



State Auto Financial Corporation

2011 Annual Meeting



Bob Restrepo

Chairman, President and CEO



Jay Yano

Vice President, Secretary and General Counsel



Election of Directors



Amendment to the Company's 2009 Equity Incentive Compensation Plan



Ratification of Ernst & Young LLP as Independent Registered Public Accounting Firm



Advisory Vote on Compensation Paid
to Company's Named Executive Officers
as Disclosed in Proxy Statement

Advisory Vote on Frequency
of Conducting Future Advisory Votes
on Executive Compensation



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, 2010. The Company assumes no obligation to update any forward-looking statements.

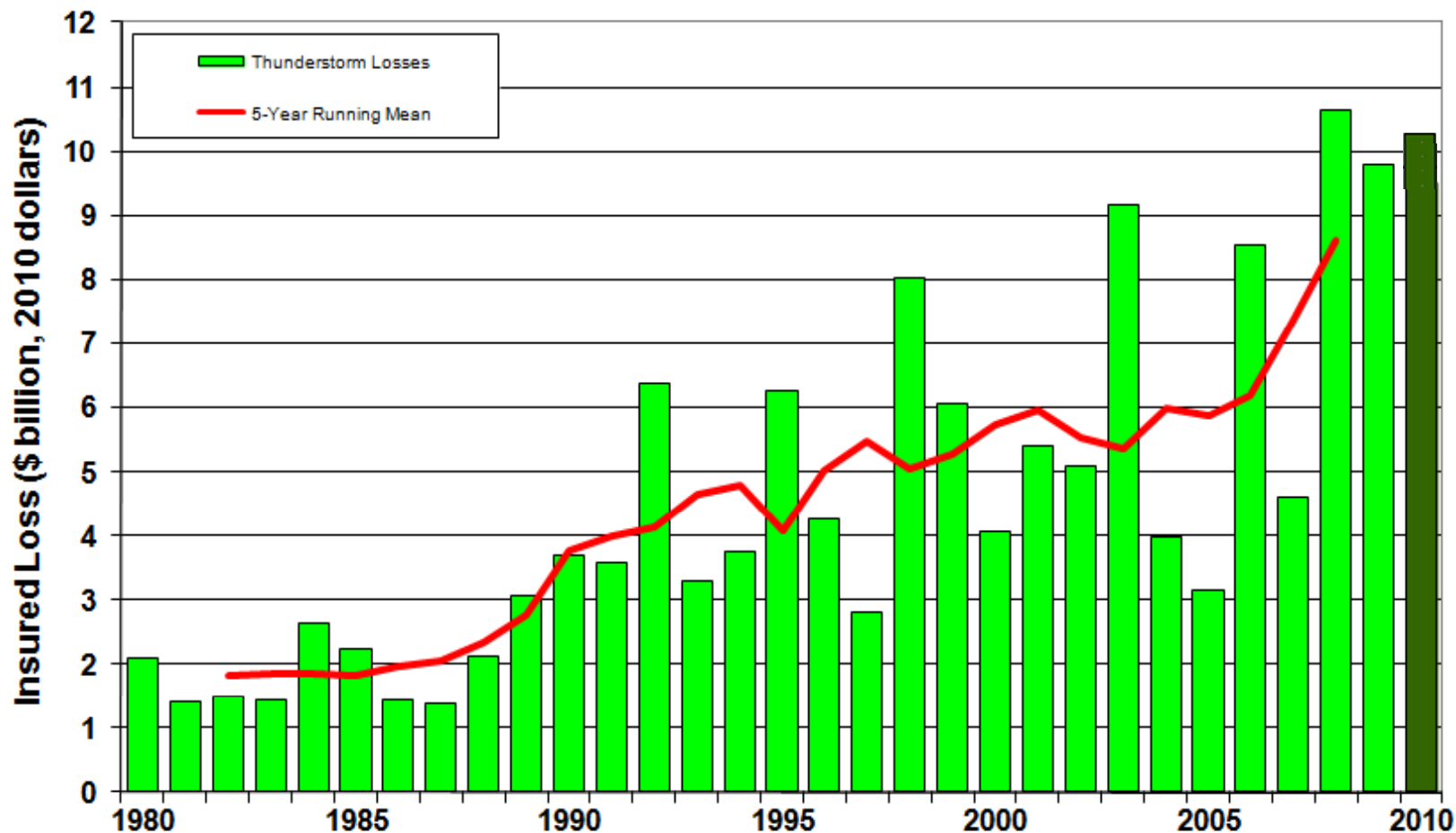
Financial Highlights



		2006	2007	2008	2009	2010
Net premiums written	\$	1,019.5	1,019.8	1,204.9	1,210.4	1,324.9
Total revenue	\$	1,117.4	1,113.4	1,181.9	1,256.9	1,355.1
Net income (loss)	\$	120.4	119.1	(31.1)	10.2	24.5
Diluted EPS	\$	2.90	2.86	(0.78)	0.25	0.62
Dividends paid/share	\$	0.38	0.50	0.60	0.60	0.60
Book value/share	\$	20.32	23.10	19.23	21.33	21.23
Return on equity		15.1%	13.5%	(3.7)%	1.3%	2.9%
Combined ratio		91.4	92.8	109.8	105.8	104.6

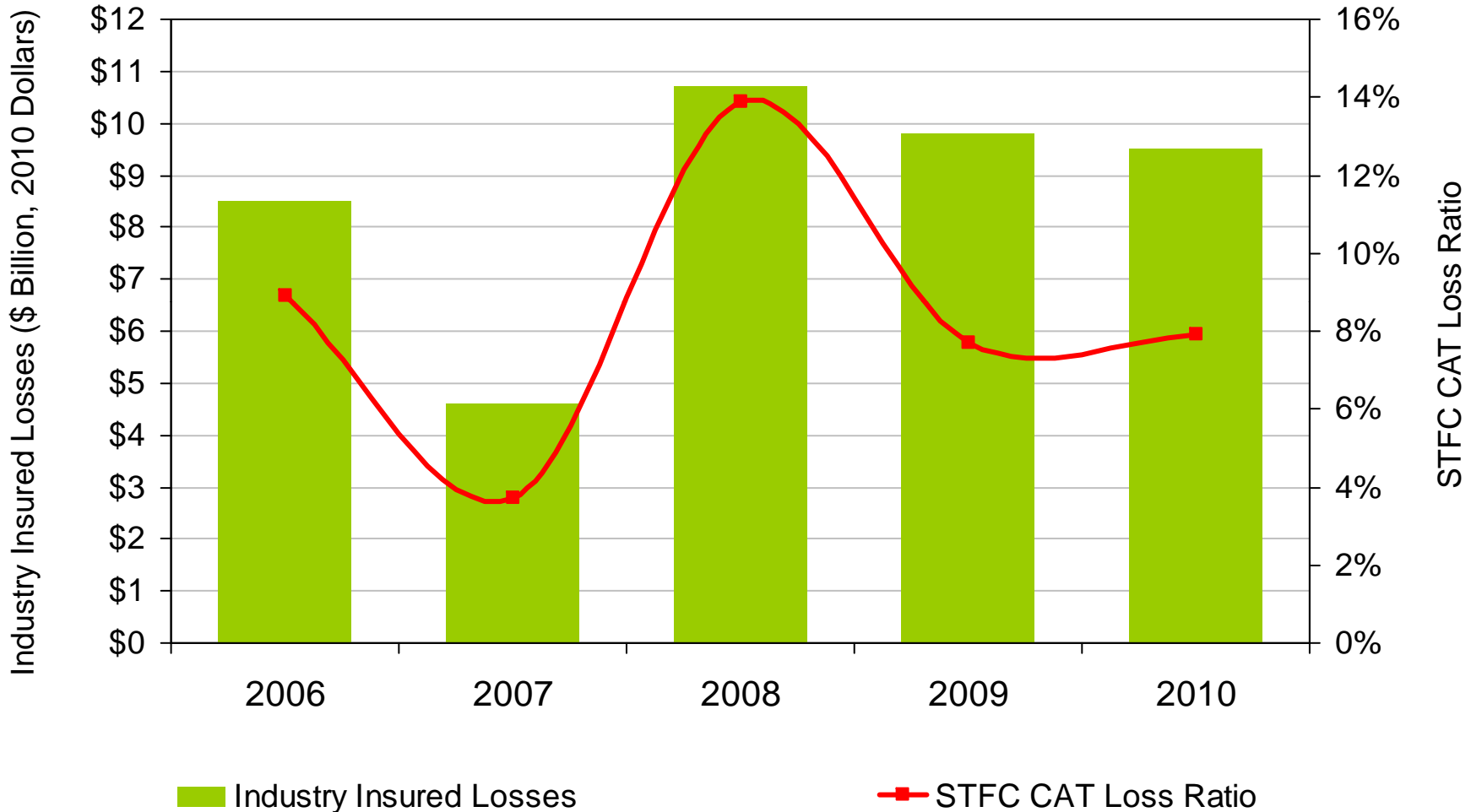
*\$ in millions,
except per share amounts*

U.S. Wind/Hail/Thunderstorm Losses



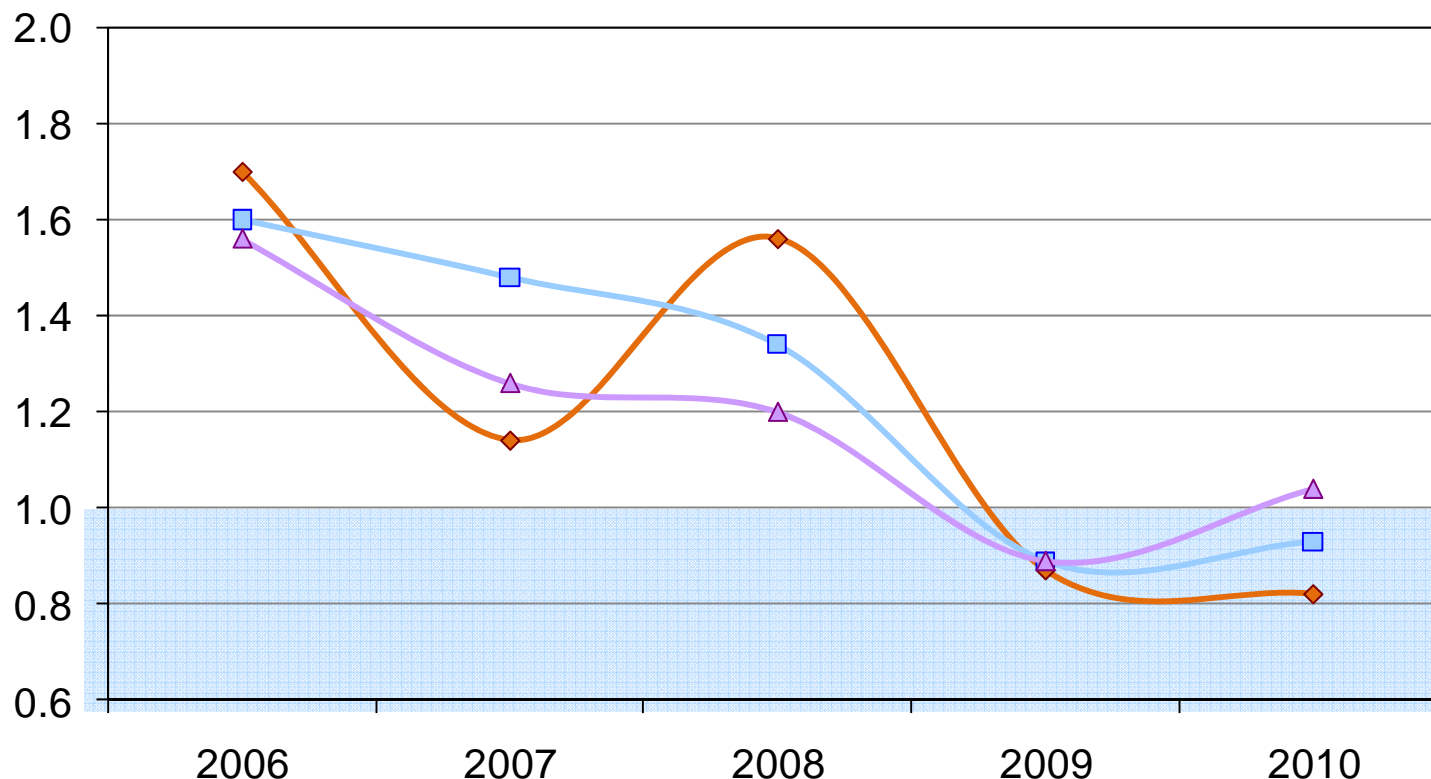
Source: Property Claims Service, Munich RE NatCatSERVICE

U.S. Wind/Hail/Thunderstorm Losses



Source: Property Claims Service, MR NatCatSERVICE

Price to Book Ratio



◆ STFC

■ Regional Company Peers

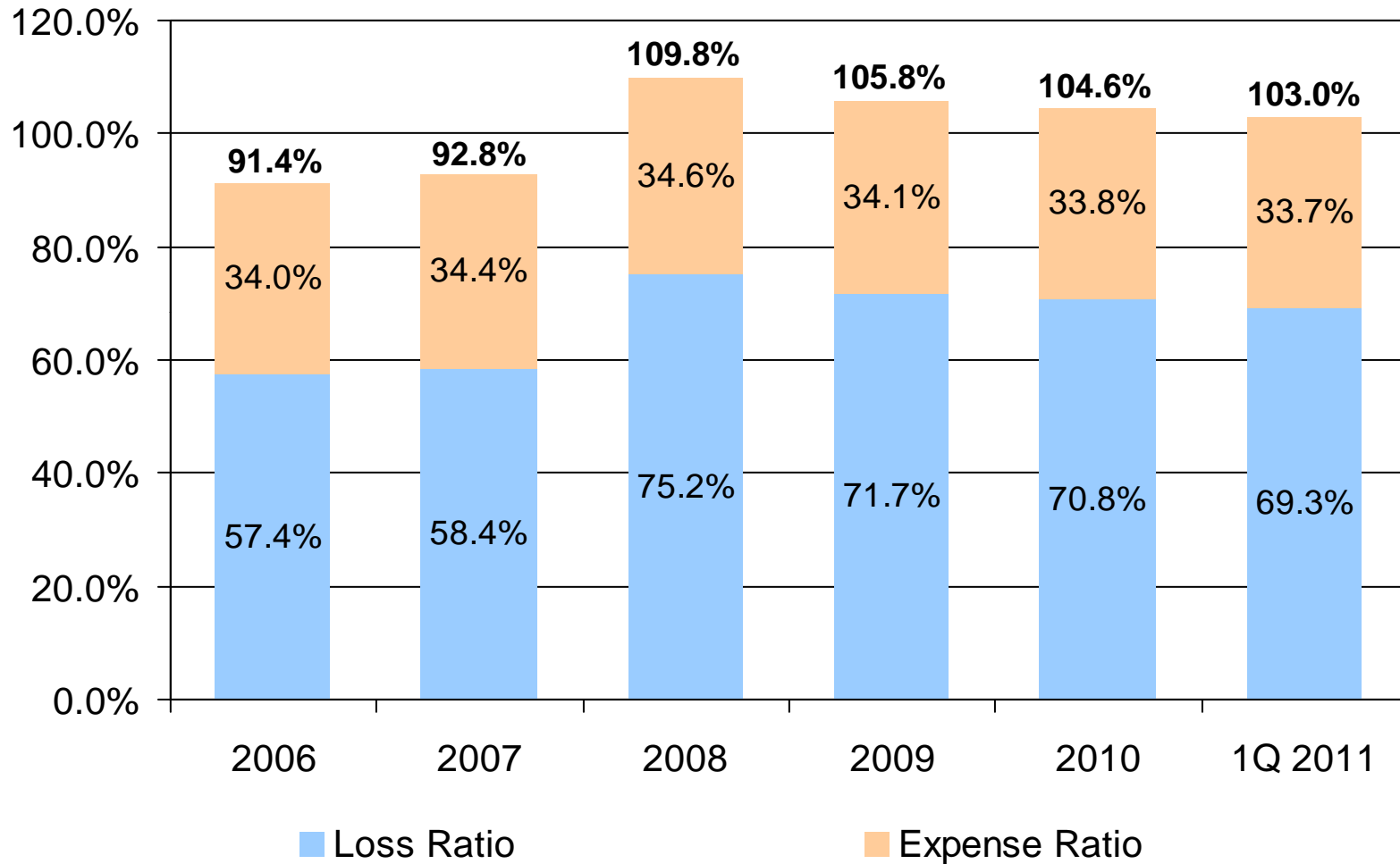
▲ P&C Industry

CINF, EMC, HGIC, SIGI,
THG, UFCS, STFC

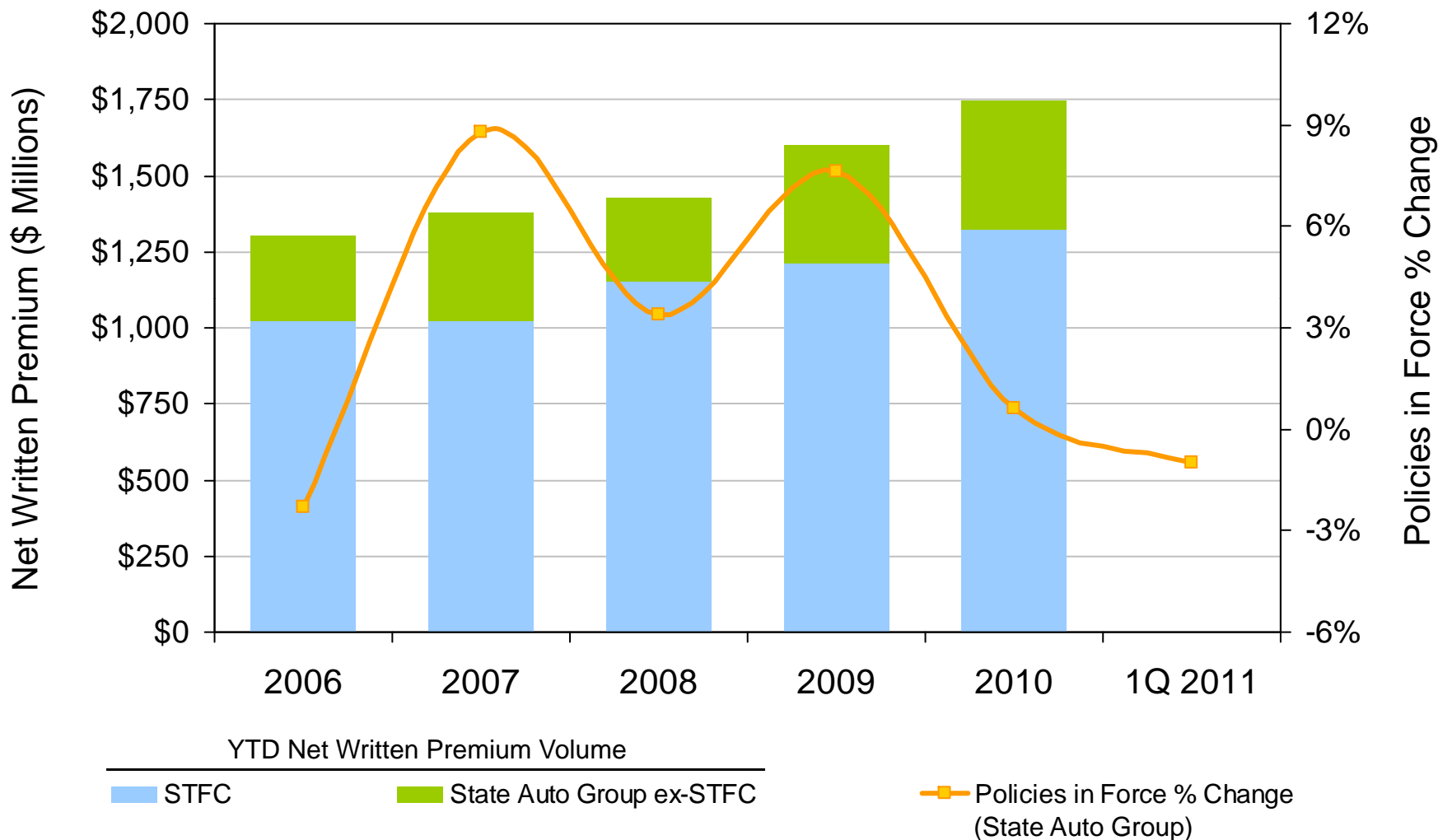
Public small/mid cap P&C insurers
Between \$200MM and \$2B in
market cap, excluding reinsurers

Source: SNL Financial

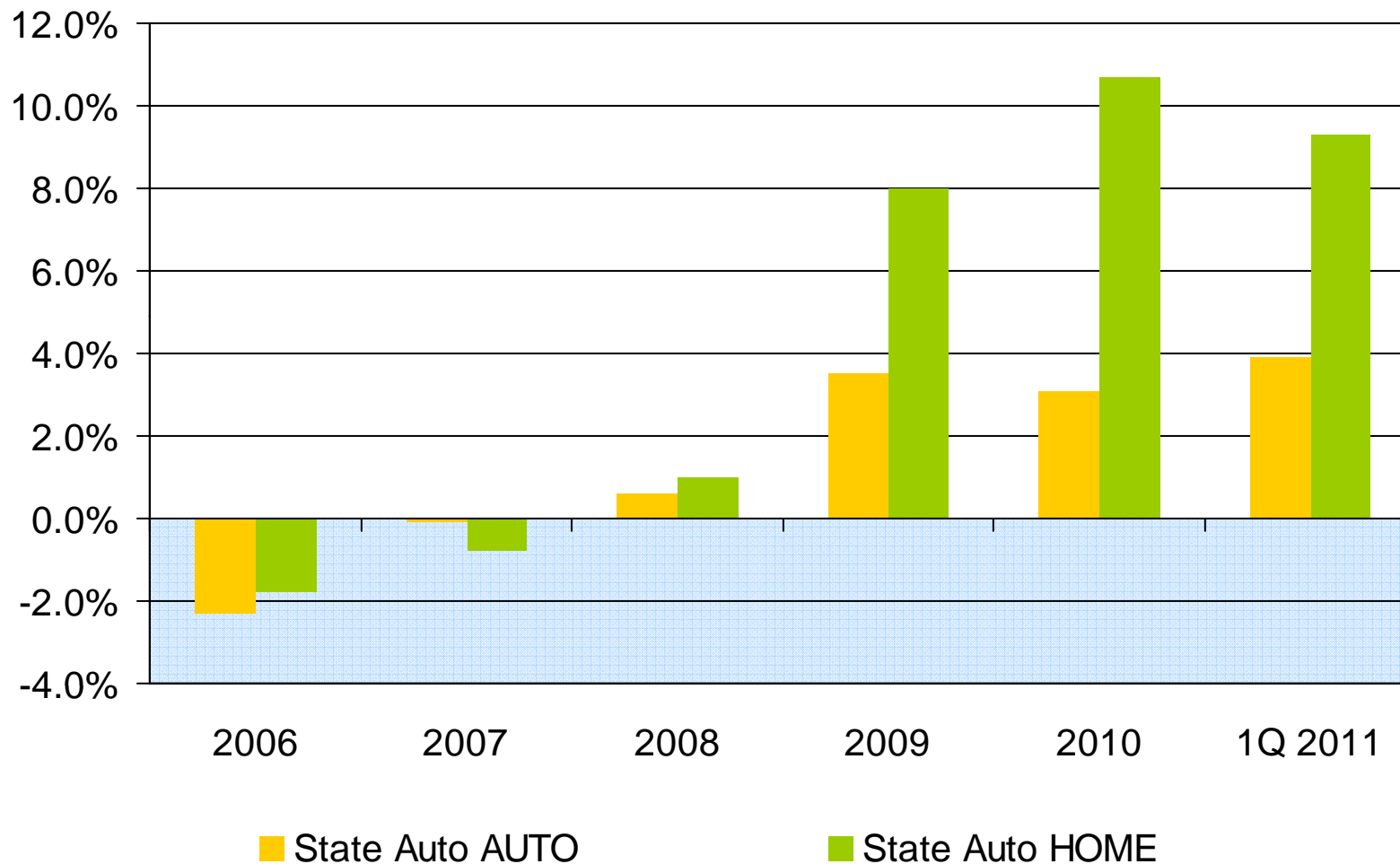
Combined Ratio



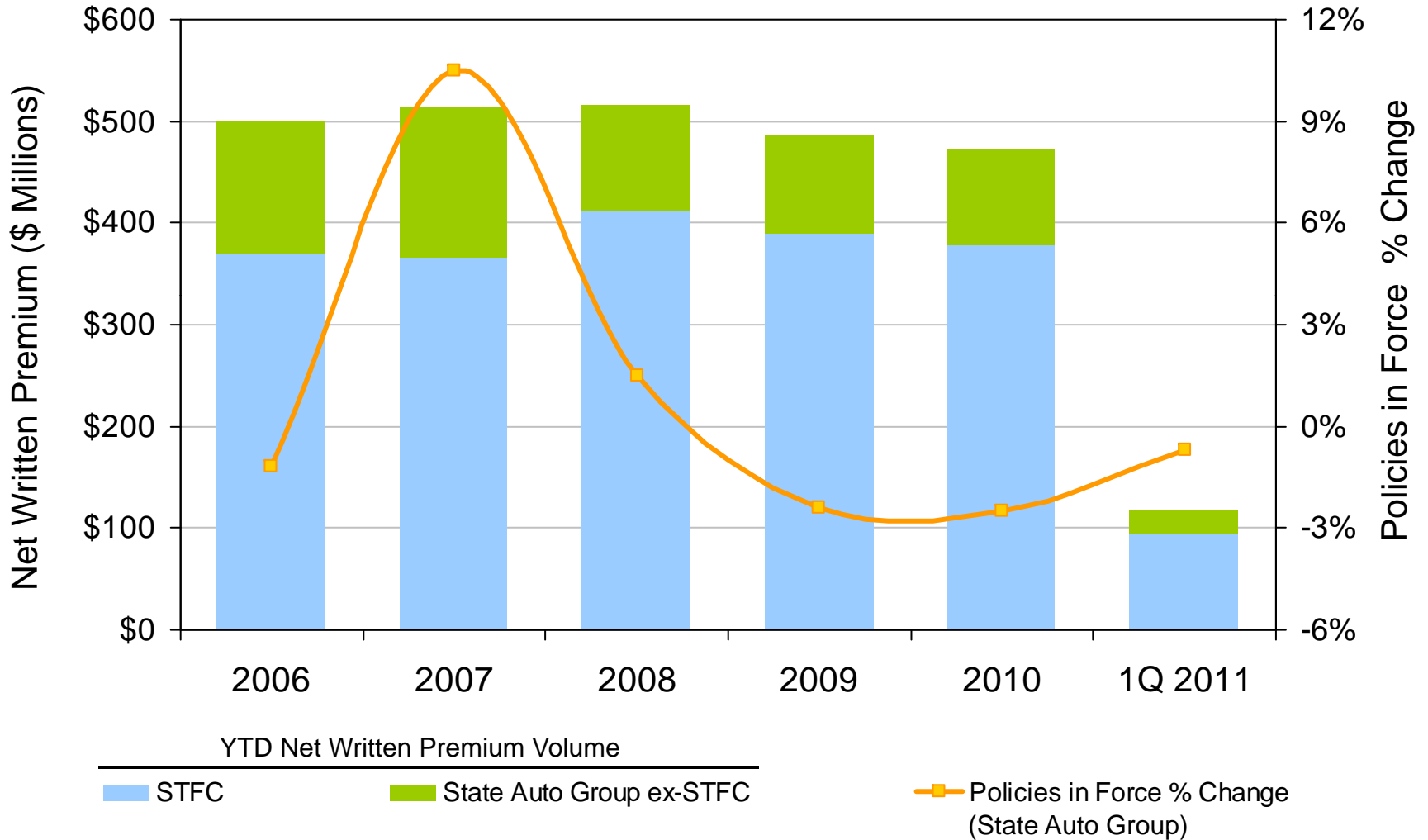
Production Trend



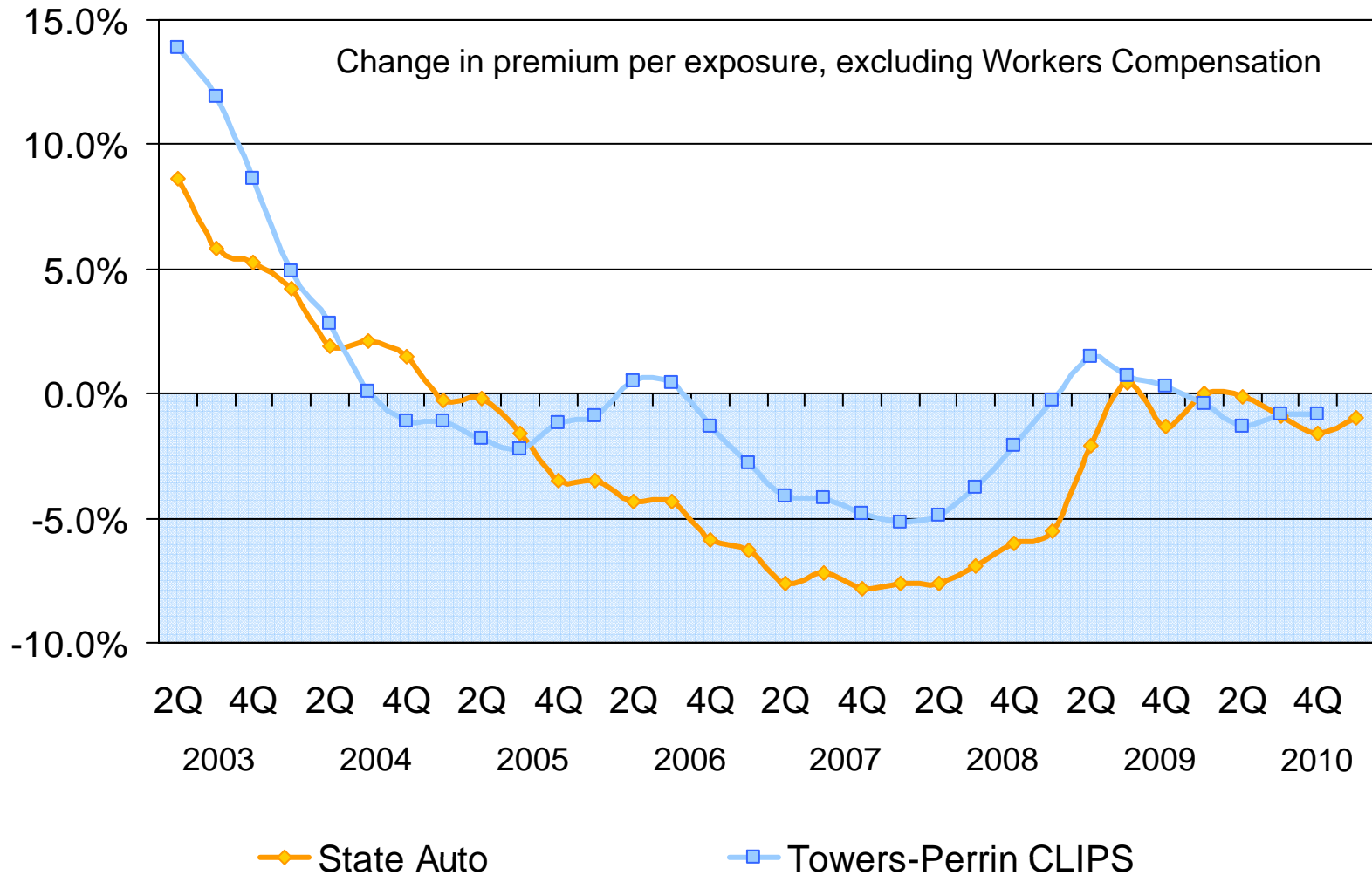
Personal Insurance Pricing Trend



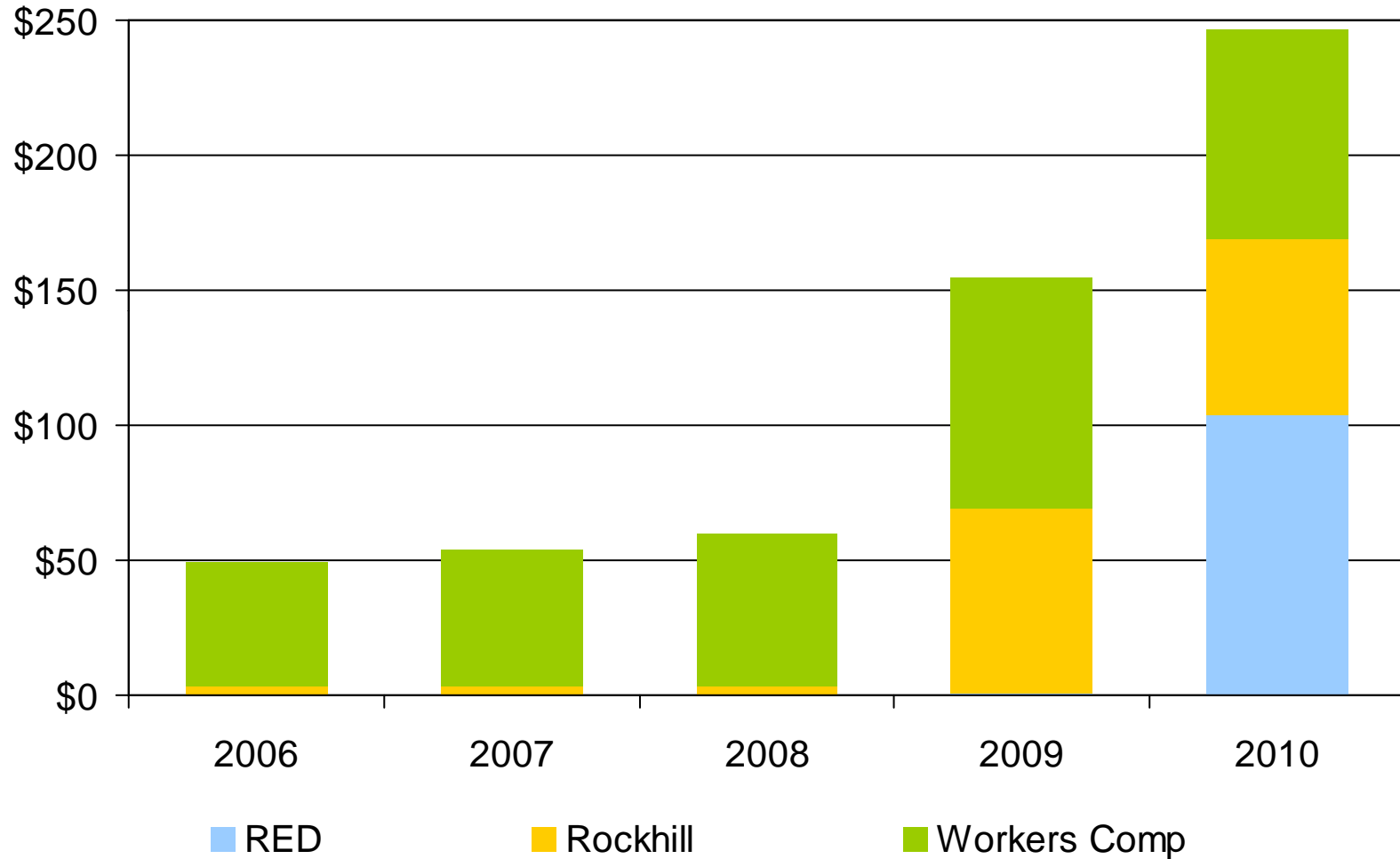
Business Insurance (ex-Workers Comp)



Business Insurance Pricing Trend



Specialty Insurance (State Auto Group)



- Homeowners Profit Improvement Build Out
- Claim Performance
- Business Insurance Underwriting
- Specialty Insurance Integration
- Associate Engagement

Vision

State Auto is a top quartile performing company that you like and trust.

Mission

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

Values

Financial Strength,
Reputation, Relationships,
Reliability, Responsiveness

Vision (who we'll be)

Mission (why we exist)

Goal (ROE 10-15%)

Pillars (our key business drivers)

**Rational
Growth**

**Underwriting
Profit**

**Risk
Management**

**Capital
Management**

Technology (the Enabler)

People (our Foundation)

Culture/Values (what makes us unique)



State Auto Financial Corporation

2011 Annual Meeting