

EXHIBIT A

PLAN OF REORGANIZATION

of

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

Under Sections 3913.25 to 3913.38
of the Ohio Revised Code

Dated as of [●][●], 2021

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PLAN OF REORGANIZATION

This PLAN OF REORGANIZATION (this “Plan of Reorganization”) has been adopted by the board of directors of State Automobile Mutual Insurance Company, an Ohio mutual insurance company (“SAM”), at a meeting duly called and held on [●] [●], 2021.

W I T N E S S E T H:

WHEREAS, SAM, State Auto Financial Corporation, an Ohio corporation, Liberty Mutual Holding Company Inc., a Massachusetts mutual holding company (“LMHC”), Pymatuning, Inc., an Ohio corporation and wholly-owned indirect subsidiary of LMHC, and Andover, Inc., an Ohio corporation and wholly-owned direct subsidiary of LMHC (“Merger Sub II”), are entering into an Agreement and Plan of Merger and Combination (the “Merger Agreement”);

WHEREAS, upon the terms and subject to the conditions set forth herein, SAM proposes to reorganize (in accordance with all applicable provisions of Sections 3913.25 to 3913.38 of the Ohio Revised Code) pursuant to a Plan of Reorganization adopted by the board of directors of SAM (the “SAM Board”), which reorganization shall be effectuated through a merger (pursuant to Section 3913.32(A) and Section 1702.411 of the Ohio Revised Code and Section 19T(b)(ii) of Chapter 175 of the Massachusetts General Laws) of Merger Sub II with and into SAM, with SAM surviving such merger as an Ohio domiciled reorganized stock insurance subsidiary of LMHC (SAM, as so reorganized, “Reorganized SAM”) and LMHC granting Equity Rights in LMHC to each SAM Member upon the extinguishment of such SAM Member’s Equity Rights in SAM at the effective time of such merger (the foregoing components of one simultaneous transaction, collectively, the “SAM Transaction”);

WHEREAS, it is intended that the SAM Transaction qualify, for U.S. federal income Tax purposes, as reorganizations under Section 368(a) of the Internal Revenue Code of 1986; and

WHEREAS, the board of directors of SAM (the “SAM Board”), upon the unanimous recommendation of a special committee of the SAM Board, has unanimously (a) determined that the Merger Agreement, this Plan of Reorganization (including the Amended Organizational Documents annexed thereto), the SAM Transaction and the other transactions contemplated by the Merger Agreement are in the best interests of SAM and fair and equitable to the SAM Members, (b) approved the Merger Agreement, the SAM Transaction and the other transactions contemplated by the Merger Agreement, (c) adopted this Plan of Reorganization and the Amended Organizational Documents, (d) directed that the approval of this Plan of Reorganization and the Amended Organizational Documents be submitted to a vote of the SAM Members at the SAM Members Meeting and (e) resolved to recommend the approval of this Plan of Reorganization and the Amended Organizational Documents by the SAM Members.

NOW, THEREFORE, this Plan of Reorganization is entered into by SAM:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Definitions. The following terms shall have the respective meanings set forth below throughout this Plan of Reorganization:

[REDACTED]

[REDACTED]

“Attorney General” has the meaning set forth in Section 2.02.

“Closing Date” has the meaning set forth in the Merger Agreement.

“Effective Time” means the effective time of the SAM Transaction, which shall be specified in the certificate of reorganization.

“Equity Rights” means uncertificated rights in a mutual insurance company or mutual holding company, as applicable, conferred by law, including (a) the right to vote for the election of directors at annual meetings of such mutual insurance company or mutual holding company, as applicable, (b) the right to share in any distribution of, or to receive consideration based upon, the value of such mutual insurance company or mutual holding company, as applicable, in liquidation, dissolution or otherwise under the Organizational Documents of such mutual insurance company or mutual holding company, as applicable, or otherwise as provided by Law, (c) the right to dividends as, if and when determined by the board of directors of such mutual insurance company or mutual holding company, as applicable and (d) the right to participate in a demutualization of such mutual insurance company or mutual holding company, as applicable.

“Governmental Authority” means any (a) federal, national, state, provincial or local, whether domestic or foreign, government, any department or agency thereof or any court of competent jurisdiction, administrative agency or commission or other governmental, regulatory or licensing authority, bureau, board, judicial or arbitral body, arbitrator, department, political subdivision, tribunal or instrumentality, whether domestic, foreign or supranational or any self-regulated organization or (b) other non-governmental regulatory authority or quasi-governmental authority or government sponsored enterprise (to the extent that the rules, regulations or orders of such organizations have the force of Law).

[REDACTED]

“In Force” means, with respect to a Policy, as of any date of determination, such Policy has been issued, and not cancelled, lapsed or expired, as of such date of determination.

“Information Statement and Related Materials” has the meaning set forth in Section 3.02.

“Law” means any federal, national, state, provincial or local, whether domestic or foreign, law, statute, constitution, principle of common law, ordinance, code, standard, rule, regulation, regulatory interpretation, ruling or requirement issued, enacted, adopted,

promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority or any Order.

“LMHC” has the meaning set forth in the Recitals.

“LMHC Existing Reorganized Insurers” means Liberty Mutual Insurance Company, a Massachusetts domiciled reorganized stock insurance company and wholly-owned indirect subsidiary of LMHC, Liberty Mutual Fire Insurance Company, a Wisconsin domiciled reorganized stock insurance company and wholly-owned indirect subsidiary of LMHC, Employers Mutual of Wausau, a Wisconsin domiciled reorganized stock insurance company and wholly-owned indirect subsidiary of LMHC, and Liberty Mutual Personal Insurance Company, a New Hampshire domiciled reorganized stock insurance company and wholly-owned indirect subsidiary of LMHC.

“LMHC Member” means a Person appearing as the named insured on a Policy (or as principal if the Policy is a surety bond or obligation) issued by an LMHC Existing Reorganized Insurer (or, from and after the Effective Time, Reorganized SAM), based on the records of such LMHC Existing Reorganized Insurer (or based on Reorganized SAM’s records from and after the Effective Time).

“LMHC Reorganized Insurers” means the LMHC Existing Reorganized Insurers, and, from and after the consummation of the SAM Transaction at Effective Time, Reorganized SAM.

“Merger Agreement” has the meaning set forth in the Recitals.

“Merger Sub II” has the meaning set forth in the Recitals.

“Order” means any order, award, judgment, injunction, writ, decree (including any consent decree or similar agreed order or judgment), directive, stipulation, ruling, determination, decision or verdict, whether civil, criminal or administrative, in each case, that is entered, issued, made or rendered by any Governmental Authority.

“Organizational Documents” means, with respect to any Person (other than an individual), (a) the certificate or articles of association or incorporation or organization or code of regulation or limited partnership or limited liability company, and any joint venture, limited liability company, operating, shareholders or partnership agreement and other similar documents adopted or filed in connection with the creation, formation or organization of such Person and (b) all bylaws of such Person relating to the organization or governance of such Person.

“Person” means any individual, corporation, partnership (general or limited), limited liability company, limited liability partnership, trust, joint venture, joint-stock company, syndicate, group (as defined under Section 13 of the Securities Exchange Act of 1934), estate, association, entity, unincorporated organization or Governmental Authority or other legal entity of any kind or nature and any permitted successors or assigns of such person.

“Plan of Reorganization” has the meaning set forth in the Preamble.

“Policy” means, as applicable, each insurance policy or contract of insurance (other than a reinsurance contract), including any fidelity bond or any surety bond, issued by SAM or an LMHC Reorganized Insurer.

“Reorganized SAM” has the meaning set forth in the Recitals.

“SAM” has the meaning set forth in the Preamble.

“SAM Board” has the meaning set forth in the Recitals.



“SAM Member Approval” means the affirmative vote of at least a majority of the votes cast by SAM Members at the SAM Members Meeting in favor of approval of the Plan of Reorganization and the Amended Organizational Documents, in each case, in accordance with the requirements of Section 3913.27 of the Ohio Revised Code.

“SAM Members” means, as of any date of determination, each natural person, group of natural persons, association, corporation, partnership or other entity named as the insured under a Policy issued by SAM that is In Force as of such date of determination.

“SAM Members Meeting” means the meeting of the SAM Members to be held in connection with approval of this Plan of Reorganization and the adoption of the Amended Organizational Documents, including any adjournment or postponement thereof.

“SAM Transaction” has the meaning set forth in the Recitals.

“Superintendent” means the Superintendent of the Ohio Department of Insurance.

“Tax” means any and all federal, national, state, provincial or local, whether domestic or foreign, income, gross receipts, gains, capital stock, profits, Social Security, unemployment, disability, real or personal property, escheat, unclaimed property, stamp, goods and services, occupation, sales, use, license, franchise, employment, payroll, premium, withholding, value added, alternative or added minimum, ad valorem, transfer, excise or estimated tax, or any other tax, governmental fee or other like assessment or charge in the nature of a tax of any kind whatsoever, together with any interest, penalty or addition thereto.

Section 1.02 Interpretation.

(a) As used throughout this Plan of Reorganization, references:

(i) to the Preamble or to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble or a Recital, Section or Article of, or an Exhibit or Schedule to, this Plan of Reorganization unless otherwise clearly indicated to the contrary;

(ii) to any Law are to such Law as amended, modified, supplemented or replaced from time to time and any rules or regulations promulgated thereunder and to any section of any Law include any successor to such section;

(iii) to any Governmental Authority include any successor to the Governmental Authority;

(iv) to “hereof,” “herein,” “hereunder,” “hereby,” “herewith” and words of similar import refer to this Plan of Reorganization as a whole and not to any particular Article, Section or clause of this Plan of Reorganization, unless otherwise clearly indicated to the contrary;

(v) to “this Plan of Reorganization” includes the Exhibits and Schedules to this Plan of Reorganization.

(b) Whenever the words “include,” “includes” or “including” are used in this Plan of Reorganization, they will be deemed to be followed by the words “without limitation.” The word “or” need not be disjunctive. The word “will” shall be construed to have the same meaning and effect as the word “shall.” Any singular term in this Plan of Reorganization will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) Unless otherwise indicated, the word “day” shall be interpreted as a calendar day. With respect to any determination of any period of time, unless otherwise set forth herein, the word “from” means “from and including” and the word “to” means “to but excluding.”

(d) The table of contents and headings contained in this Plan of Reorganization are for reference purposes only and will not affect in any way the meaning or interpretation of this Plan of Reorganization.

(e) No summary of this Plan of Reorganization prepared by or on behalf of any Person shall affect the meaning or interpretation of this Plan of Reorganization.

(f) References to “control or “controlled” or words of similar import means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise.

ARTICLE II

PLAN OF REORGANIZATION

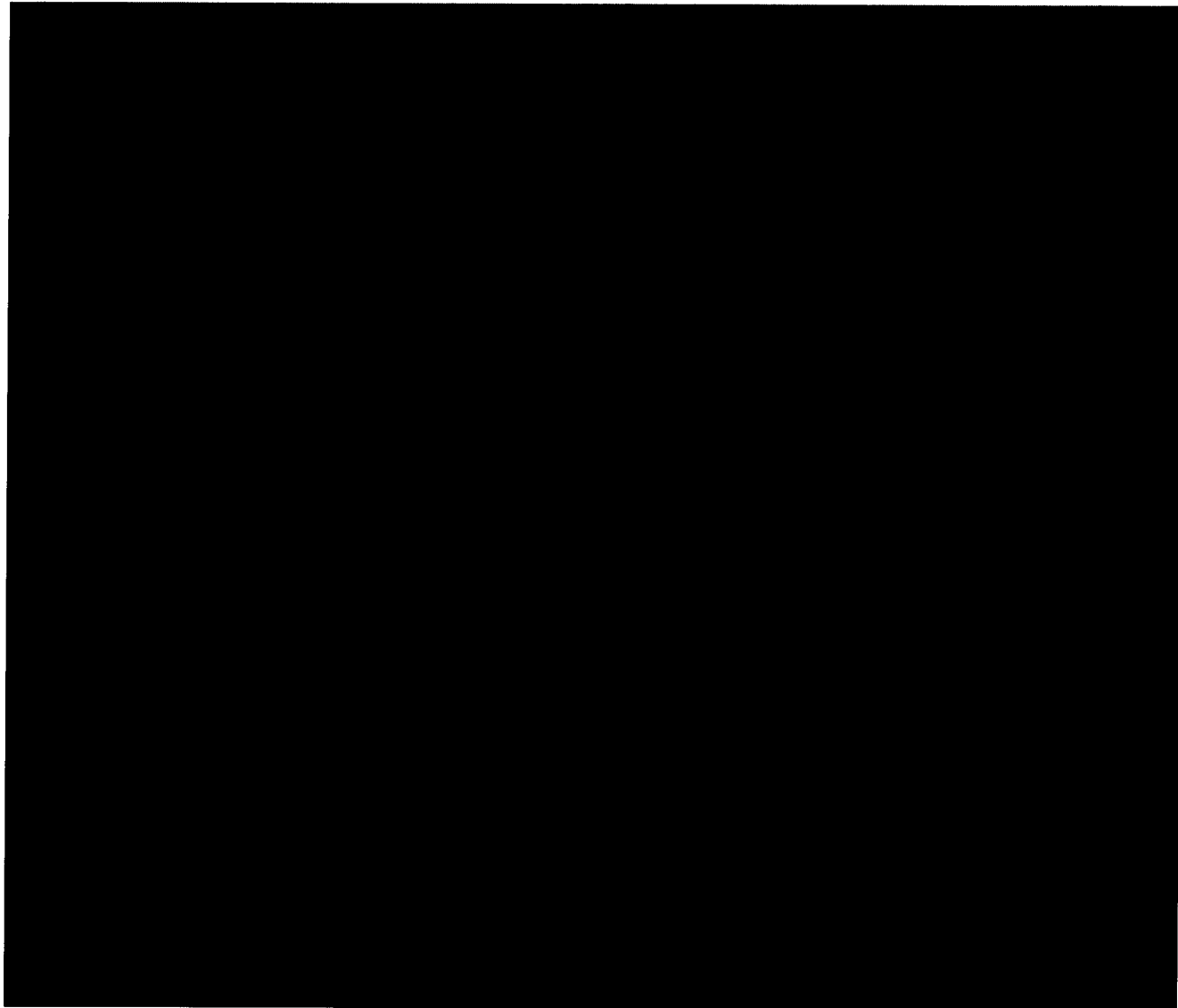
Section 2.01 The SAM Transaction. Upon the terms and subject to the conditions set forth in the Merger Agreement and this Plan of Reorganization, at the Effective Time, SAM shall reorganize into an Ohio domiciled stock insurance company pursuant to all applicable provisions of Sections 3913.25 to 3913.38 of the Ohio Revised Code, and simultaneously therewith, Merger

Sub II shall be merged with and into SAM, in accordance with Section 3913.32(A) and Section 1702.411 of the Ohio Revised Code, Section 19T(b)(ii) of Chapter 175 of the Massachusetts General Laws and all other applicable provisions of the Laws of the State of Ohio and the Commonwealth of Massachusetts, whereupon the separate existence of Merger Sub II shall cease and SAM shall continue as Reorganized SAM under the Laws of the State of Ohio under the name "State Automobile Mutual Insurance Company."



Section 2.03 Effects of the SAM Transaction.

(a) Extinguishment and Replacement of Equity Rights and LMHC Membership. At the Effective Time, pursuant to the SAM Transaction, (i) (A) the right to vote in the election of directors or at annual or special meetings of SAM, (B) the right to share in any distribution of, or to receive consideration based upon, the surplus of SAM in liquidation, dissolution or otherwise under the articles of incorporation or code of regulations of SAM or otherwise as provided by Law and (C) the right to dividends as, if and when determined by the SAM Board, shall be extinguished, (ii) the SAM Members shall immediately become LMHC Members; provided, however, the rights of any Person as an LMHC Member shall continue only so long as the related Policy remains In Force, (iii) without limitation of the foregoing, holders of Policies of SAM that are In Force at the Effective Time shall, by operation of Law, as of the Effective Time have Equity Rights in LMHC; provided, however, that the rights of a Person as a holder of Equity Rights shall continue only so long as the related Policy remains In Force, and (iv) holders of Policies that are issued or renewed after the Effective Time by Reorganized SAM shall be LMHC Members and holders of Equity Rights in LMHC; provided, however, the rights of a Person as an LMHC Member or as holder of Equity Rights shall continue only so long as the related Policy remains In Force.



ARTICLE III





ARTICLE IV

APPROVAL BY THE SAM MEMBERS

Section 4.01 SAM Member Approval. This Plan of Reorganization shall be approved upon receiving the affirmative vote of at least a majority of the votes cast by the SAM Members.

Section 4.02 SAM Members Meeting. SAM shall in accordance with applicable Law and SAM's Organizational Documents duly call, give notice of, convene and hold the SAM Members Meeting for the purpose of considering and voting upon the approval of the Plan of Reorganization and the Amended Organizational Documents.

Section 4.03 SAM Member Vote. A SAM Member is entitled to cast only one vote, in person or by proxy, on this Plan of Reorganization regardless of the number of policies or contracts that such SAM Member may own or hold. Only proxies specifically related to this Plan of Reorganization shall be used in determining whether the SAM Member Approval shall have been obtained.

Section 4.04 Notice of SAM Member Vote. All SAM Members shall be given notice of the SAM Members Meeting at least thirty (30) days prior to the date fixed for the SAM Members Meeting. Notice of the time and place of the SAM Members Meeting shall be sent by mail to each SAM Member at the SAM Member's post office address as it appears on the books and records of SAM. The notice shall include a summary of this Plan of Reorganization adopted by the SAM Board, including an analysis of the material financial aspects and potential for dilution of policyholders' interests in SAM under this Plan of Reorganization, a uniform ballot for voting on the question of this Plan of Reorganization, and a statement informing the SAM Members that the Superintendent may fix a time and place for a public hearing on this Plan of Reorganization, to be held within thirty (30) days after the Superintendent's receipt of written notice from the SAM Board of the SAM Member Approval.

Section 4.06 Determination of SAM Members. Unless otherwise stated herein, the determination of the SAM Members as of any date shall be determined on the basis of SAM's records as of such date in accordance with the following provisions:

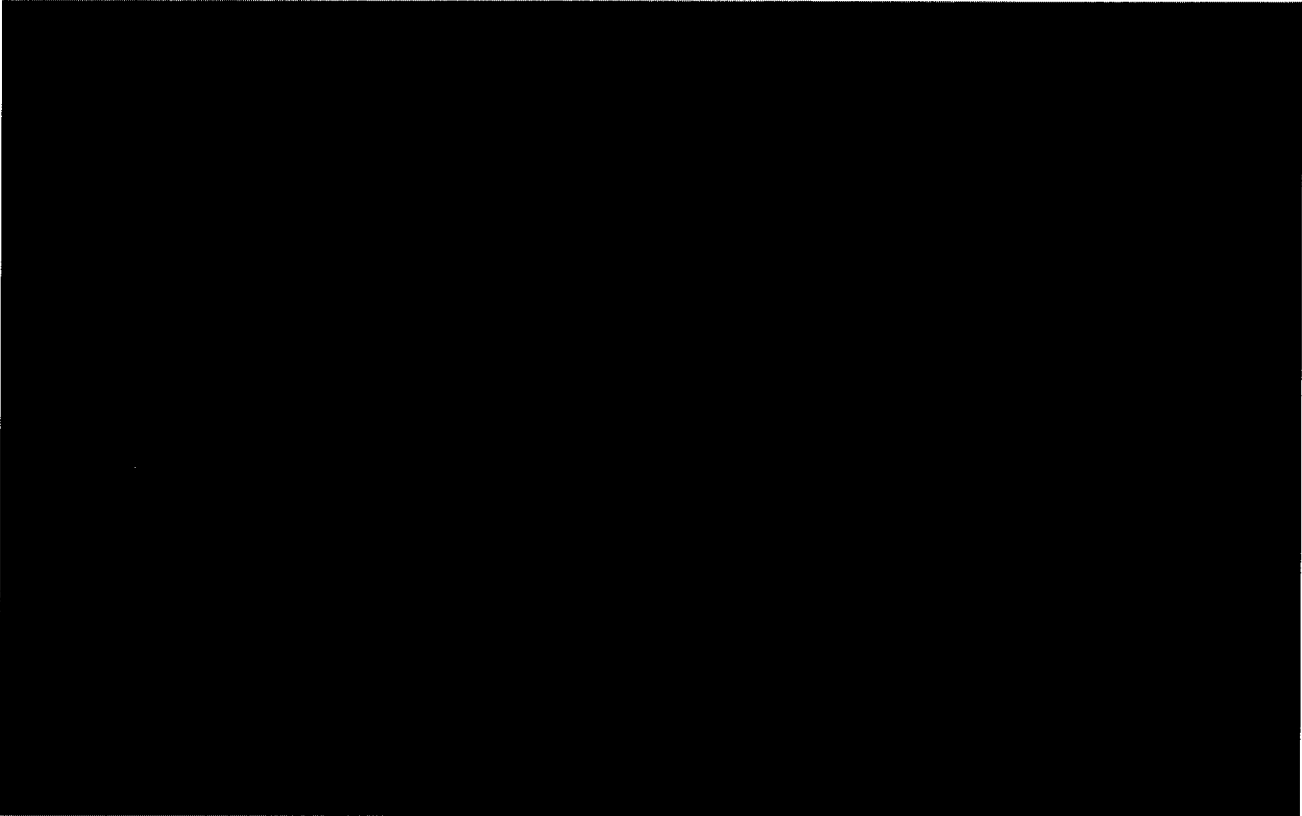
(a) Except as otherwise set forth in this Plan of Reorganization or the Organizational Documents of SAM, the identity of any SAM Member of any Policy shall be determined without giving effect to any interest of any other Person in the Policy held by such SAM Member.

(b) In any situation not expressly covered by the provisions of this Plan of Reorganization or the Organizational Documents of SAM, the SAM Member, as reflected on the records of, and as determined in good faith by, SAM, shall conclusively be presumed to be a SAM Member for purposes of this Plan of Reorganization, and SAM shall not be required to examine or consider any other facts or circumstances.

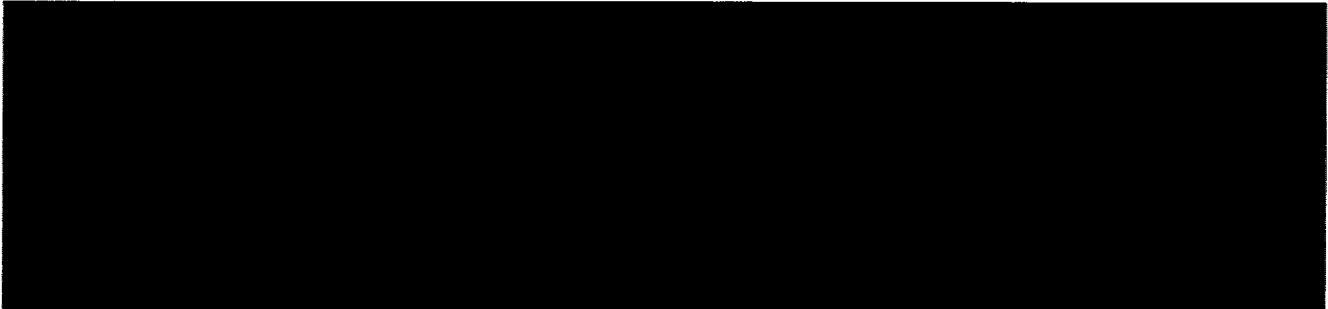
(c) The mailing address of a SAM Member as of any date for purposes of this Plan of Reorganization shall be the SAM Member's last known address as shown on the records of SAM as of such date.

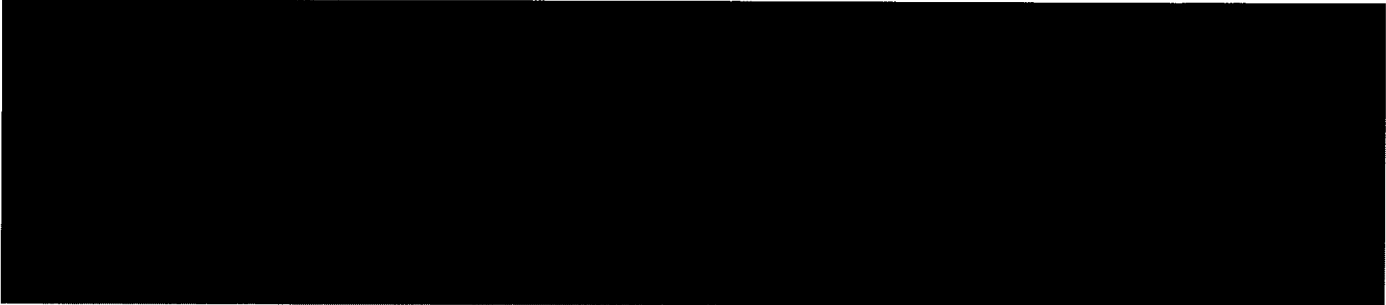
(d) Any dispute as to the identity of a SAM Member or the right to vote or become a LMHC Member shall be resolved in accordance with the foregoing.

ARTICLE V



Section 5.04 Amendment, Corrections or Withdrawal of Plan. At any time prior to the mailing to SAM Members of the Information Statement and Related Materials, SAM may, by resolution of not less than two-thirds of the SAM Board, amend this Plan of Reorganization. The SAM Board, by resolution of not less than two-thirds of its members, is hereby authorized to amend this Plan of Reorganization at any time after the SAM Member Approval shall have been obtained, but only if the amendment is required by the Superintendent in order for the Superintendent to approve this Plan of Reorganization as being fair and equitable to SAM Members or in order to conform this Plan of Reorganization to the requirements of applicable Law; provided that no such amendment may be made which could materially adversely affect the interests of SAM Members. SAM, after the SAM Member Approval shall have been obtained and with the prior approval of the Superintendent, may make such minor modifications as are appropriate to correct errors, clarify existing items or make additions to correct manifest omissions in this Plan of Reorganization. At any time before this Plan of Reorganization has received the approval of the Superintendent under Section 3913.28 of the Ohio Revised Code, SAM may, by resolution of not less than two-thirds of the SAM Board, withdraw the Plan of Reorganization.





[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, State Automobile Mutual Insurance Company has caused this Plan of Reorganization to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

**STATE AUTOMOBILE MUTUAL
INSURANCE COMPANY**

By: _____
Name: [REDACTED]
Title: [REDACTED]

By: _____
Name: [REDACTED]
Title: [REDACTED]

By: _____
Name: [REDACTED]
Title: [REDACTED]

