

DISCLOSURE LETTER OF LMHC

TO THE

AGREEMENT AND PLAN OF MERGER AND COMBINATION

BY AND AMONG

LIBERTY MUTUAL HOLDING COMPANY INC.,

PYMATUNING, INC.,

ANDOVER, INC.,

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

AND

STATE AUTO FINANCIAL CORPORATION

DATED AS OF JULY 12, 2021

The LMHC Disclosure Letter (this “Disclosure Letter”) is being delivered pursuant to that certain Agreement and Plan of Merger and Combination (the “Agreement”), dated as of July 12, 2021, by and among Liberty Mutual Holding Company Inc., a Massachusetts mutual holding company (“LMHC”), Pymatuning, Inc., an Ohio corporation and wholly-owned indirect subsidiary of LMHC (“Merger Sub I”), Andover, Inc., an Ohio corporation and wholly-owned direct subsidiary of LMHC (“Merger Sub II”), State Automobile Mutual Insurance Company, an Ohio mutual insurance company (“SAM”), and State Auto Financial Corporation, an Ohio corporation (“STFC”). All capitalized terms used in this Disclosure Letter and not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

Neither this Disclosure Letter nor any disclosure made in this Disclosure Letter shall constitute any representation, warranty, covenant, assurance or undertaking by LMHC, except as expressly provided in the Agreement, nor shall any such disclosure be deemed to reduce or expand any representation, warranty, covenant, assurance or undertaking by LMHC in the Agreement except to the extent expressly set forth herein. Certain information set forth in this Disclosure Letter is included solely for informational purposes and may not be required to be disclosed pursuant to the Agreement, and disclosure of such matters or items in this Disclosure Letter shall not affect (directly or indirectly) the interpretation of the Agreement or the scope of the disclosure obligations thereunder except to the extent expressly set forth herein. Without limiting the foregoing, the disclosure of any matter or item in this Disclosure Letter that is not required to be disclosed under the Agreement to make a representation true and correct shall not be deemed to constitute an acknowledgement that such matter or item is required to be disclosed herein or is material to a representation, warranty, covenant or condition set forth in the Agreement. Information set forth in one section or subsection of this Disclosure Letter shall be deemed to apply to and qualify the section or subsection of the Agreement to which it corresponds in number and each other section or subsection of the Agreement or this Disclosure Letter to the extent that the applicability of such information is readily apparent on the face of such disclosure. Any reference to a Contract or other written document (“Disclosure Item”) in this Disclosure Letter shall be deemed a full disclosure of all of the terms of such Disclosure Item and it shall not be necessary to identify or reference specific provisions or portions of such Disclosure Items in order to make a full disclosure for purposes of this Disclosure Letter. Furthermore, the references to any Disclosure Item shall be deemed to include any and all exhibits, schedules, annexes and other attachments to such Disclosure Item except to the extent that the same have not been provided to SAM or STFC or their representatives as of two (2) Business Days prior to the date hereof.

The section headings and subheadings in this Disclosure Letter are for convenience of reference only and shall not be deemed to alter or affect the express description of the Disclosure Letter and its sections as set forth in the Agreement.

In disclosing the information contained in this Disclosure Letter, LMHC expressly do not waive any attorney-client or other privileges associated with such information or any protection afforded by the work-product doctrine or any similar doctrine with respect to any of the matters disclosed herein.

Nothing in this Disclosure Letter constitutes an admission of any liability or obligation of LMHC or any of its Affiliates, in each case to any Person that is not party to the Agreement, nor an admission against LMHC or any of its Affiliates’ interests to such Person.

Section 1.01

Knowledge

1. Nik Vasilakos
2. Richard Quinlan
3. Jim McPhee

Section 6.03(b)

No Conflict; Required Filings and Consents

1. Filing with, and approval of, the Ohio Department of Insurance pursuant to Section 3913.32(A) of the Ohio Revised Code related to the SAM Transaction.
2. Filing with, and approval of, the Massachusetts Division of Insurance pursuant to Section 19T(b)(ii) of Chapter 175 of the Massachusetts General Laws related to the SAM Transaction.
3. Form A filing with, and approval of, the Arizona Department of Insurance related to the acquisition of control of Rockhill Insurance Company.
4. Form A filing with, and approval of, the Connecticut Insurance Department related to the acquisition of control of Patrons Mutual Insurance Company of Connecticut.
5. Form A filing with, and approval of, the Indiana Department of Insurance related to the acquisition of control of Meridian Security Ins. Company.
6. Form A filing with, and approval of, the Iowa Insurance Division related to the acquisition of control of Milbank Insurance Company, Plaza Insurance Company and State Auto Property & Casualty Insurance Company.
7. Form A filing with, and approval of, the Minnesota Department of Commerce related to the acquisition of control of American Compensation Insurance Company and Bloomington Compensation Insurance Company.
8. Form A filing with, and approval of, the Ohio Department of Insurance related to the acquisition of control of SAM and State Auto Insurance Company of Ohio.
9. Form A filing with, and approval of, the Wisconsin Office of the Commissioner of Insurance related to the acquisition of control of State Auto Insurance Company of Wisconsin.
10. Form E pre-acquisition notification filing (regarding the potential competitive impact of the acquisition) in the following jurisdictions:
 - (a) Alabama;
 - (b) Arizona;
 - (c) Arkansas;
 - (d) Colorado;
 - (e) Connecticut;

- (f) Delaware;
 - (g) Georgia;
 - (h) Illinois;
 - (i) Indiana;
 - (j) Kentucky;
 - (k) Maryland;
 - (l) Minnesota;
 - (m) Mississippi;
 - (n) Missouri;
 - (o) North Dakota;
 - (p) Pennsylvania;
 - (q) South Carolina;
 - (r) South Dakota;
 - (s) Tennessee;
 - (t) Utah;
 - (u) Virginia;
 - (v) West Virginia;
 - (w) Wisconsin; and
 - (x) District of Columbia.
11. Change of control filings with, and non-disapproval of, the Texas Department of Insurance pursuant to Tex. Ins. Code § 4001.253 related to the acquisition of control of Network E&S Insurance Brokers, LLC and Rockhill Underwriting Management LLC.
 12. Filing with, and approval of, the California Department of Insurance pursuant to California Insurance Code § 1011(c) related to the SAM Transaction.
 13. Form D filings with, and non-disapprovals of, the applicable Insurance Regulator(s) with respect to any agreements to be entered into between or among any SAM Insurance Company or STFC Insurance Company, on the one hand, and LMHC and any of its Affiliates, on the other hand, in connection with the Closing.

Section 7.03(b)

Insurance Regulators

1. Arizona Department of Insurance
2. Connecticut Insurance Department
3. Indiana Department of Insurance
4. Iowa Insurance Division
5. Minnesota Department of Commerce
6. Ohio Department of Insurance
7. Wisconsin Office of the Commissioner of Insurance