELECOMMUNICATIONS CRP |                                                                                                                                   | 20,532     | Shares |   |           |     | 557,742      | 569,917          |
|                                                           | COPART INC                     |                                                                                                                                   | 19,361     | Shares |   |           |     | 632,246      | 723,133          |
|                                                           | CROCS INC                      |                                                                                                                                   | 72,176     | Shares |   |           |     | 688,354      | 1,235,653        |
|                                                           | DEERE & CO                     |                                                                                                                                   | 20,000     | Shares |   |           |     | 936,436      | 1,661,000        |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost      | Current<br>value |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|
| (a)                                                       | (b)                                                                                                                               | (c)       | (d)              |
|                                                           |                                                                                                                                   |           | (e)              |
| DEVON ENERGY CORP                                         | 26,500 Shares                                                                                                                     | 1,665,422 | 2,080,515        |
| DRIL-QUIP INC                                             | 3,150 Shares                                                                                                                      | 132,080   | 244,818          |
| DU PONT & CO                                              | 30,000 Shares                                                                                                                     | 1,249,999 | 1,496,400        |
| DUFF & PHELPS CORP                                        | 20,469 Shares                                                                                                                     | 351,903   | 345,107          |
| DUKE ENERGY CORP                                          | 50,000 Shares                                                                                                                     | 836,399   | 890,500          |
| EXXON MOBIL CORPORATION                                   | 35,000 Shares                                                                                                                     | 2,897,654 | 2,559,200        |
| FXCM INC                                                  | 17,954 Shares                                                                                                                     | 260,149   | 237,891          |
| FEDEX CORP                                                | 15,000 Shares                                                                                                                     | 945,394   | 1,395,150        |
| FLOWSERVE CORP                                            | 5,000 Shares                                                                                                                      | 565,617   | 596,100          |
| FORTINET INC                                              | 18,763 Shares                                                                                                                     | 313,645   | 606,982          |
| FREEPORT MCMORAN                                          | 15,000 Shares                                                                                                                     | 1,039,377 | 1,801,350        |
| FRONTIER OIL CORP                                         | 35,930 Shares                                                                                                                     | 496,032   | 647,099          |
| GENERAL DYNAMICS                                          | 20,000 Shares                                                                                                                     | 1,162,451 | 1,419,200        |
| GENERAL ELECTRIC CORP                                     | 55,000 Shares                                                                                                                     | 1,438,582 | 1,005,950        |
| GLOBE SPECIALTY METALS INC                                | 14,320 Shares                                                                                                                     | 252,841   | 244,729          |
| GOOGLE INC                                                | 3,500 Shares                                                                                                                      | 1,603,860 | 2,078,895        |
| GRAFTECH INTERNATIONAL LTD                                | 27,110 Shares                                                                                                                     | 396,792   | 537,862          |
| GRANITE CONSTRUCTION INC                                  | 8,235 Shares                                                                                                                      | 254,875   | 225,886          |
| HMS HOLDINGS CORP                                         | 6,353 Shares                                                                                                                      | 224,323   | 411,484          |
| HARRIS CORP                                               | 20,000 Shares                                                                                                                     | 744,352   | 906,000          |
| HEWLETT PACKARD CO                                        | 25,000 Shares                                                                                                                     | 1,176,983 | 1,052,500        |
| HOME BANCSHARES INC                                       | 16,715 Shares                                                                                                                     | 326,510   | 368,231          |
| HOME DEPOT INC                                            | 30,000 Shares                                                                                                                     | 504,149   | 1,051,800        |
| HONEYWELL INTL INC                                        | 20,000 Shares                                                                                                                     | 1,159,446 | 1,063,200        |
| ICF INTERNATIONAL INC                                     | 13,229 Shares                                                                                                                     | 351,840   | 340,250          |
| ITT INDUSTRIES INC                                        | 25,000 Shares                                                                                                                     | 1,233,052 | 1,302,750        |
| ICON PLC                                                  | 24,409 Shares                                                                                                                     | 571,945   | 534,557          |
| INSITUFORM TECHNOLOGIES INC                               | 10,371 Shares                                                                                                                     | 243,787   | 274,935          |
| INTEL CORP                                                | 90,000 Shares                                                                                                                     | 2,012,423 | 1,892,700        |
| IBM CORPORATION                                           | 10,000 Shares                                                                                                                     | 761,299   | 1,467,600        |
| JDA SOFTWARE GROUP INC                                    | 17,929 Shares                                                                                                                     | 354,037   | 502,012          |
| * JP MORGAN CHASE & CO                                    | 33,000 Shares                                                                                                                     | 1,231,034 | 1,399,860        |
| JOHNSON & JOHNSON                                         | 25,000 Shares                                                                                                                     | 1,457,663 | 1,546,250        |
| KELLOGG CO                                                | 27,500 Shares                                                                                                                     | 1,237,373 | 1,404,700        |
| THE KEYW HOLDING CORP                                     | 9,945 Shares                                                                                                                      | 99,450    | 145,893          |
| KNOLOGY INC                                               | 21,313 Shares                                                                                                                     | 170,310   | 333,122          |
| KORN/FERRY INTL                                           | 22,064 Shares                                                                                                                     | 308,724   | 509,899          |
| KRONOS WORLDWIDE INC                                      | 3,789 Shares                                                                                                                      | 153,347   | 160,995          |
| LKQ CORP                                                  | 13,401 Shares                                                                                                                     | 237,488   | 304,471          |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost      | Current<br>value |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|
| (a)                                                       | (b)                                                                                                                               | (c)       | (d)              |
| L3 COMMUNICATIONS HLDG                                    | 15,000 Shares                                                                                                                     | 1,144,642 | 1,057,350        |
| LANDSTAR SYSTEM INC                                       | 10,065 Shares                                                                                                                     | 384,422   | 412,061          |
| LINCARE HOLDINGS INC                                      | 14,897 Shares                                                                                                                     | 292,900   | 399,687          |
| LOCKHEED MARTIN CORPORATION                               | 25,000 Shares                                                                                                                     | 1,493,884 | 1,747,750        |
| LOWES COMPANIES INC                                       | 50,000 Shares                                                                                                                     | 1,512,603 | 1,254,000        |
| MARATHON OIL CORP                                         | 40,000 Shares                                                                                                                     | 1,410,710 | 1,481,200        |
| MATRIX SERVICE COMPANY                                    | 33,816 Shares                                                                                                                     | 411,254   | 411,879          |
| MCDONALDS CORP                                            | 25,000 Shares                                                                                                                     | 1,107,398 | 1,919,000        |
| MEADWESTVACO CORP                                         | 35,000 Shares                                                                                                                     | 834,845   | 915,600          |
| MEDASSETS INC                                             | 6,668 Shares                                                                                                                      | 133,275   | 134,627          |
| MEDNAX INC                                                | 8,351 Shares                                                                                                                      | 432,425   | 561,939          |
| MERCK & CO INC                                            | 32,500 Shares                                                                                                                     | 1,186,459 | 1,171,300        |
| MERCURY COMPUTER SYSTEMS INC                              | 21,714 Shares                                                                                                                     | 228,658   | 399,103          |
| MICROSOFT CORP                                            | 70,000 Shares                                                                                                                     | 1,183,003 | 1,953,700        |
| MONOTYPE IMAGING HOLDINGS INC                             | 33,339 Shares                                                                                                                     | 275,541   | 370,063          |
| MONRO MUFFLER BRAKE                                       | 9,104 Shares                                                                                                                      | 197,532   | 314,890          |
| NANOMETRICS                                               | 44,542 Shares                                                                                                                     | 425,076   | 571,474          |
| NATIONAL-OILWELL VARCO INC                                | 22,500 Shares                                                                                                                     | 866,042   | 1,513,125        |
| NEXTERA ENERGY INC                                        | 17,500 Shares                                                                                                                     | 872,867   | 909,825          |
| NIKE INC - CL B                                           | 15,000 Shares                                                                                                                     | 613,006   | 1,281,300        |
| NORFOLK SOUTHERN CORP                                     | 15,000 Shares                                                                                                                     | 792,719   | 942,300          |
| NORTHROP GRUMMAN CORP                                     | 20,000 Shares                                                                                                                     | 749,098   | 1,295,600        |
| NOVELLUS SYSTEMS INC                                      | 17,425 Shares                                                                                                                     | 410,394   | 563,176          |
| NXSTAGE MEDICAL INC                                       | 40,685 Shares                                                                                                                     | 356,753   | 1,012,243        |
| OASIS PETROLEUM INC                                       | 22,305 Shares                                                                                                                     | 420,144   | 604,912          |
| OCEANEERING INTL INC                                      | 5,135 Shares                                                                                                                      | 236,414   | 378,090          |
| OLD DOMINION FREIGHT LINE INC                             | 13,443 Shares                                                                                                                     | 270,126   | 430,042          |
| OLYMPIC STEEL INC                                         | 12,196 Shares                                                                                                                     | 338,399   | 349,781          |
| OMNICOM GROUP INC                                         | 30,000 Shares                                                                                                                     | 1,071,788 | 1,374,000        |
| ORION MARINE GROUP INC                                    | 34,497 Shares                                                                                                                     | 577,207   | 400,165          |
| PEPSICO INC                                               | 25,000 Shares                                                                                                                     | 1,263,347 | 1,633,250        |
| PFIZER INC                                                | 50,000 Shares                                                                                                                     | 819,941   | 875,500          |
| PLANTRONICS INC NEW                                       | 21,366 Shares                                                                                                                     | 518,274   | 795,243          |
| PROCTER & GAMBLE CO                                       | 30,000 Shares                                                                                                                     | 1,422,753 | 1,929,900        |
| PSYCHEMEDICS CORP                                         | 17,475 Shares                                                                                                                     | 152,404   | 143,295          |
| QUALCOMM INC                                              | 37,500 Shares                                                                                                                     | 1,599,350 | 1,855,875        |
| QUALITY SYSTEMS INC                                       | 2,195 Shares                                                                                                                      | 125,143   | 153,255          |
| RADIANT SYSTEMS INC                                       | 19,712 Shares                                                                                                                     | 298,408   | 385,764          |
| RIGHTNOW TECH INC                                         | 15,850 Shares                                                                                                                     | 239,035   | 375,170          |

\* 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, 2010

| (a) | Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost                | Current<br>value     |
|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| (a) | (b)                                                       | (c)                                                                                                                               | (d)                 | (e)                  |
|     | SCBT FINANCIAL CORP                                       | 5,250 Shares                                                                                                                      | 161,175             | 171,938              |
|     | SABRA HEALTH CARE REIT INC                                | 15,974 Shares                                                                                                                     | 479,711             | 293,922              |
|     | SCHLUMBERGER LTD                                          | 21,500 Shares                                                                                                                     | 1,293,027           | 1,795,250            |
|     | SHUTTERFLY INC                                            | 10,310 Shares                                                                                                                     | 156,691             | 359,716              |
|     | SIGNATURE BANK                                            | 8,822 Shares                                                                                                                      | 256,887             | 441,629              |
|     | SILICON LABS INC                                          | 10,149 Shares                                                                                                                     | 455,128             | 467,057              |
|     | SONOSITE INC                                              | 11,466 Shares                                                                                                                     | 274,902             | 362,326              |
|     | SOURCEFIRE INC                                            | 9,065 Shares                                                                                                                      | 218,233             | 235,055              |
|     | THE SOUTHERN COMPANY                                      | 15,000 Shares                                                                                                                     | 498,053             | 573,450              |
|     | STAPLES INC                                               | 10,000 Shares                                                                                                                     | 203,200             | 227,700              |
|     | STATE STREET CORP                                         | 22,500 Shares                                                                                                                     | 1,648,061           | 1,042,650            |
|     | SUN HEALTHCARE GROUP INC                                  | 20,210 Shares                                                                                                                     | 54,414              | 255,859              |
|     | SUPERIOR ENERGY SERVICES INC                              | 13,955 Shares                                                                                                                     | 284,535             | 488,285              |
|     | TJX COMPANIES INC                                         | 15,000 Shares                                                                                                                     | 619,643             | 665,850              |
|     | TALBOTS                                                   | 38,715 Shares                                                                                                                     | 431,045             | 329,852              |
|     | TARGET CORP                                               | 25,000 Shares                                                                                                                     | 1,265,874           | 1,503,250            |
|     | TEXAS INSTRUMENTS INC                                     | 40,000 Shares                                                                                                                     | 741,400             | 1,300,000            |
|     | TEXAS ROADHOUSE INC                                       | 19,030 Shares                                                                                                                     | 202,352             | 326,745              |
|     | TOWER GROUP INC                                           | 8,849 Shares                                                                                                                      | 207,103             | 226,534              |
|     | UNITED PARCEL SERVICE                                     | 20,000 Shares                                                                                                                     | 1,480,417           | 1,451,600            |
|     | UNITED TECHNOLOGIES CORP                                  | 12,500 Shares                                                                                                                     | 705,313             | 984,000              |
|     | VERA BRADLEY INC                                          | 891 Shares                                                                                                                        | 14,256              | 29,403               |
|     | VERIZON COMMUNICATIONS                                    | 70,000 Shares                                                                                                                     | 2,008,365           | 2,504,600            |
|     | VOCUS INC                                                 | 34,087 Shares                                                                                                                     | 507,250             | 942,846              |
|     | WMS INDUSTRIES INC                                        | 20,502 Shares                                                                                                                     | 887,224             | 927,510              |
|     | WASTE MANAGEMENT INC                                      | 55,000 Shares                                                                                                                     | 1,694,526           | 2,027,850            |
|     | WEBSense INC                                              | 28,660 Shares                                                                                                                     | 458,271             | 580,365              |
|     | WHITING PETROLEUM                                         | 2,075 Shares                                                                                                                      | 104,221             | 243,169              |
|     | ARGO GROUP INTL HOLDINGS LTD                              | 16,935 Shares                                                                                                                     | 528,249             | 634,216              |
|     | ACE LIMITED                                               | 15,000 Shares                                                                                                                     | 868,956             | 933,750              |
|     | <b>Total equity securities</b>                            |                                                                                                                                   | <b>\$96,412,150</b> | <b>\$118,380,040</b> |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties |                                  | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |        |             | Cost                 | Current<br>value     |
|-----------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|--------|-------------|----------------------|----------------------|
| (a)                                                       | (b)                              | (c)                                                                                                                               |            |        |             | (d)                  | (e)                  |
| <b>Limited partnerships</b>                               |                                  |                                                                                                                                   |            |        |             |                      |                      |
|                                                           | INTERNATIONAL EQUITY GROUP TRUST | 209,164                                                                                                                           | Shares     |        |             | \$12,137,521         | \$14,129,146         |
|                                                           | MONDRIAN INTL EQUITY FUND        | 495,026                                                                                                                           | Shares     |        |             | 12,493,811           | 11,374,491           |
| <b>Total limited partnerships</b>                         |                                  |                                                                                                                                   |            |        |             | <b>\$24,631,332</b>  | <b>\$25,503,637</b>  |
| <b>Short-term money market funds</b>                      |                                  |                                                                                                                                   |            |        |             |                      |                      |
| *                                                         | JP MORGAN PRIME MONEY MARKET FD  | 2,162,146                                                                                                                         | Par        |        |             | \$2,162,146          | \$2,162,146          |
| <b>Total investments</b>                                  |                                  |                                                                                                                                   |            |        |             | <b>\$190,408,651</b> | <b>\$217,858,950</b> |
| <b>401(h) Account</b>                                     |                                  |                                                                                                                                   |            |        |             |                      |                      |
|                                                           | US TREASURY                      | Due                                                                                                                               | 07/15/2012 | 3.00 % | 100,000 Par | 117,959              | 129,206              |
|                                                           | US TREASURY                      | Due                                                                                                                               | 01/15/2014 | 2.00 % | 250,000 Par | 287,456              | 317,694              |
|                                                           | US TREASURY                      | Due                                                                                                                               | 04/15/2011 | 2.38 % | 250,000 Par | 257,278              | 277,927              |
|                                                           | US TREASURY                      | Due                                                                                                                               | 12/15/2011 | 1.13 % | 250,000 Par | 250,000              | 251,885              |
|                                                           | US TREASURY                      | Due                                                                                                                               | 08/31/2011 | 1.00 % | 300,000 Par | 300,563              | 301,512              |
|                                                           | US TREASURY                      | Due                                                                                                                               | 12/15/2012 | 1.13 % | 500,000 Par | 506,140              | 505,135              |
|                                                           | FEDERAL FARM CREDIT BANK         | Due                                                                                                                               | 02/04/2013 | 2.15 % | 250,000 Par | 249,813              | 257,290              |
|                                                           | FEDERAL FARM CREDIT BANK         | Due                                                                                                                               | 03/14/2012 | 4.50 % | 50,000 Par  | 50,463               | 52,408               |
|                                                           | FEDERAL HOME LOAN BANK           | Due                                                                                                                               | 09/27/2013 | 4.11 % | 100,000 Par | 103,995              | 108,212              |
|                                                           | GENERAL ELECTRIC CORP            | Due                                                                                                                               | 12/06/2017 | 5.25 % | 100,000 Par | 100,000              | 108,008              |
|                                                           | PROCTER & GAMBLE CO              | Due                                                                                                                               | 08/15/2014 | 4.95 % | 150,000 Par | 144,675              | 166,625              |
| *                                                         | JP MORGAN PRIME MONEY MARKET FD  |                                                                                                                                   |            |        | 200,113 Par | 200,113              | 200,113              |
| <b>Total 401(h) Account</b>                               |                                  |                                                                                                                                   |            |        |             | <b>\$2,568,455</b>   | <b>\$2,676,015</b>   |

\* Denotes party-in-interest.

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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, 2010

| Identity of party involved<br>(a)                                      | Description<br>of assets<br>(b)    | Purchase<br>price<br>(c) | Selling<br>price<br>(d) | Cost of<br>asset<br>(e) | Value of<br>asset on<br>transaction<br>date<br>(h) | Net<br>loss<br>(i) |
|------------------------------------------------------------------------|------------------------------------|--------------------------|-------------------------|-------------------------|----------------------------------------------------|--------------------|
| Category (iii) - Series of transactions in excess of 5% of plan assets |                                    |                          |                         |                         |                                                    |                    |
| <b>Short-term money market funds</b>                                   |                                    |                          |                         |                         |                                                    |                    |
| * JP Morgan Prime money market fund                                    | 59,280,785 units; 270 transactions | \$59,280,785             | \$ -                    | \$59,280,785            | \$59,280,785                                       | \$ -               |
| * JP Morgan Prime money market fund                                    | 60,103,909 units; 179 transactions | \$ -                     | \$60,103,909            | \$60,103,909            | \$60,103,909                                       | \$ -               |

Notes:

There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2010.

\* Denotes party-in-interest.

# State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

## Schedule SB, Line 19 – Discounted Employer Contribution

Effective Interest Rate: 6.61%

| Date       | Amount           | Amount Discounted<br>To<br>01/01/2010 | Amount Discounted<br>To<br>01/01/2011 |
|------------|------------------|---------------------------------------|---------------------------------------|
| 04/02/2010 | \$ 4,000,000     | \$ 3,936,675                          | \$ 0                                  |
| 07/06/2010 | 4,000,000        | 3,871,636                             | 0                                     |
| 10/07/2010 | 5,000,000        | 4,761,258                             | 0                                     |
| 04/01/2011 | 5,000,000        | 4,616,552                             | 4,921,707                             |
| 07/28/2011 | 5,000,000        | 4,522,005                             | 4,820,910                             |
| 08/12/2011 | <u>5,000,000</u> | <u>4,510,126</u>                      | <u>4,808,245</u>                      |
|            | \$ 28,000,000    | \$ 26,218,252                         | \$ 14,550,862                         |

## State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

### 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

## 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                                                 | 21<br>36,297  | 11<br>-       | -<br>-        | -<br>-        | -<br>-        | -<br>-        | -<br>-       | -<br>-        | -<br>-       | -<br>- | 32<br>34,790    |
| 25 - 29                                                  | 41<br>42,253  | 81<br>47,537  | 32<br>46,214  | 3<br>-        | -<br>-        | -<br>-        | -<br>-       | -<br>-        | -<br>-       | -<br>- | 157<br>45,645   |
| 30 - 34                                                  | 40<br>54,987  | 68<br>59,493  | 68<br>56,051  | 24<br>57,375  | -<br>-        | -<br>-        | -<br>-       | -<br>-        | -<br>-       | -<br>- | 200<br>57,167   |
| 35 - 39                                                  | 44<br>62,609  | 55<br>68,429  | 59<br>58,276  | 52<br>56,395  | 21<br>71,231  | 7<br>-        | -<br>-       | -<br>-        | -<br>-       | -<br>- | 238<br>61,866   |
| 40 - 44                                                  | 33<br>70,902  | 75<br>73,763  | 55<br>65,094  | 57<br>58,227  | 41<br>70,781  | 28<br>56,537  | 4<br>-       | -<br>-        | -<br>-       | -<br>- | 293<br>66,489   |
| 45 - 49                                                  | 36<br>67,629  | 75<br>76,596  | 71<br>60,803  | 62<br>60,328  | 54<br>70,797  | 47<br>66,728  | 30<br>68,249 | 13<br>-       | -<br>-       | -<br>- | 388<br>67,031   |
| 50 - 54                                                  | 31<br>77,290  | 55<br>78,222  | 52<br>64,373  | 71<br>65,398  | 57<br>71,186  | 40<br>70,914  | 24<br>64,999 | 54<br>68,213  | 12<br>-      | -<br>- | 396<br>69,528   |
| 55 - 59                                                  | 24<br>69,766  | 39<br>88,132  | 42<br>67,059  | 48<br>61,299  | 48<br>62,451  | 29<br>69,370  | 23<br>78,539 | 25<br>104,483 | 11<br>-      | 3<br>- | 292<br>72,821   |
| 60 - 64                                                  | 4<br>-        | 29<br>68,238  | 26<br>67,475  | 35<br>57,439  | 26<br>63,707  | 18<br>-       | 7<br>-       | 6<br>-        | 10<br>-      | 5<br>- | 166<br>71,193   |
| 65 - 69                                                  | -<br>-        | 4<br>-        | 6<br>-        | 6<br>-        | 2<br>-        | -<br>-        | 2<br>-       | 1<br>-        | -<br>-       | 1<br>- | 22<br>57,160    |
| 70 +                                                     | -<br>-        | -<br>-        | -<br>-        | -<br>-        | -<br>-        | -<br>-        | -<br>-       | -<br>-        | -<br>-       | -<br>- | -<br>-          |
| All Ages                                                 | 274<br>60,313 | 492<br>67,496 | 411<br>60,557 | 358<br>59,703 | 249<br>68,520 | 169<br>67,610 | 90<br>73,986 | 99<br>78,370  | 33<br>74,704 | 9<br>- | 2,184<br>64,926 |

# State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

## Schedule SB, Line 32 - Shortfall Amortization Base

Maintenance of Shortfall Amortization Base (SAB) as of January 1, 2010

| Date<br>Established | SAB<br>Original<br>Amount | Original<br>Amort.<br>Period | Balance as of<br>01/01/2010 | Remaining<br>Amort.<br>Period | Shortfall<br>Amortization<br>Installment |
|---------------------|---------------------------|------------------------------|-----------------------------|-------------------------------|------------------------------------------|
| 01/01/2009          | \$ 28,138,981             | 7                            | \$ 25,225,963               | 6                             | \$ 4,756,107                             |
| 01/01/2010          | \$ 5,529,662              | 7                            | <u>5,529,662</u>            | 7                             | <u>924,155</u>                           |
|                     |                           |                              | \$ 30,755,625               |                               | \$ 5,680,262                             |

# State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

## B. 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, 2010
- 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 hired prior to January 1, 2010 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. For former Patrons participants, service prior to January 1, 2009 is calculated under the terms of the Patrons plan.

### 4. Normal Retirement Date

Prior to January 1, 2009 the Normal Retirement Date is the first day of the calendar month coincident with or next following attainment of age 65. After December 31, 2008 the Normal Retirement Date is the first day of the calendar month coincident with or next following the later of attainment of age 65 or the completion of five years of Service.

# 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, 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

## A. 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  | 2010 Non-annuitant mortality for males and females |
| (2) Post-retirement | 2010 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 segment rates |
| (a) Segment 1       | 4.60% compounded annually              |
| (b) Segment 2       | 6.65% compounded annually              |
| (c) Segment 3       | 6.76% compounded annually              |
| (d) Effective Rate  | 6.61% compounded annually              |

#### e. Expenses:

Two-year average of past expenses. \$0 for 2010.

# 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  | .00029           | .00015 | .22500                  | .18000 | .15750 | .14250 | .12750 | .10463 |
| 30  | .00039           | .00021 | .19500                  | .15000 | .12750 | .11250 | .09750 | .07913 |
| 35  | .00068           | .00036 | .17250                  | .12750 | .10500 | .09000 | .07500 | .05550 |
| 40  | .00088           | .00048 | .15000                  | .10875 | .09000 | .07500 | .06000 | .03863 |
| 45  | .00109           | .00075 | .12750                  | .09750 | .07500 | .06000 | .04500 | .02513 |
| 50  | .00136           | .00109 | .10500                  | .08250 | .06000 | .04500 | .03000 | .01875 |
| 55  | .00188           | .00207 | .08250                  | .06000 | .04500 | .03375 | .02250 | .01275 |
| 60  | .00326           | .00347 | .06000                  | .04500 | .03000 | .02250 | .01500 | .00750 |
| 65  | .01056           | .00952 | .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.

**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

**2010****This Form is Open to Public  
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ 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

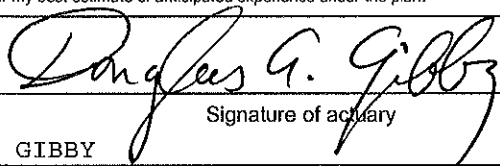
**E** Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2010**2** Assets:**a** Market value..... **2a** 197,889,428**b** Actuarial value..... **2b** 205,079,797**3** Funding target/participant count breakdown

(1) Number of participants

(2) Funding Target

**a** For retired participants and beneficiaries receiving payment..... **3a** 1,184 96,831,435**b** For terminated vested participants..... **3b** 928 28,808,044**c** For active participants:(1) Non-vested benefits..... **3c(1)** 4,555,223(2) Vested benefits..... **3c(2)** 92,273,434(3) Total active..... **3c(3)** 2,184 96,828,657**d** Total..... **3d** 4,296 222,468,136**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** 6.61 %**6** Target normal cost..... **6** 10,077,140**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

8/31/2011

Date

11-03371

Most recent enrollment number

(614) 659-0116

Telephone number (including area code)

THE HARTFORD

40 VILLAGE POINTE DRIVE Firm name

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) 2010  
v.092308.1

**Part II Beginning of year carryover and prefunding balances**

|                                                                                                          | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 16,930,065            | 1,594,239              |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 0                     | 0                      |
| <b>9</b> Amount remaining (Item 7 minus item 8).....                                                     | 16,930,065            | 1,594,239              |
| <b>10</b> Interest on item 9 using prior year's actual return of <u>15.00</u> % .....                    | 2,539,510             | 239,136                |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                       |                        |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                       | 904,707                |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>6.45</u> % .....                        |                       | 58,354                 |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                       | 963,061                |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                           |                       | 963,061                |
| <b>12</b> Reduction in balances due to elections or deemed elections.....                                |                       |                        |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) .....             | 19,469,575            | 2,796,436              |

**Part III Funding percentages**

|                                                                                                                                                                           |           |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b> | 82.17 % |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b> | 82.17 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b> | 88.78 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b> | %       |

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

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 04/02/2010               | 4,000,000                         |                                 |                          |                                   |                                 |
| 07/06/2010               | 4,000,000                         |                                 |                          |                                   |                                 |
| 10/07/2010               | 5,000,000                         |                                 |                          |                                   |                                 |
| 04/01/2011               | 5,000,000                         |                                 |                          |                                   |                                 |
| 07/28/2011               | 5,000,000                         |                                 |                          |                                   |                                 |
| 08/12/2011               | 5,000,000                         |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 28,000,000                        | <b>18(c)</b> 0                  |

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

|                                                                                                                         |            |            |
|-------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years. ....                     | <b>19a</b> | 0          |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0          |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 26,218,252 |

**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:  
4.60 %2nd segment:  
6.65 %3rd segment:  
6.76 %☐ 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**

10,077,140

**32** Amortization installments:

Outstanding Balance

Installment

**a** Net shortfall amortization installment .....

30,755,625

5,680,262

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

15,757,402

Carryover balance

Prefunding balance

Total balance

**35** Balances used to offset funding requirement .....

1,026,836

0

1,026,836

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

14,730,566

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

26,218,252

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

11,487,686

**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

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, 2010

| Identity of issue, borrower, lessor<br>or similar parties   |                               | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   |           |     | Cost         | Current<br>value |
|-------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|-----------|-----|--------------|------------------|
| (a)                                                         | (b)                           | (c)                                                                                                                               |            |      |   |           |     | (d)          | (e)              |
| U.S. treasury securities and U.S. government agencies       |                               |                                                                                                                                   |            |      |   |           |     |              |                  |
|                                                             | FEDERAL FARM CREDIT BANK      | Due                                                                                                                               | 12/16/2015 | 4.88 | % | 1,000,000 | Par | \$ 990,610   | \$ 1,124,090     |
|                                                             | FEDERAL HOME LOAN MTG CORP    | Due                                                                                                                               | 02/15/2011 | 6.13 | % | 1,000,000 | Par | 1,000,000    | 1,006,690        |
|                                                             | FEDERAL HOME LOAN MTG CORP    | Due                                                                                                                               | 01/15/2012 | 5.75 | % | 2,000,000 | Par | 1,997,140    | 2,107,980        |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 11/15/2011 | 5.38 | % | 1,000,000 | Par | 997,830      | 1,043,080        |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 08/02/2012 | 5.00 | % | 500,000   | Par | 495,078      | 534,755          |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 08/07/2018 | 5.24 | % | 500,000   | Par | 511,930      | 542,925          |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2025 | 2.38 | % | 1,000,000 | Par | 1,060,470    | 1,291,182        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2026 | 2.00 | % | 2,000,000 | Par | 2,054,674    | 2,340,080        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2027 | 2.38 | % | 2,000,000 | Par | 2,057,021    | 2,410,541        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2028 | 1.75 | % | 1,000,000 | Par | 939,572      | 1,062,740        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 02/15/2040 | 2.13 | % | 1,000,000 | Par | 1,142,304    | 1,071,035        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2014 | 2.00 | % | 1,000,000 | Par | 1,081,778    | 1,270,776        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2014 | 2.00 | % | 1,000,000 | Par | 1,060,167    | 1,254,111        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2016 | 2.00 | % | 2,500,000 | Par | 2,534,581    | 2,999,784        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2016 | 2.50 | % | 2,500,000 | Par | 2,784,226    | 3,038,708        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2017 | 2.38 | % | 1,500,000 | Par | 1,534,303    | 1,812,869        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 04/15/2012 | 2.00 | % | 500,000   | Par | 544,566      | 558,483          |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2017 | 2.63 | % | 1,500,000 | Par | 1,570,201    | 1,801,425        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2018 | 1.63 | % | 500,000   | Par | 511,090      | 558,571          |
|                                                             | SALT LAKE CNTY UTAH SALES TAX | Due                                                                                                                               | 11/01/2020 | 3.50 | % | 1,305,000 | Par | 1,329,247    | 1,245,950        |
| Total U.S. treasury securities and U.S. government agencies |                               |                                                                                                                                   |            |      |   |           |     | \$26,196,788 | \$29,075,775     |

\* 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)  
December 31, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   |           |     |    | Cost         | Current<br>value |              |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|-----------|-----|----|--------------|------------------|--------------|
| (a)                                                       | (b)                                                                                                                               | (c)        |      |   |           |     |    |              | (d)              | (e)          |
| U.S. government agencies mortgage-backed securities       |                                                                                                                                   |            |      |   |           |     |    |              |                  |              |
| FHLMC                                                     | Due                                                                                                                               | 12/01/2021 | 5.00 | % | 736,456   | Par | \$ | 731,278      | \$               | 781,679      |
| FHLMC                                                     | Due                                                                                                                               | 12/01/2014 | 4.00 | % | 607,115   | Par |    | 590,609      |                  | 627,896      |
| FHLMC                                                     | Due                                                                                                                               | 04/01/2024 | 4.50 | % | 1,774,022 | Par |    | 1,739,650    |                  | 1,867,601    |
| FNMA                                                      | Due                                                                                                                               | 10/01/2016 | 7.50 | % | 797,814   | Par |    | 843,689      |                  | 825,552      |
| FNMA                                                      | Due                                                                                                                               | 09/01/2014 | 5.50 | % | 479,439   | Par |    | 483,934      |                  | 519,823      |
| FNMA                                                      | Due                                                                                                                               | 11/01/2026 | 5.50 | % | 828,825   | Par |    | 820,277      |                  | 889,503      |
| FNMA                                                      | Due                                                                                                                               | 05/01/2020 | 4.75 | % | 1,340,866 | Par |    | 1,385,282    |                  | 1,409,150    |
| GNMA                                                      | Due                                                                                                                               | 01/15/2043 | 7.25 | % | 2,977,800 | Par |    | 3,041,078    |                  | 3,061,394    |
| GNMA                                                      | Due                                                                                                                               | 11/15/2033 | 6.00 | % | 722,035   | Par |    | 750,747      |                  | 802,845      |
| GNMA                                                      | Due                                                                                                                               | 05/15/2016 | 8.18 | % | 419,439   | Par |    | 452,208      |                  | 419,325      |
| GNMA                                                      | Due                                                                                                                               | 04/15/2048 | 6.55 | % | 1,059,850 | Par |    | 1,141,326    |                  | 1,141,824    |
| GNMA                                                      | Due                                                                                                                               | 11/15/2033 | 6.50 | % | 1,882,986 | Par |    | 1,995,965    |                  | 2,032,668    |
| GNMA                                                      | Due                                                                                                                               | 08/15/2040 | 6.25 | % | 2,250,361 | Par |    | 2,258,798    |                  | 2,439,540    |
| GNMA                                                      | Due                                                                                                                               | 12/15/2050 | 6.72 | % | 4,609,396 | Par |    | 4,718,869    |                  | 5,059,947    |
| GNMA                                                      | Due                                                                                                                               | 09/15/2013 | 6.25 | % | 2,831,993 | Par |    | 2,892,173    |                  | 3,001,877    |
| COULEE MEDICAL FOUNDATION                                 | Due                                                                                                                               | 04/20/2036 | 6.50 | % | 5,000,000 | Par |    | 5,000,000    |                  | 5,029,850    |
| U.S. government agencies mortgage-backed securities       |                                                                                                                                   |            |      |   |           |     |    | \$28,845,883 |                  | \$29,910,474 |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties |                                | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |        |   |           |     | Cost         | Current<br>value |
|-----------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|--------|---|-----------|-----|--------------|------------------|
| (a)                                                       | (b)                            | (c)                                                                                                                               |            |        |   |           |     | (d)          | (e)              |
| Corporate obligations                                     |                                |                                                                                                                                   |            |        |   |           |     |              |                  |
|                                                           | AT&T INC                       | Due                                                                                                                               | 02/01/2018 | 5.50   | % | 2,000,000 | Par | \$ 2,000,000 | \$ 2,221,760     |
|                                                           | BLACKROCK INC                  | Due                                                                                                                               | 12/10/2019 | 5.00   | % | 2,120,000 | Par | 2,302,362    | 2,213,746        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 10/19/2012 | 5.25   | % | 1,000,000 | Par | 930,660      | 1,068,780        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 10/06/2017 | 5.50   | % | 1,500,000 | Par | 1,493,830    | 1,508,505        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 06/15/2012 | 6.00   | % | 1,000,000 | Par | 1,073,500    | 1,069,010        |
|                                                           | IBM CORPORATION                | Due                                                                                                                               | 06/15/2013 | 7.50   | % | 1,000,000 | Par | 1,048,170    | 1,149,650        |
|                                                           | NATIONSBANK CORP               | Due                                                                                                                               | 08/15/2015 | 7.75   | % | 2,000,000 | Par | 2,120,590    | 2,234,040        |
| *                                                         | STATE AUTO FINANCIAL CORP      | Due                                                                                                                               | 11/15/2013 | 6.25   | % | 220,000   | Par | 178,200      | 225,357          |
|                                                           | UNITED PARCEL SERVICE          | Due                                                                                                                               | 01/15/2018 | 5.50   | % | 1,000,000 | Par | 1,013,040    | 1,136,030        |
| Total corporate obligations                               |                                |                                                                                                                                   |            |        |   |           |     | \$12,160,352 | \$12,826,878     |
| Equity securities                                         |                                |                                                                                                                                   |            |        |   |           |     |              |                  |
|                                                           | AT&T INC                       |                                                                                                                                   | 45,000     | Shares |   |           |     | \$1,668,150  | \$1,322,100      |
|                                                           | ATMI INC                       |                                                                                                                                   | 34,215     | Shares |   |           |     | 591,030      | 682,247          |
|                                                           | ABBOTT LABS                    |                                                                                                                                   | 25,000     | Shares |   |           |     | 1,291,853    | 1,197,750        |
|                                                           | AEROVIRONMENT INC              |                                                                                                                                   | 6,513      | Shares |   |           |     | 161,354      | 174,744          |
|                                                           | AMERICAN ELECTRIC POWER INC    |                                                                                                                                   | 25,000     | Shares |   |           |     | 869,226      | 899,500          |
|                                                           | AMERICAN EXPRESS COMPANY       |                                                                                                                                   | 22,500     | Shares |   |           |     | 835,545      | 965,700          |
|                                                           | AMERICAN TOWER CORP            |                                                                                                                                   | 15,000     | Shares |   |           |     | 507,311      | 774,600          |
|                                                           | AMERISAFE INC                  |                                                                                                                                   | 19,475     | Shares |   |           |     | 358,229      | 340,813          |
|                                                           | AMERIGROUP CORPORATION         |                                                                                                                                   | 8,621      | Shares |   |           |     | 223,592      | 378,634          |
|                                                           | APPLE INC                      |                                                                                                                                   | 7,000      | Shares |   |           |     | 692,357      | 2,257,920        |
|                                                           | ARKANSAS BEST CORP             |                                                                                                                                   | 11,336     | Shares |   |           |     | 353,171      | 310,833          |
|                                                           | ATLAS ENERGY INC               |                                                                                                                                   | 13,740     | Shares |   |           |     | 367,290      | 604,148          |
|                                                           | AUTOMATIC DATA PROCESSING      |                                                                                                                                   | 40,000     | Shares |   |           |     | 1,639,769    | 1,851,200        |
|                                                           | BEST BUY COMPANY INC           |                                                                                                                                   | 30,000     | Shares |   |           |     | 1,171,581    | 1,028,700        |
|                                                           | BLACKBOARD INC                 |                                                                                                                                   | 13,051     | Shares |   |           |     | 550,006      | 539,006          |
|                                                           | CARDTRONICS INC                |                                                                                                                                   | 29,167     | Shares |   |           |     | 354,764      | 516,256          |
|                                                           | CARTER'S INC                   |                                                                                                                                   | 16,816     | Shares |   |           |     | 403,952      | 496,240          |
|                                                           | CHEVRON CORP                   |                                                                                                                                   | 32,500     | Shares |   |           |     | 2,466,825    | 2,965,625        |
|                                                           | COCA-COLA COMPANY              |                                                                                                                                   | 22,500     | Shares |   |           |     | 1,233,847    | 1,479,825        |
|                                                           | CODEXIS INC                    |                                                                                                                                   | 9,159      | Shares |   |           |     | 119,012      | 97,085           |
|                                                           | COLGATE PALMOLIVE CO           |                                                                                                                                   | 20,000     | Shares |   |           |     | 868,753      | 1,607,400        |
|                                                           | COLUMBIA BANKING SYSTEM INC    |                                                                                                                                   | 20,069     | Shares |   |           |     | 314,508      | 422,653          |
|                                                           | COMMVAULT SYSTEMS INC          |                                                                                                                                   | 31,448     | Shares |   |           |     | 567,294      | 900,042          |
|                                                           | COMPLETE PROD SERVICES         |                                                                                                                                   | 13,085     | Shares |   |           |     | 188,625      | 386,662          |
|                                                           | COMTECH TELECOMMUNICATIONS CRP |                                                                                                                                   | 20,532     | Shares |   |           |     | 557,742      | 569,917          |
|                                                           | COPART INC                     |                                                                                                                                   | 19,361     | Shares |   |           |     | 632,246      | 723,133          |
|                                                           | CROCS INC                      |                                                                                                                                   | 72,176     | Shares |   |           |     | 688,354      | 1,235,653        |
|                                                           | DEERE & CO                     |                                                                                                                                   | 20,000     | Shares |   |           |     | 936,436      | 1,661,000        |

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Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued  
December 31, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |               | Cost      | Current<br>value |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------|-----------|------------------|
| (a)                                                       | (b)                                                                                                                               | (c)           | (d)       | (e)              |
|                                                           | DEVON ENERGY CORP                                                                                                                 | 26,500 Shares | 1,665,422 | 2,080,515        |
|                                                           | DRIL-QUIP INC                                                                                                                     | 3,150 Shares  | 132,080   | 244,818          |
|                                                           | DU PONT & CO                                                                                                                      | 30,000 Shares | 1,249,999 | 1,496,400        |
|                                                           | DUFF & PHELPS CORP                                                                                                                | 20,469 Shares | 351,903   | 345,107          |
|                                                           | DUKE ENERGY CORP                                                                                                                  | 50,000 Shares | 836,399   | 890,500          |
|                                                           | EXXON MOBIL CORPORATION                                                                                                           | 35,000 Shares | 2,897,654 | 2,559,200        |
|                                                           | FXCM INC                                                                                                                          | 17,954 Shares | 260,149   | 237,891          |
|                                                           | FEDEX CORP                                                                                                                        | 15,000 Shares | 945,394   | 1,395,150        |
|                                                           | FLOWERVE CORP                                                                                                                     | 5,000 Shares  | 565,617   | 596,100          |
|                                                           | FORTINET INC                                                                                                                      | 18,763 Shares | 313,645   | 606,982          |
|                                                           | FREEPORT MCMORAN                                                                                                                  | 15,000 Shares | 1,039,377 | 1,801,350        |
|                                                           | FRONTIER OIL CORP                                                                                                                 | 35,930 Shares | 496,032   | 647,099          |
|                                                           | GENERAL DYNAMICS                                                                                                                  | 20,000 Shares | 1,162,451 | 1,419,200        |
|                                                           | GENERAL ELECTRIC CORP                                                                                                             | 55,000 Shares | 1,438,582 | 1,005,950        |
|                                                           | GLOBE SPECIALTY METALS INC                                                                                                        | 14,320 Shares | 252,841   | 244,729          |
|                                                           | GOOGLE INC                                                                                                                        | 3,500 Shares  | 1,603,860 | 2,078,895        |
|                                                           | GRAFTECH INTERNATIONAL LTD                                                                                                        | 27,110 Shares | 396,792   | 537,862          |
|                                                           | GRANITE CONSTRUCTION INC                                                                                                          | 8,235 Shares  | 254,875   | 225,886          |
|                                                           | HMS HOLDINGS CORP                                                                                                                 | 6,353 Shares  | 224,323   | 411,484          |
|                                                           | HARRIS CORP                                                                                                                       | 20,000 Shares | 744,352   | 906,000          |
|                                                           | HEWLETT PACKARD CO                                                                                                                | 25,000 Shares | 1,176,983 | 1,052,500        |
|                                                           | HOME BANCSHARES INC                                                                                                               | 16,715 Shares | 326,510   | 368,231          |
|                                                           | HOME DEPOT INC                                                                                                                    | 30,000 Shares | 504,149   | 1,051,800        |
|                                                           | HONEYWELL INTL INC                                                                                                                | 20,000 Shares | 1,159,446 | 1,063,200        |
|                                                           | ICF INTERNATIONAL INC                                                                                                             | 13,229 Shares | 351,840   | 340,250          |
|                                                           | ITT INDUSTRIES INC                                                                                                                | 25,000 Shares | 1,233,052 | 1,302,750        |
|                                                           | ICON PLC                                                                                                                          | 24,409 Shares | 571,945   | 534,557          |
|                                                           | INSITUFORM TECHNOLOGIES INC                                                                                                       | 10,371 Shares | 243,787   | 274,935          |
|                                                           | INTEL CORP                                                                                                                        | 90,000 Shares | 2,012,423 | 1,892,700        |
|                                                           | IBM CORPORATION                                                                                                                   | 10,000 Shares | 761,299   | 1,467,600        |
|                                                           | JDA SOFTWARE GROUP INC                                                                                                            | 17,929 Shares | 354,037   | 502,012          |
| *                                                         | JP MORGAN CHASE & CO                                                                                                              | 33,000 Shares | 1,231,034 | 1,399,860        |
|                                                           | JOHNSON & JOHNSON                                                                                                                 | 25,000 Shares | 1,457,663 | 1,546,250        |
|                                                           | KELLOGG CO                                                                                                                        | 27,500 Shares | 1,237,373 | 1,404,700        |
|                                                           | THE KEYW HOLDING CORP                                                                                                             | 9,945 Shares  | 99,450    | 145,893          |
|                                                           | KNOLOGY INC                                                                                                                       | 21,313 Shares | 170,310   | 333,122          |
|                                                           | KORN/FERRY INTL                                                                                                                   | 22,064 Shares | 308,724   | 509,899          |
|                                                           | KRONOS WORLDWIDE INC                                                                                                              | 3,789 Shares  | 153,347   | 160,995          |
|                                                           | LKQ CORP                                                                                                                          | 13,401 Shares | 237,488   | 304,471          |

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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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost      | Current<br>value |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|
| (a)                                                       | (b)                                                                                                                               | (c)       | (d)              |
| L3 COMMUNICATIONS HLDG                                    | 15,000 Shares                                                                                                                     | 1,144,642 | 1,057,350        |
| LANDSTAR SYSTEM INC                                       | 10,065 Shares                                                                                                                     | 384,422   | 412,061          |
| LINCARE HOLDINGS INC                                      | 14,897 Shares                                                                                                                     | 292,900   | 399,687          |
| LOCKHEED MARTIN CORPORATION                               | 25,000 Shares                                                                                                                     | 1,493,884 | 1,747,750        |
| LOWES COMPANIES INC                                       | 50,000 Shares                                                                                                                     | 1,512,603 | 1,254,000        |
| MARATHON OIL CORP                                         | 40,000 Shares                                                                                                                     | 1,410,710 | 1,481,200        |
| MATRIX SERVICE COMPANY                                    | 33,816 Shares                                                                                                                     | 411,254   | 411,879          |
| MCDONALDS CORP                                            | 25,000 Shares                                                                                                                     | 1,107,398 | 1,919,000        |
| MEADWESTVACO CORP                                         | 35,000 Shares                                                                                                                     | 834,845   | 915,600          |
| MEDASSETS INC                                             | 6,668 Shares                                                                                                                      | 133,275   | 134,627          |
| MEDNAX INC                                                | 8,351 Shares                                                                                                                      | 432,425   | 561,939          |
| MERCK & CO INC                                            | 32,500 Shares                                                                                                                     | 1,186,459 | 1,171,300        |
| MERCURY COMPUTER SYSTEMS INC                              | 21,714 Shares                                                                                                                     | 228,658   | 399,103          |
| MICROSOFT CORP                                            | 70,000 Shares                                                                                                                     | 1,183,003 | 1,953,700        |
| MONOTYPE IMAGING HOLDINGS INC                             | 33,339 Shares                                                                                                                     | 275,541   | 370,063          |
| MONRO MUFFLER BRAKE                                       | 9,104 Shares                                                                                                                      | 197,532   | 314,890          |
| NANOMETRICS                                               | 44,542 Shares                                                                                                                     | 425,076   | 571,474          |
| NATIONAL-OILWELL VARCO INC                                | 22,500 Shares                                                                                                                     | 866,042   | 1,513,125        |
| NEXTERA ENERGY INC                                        | 17,500 Shares                                                                                                                     | 872,867   | 909,825          |
| NIKE INC - CL B                                           | 15,000 Shares                                                                                                                     | 613,006   | 1,281,300        |
| NORFOLK SOUTHERN CORP                                     | 15,000 Shares                                                                                                                     | 792,719   | 942,300          |
| NORTHROP GRUMMAN CORP                                     | 20,000 Shares                                                                                                                     | 749,098   | 1,295,600        |
| NOVELLUS SYSTEMS INC                                      | 17,425 Shares                                                                                                                     | 410,394   | 563,176          |
| NXSTAGE MEDICAL INC                                       | 40,685 Shares                                                                                                                     | 356,753   | 1,012,243        |
| OASIS PETROLEUM INC                                       | 22,305 Shares                                                                                                                     | 420,144   | 604,912          |
| OCEANEERING INTL INC                                      | 5,135 Shares                                                                                                                      | 236,414   | 378,090          |
| OLD DOMINION FREIGHT LINE INC                             | 13,443 Shares                                                                                                                     | 270,126   | 430,042          |
| OLYMPIC STEEL INC                                         | 12,196 Shares                                                                                                                     | 338,399   | 349,781          |
| OMNICOM GROUP INC                                         | 30,000 Shares                                                                                                                     | 1,071,788 | 1,374,000        |
| ORION MARINE GROUP INC                                    | 34,497 Shares                                                                                                                     | 577,207   | 400,165          |
| PEPSICO INC                                               | 25,000 Shares                                                                                                                     | 1,263,347 | 1,633,250        |
| PFIZER INC                                                | 50,000 Shares                                                                                                                     | 819,941   | 875,500          |
| PLANTRONICS INC NEW                                       | 21,366 Shares                                                                                                                     | 518,274   | 795,243          |
| PROCTER & GAMBLE CO                                       | 30,000 Shares                                                                                                                     | 1,422,753 | 1,929,900        |
| PSYCHEMEDICS CORP                                         | 17,475 Shares                                                                                                                     | 152,404   | 143,295          |
| QUALCOMM INC                                              | 37,500 Shares                                                                                                                     | 1,599,350 | 1,855,875        |
| QUALITY SYSTEMS INC                                       | 2,195 Shares                                                                                                                      | 125,143   | 153,255          |
| RADIANT SYSTEMS INC                                       | 19,712 Shares                                                                                                                     | 298,408   | 385,764          |
| RIGHTNOW TECH INC                                         | 15,850 Shares                                                                                                                     | 239,035   | 375,170          |

\* 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).

## 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost                | Current<br>value     |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| (a)                                                       | (b)                                                                                                                               | (c)                 | (d)                  |
| SCBT FINANCIAL CORP                                       | 5,250 Shares                                                                                                                      | 161,175             | 171,938              |
| SABRA HEALTH CARE REIT INC                                | 15,974 Shares                                                                                                                     | 479,711             | 293,922              |
| SCHLUMBERGER LTD                                          | 21,500 Shares                                                                                                                     | 1,293,027           | 1,795,250            |
| SHUTTERFLY INC                                            | 10,310 Shares                                                                                                                     | 156,691             | 359,716              |
| SIGNATURE BANK                                            | 8,822 Shares                                                                                                                      | 256,887             | 441,629              |
| SILICON LABS INC                                          | 10,149 Shares                                                                                                                     | 455,128             | 467,057              |
| SONOSITE INC                                              | 11,466 Shares                                                                                                                     | 274,902             | 362,326              |
| SOURCEFIRE INC                                            | 9,065 Shares                                                                                                                      | 218,233             | 235,055              |
| THE SOUTHERN COMPANY                                      | 15,000 Shares                                                                                                                     | 498,053             | 573,450              |
| STAPLES INC                                               | 10,000 Shares                                                                                                                     | 203,200             | 227,700              |
| STATE STREET CORP                                         | 22,500 Shares                                                                                                                     | 1,648,061           | 1,042,650            |
| SUN HEALTHCARE GROUP INC                                  | 20,210 Shares                                                                                                                     | 54,414              | 255,859              |
| SUPERIOR ENERGY SERVICES INC                              | 13,955 Shares                                                                                                                     | 284,535             | 488,285              |
| TJX COMPANIES INC                                         | 15,000 Shares                                                                                                                     | 619,643             | 665,850              |
| TALBOTS                                                   | 38,715 Shares                                                                                                                     | 431,045             | 329,852              |
| TARGET CORP                                               | 25,000 Shares                                                                                                                     | 1,265,874           | 1,503,250            |
| TEXAS INSTRUMENTS INC                                     | 40,000 Shares                                                                                                                     | 741,400             | 1,300,000            |
| TEXAS ROADHOUSE INC                                       | 19,030 Shares                                                                                                                     | 202,352             | 326,745              |
| TOWER GROUP INC                                           | 8,849 Shares                                                                                                                      | 207,103             | 226,534              |
| UNITED PARCEL SERVICE                                     | 20,000 Shares                                                                                                                     | 1,480,417           | 1,451,600            |
| UNITED TECHNOLOGIES CORP                                  | 12,500 Shares                                                                                                                     | 705,313             | 984,000              |
| VERA BRADLEY INC                                          | 891 Shares                                                                                                                        | 14,256              | 29,403               |
| VERIZON COMMUNICATIONS                                    | 70,000 Shares                                                                                                                     | 2,008,365           | 2,504,600            |
| VOCUS INC                                                 | 34,087 Shares                                                                                                                     | 507,250             | 942,846              |
| WMS INDUSTRIES INC                                        | 20,502 Shares                                                                                                                     | 887,224             | 927,510              |
| WASTE MANAGEMENT INC                                      | 55,000 Shares                                                                                                                     | 1,694,526           | 2,027,850            |
| WEBSense INC                                              | 28,660 Shares                                                                                                                     | 458,271             | 580,365              |
| WHITING PETROLEUM                                         | 2,075 Shares                                                                                                                      | 104,221             | 243,169              |
| ARGO GROUP INTL HOLDINGS LTD                              | 16,935 Shares                                                                                                                     | 528,249             | 634,216              |
| ACE LIMITED                                               | 15,000 Shares                                                                                                                     | 868,956             | 933,750              |
| <b>Total equity securities</b>                            |                                                                                                                                   | <b>\$96,412,150</b> | <b>\$118,380,040</b> |

\* 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).

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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |        |         |     |  | Cost                 | Current<br>value     |     |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|--------|---------|-----|--|----------------------|----------------------|-----|
| (a)                                                       | (b)                                                                                                                               | (c)        |        |         |     |  |                      | (d)                  | (e) |
| <b>Limited partnerships</b>                               |                                                                                                                                   |            |        |         |     |  |                      |                      |     |
| INTERNATIONAL EQUITY GROUP TRUST                          |                                                                                                                                   | 209,164    | Shares |         |     |  | \$12,137,521         | \$14,129,146         |     |
| MONDRIAN INTL EQUITY FUND                                 |                                                                                                                                   | 495,026    | Shares |         |     |  | 12,493,811           | 11,374,491           |     |
| <b>Total limited partnerships</b>                         |                                                                                                                                   |            |        |         |     |  | <b>\$24,631,332</b>  | <b>\$25,503,637</b>  |     |
| <b>Short-term money market funds</b>                      |                                                                                                                                   |            |        |         |     |  |                      |                      |     |
| * JP MORGAN PRIME MONEY MARKET FD                         |                                                                                                                                   | 2,162,146  | Par    |         |     |  | \$2,162,146          | \$2,162,146          |     |
| <b>Total investments</b>                                  |                                                                                                                                   |            |        |         |     |  | <b>\$190,408,651</b> | <b>\$217,858,950</b> |     |
| <b>401(h) Account</b>                                     |                                                                                                                                   |            |        |         |     |  |                      |                      |     |
| US TREASURY                                               | Due                                                                                                                               | 07/15/2012 | 3.00 % | 100,000 | Par |  | 117,959              | 129,206              |     |
| US TREASURY                                               | Due                                                                                                                               | 01/15/2014 | 2.00 % | 250,000 | Par |  | 287,456              | 317,694              |     |
| US TREASURY                                               | Due                                                                                                                               | 04/15/2011 | 2.38 % | 250,000 | Par |  | 257,278              | 277,927              |     |
| US TREASURY                                               | Due                                                                                                                               | 12/15/2011 | 1.13 % | 250,000 | Par |  | 250,000              | 251,885              |     |
| US TREASURY                                               | Due                                                                                                                               | 08/31/2011 | 1.00 % | 300,000 | Par |  | 300,563              | 301,512              |     |
| US TREASURY                                               | Due                                                                                                                               | 12/15/2012 | 1.13 % | 500,000 | Par |  | 506,140              | 505,135              |     |
| FEDERAL FARM CREDIT BANK                                  | Due                                                                                                                               | 02/04/2013 | 2.15 % | 250,000 | Par |  | 249,813              | 257,290              |     |
| FEDERAL FARM CREDIT BANK                                  | Due                                                                                                                               | 03/14/2012 | 4.50 % | 50,000  | Par |  | 50,463               | 52,408               |     |
| FEDERAL HOME LOAN BANK                                    | Due                                                                                                                               | 09/27/2013 | 4.11 % | 100,000 | Par |  | 103,995              | 108,212              |     |
| GENERAL ELECTRIC CORP                                     | Due                                                                                                                               | 12/06/2017 | 5.25 % | 100,000 | Par |  | 100,000              | 108,008              |     |
| PROCTER & GAMBLE CO                                       | Due                                                                                                                               | 08/15/2014 | 4.95 % | 150,000 | Par |  | 144,675              | 166,625              |     |
| * JP MORGAN PRIME MONEY MARKET FD                         |                                                                                                                                   |            |        | 200,113 | Par |  | 200,113              | 200,113              |     |
| <b>Total 401(h) Account</b>                               |                                                                                                                                   |            |        |         |     |  | <b>\$2,568,455</b>   | <b>\$2,676,015</b>   |     |

\* 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).

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, 2010

| Identity of party involved<br>(a)                                      | Description<br>of assets<br>(b)    | Purchase<br>price<br>(c) | Selling<br>price<br>(d) | Cost of<br>asset<br>(e) | Value of<br>asset on<br>transaction<br>date<br>(h) | Net<br>loss<br>(i) |
|------------------------------------------------------------------------|------------------------------------|--------------------------|-------------------------|-------------------------|----------------------------------------------------|--------------------|
| Category (iii) - Series of transactions in excess of 5% of plan assets |                                    |                          |                         |                         |                                                    |                    |
| <b>Short-term money market funds</b>                                   |                                    |                          |                         |                         |                                                    |                    |
| * JP Morgan Prime money market fund                                    | 59,280,785 units; 270 transactions | \$59,280,785             | \$ -                    | \$59,280,785            | \$59,280,785                                       | \$ -               |
| * JP Morgan Prime money market fund                                    | 60,103,909 units; 179 transactions | \$ -                     | \$60,103,909            | \$60,103,909            | \$60,103,909                                       | \$ -               |

Notes:  
There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2010.

\* Denotes party-in-interest.

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, 2010

| Identity of issue, borrower, lessor<br>or similar parties   |                               | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   |           |     | Cost         | Current<br>value |
|-------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|-----------|-----|--------------|------------------|
| (a)                                                         | (b)                           | (c)                                                                                                                               |            |      |   |           |     | (d)          | (e)              |
| U.S. treasury securities and U.S. government agencies       |                               |                                                                                                                                   |            |      |   |           |     |              |                  |
|                                                             | FEDERAL FARM CREDIT BANK      | Due                                                                                                                               | 12/16/2015 | 4.88 | % | 1,000,000 | Par | \$ 990,610   | \$ 1,124,090     |
|                                                             | FEDERAL HOME LOAN MTG CORP    | Due                                                                                                                               | 02/15/2011 | 6.13 | % | 1,000,000 | Par | 1,000,000    | 1,006,690        |
|                                                             | FEDERAL HOME LOAN MTG CORP    | Due                                                                                                                               | 01/15/2012 | 5.75 | % | 2,000,000 | Par | 1,997,140    | 2,107,980        |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 11/15/2011 | 5.38 | % | 1,000,000 | Par | 997,830      | 1,043,080        |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 08/02/2012 | 5.00 | % | 500,000   | Par | 495,078      | 534,755          |
|                                                             | FEDERAL NATIONAL MTG ASSN     | Due                                                                                                                               | 08/07/2018 | 5.24 | % | 500,000   | Par | 511,930      | 542,925          |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2025 | 2.38 | % | 1,000,000 | Par | 1,060,470    | 1,291,182        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2026 | 2.00 | % | 2,000,000 | Par | 2,054,674    | 2,340,080        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2027 | 2.38 | % | 2,000,000 | Par | 2,057,021    | 2,410,541        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2028 | 1.75 | % | 1,000,000 | Par | 939,572      | 1,062,740        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 02/15/2040 | 2.13 | % | 1,000,000 | Par | 1,142,304    | 1,071,035        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2014 | 2.00 | % | 1,000,000 | Par | 1,081,778    | 1,270,776        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2014 | 2.00 | % | 1,000,000 | Par | 1,060,167    | 1,254,111        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2016 | 2.00 | % | 2,500,000 | Par | 2,534,581    | 2,999,784        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2016 | 2.50 | % | 2,500,000 | Par | 2,784,226    | 3,038,708        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2017 | 2.38 | % | 1,500,000 | Par | 1,534,303    | 1,812,869        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 04/15/2012 | 2.00 | % | 500,000   | Par | 544,566      | 558,483          |
|                                                             | US TREASURY                   | Due                                                                                                                               | 07/15/2017 | 2.63 | % | 1,500,000 | Par | 1,570,201    | 1,801,425        |
|                                                             | US TREASURY                   | Due                                                                                                                               | 01/15/2018 | 1.63 | % | 500,000   | Par | 511,090      | 558,571          |
|                                                             | SALT LAKE CNTY UTAH SALES TAX | Due                                                                                                                               | 11/01/2020 | 3.50 | % | 1,305,000 | Par | 1,329,247    | 1,245,950        |
| Total U.S. treasury securities and U.S. government agencies |                               |                                                                                                                                   |            |      |   |           |     | \$26,196,788 | \$29,075,775     |

\* 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).

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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   |           |     |    | Cost         | Current<br>value |              |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|-----------|-----|----|--------------|------------------|--------------|
| (a)                                                       | (b)                                                                                                                               | (c)        |      |   |           |     |    |              | (d)              | (e)          |
| U.S. government agencies mortgage-backed securities       |                                                                                                                                   |            |      |   |           |     |    |              |                  |              |
| FHLMC                                                     | Due                                                                                                                               | 12/01/2021 | 5.00 | % | 736,456   | Par | \$ | 731,278      | \$               | 781,679      |
| FHLMC                                                     | Due                                                                                                                               | 12/01/2014 | 4.00 | % | 607,115   | Par |    | 590,609      |                  | 627,896      |
| FHLMC                                                     | Due                                                                                                                               | 04/01/2024 | 4.50 | % | 1,774,022 | Par |    | 1,739,650    |                  | 1,867,601    |
| FNMA                                                      | Due                                                                                                                               | 10/01/2016 | 7.50 | % | 797,814   | Par |    | 843,689      |                  | 825,552      |
| FNMA                                                      | Due                                                                                                                               | 09/01/2014 | 5.50 | % | 479,439   | Par |    | 483,934      |                  | 519,823      |
| FNMA                                                      | Due                                                                                                                               | 11/01/2026 | 5.50 | % | 828,825   | Par |    | 820,277      |                  | 889,503      |
| FNMA                                                      | Due                                                                                                                               | 05/01/2020 | 4.75 | % | 1,340,866 | Par |    | 1,385,282    |                  | 1,409,150    |
| GNMA                                                      | Due                                                                                                                               | 01/15/2043 | 7.25 | % | 2,977,800 | Par |    | 3,041,078    |                  | 3,061,394    |
| GNMA                                                      | Due                                                                                                                               | 11/15/2033 | 6.00 | % | 722,035   | Par |    | 750,747      |                  | 802,845      |
| GNMA                                                      | Due                                                                                                                               | 05/15/2016 | 8.18 | % | 419,439   | Par |    | 452,208      |                  | 419,325      |
| GNMA                                                      | Due                                                                                                                               | 04/15/2048 | 6.55 | % | 1,059,850 | Par |    | 1,141,326    |                  | 1,141,824    |
| GNMA                                                      | Due                                                                                                                               | 11/15/2033 | 6.50 | % | 1,882,986 | Par |    | 1,995,965    |                  | 2,032,668    |
| GNMA                                                      | Due                                                                                                                               | 08/15/2040 | 6.25 | % | 2,250,361 | Par |    | 2,258,798    |                  | 2,439,540    |
| GNMA                                                      | Due                                                                                                                               | 12/15/2050 | 6.72 | % | 4,609,396 | Par |    | 4,718,869    |                  | 5,059,947    |
| GNMA                                                      | Due                                                                                                                               | 09/15/2013 | 6.25 | % | 2,831,993 | Par |    | 2,892,173    |                  | 3,001,877    |
| COULEE MEDICAL FOUNDATION                                 | Due                                                                                                                               | 04/20/2036 | 6.50 | % | 5,000,000 | Par |    | 5,000,000    |                  | 5,029,850    |
| U.S. government agencies mortgage-backed securities       |                                                                                                                                   |            |      |   |           |     |    | \$28,845,883 |                  | \$29,910,474 |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties |                                | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |        |   |           |     | Cost         | Current<br>value |
|-----------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|--------|---|-----------|-----|--------------|------------------|
| (a)                                                       | (b)                            | (c)                                                                                                                               |            |        |   |           |     | (d)          | (e)              |
| Corporate obligations                                     |                                |                                                                                                                                   |            |        |   |           |     |              |                  |
|                                                           | AT&T INC                       | Due                                                                                                                               | 02/01/2018 | 5.50   | % | 2,000,000 | Par | \$ 2,000,000 | \$ 2,221,760     |
|                                                           | BLACKROCK INC                  | Due                                                                                                                               | 12/10/2019 | 5.00   | % | 2,120,000 | Par | 2,302,362    | 2,213,746        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 10/19/2012 | 5.25   | % | 1,000,000 | Par | 930,660      | 1,068,780        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 10/06/2017 | 5.50   | % | 1,500,000 | Par | 1,493,830    | 1,508,505        |
|                                                           | GENERAL ELECTRIC CAPITAL CORP  | Due                                                                                                                               | 06/15/2012 | 6.00   | % | 1,000,000 | Par | 1,073,500    | 1,069,010        |
|                                                           | IBM CORPORATION                | Due                                                                                                                               | 06/15/2013 | 7.50   | % | 1,000,000 | Par | 1,048,170    | 1,149,650        |
|                                                           | NATIONSBANK CORP               | Due                                                                                                                               | 08/15/2015 | 7.75   | % | 2,000,000 | Par | 2,120,590    | 2,234,040        |
| *                                                         | STATE AUTO FINANCIAL CORP      | Due                                                                                                                               | 11/15/2013 | 6.25   | % | 220,000   | Par | 178,200      | 225,357          |
|                                                           | UNITED PARCEL SERVICE          | Due                                                                                                                               | 01/15/2018 | 5.50   | % | 1,000,000 | Par | 1,013,040    | 1,136,030        |
| Total corporate obligations                               |                                |                                                                                                                                   |            |        |   |           |     | \$12,160,352 | \$12,826,878     |
| Equity securities                                         |                                |                                                                                                                                   |            |        |   |           |     |              |                  |
|                                                           | AT&T INC                       |                                                                                                                                   | 45,000     | Shares |   |           |     | \$1,668,150  | \$1,322,100      |
|                                                           | ATMI INC                       |                                                                                                                                   | 34,215     | Shares |   |           |     | 591,030      | 682,247          |
|                                                           | ABBOTT LABS                    |                                                                                                                                   | 25,000     | Shares |   |           |     | 1,291,853    | 1,197,750        |
|                                                           | AEROVIRONMENT INC              |                                                                                                                                   | 6,513      | Shares |   |           |     | 161,354      | 174,744          |
|                                                           | AMERICAN ELECTRIC POWER INC    |                                                                                                                                   | 25,000     | Shares |   |           |     | 869,226      | 899,500          |
|                                                           | AMERICAN EXPRESS COMPANY       |                                                                                                                                   | 22,500     | Shares |   |           |     | 835,545      | 965,700          |
|                                                           | AMERICAN TOWER CORP            |                                                                                                                                   | 15,000     | Shares |   |           |     | 507,311      | 774,600          |
|                                                           | AMERISAFE INC                  |                                                                                                                                   | 19,475     | Shares |   |           |     | 358,229      | 340,813          |
|                                                           | AMERIGROUP CORPORATION         |                                                                                                                                   | 8,621      | Shares |   |           |     | 223,592      | 378,634          |
|                                                           | APPLE INC                      |                                                                                                                                   | 7,000      | Shares |   |           |     | 692,357      | 2,257,920        |
|                                                           | ARKANSAS BEST CORP             |                                                                                                                                   | 11,336     | Shares |   |           |     | 353,171      | 310,833          |
|                                                           | ATLAS ENERGY INC               |                                                                                                                                   | 13,740     | Shares |   |           |     | 367,290      | 604,148          |
|                                                           | AUTOMATIC DATA PROCESSING      |                                                                                                                                   | 40,000     | Shares |   |           |     | 1,639,769    | 1,851,200        |
|                                                           | BEST BUY COMPANY INC           |                                                                                                                                   | 30,000     | Shares |   |           |     | 1,171,581    | 1,028,700        |
|                                                           | BLACKBOARD INC                 |                                                                                                                                   | 13,051     | Shares |   |           |     | 550,006      | 539,006          |
|                                                           | CARDTRONICS INC                |                                                                                                                                   | 29,167     | Shares |   |           |     | 354,764      | 516,256          |
|                                                           | CARTER'S INC                   |                                                                                                                                   | 16,816     | Shares |   |           |     | 403,952      | 496,240          |
|                                                           | CHEVRON CORP                   |                                                                                                                                   | 32,500     | Shares |   |           |     | 2,466,825    | 2,965,625        |
|                                                           | COCA-COLA COMPANY              |                                                                                                                                   | 22,500     | Shares |   |           |     | 1,233,847    | 1,479,825        |
|                                                           | CODEXIS INC                    |                                                                                                                                   | 9,159      | Shares |   |           |     | 119,012      | 97,085           |
|                                                           | COLGATE PALMOLIVE CO           |                                                                                                                                   | 20,000     | Shares |   |           |     | 868,753      | 1,607,400        |
|                                                           | COLUMBIA BANKING SYSTEM INC    |                                                                                                                                   | 20,069     | Shares |   |           |     | 314,508      | 422,653          |
|                                                           | COMMVAULT SYSTEMS INC          |                                                                                                                                   | 31,448     | Shares |   |           |     | 567,294      | 900,042          |
|                                                           | COMPLETE PROD SERVICES         |                                                                                                                                   | 13,085     | Shares |   |           |     | 188,625      | 386,662          |
|                                                           | COMTECH TELECOMMUNICATIONS CRP |                                                                                                                                   | 20,532     | Shares |   |           |     | 557,742      | 569,917          |
|                                                           | COPART INC                     |                                                                                                                                   | 19,361     | Shares |   |           |     | 632,246      | 723,133          |
|                                                           | CROCS INC                      |                                                                                                                                   | 72,176     | Shares |   |           |     | 688,354      | 1,235,653        |
|                                                           | DEERE & CO                     |                                                                                                                                   | 20,000     | Shares |   |           |     | 936,436      | 1,661,000        |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |               | Cost      | Current<br>value |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------|-----------|------------------|
| (a)                                                       | (b)                                                                                                                               | (c)           | (d)       | (e)              |
|                                                           | DEVON ENERGY CORP                                                                                                                 | 26,500 Shares | 1,665,422 | 2,080,515        |
|                                                           | DRIL-QUIP INC                                                                                                                     | 3,150 Shares  | 132,080   | 244,818          |
|                                                           | DU PONT & CO                                                                                                                      | 30,000 Shares | 1,249,999 | 1,496,400        |
|                                                           | DUFF & PHELPS CORP                                                                                                                | 20,469 Shares | 351,903   | 345,107          |
|                                                           | DUKE ENERGY CORP                                                                                                                  | 50,000 Shares | 836,399   | 890,500          |
|                                                           | EXXON MOBIL CORPORATION                                                                                                           | 35,000 Shares | 2,897,654 | 2,559,200        |
|                                                           | FXCM INC                                                                                                                          | 17,954 Shares | 260,149   | 237,891          |
|                                                           | FEDEX CORP                                                                                                                        | 15,000 Shares | 945,394   | 1,395,150        |
|                                                           | FLOWSERVE CORP                                                                                                                    | 5,000 Shares  | 565,617   | 596,100          |
|                                                           | FORTINET INC                                                                                                                      | 18,763 Shares | 313,645   | 606,982          |
|                                                           | FREEPORT MCMORAN                                                                                                                  | 15,000 Shares | 1,039,377 | 1,801,350        |
|                                                           | FRONTIER OIL CORP                                                                                                                 | 35,930 Shares | 496,032   | 647,099          |
|                                                           | GENERAL DYNAMICS                                                                                                                  | 20,000 Shares | 1,162,451 | 1,419,200        |
|                                                           | GENERAL ELECTRIC CORP                                                                                                             | 55,000 Shares | 1,438,582 | 1,005,950        |
|                                                           | GLOBE SPECIALTY METALS INC                                                                                                        | 14,320 Shares | 252,841   | 244,729          |
|                                                           | GOOGLE INC                                                                                                                        | 3,500 Shares  | 1,603,860 | 2,078,895        |
|                                                           | GRAFTECH INTERNATIONAL LTD                                                                                                        | 27,110 Shares | 396,792   | 537,862          |
|                                                           | GRANITE CONSTRUCTION INC                                                                                                          | 8,235 Shares  | 254,875   | 225,886          |
|                                                           | HMS HOLDINGS CORP                                                                                                                 | 6,353 Shares  | 224,323   | 411,484          |
|                                                           | HARRIS CORP                                                                                                                       | 20,000 Shares | 744,352   | 906,000          |
|                                                           | HEWLETT PACKARD CO                                                                                                                | 25,000 Shares | 1,176,983 | 1,052,500        |
|                                                           | HOME BANCSHARES INC                                                                                                               | 16,715 Shares | 326,510   | 368,231          |
|                                                           | HOME DEPOT INC                                                                                                                    | 30,000 Shares | 504,149   | 1,051,800        |
|                                                           | HONEYWELL INTL INC                                                                                                                | 20,000 Shares | 1,159,446 | 1,063,200        |
|                                                           | ICF INTERNATIONAL INC                                                                                                             | 13,229 Shares | 351,840   | 340,250          |
|                                                           | ITT INDUSTRIES INC                                                                                                                | 25,000 Shares | 1,233,052 | 1,302,750        |
|                                                           | ICON PLC                                                                                                                          | 24,409 Shares | 571,945   | 534,557          |
|                                                           | INSITUFORM TECHNOLOGIES INC                                                                                                       | 10,371 Shares | 243,787   | 274,935          |
|                                                           | INTEL CORP                                                                                                                        | 90,000 Shares | 2,012,423 | 1,892,700        |
|                                                           | IBM CORPORATION                                                                                                                   | 10,000 Shares | 761,299   | 1,467,600        |
|                                                           | JDA SOFTWARE GROUP INC                                                                                                            | 17,929 Shares | 354,037   | 502,012          |
| *                                                         | JP MORGAN CHASE & CO                                                                                                              | 33,000 Shares | 1,231,034 | 1,399,860        |
|                                                           | JOHNSON & JOHNSON                                                                                                                 | 25,000 Shares | 1,457,663 | 1,546,250        |
|                                                           | KELLOGG CO                                                                                                                        | 27,500 Shares | 1,237,373 | 1,404,700        |
|                                                           | THE KEYW HOLDING CORP                                                                                                             | 9,945 Shares  | 99,450    | 145,893          |
|                                                           | KNOLOGY INC                                                                                                                       | 21,313 Shares | 170,310   | 333,122          |
|                                                           | KORN/FERRY INTL                                                                                                                   | 22,064 Shares | 308,724   | 509,899          |
|                                                           | KRONOS WORLDWIDE INC                                                                                                              | 3,789 Shares  | 153,347   | 160,995          |
|                                                           | LKQ CORP                                                                                                                          | 13,401 Shares | 237,488   | 304,471          |

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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, 2010

| Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost      | Current<br>value |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|
| (a)                                                       | (b)                                                                                                                               | (c)       | (d)              |
| L3 COMMUNICATIONS HLDG                                    | 15,000 Shares                                                                                                                     | 1,144,642 | 1,057,350        |
| LANDSTAR SYSTEM INC                                       | 10,065 Shares                                                                                                                     | 384,422   | 412,061          |
| LINCARE HOLDINGS INC                                      | 14,897 Shares                                                                                                                     | 292,900   | 399,687          |
| LOCKHEED MARTIN CORPORATION                               | 25,000 Shares                                                                                                                     | 1,493,884 | 1,747,750        |
| LOWES COMPANIES INC                                       | 50,000 Shares                                                                                                                     | 1,512,603 | 1,254,000        |
| MARATHON OIL CORP                                         | 40,000 Shares                                                                                                                     | 1,410,710 | 1,481,200        |
| MATRIX SERVICE COMPANY                                    | 33,816 Shares                                                                                                                     | 411,254   | 411,879          |
| MCDONALDS CORP                                            | 25,000 Shares                                                                                                                     | 1,107,398 | 1,919,000        |
| MEADWESTVACO CORP                                         | 35,000 Shares                                                                                                                     | 834,845   | 915,600          |
| MEDASSETS INC                                             | 6,668 Shares                                                                                                                      | 133,275   | 134,627          |
| MEDNAX INC                                                | 8,351 Shares                                                                                                                      | 432,425   | 561,939          |
| MERCK & CO INC                                            | 32,500 Shares                                                                                                                     | 1,186,459 | 1,171,300        |
| MERCURY COMPUTER SYSTEMS INC                              | 21,714 Shares                                                                                                                     | 228,658   | 399,103          |
| MICROSOFT CORP                                            | 70,000 Shares                                                                                                                     | 1,183,003 | 1,953,700        |
| MONOTYPE IMAGING HOLDINGS INC                             | 33,339 Shares                                                                                                                     | 275,541   | 370,063          |
| MONRO MUFFLER BRAKE                                       | 9,104 Shares                                                                                                                      | 197,532   | 314,890          |
| NANOMETRICS                                               | 44,542 Shares                                                                                                                     | 425,076   | 571,474          |
| NATIONAL-OILWELL VARCO INC                                | 22,500 Shares                                                                                                                     | 866,042   | 1,513,125        |
| NEXTERA ENERGY INC                                        | 17,500 Shares                                                                                                                     | 872,867   | 909,825          |
| NIKE INC - CL B                                           | 15,000 Shares                                                                                                                     | 613,006   | 1,281,300        |
| NORFOLK SOUTHERN CORP                                     | 15,000 Shares                                                                                                                     | 792,719   | 942,300          |
| NORTHROP GRUMMAN CORP                                     | 20,000 Shares                                                                                                                     | 749,098   | 1,295,600        |
| NOVELLUS SYSTEMS INC                                      | 17,425 Shares                                                                                                                     | 410,394   | 563,176          |
| NXSTAGE MEDICAL INC                                       | 40,685 Shares                                                                                                                     | 356,753   | 1,012,243        |
| OASIS PETROLEUM INC                                       | 22,305 Shares                                                                                                                     | 420,144   | 604,912          |
| OCEANEERING INTL INC                                      | 5,135 Shares                                                                                                                      | 236,414   | 378,090          |
| OLD DOMINION FREIGHT LINE INC                             | 13,443 Shares                                                                                                                     | 270,126   | 430,042          |
| OLYMPIC STEEL INC                                         | 12,196 Shares                                                                                                                     | 338,399   | 349,781          |
| OMNICOM GROUP INC                                         | 30,000 Shares                                                                                                                     | 1,071,788 | 1,374,000        |
| ORION MARINE GROUP INC                                    | 34,497 Shares                                                                                                                     | 577,207   | 400,165          |
| PEPSICO INC                                               | 25,000 Shares                                                                                                                     | 1,263,347 | 1,633,250        |
| PFIZER INC                                                | 50,000 Shares                                                                                                                     | 819,941   | 875,500          |
| PLANTRONICS INC NEW                                       | 21,366 Shares                                                                                                                     | 518,274   | 795,243          |
| PROCTER & GAMBLE CO                                       | 30,000 Shares                                                                                                                     | 1,422,753 | 1,929,900        |
| PSYCHEMEDICS CORP                                         | 17,475 Shares                                                                                                                     | 152,404   | 143,295          |
| QUALCOMM INC                                              | 37,500 Shares                                                                                                                     | 1,599,350 | 1,855,875        |
| QUALITY SYSTEMS INC                                       | 2,195 Shares                                                                                                                      | 125,143   | 153,255          |
| RADIANT SYSTEMS INC                                       | 19,712 Shares                                                                                                                     | 298,408   | 385,764          |
| RIGHTNOW TECH INC                                         | 15,850 Shares                                                                                                                     | 239,035   | 375,170          |

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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, 2010

| (a) | Identity of issue, borrower, lessor<br>or similar parties | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares | Cost                | Current<br>value     |
|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| (a) | (b)                                                       | (c)                                                                                                                               | (d)                 | (e)                  |
|     | SCBT FINANCIAL CORP                                       | 5,250 Shares                                                                                                                      | 161,175             | 171,938              |
|     | SABRA HEALTH CARE REIT INC                                | 15,974 Shares                                                                                                                     | 479,711             | 293,922              |
|     | SCHLUMBERGER LTD                                          | 21,500 Shares                                                                                                                     | 1,293,027           | 1,795,250            |
|     | SHUTTERFLY INC                                            | 10,310 Shares                                                                                                                     | 156,691             | 359,716              |
|     | SIGNATURE BANK                                            | 8,822 Shares                                                                                                                      | 256,887             | 441,629              |
|     | SILICON LABS INC                                          | 10,149 Shares                                                                                                                     | 455,128             | 467,057              |
|     | SONOSITE INC                                              | 11,466 Shares                                                                                                                     | 274,902             | 362,326              |
|     | SOURCEFIRE INC                                            | 9,065 Shares                                                                                                                      | 218,233             | 235,055              |
|     | THE SOUTHERN COMPANY                                      | 15,000 Shares                                                                                                                     | 498,053             | 573,450              |
|     | STAPLES INC                                               | 10,000 Shares                                                                                                                     | 203,200             | 227,700              |
|     | STATE STREET CORP                                         | 22,500 Shares                                                                                                                     | 1,648,061           | 1,042,650            |
|     | SUN HEALTHCARE GROUP INC                                  | 20,210 Shares                                                                                                                     | 54,414              | 255,859              |
|     | SUPERIOR ENERGY SERVICES INC                              | 13,955 Shares                                                                                                                     | 284,535             | 488,285              |
|     | TJX COMPANIES INC                                         | 15,000 Shares                                                                                                                     | 619,643             | 665,850              |
|     | TALBOTS                                                   | 38,715 Shares                                                                                                                     | 431,045             | 329,852              |
|     | TARGET CORP                                               | 25,000 Shares                                                                                                                     | 1,265,874           | 1,503,250            |
|     | TEXAS INSTRUMENTS INC                                     | 40,000 Shares                                                                                                                     | 741,400             | 1,300,000            |
|     | TEXAS ROADHOUSE INC                                       | 19,030 Shares                                                                                                                     | 202,352             | 326,745              |
|     | TOWER GROUP INC                                           | 8,849 Shares                                                                                                                      | 207,103             | 226,534              |
|     | UNITED PARCEL SERVICE                                     | 20,000 Shares                                                                                                                     | 1,480,417           | 1,451,600            |
|     | UNITED TECHNOLOGIES CORP                                  | 12,500 Shares                                                                                                                     | 705,313             | 984,000              |
|     | VERA BRADLEY INC                                          | 891 Shares                                                                                                                        | 14,256              | 29,403               |
|     | VERIZON COMMUNICATIONS                                    | 70,000 Shares                                                                                                                     | 2,008,365           | 2,504,600            |
|     | VOCUS INC                                                 | 34,087 Shares                                                                                                                     | 507,250             | 942,846              |
|     | WMS INDUSTRIES INC                                        | 20,502 Shares                                                                                                                     | 887,224             | 927,510              |
|     | WASTE MANAGEMENT INC                                      | 55,000 Shares                                                                                                                     | 1,694,526           | 2,027,850            |
|     | WEBSense INC                                              | 28,660 Shares                                                                                                                     | 458,271             | 580,365              |
|     | WHITING PETROLEUM                                         | 2,075 Shares                                                                                                                      | 104,221             | 243,169              |
|     | ARGO GROUP INTL HOLDINGS LTD                              | 16,935 Shares                                                                                                                     | 528,249             | 634,216              |
|     | ACE LIMITED                                               | 15,000 Shares                                                                                                                     | 868,956             | 933,750              |
|     | <b>Total equity securities</b>                            |                                                                                                                                   | <b>\$96,412,150</b> | <b>\$118,380,040</b> |

\* 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, 2010

| Identity of issue, borrower, lessor<br>or similar parties |                                  | Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value,<br>or number of shares |            |      |   | Cost                 | Current<br>value     |                    |                    |
|-----------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------|------|---|----------------------|----------------------|--------------------|--------------------|
| (a)                                                       | (b)                              | (c)                                                                                                                               |            |      |   | (d)                  | (e)                  |                    |                    |
| <b>Limited partnerships</b>                               |                                  |                                                                                                                                   |            |      |   |                      |                      |                    |                    |
|                                                           | INTERNATIONAL EQUITY GROUP TRUST | 209,164                                                                                                                           | Shares     |      |   | \$12,137,521         | \$14,129,146         |                    |                    |
|                                                           | MONDRIAN INTL EQUITY FUND        | 495,026                                                                                                                           | Shares     |      |   | 12,493,811           | 11,374,491           |                    |                    |
| <b>Total limited partnerships</b>                         |                                  |                                                                                                                                   |            |      |   | <b>\$24,631,332</b>  | <b>\$25,503,637</b>  |                    |                    |
| <b>Short-term money market funds</b>                      |                                  |                                                                                                                                   |            |      |   |                      |                      |                    |                    |
| *                                                         | JP MORGAN PRIME MONEY MARKET FD  | 2,162,146                                                                                                                         | Par        |      |   | \$2,162,146          | \$2,162,146          |                    |                    |
| <b>Total investments</b>                                  |                                  |                                                                                                                                   |            |      |   | <b>\$190,408,651</b> | <b>\$217,858,950</b> |                    |                    |
| <b>401(h) Account</b>                                     |                                  |                                                                                                                                   |            |      |   |                      |                      |                    |                    |
|                                                           | US TREASURY                      | Due                                                                                                                               | 07/15/2012 | 3.00 | % | 100,000              | Par                  | 117,959            | 129,206            |
|                                                           | US TREASURY                      | Due                                                                                                                               | 01/15/2014 | 2.00 | % | 250,000              | Par                  | 287,456            | 317,694            |
|                                                           | US TREASURY                      | Due                                                                                                                               | 04/15/2011 | 2.38 | % | 250,000              | Par                  | 257,278            | 277,927            |
|                                                           | US TREASURY                      | Due                                                                                                                               | 12/15/2011 | 1.13 | % | 250,000              | Par                  | 250,000            | 251,885            |
|                                                           | US TREASURY                      | Due                                                                                                                               | 08/31/2011 | 1.00 | % | 300,000              | Par                  | 300,563            | 301,512            |
|                                                           | US TREASURY                      | Due                                                                                                                               | 12/15/2012 | 1.13 | % | 500,000              | Par                  | 506,140            | 505,135            |
|                                                           | FEDERAL FARM CREDIT BANK         | Due                                                                                                                               | 02/04/2013 | 2.15 | % | 250,000              | Par                  | 249,813            | 257,290            |
|                                                           | FEDERAL FARM CREDIT BANK         | Due                                                                                                                               | 03/14/2012 | 4.50 | % | 50,000               | Par                  | 50,463             | 52,408             |
|                                                           | FEDERAL HOME LOAN BANK           | Due                                                                                                                               | 09/27/2013 | 4.11 | % | 100,000              | Par                  | 103,995            | 108,212            |
|                                                           | GENERAL ELECTRIC CORP            | Due                                                                                                                               | 12/06/2017 | 5.25 | % | 100,000              | Par                  | 100,000            | 108,008            |
|                                                           | PROCTER & GAMBLE CO              | Due                                                                                                                               | 08/15/2014 | 4.95 | % | 150,000              | Par                  | 144,675            | 166,625            |
| *                                                         | JP MORGAN PRIME MONEY MARKET FD  |                                                                                                                                   |            |      |   | 200,113              | Par                  | 200,113            | 200,113            |
| <b>Total 401(h) Account</b>                               |                                  |                                                                                                                                   |            |      |   |                      |                      | <b>\$2,568,455</b> | <b>\$2,676,015</b> |

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