

State Auto Financial Corporation

two thousand nine

Annual Meeting

Bob Restrepo

Chairman, President and CEO

Jay Yano

Vice President, Secretary
and General Counsel

Election of Directors

2009
Equity Incentive
Compensation Plan

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, 2008. The Company assumes no obligation to update any forward-looking statements.

Financial Highlights

	2006	2007	2008
Net premiums written	\$ 1,019.5	1,019.8	1,204.9
Total revenue	\$ 1,117.4	1,113.4	1,181.9
Net income (loss)	\$ 120.4	119.1	(31.1)
Diluted EPS	\$ 2.90	2.86	(0.78)
Dividends paid per share	\$ 0.38	0.50	0.60
Book value per share	\$ 20.32	23.10	19.23
Return on equity	15.1%	13.5%	(3.7)%
Combined ratio	91.4%	92.8%	109.8%
<i>\$ in millions, except per share amounts</i>			

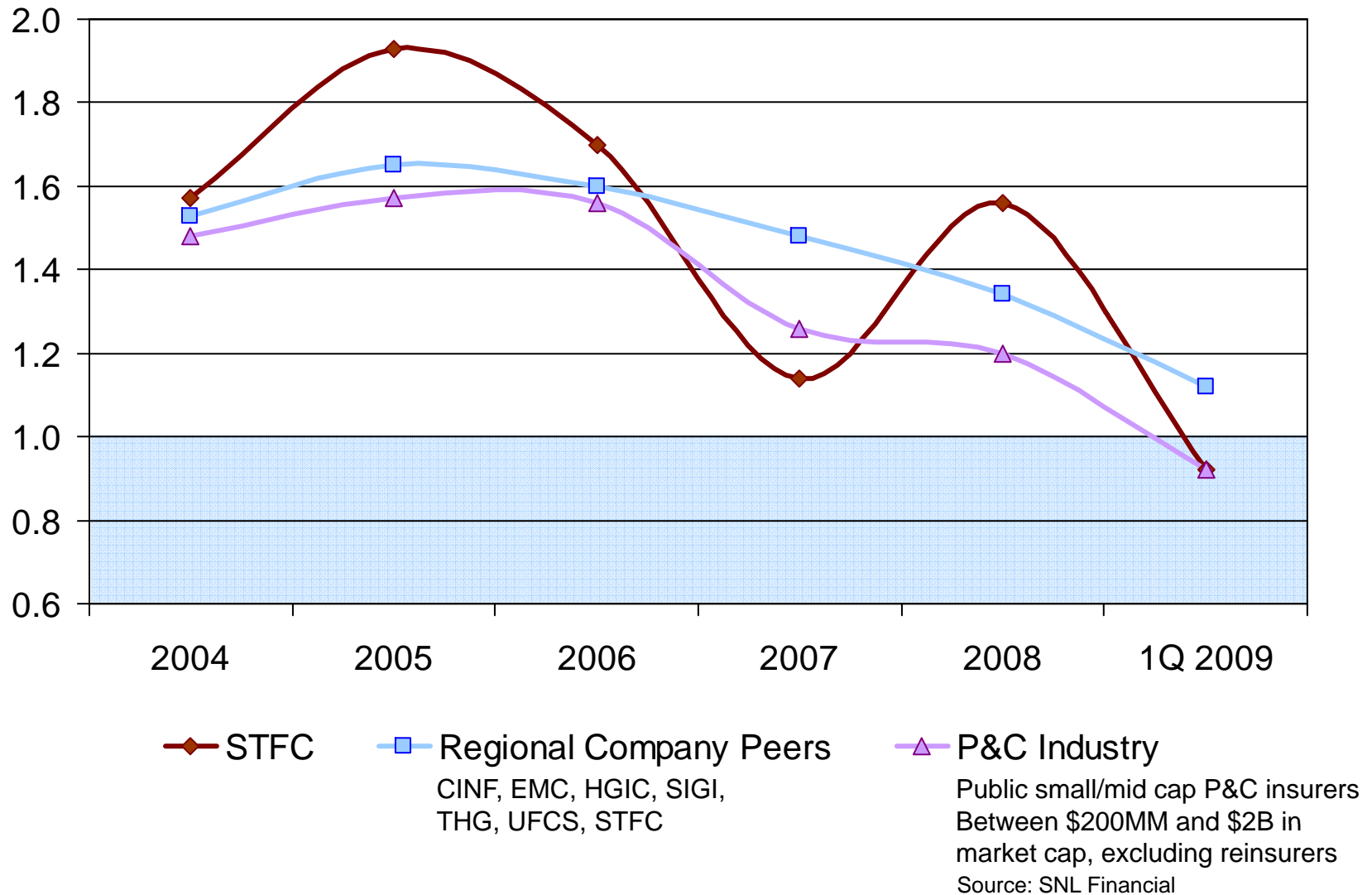
Financial Highlights

	2006	2007	2008	1Q 2009
Net premiums written	\$ 1,019.5	1,019.8	1,204.9	287.1
Total revenue	\$ 1,117.4	1,113.4	1,181.9	294.0
Net income (loss)	\$ 120.4	119.1	(31.1)	(14.0)
Diluted EPS	\$ 2.90	2.86	(0.78)	(0.35)
Dividends paid per share	\$ 0.38	0.50	0.60	0.15
Book value per share	\$ 20.32	23.10	19.23	19.21
Return on equity	15.1%	13.5%	(3.7)%	(4.0)% ⁽¹⁾
Combined ratio	91.4%	92.8%	109.8%	112.0%

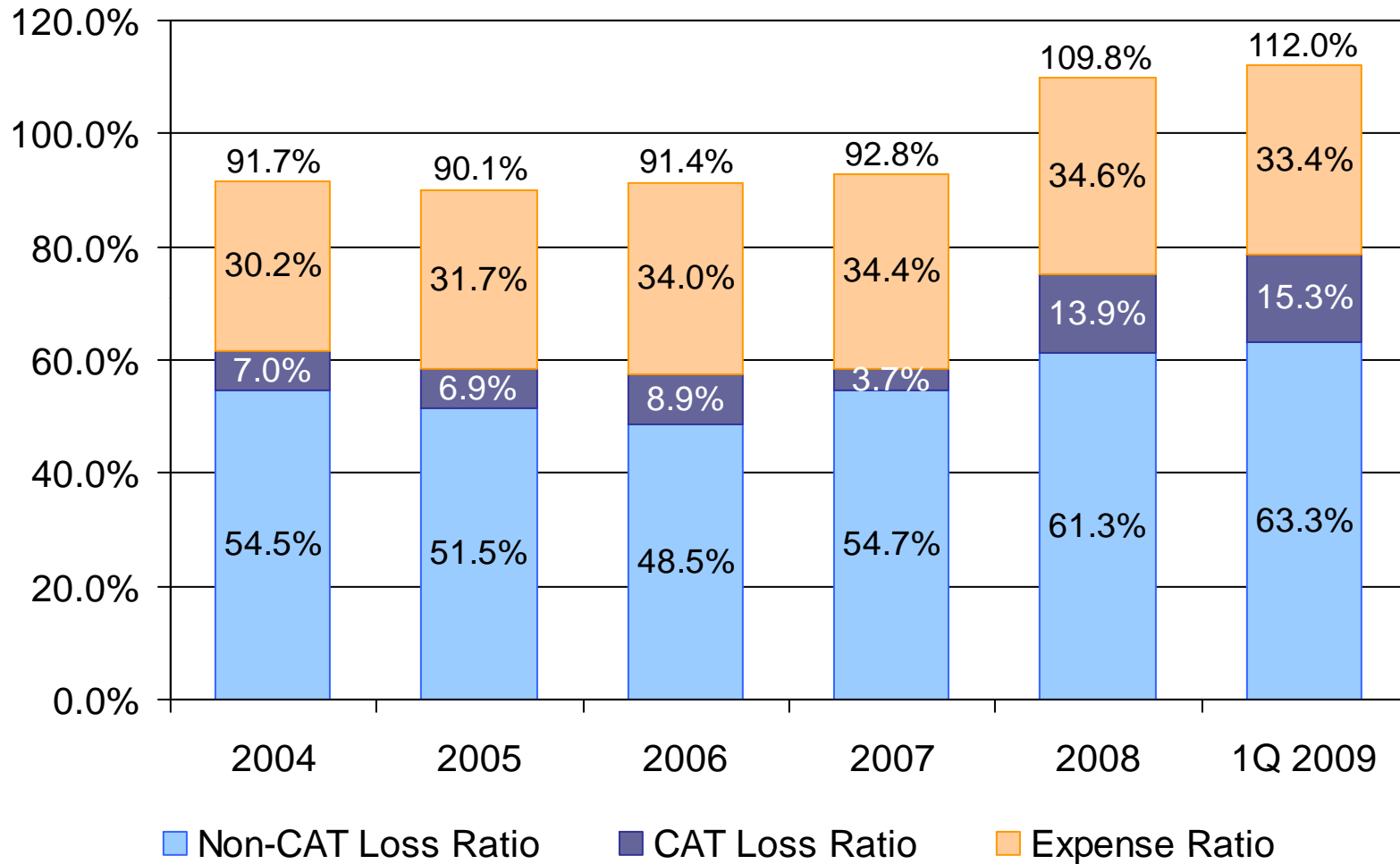
\$ in millions, except per share amounts

(1) ROE rolling 12-month period ending March 31, 2009

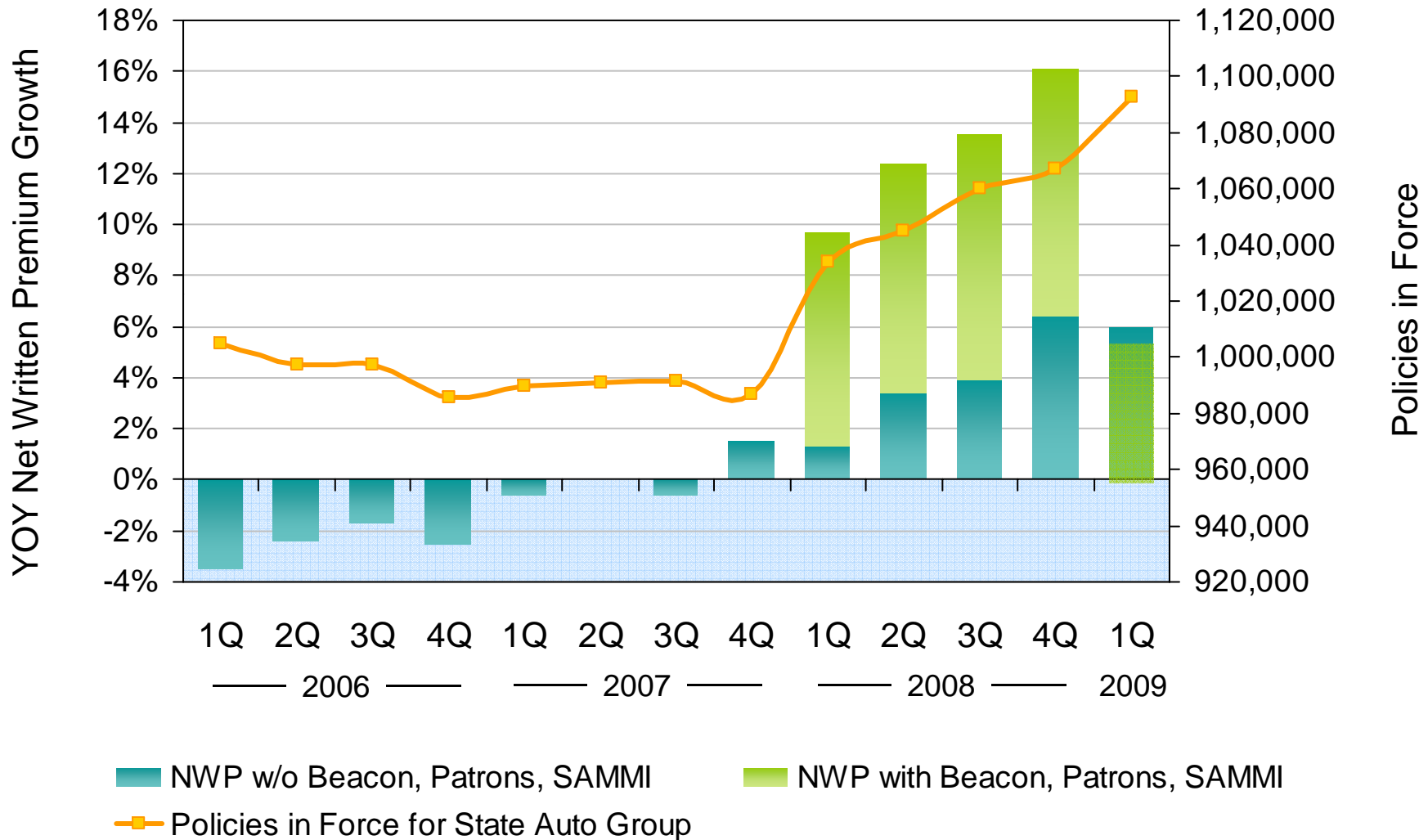
Price to Book Ratio



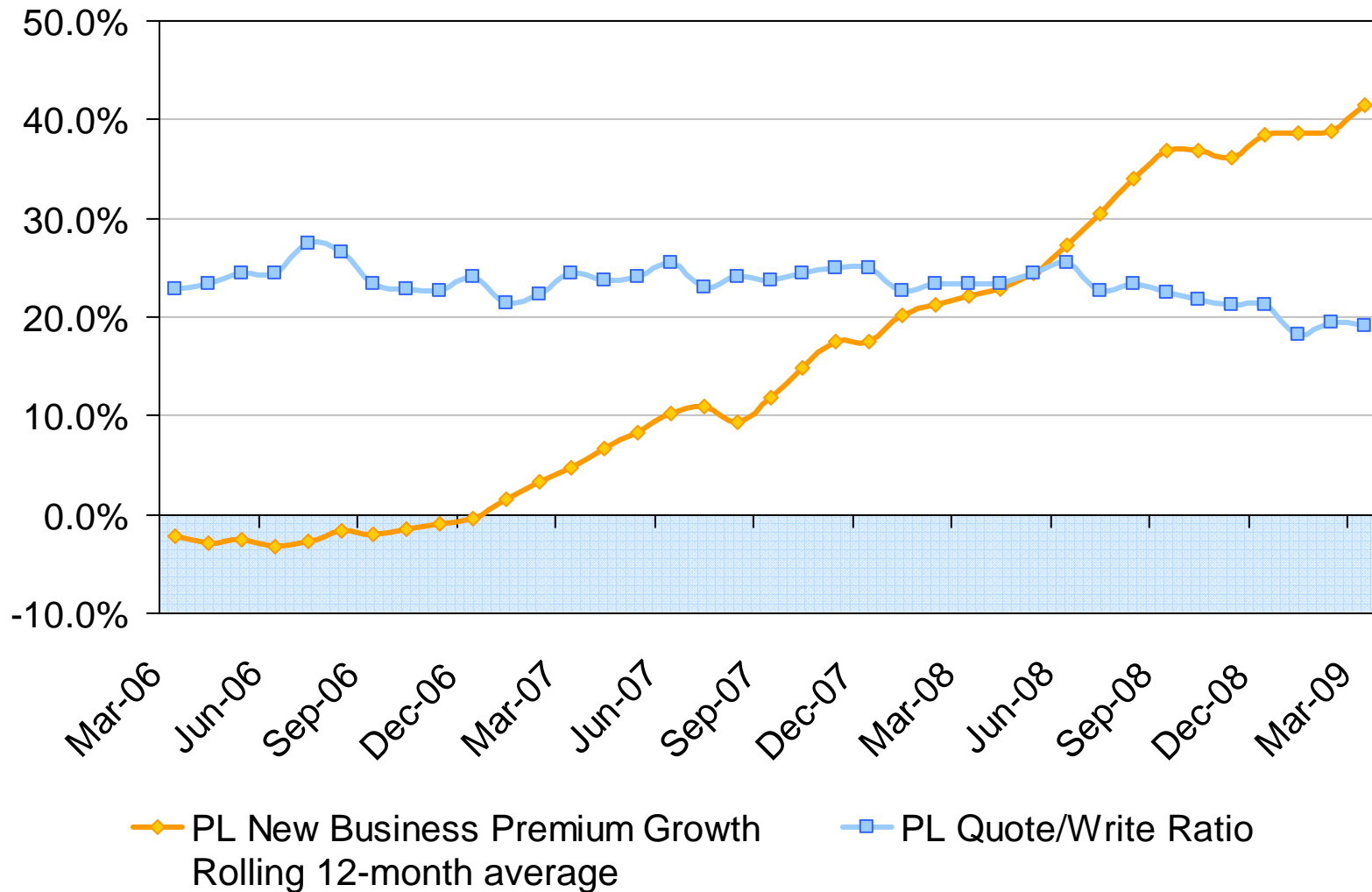
Combined Ratio

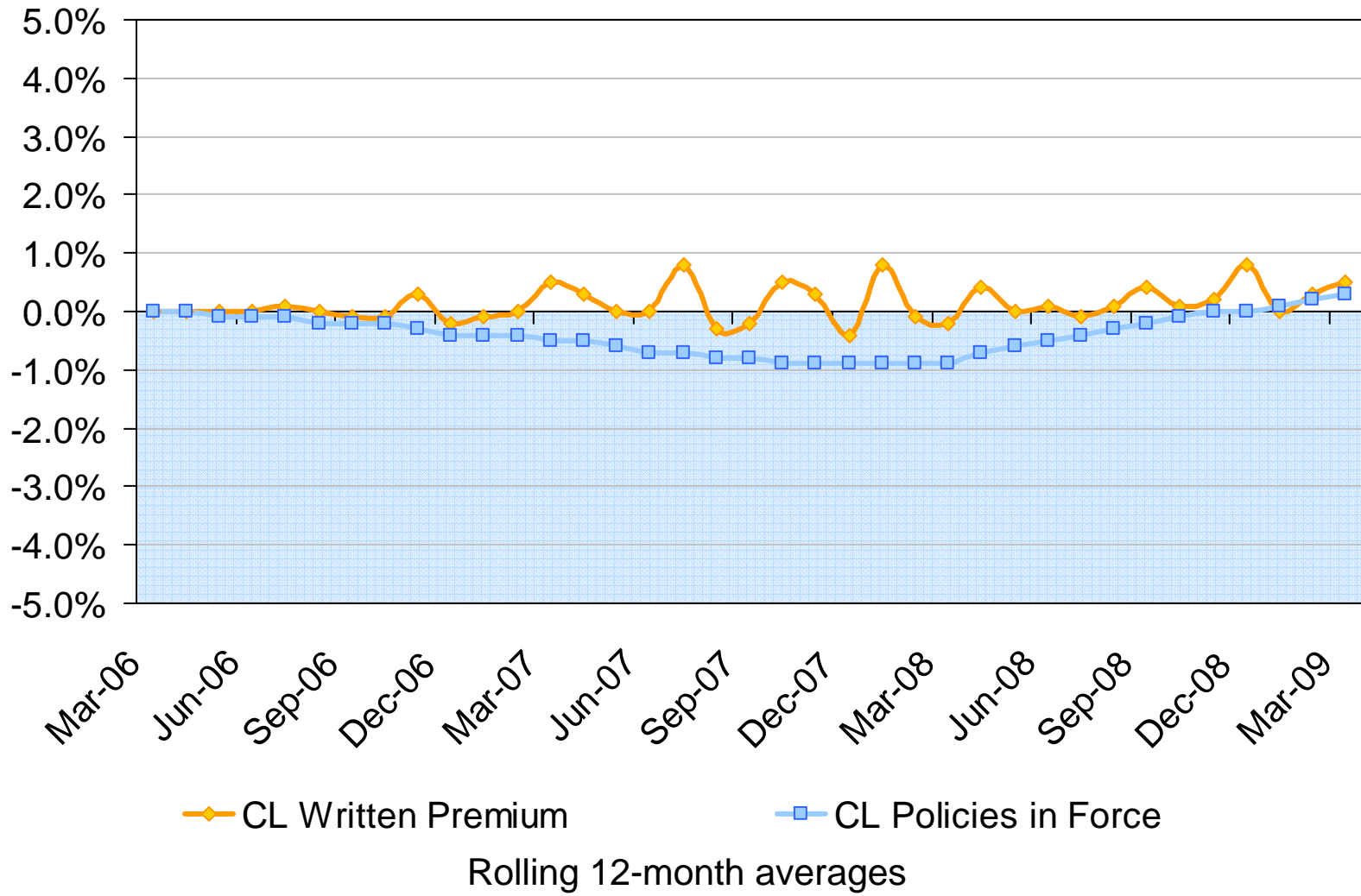


Production Trend

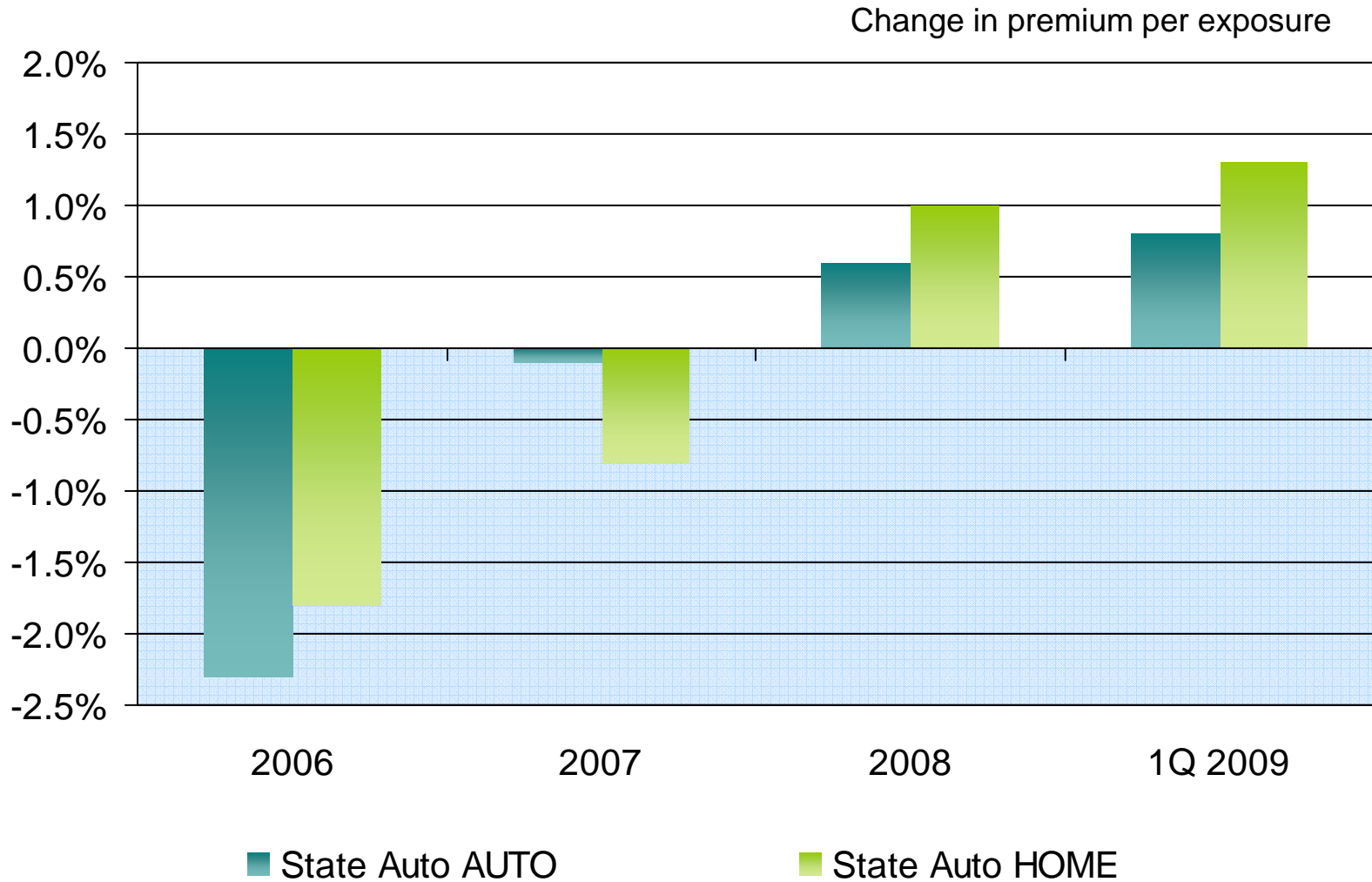


Personal Lines Quote Activity

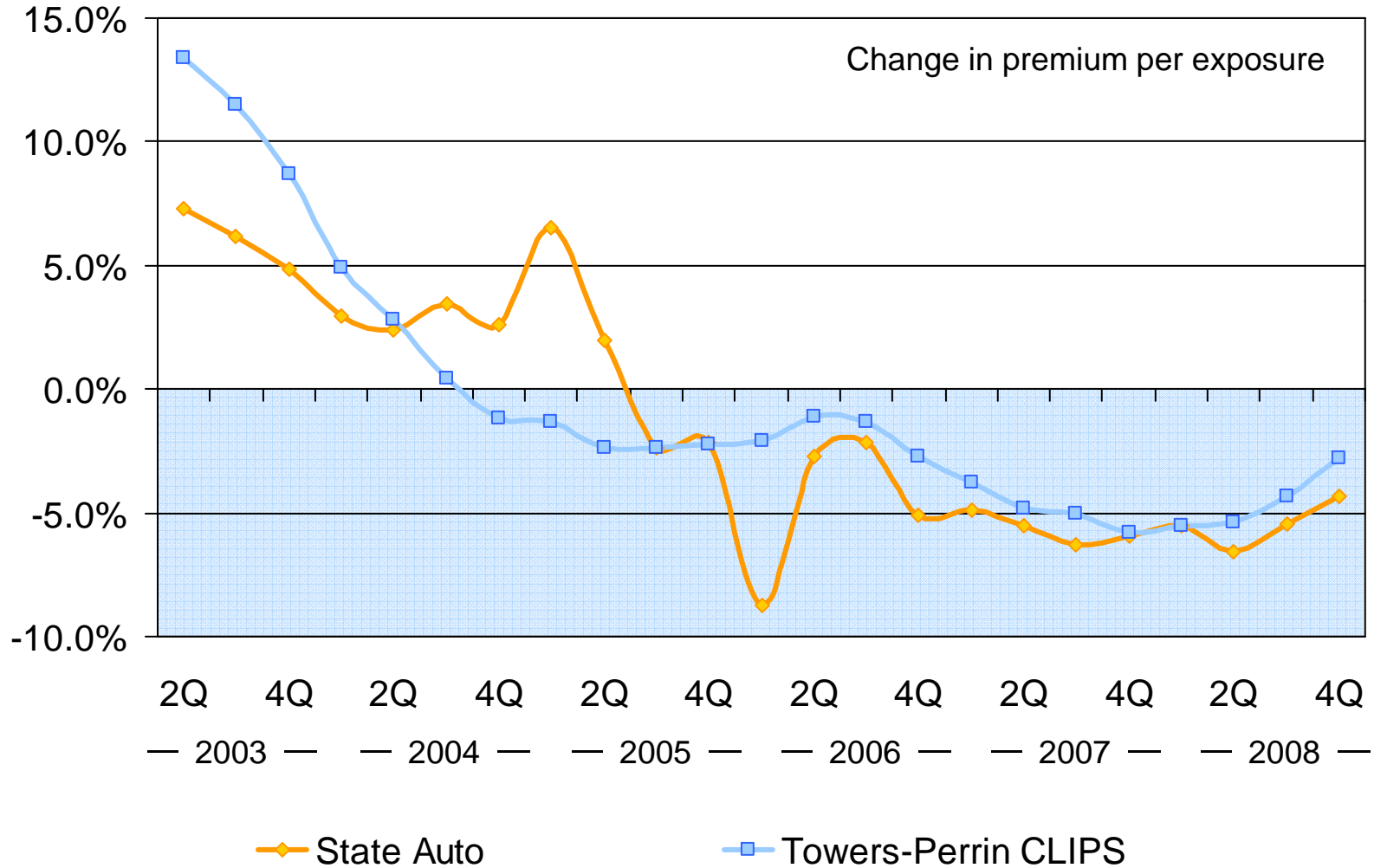




Personal Insurance Pricing Trend



Business Insurance Pricing Trend



Vision

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

Goal

Grow surplus and book value by doubling our premium by 2015.

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.



- Homeowners underwriting
 - Price
 - Deductibles
 - Reinsurance
 - By-peril product
 - Portfolio management

- Homeowners underwriting
- Personal Insurance pricing

- Homeowners underwriting
- Personal Insurance pricing
- Business Insurance pricing

- Homeowners underwriting
- Personal Insurance pricing
- Business Insurance pricing
- Expense reduction

- Homeowners underwriting
- Personal Insurance pricing
- Business Insurance pricing
- Expense reduction
- Revenue enhancement

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