

Two Thousand Ten

State Auto Financial Corporation

Annual Meeting

Bob Restrepo

Chairman, President and CEO

Jay Yano

VP, Secretary and General Counsel

Election of Directors

Amendment to the Company's Code of Regulations

Ratification of Ernst & Young LLP as Independent Auditor

Report from Auditors

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “estimate,” “target,” and similar expressions, among others, identify forward-looking statements. All forward-looking statements are based on assumptions, expectations and other information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause events and the Company’s actual results to differ materially from those expressed or implied. Please see the disclosure regarding forward-looking statements immediately preceding Part I of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009. The Company assumes no obligation to update any forward-looking statements.

Financial Highlights

		2005	2006	2007	2008	2009
Net premiums written	\$	1,045.6	1,019.5	1,019.8	1,204.9	1,210.4
Total revenue	\$	1,139.5	1,117.4	1,113.4	1,181.9	1,256.9
Net income (loss)	\$	125.9	120.4	119.1	(31.1)	10.2
Diluted EPS	\$	3.06	2.90	2.86	(0.78)	0.25
Dividends paid/share	\$	0.27	0.38	0.50	0.60	0.60
Book value/share	\$	18.86	20.32	23.10	19.23	21.33
Return on equity		17.7%	15.1%	13.5%	(3.7)%	1.3%
Combined ratio		90.1	91.4	92.8	109.8	105.8

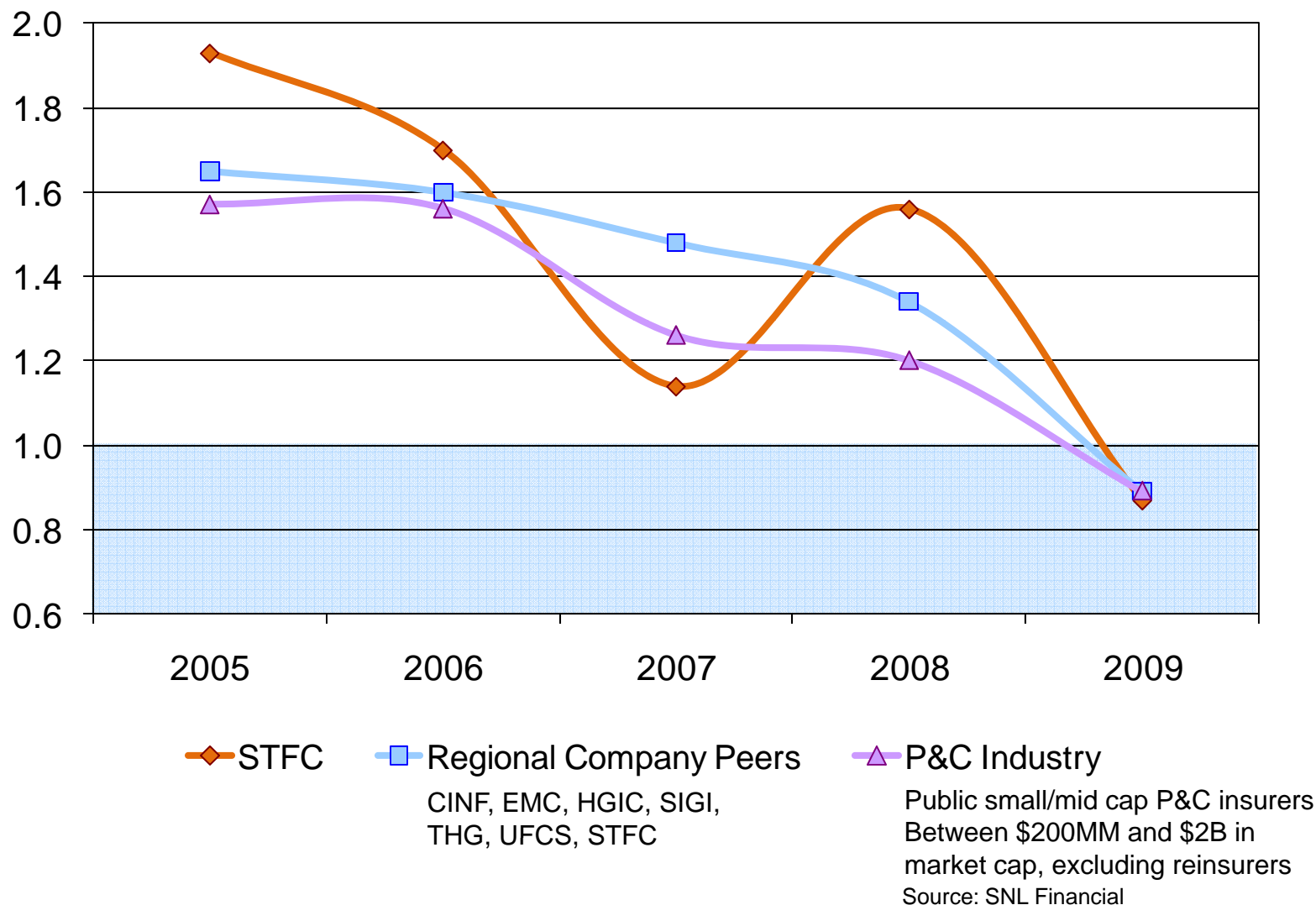
\$ in millions, except per share amounts

Financial Highlights

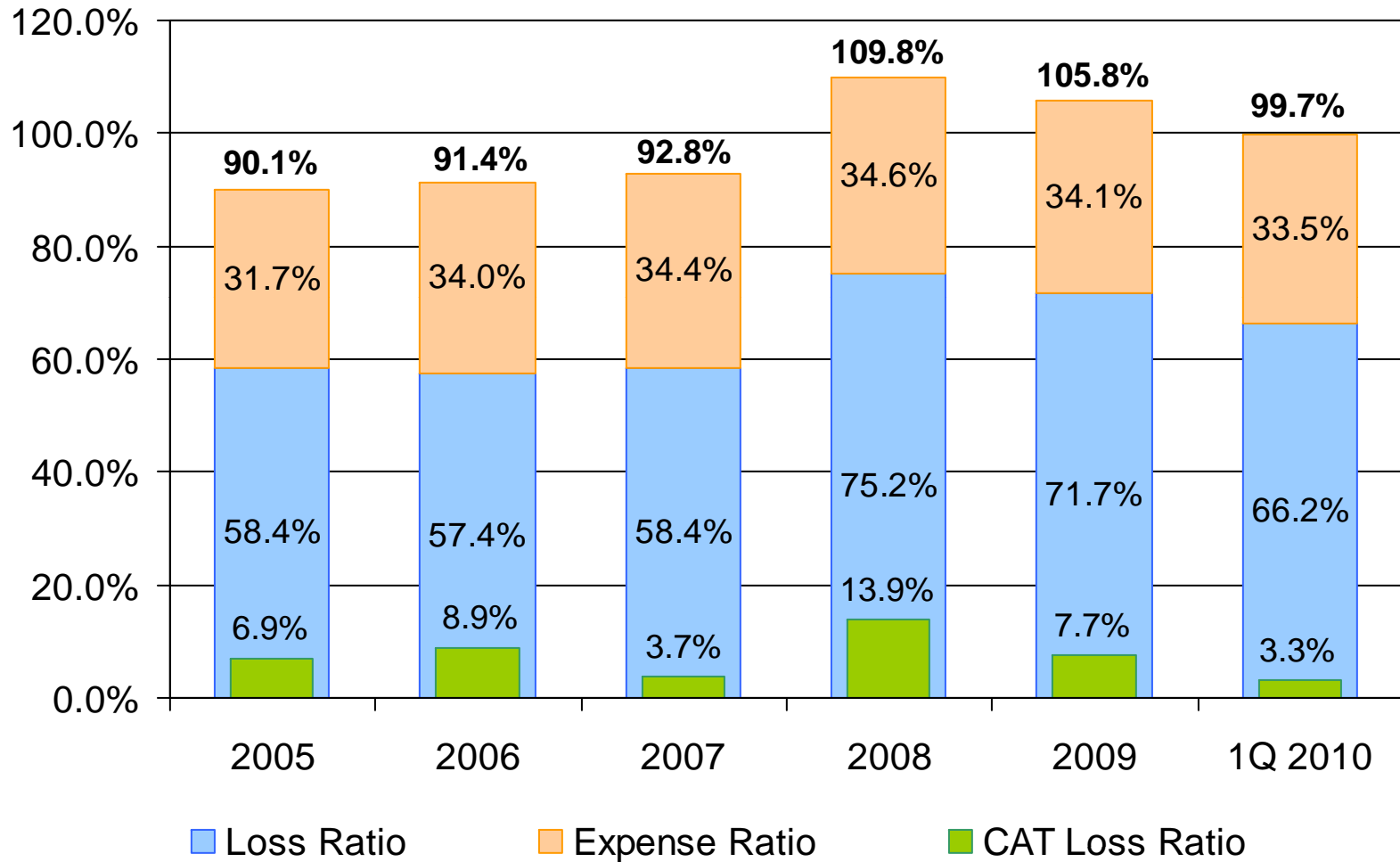
		2005	2006	2007	2008	2009	1Q 2010
Net premiums written	\$	1,045.6	1,019.5	1,019.8	1,204.9	1,210.4	302.5
Total revenue	\$	1,139.5	1,117.4	1,113.4	1,181.9	1,256.9	326.4
Net income (loss)	\$	125.9	120.4	119.1	(31.1)	10.2	12.9
Diluted EPS	\$	3.06	2.90	2.86	(0.78)	0.25	0.32
Dividends paid/share	\$	0.27	0.38	0.50	0.60	0.60	0.15
Book value/share	\$	18.86	20.32	23.10	19.23	21.33	21.65
Return on equity		17.7%	15.1%	13.5%	(3.7)%	1.3%	4.6% ⁽¹⁾
Combined ratio		90.1	91.4	92.8	109.8	105.8	99.7

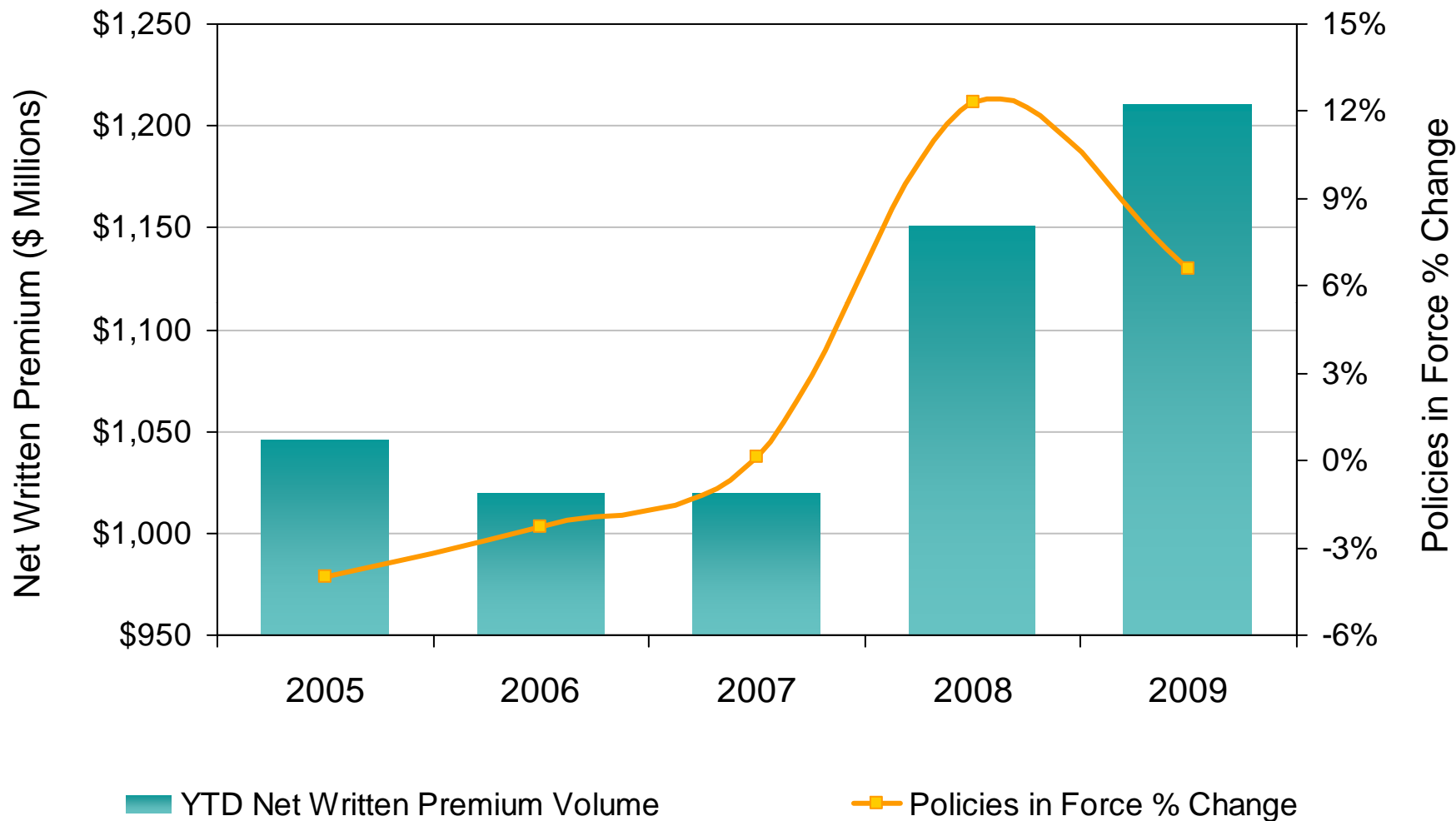
\$ in millions, except per share amounts

(1) ROE rolling 12-month period ending March 31, 2010

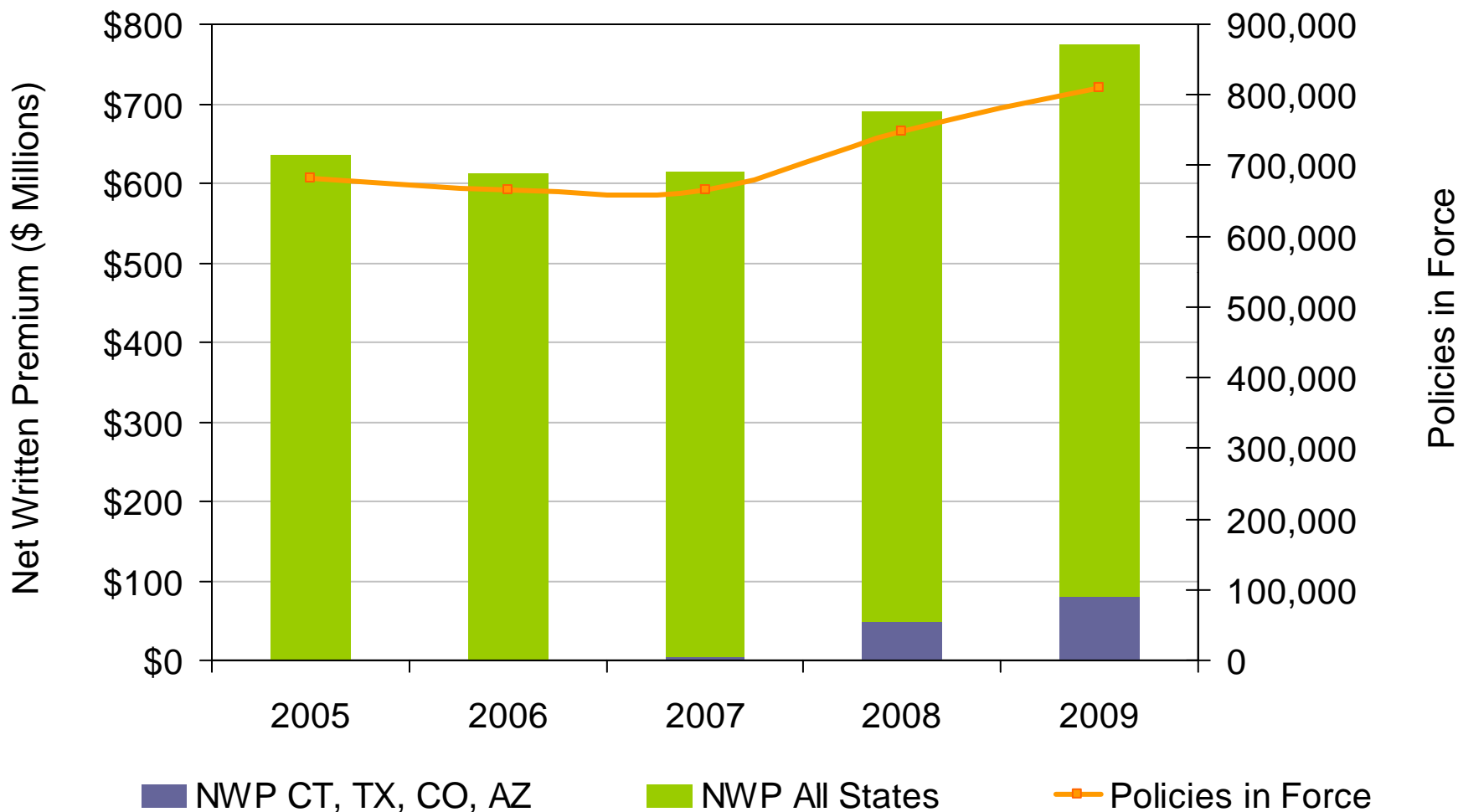


Combined Ratio

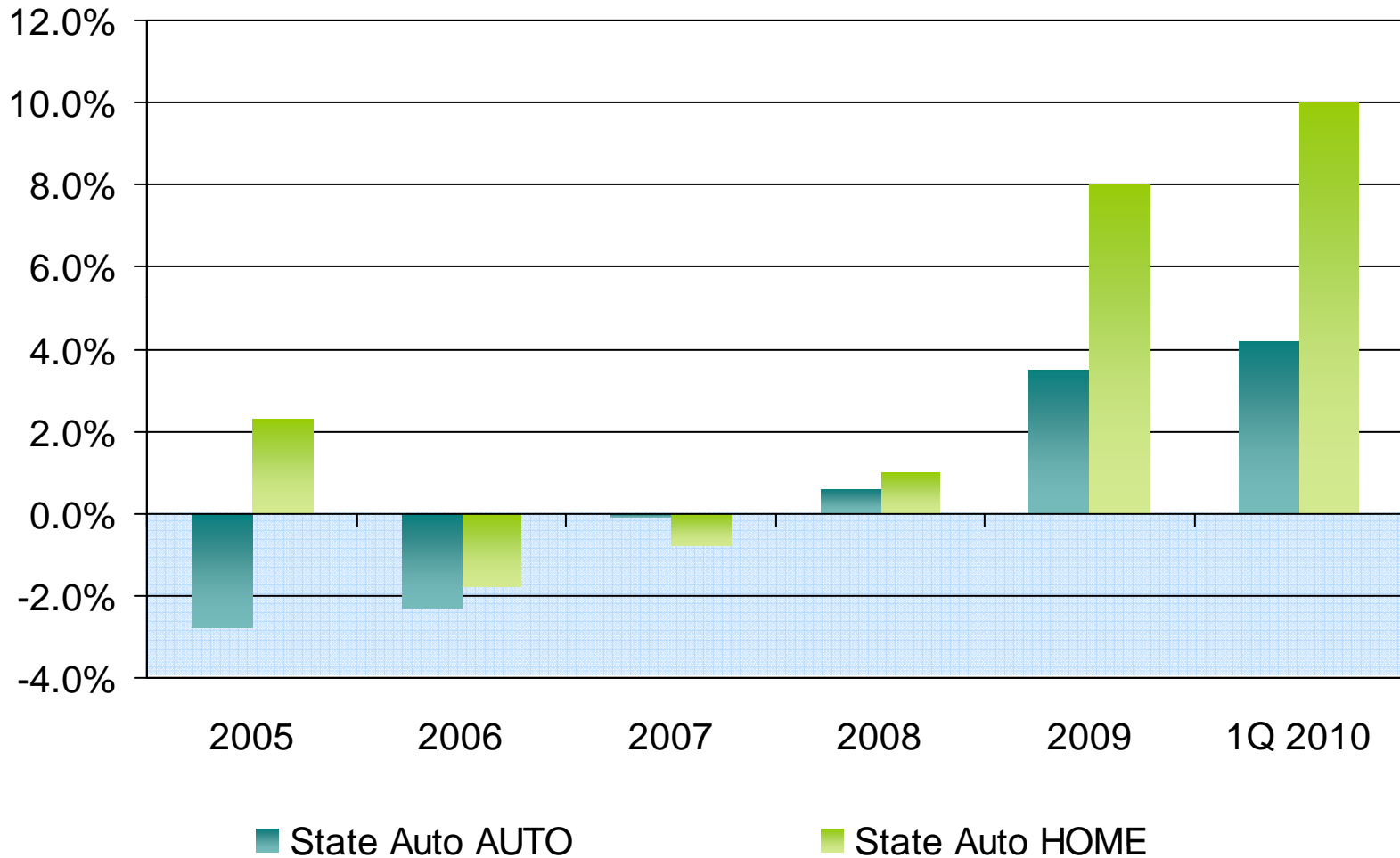


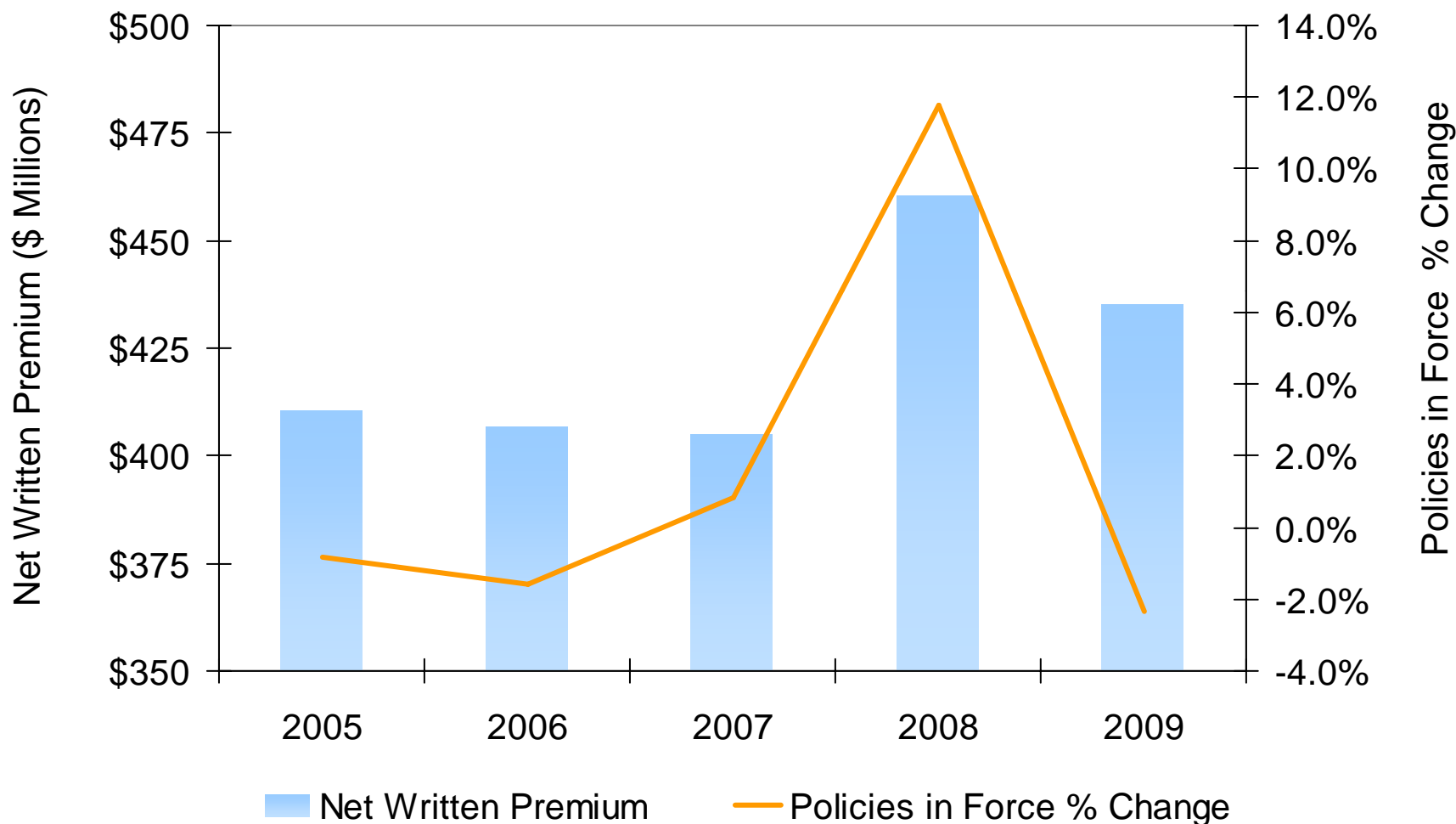


Personal Insurance Growth

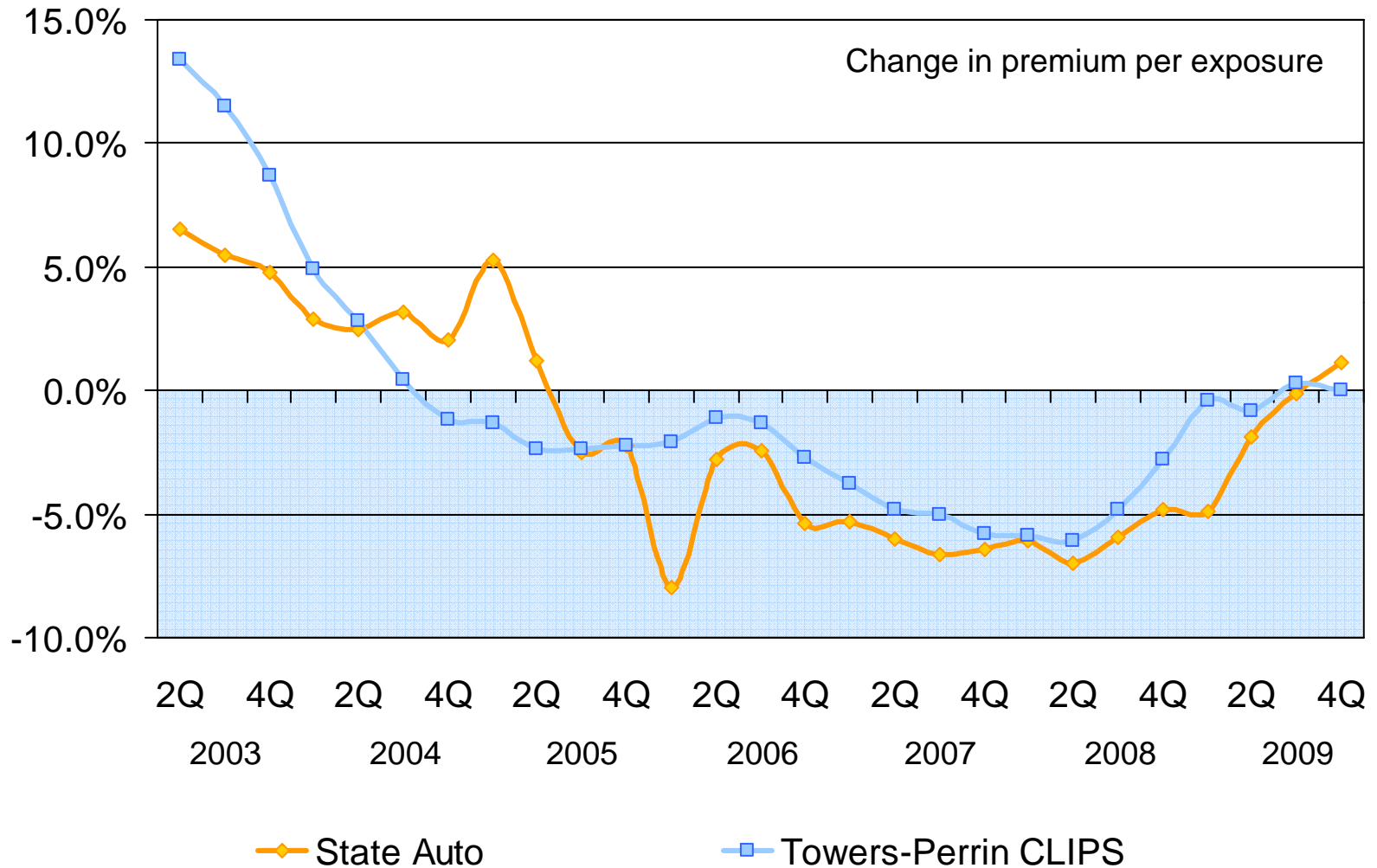


Personal Insurance Pricing Trend





Business Insurance Pricing Trend



- Homeowners Profit Improvement
- Claim Performance
- Field Restructuring
- Capital and Risk Management
- Specialty Insurance Integration
- Associate Engagement

- Homeowners Improvement Plan
 - Price
 - Insurance to Value (ITV)
 - Deductibles
 - By-peril product
 - Portfolio management
 - Reinsurance

- **Claim Performance**
 - Service
 - Cost
 - Indemnity payments

- **Field Restructuring**
 - Regional sales
 - Business Insurance Account Executives
 - Business Insurance Underwriting and Support
 - Personal Insurance Underwriting and Support

- **Capital and Risk Management**
 - Capital allocation
 - Liquidity
 - Geographic spread
 - Investments
 - Reserves

- **Specialty Insurance Integration**
 - Risk Evaluation and Design (RED)
 - Rockhill
 - RTW

- Associate Engagement
 - Values
 - Agency and customer goodwill
 - Communication
 - Trust

Vision

State Auto is the property and casualty insurance company of choice.

Mission

The State Auto Group provides property and casualty products and services, through independent agents, that enhance the financial interests of our policyholders and shareholders.

Values

Financial Strength, Reputation, Relationships, Reliability, Responsiveness



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