Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
MIDLAND GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1982

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

THE MIDLAND COMPANY

P.O. BOX 1256
CINCINNATI, OH 45201

2b Employer Identification Number (EIN) 31-0626204

2c Sponsor's telephone number 513-947-5214

2d Business code (see instructions) 524150

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	ANTHONY DIRKSING
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
THE MIDLAND COMPANY

P.O. BOX 1256
CINCINNATI, OH 45201

3b Administrator's EIN
31-0626204

3c Administrator's telephone number
513-947-5214

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	1539
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	1357
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	216
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1573
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	1573
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1284
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	26
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2G 2H 2J 2K 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MIDLAND GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE MIDLAND COMPANY

D Employer Identification Number (EIN)
31-0626204

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PNC BANK, N.A.

25-1211909

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
25 59 60 63	TRUSTEE	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN CENTURY DIVERSIFIED BOND F P.O. BOX 419385 KANSAS CITY, MO 64141	25 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN CENTURY EQUITY INCOME FUND P.O. BOX 419385 KANSAS CITY, MO 64141	35 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN CENTURY HERITAGE FUND INV P.O. BOX 419385 KANSAS CITY, MO 64141	35 BASIS POINTS ANNUALLY-60

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN CENTURY SMALL CAP VALUE FU P.O. BOX 419385 KANSAS CITY, MO 64141	35 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS - AMERICAN BALANCED 333 SOUTH HOPE STREET LOS ANGELES, CA 90071	10 BASIS POINTS ANNUALLY-60 25 BASIS POINTS ANNUALLY-63

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS - EUROPACIFIC GROWTH 333 SOUTH HOPE STREET LOS ANGELES, CA 90071	10 BASIS POINTS ANNUALLY-60 25 BASIS POINTS ANNUALLY-63

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS - GROWTH FUND OF AME 333 SOUTH HOPE STREET LOS ANGELES, CA 90071	10 BASIS POINTS ANNUALLY-60 25 BASIS POINTS ANNUALLY-63

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARTISAN MID CAP VALUE FUND INV 875 E. WISCONSIN AVENUE, SUITE 800 MILWAUKEE, WI 53202	35 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
BARON ASSET FUND 767 FIFTH AVENUE, 49TH FLOOR NEW YORK, NY 10153	15 BASIS POINTS ANNUALLY-60 25 BASIS POINTS ANNUALLY-63

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
BLACKROCK HIGH YIELD BOND FUND SRV 40 EAST 52ND STREET NEW YORK, NY 10022	20 BASIS POINTS ANNUALLY-60 25 BASIS POINTS ANNUALLY-63

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
FEDERATED TREASURY OBLIGATIONS MONE FEDERATED INVESTORS TOWER PITTSBURGH, PA 15222	25 BASIS POINTS ANNUALLY-59

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIONEER FUND Y 60 STATE STREET FLOOR 18 BOSTON, MA 02109	15 BASIS POINTS ANNUALLY-60

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PNC INVESTMENT CONTRACT FUND Y 620 LIBERTY AVENUE PITTSBURGH, PA 15222	50 BASIS POINTS ANNUALLY-59

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ROYCE VALUE PLUS FUND SVC 745 5TH AVENUE, 24TH FLOOR NEW YORK, NY 10151	10 BASIS POINTS ANNUALLY-60 25 BASIS POINTS ANNUALLY-63

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
T. ROWE PRICE RETIREMENT 2010 FUND 100 EAST PRATT STREET BALTIMORE, MD 21202	15 BASIS POINTS ANNUALLY-60

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
T. ROWE PRICE RETIREMENT 2020 FUND 100 EAST PRATT STREET BALTIMORE, MD 21202	15 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
T. ROWE PRICE RETIREMENT 2030 FUND 100 EAST PRATT STREET BALTIMORE, MD 21202	15 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
T. ROWE PRICE RETIREMENT 2040 FUND 100 EAST PRATT STREET BALTIMORE, MD 21202	15 BASIS POINTS ANNUALLY-60

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PNC BANK, N.A.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
T. ROWE PRICE RETIREMENT 2050 FUND 100 EAST PRATT STREET BALTIMORE, MD 21202	15 BASIS POINTS ANNUALLY-60

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MIDLAND GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE MIDLAND COMPANY

D Employer Identification Number (EIN)
31-0626204

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PNC EBT INVESTMENT CONTRACT FUND

b Name of sponsor of entity listed in (a): PNC BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
25-1197336-001	C	1421187

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MIDLAND GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE MIDLAND COMPANY

D Employer Identification Number (EIN)
31-0626204

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		59443
(2) Participant contributions	1b(2)	3040	157685
(3) Other	1b(3)	21879	36765
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1652325	1909142
(9) Value of interest in common/collective trusts	1c(9)	1639528	1467859
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	66145312	67598670
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	69462084	71229564
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	69462084	71229564

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	1757913	
(B) Participants	2a(1)(B)	4797916	
(C) Others (including rollovers)	2a(1)(C)	147877	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6703706
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	74010	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		74010
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1606618	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1606618
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	19216511	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	19030330	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		186181

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		19936
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-2622331
c Other income	2c		81853
d Total income. Add all **income** amounts in column (b) and enter total	2d		6049973
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4138892	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	143601	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		4282493
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		4282493
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1767480
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BARNES DENNIG **(2)** EIN: 31-1119890

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		6000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MIDLAND GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE MIDLAND COMPANY

D Employer Identification Number (EIN)
31-0626204

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 25-1211909

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Midland-Guardian Co.
Salaried Employees 401(k) Savings Plan

Financial Statements
With Accompanying Information
Years Ended December 31, 2011 and 2010
With Independent Auditors' Report

Independent Auditors' Report

To the Trustees of
The Midland-Guardian Co. Salaried Employees 401(k) Savings Plan
Cincinnati, Ohio

We were engaged to audit the accompanying Statements of Net Assets in Liquidation Available for Benefits of The Midland-Guardian Co. Salaried Employees 401(k) Savings Plan as of December 31, 2011 and 2010, and the related Statement of Changes in Net Assets in Liquidation Available for Benefits for the year ended December 31, 2011, and supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) at December 31, 2011. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by PNC Bank N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974.

Barnes Dennig & Co. Ltd.

Cincinnati, Ohio
October 8, 2012

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Statements of Net Assets in Liquidation Available for Benefits
December 31, 2011 and 2010

	2011	2010
Assets		
Investments:		
Investments at fair value		
Mutual Funds	$ 67,598,670	$ 66,145,312
Common/Collective Trust Fund	1,467,859	1,639,528
Total investments	69,066,529	67,784,840
Other:		
Contribution receivable	217,128	3,040
Accrued investment income	36,765	21,879
Net assets available for benefits at fair value	69,320,422	67,809,759
Notes receivable from participants	1,909,142	1,652,325
Adjustment from fair value to contract value for fully benefit-responsive investment contract	(46,672)	(34,184)
Net assets available for benefits	$ 71,182,892	$ 69,427,900

The accompanying notes are an integral part of these financial statements

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Statement of Changes in Net Assets in Liquidation Available for Benefits
Year Ended December 31, 2011

Additions:	
Investment income:	
Interest and dividend income	$ 1,606,618
Other income	81,853
Total investment income	1,688,471
Interest income on notes receivable from participants	74,010
Contributions:	
Employer	1,757,913
Employee	4,797,916
Rollover	147,877
Total contributions	6,703,706
Total additions	8,466,187
Deductions:	
Net depreciation in fair value of investments	(2,428,702)
Benefit payments to participants	(4,282,493)
Total deductions	(6,711,195)
Net increase	1,754,992
Net assets available for benefits:	
Beginning of year	69,427,900
End of year	$ 71,182,892

The accompanying notes are an integral part of these financial statements

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of Midland-Guardian Co. Salaried Employees 401(k) Savings Plan (the "Plan") have been prepared on the liquidation basis of accounting.

The accompanying 2010 financial statements of the Plan have been prepared on the accrual basis.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

The PNC Investment Contract Fund is a common trust fund administered by PNC Bank. This Fund's investment objectives are to maximize the current income, while maintaining principal and to provide for withdrawals for certain participant-initiated transactions without penalty or adjustments.

Accounting Change

In September 2010, the Financial Accounting Standards Board (FASB) issued guidance clarifying the classification and measurement of participant loans by defined contribution pension plans. The guidance requires that participant loans be classified as notes receivable from participants and measured at their unpaid principal balance, plus any accrued but unpaid interest. The accounting change is effective for fiscal years ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented. Prior year amounts and disclosures have been revised to reflect the retrospective application of this amendment. The adoption resulted in a reclassification of participant loans totaling $1,652,325 from investments to notes receivable from participants as of December 31, 2010. As a result of this reclassification, these amounts were removed from the fair value measurement disclosures.

Investment Valuation

Investments are reported at fair value. Mutual funds are stated at fair value as determined by quoted market prices, which represents the net asset value of shares held by the Plan at year end. The Plan's interest in the collective trust is based at fair value of the collective trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits. Notes receivable from participants are valued at carrying value, which approximates market value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation (Continued)

Management fees charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees are reflected as a reduction of investment return for such investments.

Purchases and sales of investments are accounted for on the trade date (the date the order to buy or sell is executed). The cost of investments sold is computed on an average cost basis. Dividend income is recorded on the ex-dividend date, and interest income is recorded as earned.

Net appreciation (depreciation) in fair value of investments consists of the net realized gain (loss) from sales of assets and the net unrealized gain (loss) from changes in the fair value of assets during the year.

Benefit Payments

Benefit payments are recorded when paid.

Expenses

During 2011, certain expenses and costs of administering the Plan were paid by Midland-Guardian Co. (the Plan Sponsor) and, accordingly, are not reflected in the Plan's financial statements.

Related Party Transactions

Certain Plan investments are shares of mutual funds managed by PNC Bank. PNC Bank is the Plan trustee, recordkeeper and asset custodian as defined by the Plan and, therefore, the related investment transactions qualify as exempt party-in-interest transactions in accordance with ERISA guidelines.

Several employees of Midland-Guardian Co. (the "Company") provide administrative services to the Plan. These services include Plan oversight and day-to-day Plan administration. The Plan is not charged by the Company for the services of the employees to the Plan.

The Plan offers loans to participants. Related transactions qualify as exempt party-in-interest transactions in accordance with ERISA guidelines.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Subsequent Events

The Plan has evaluated subsequent events through October 8, 2012, which is the date these financial statements were available to be issued, and have been determined that there are no subsequent events that require disclosure under applicable General Accepted Accounting Principles ("GAAP") for subsequent events.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 DESCRIPTION OF THE PLAN

The following description of the Midland-Guardian Co. Salaried Employees 401(k) Savings Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

All full-time salaried employees of Midland-Guardian Co. and part-time employees who anticipate working 1,000 hours or more annually are eligible to participate in the Plan upon their hire date. The Plan is administered by a committee appointed by the Company's Board of Directors and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Merger

In November 2011, the Board of Directors of Midland-Guardian Co. approved the merger of this Plan into the Munich Re U.S. Savings Plan, effective end of day December 31, 2011. As a result, substantially all investments were transferred from the Plan into the Munich Re U.S. Savings Plan on January 3, 2012.

Contributions

Effective January 1, 2002, the Plan was amended authorizing a basic minimum before tax employee contribution to be 1 percent up to 6 percent and a maximum to be 100 percent (base and supplemental) of the participant's compensation, as defined in the Plan. However, contributions may not exceed limitations established under Section 402(g) of the Internal Revenue Code (IRC) of 1986 as amended ($16,500 at December 31, 2011). A participant may direct employee contributions in one-percent increments into various investment options offered by the Plan. Company contributions are automatically invested in the participant's selected investment options. Participants may change their investment elections daily. The Company matches 50 percent up to the first 6% of an employee's basic contribution.

Rollover Contributions

Participants may rollover their taxable portion of funds previously held for their account in another employee benefit plan to the Plan on a tax-free basis.

Participant Accounts

Individual accounts are maintained for each participant by the Plan's Trustee. Each participant's account is credited with the participant's and Company's contributions and a pro-rata allocation of the Plan's earnings and expenses. The pro-rata allocation is based upon each participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 2 DESCRIPTION OF THE PLAN (CONTINUED)

Vesting

Participants are vested immediately in their contributions. The vesting period in Company matching contributions is five (5) years. At the end of each year of employment, the employee will vest in 20 percent of the Company's matching contribution. Vesting is based on the date of hire, not the date of enrollment in the Plan.

If a participant terminates employment with the Company at any time and they are less than fully vested in their qualified matching contributions or earnings thereon, the non-vested portion is forfeited.

Forfeitures

As of December 31, 2011 and 2010, forfeited non-vested accounts totaled $138,191 and $39,182, respectively. All forfeitures under the Plan are used to reduce future employer contributions to the Plan. During the year ended December 31, 2011, there was $-0- forfeited non-vested amounts used to reduce employer contributions.

Payment of Benefits

Upon termination of service due to death, disability or retirement, a participant (or his or her designated beneficiary) may elect to receive an amount equal to the value of the participant's vested interest in his or her account. The form of payment is a lump-sum distribution, rollover into another qualified plan or an annuity to be paid for up to a 10-year period.

In-service distributions are permissible from the Plan for participants that have attained the age of 59 1/2.

In conditions of "financial hardship", a participant may apply to the Plan administrator for approval to withdraw that portion of the participant's account balance necessary to meet the financial hardship, subject to the limitations of the Plan and the Internal Revenue Code.

Upon termination of the Plan, the assets will be distributed to participants in accordance with the Plan's provisions and existing laws and regulations.

Notes Receivable from Participants

The Plan allows participants to borrow funds from their vested account balance subject to certain restrictions. Participants may take a minimum notes receivable of $500 from their account. The maximum notes receivable is 50% of their vested account balance (up to a maximum of $50,000). Notes receivable are repayable in one to five years unless the notes receivable is related to the purchase of the participant's primary residence, in which case the term may be up to thirty years. The interest rate applicable to Plan notes receivable is established at 1% over the prime rate.

NOTE 3 INVESTMENTS

Investments representing more than five percent of net assets available for benefits listed at market value are as follows at December 31:

	2011	2010
Federated Treasury Obligation Issue Fund	$ 14,510,502	$ 14,998,254
Artisan Mid Cap Value Fund	6,421,517	5,908,897
American Century Equity Income Investor	5,517,734	5,040,535
American Balanced Fund	5,322,449	5,129,034
American Century Investment Heritage	4,827,452	*
American Euro Pacific Growth Fund	4,598,502	5,232,466
American Funds Growth Fund of America	4,134,155	4,368,369

* This investment represented less than 5% of the Plan's net assets available for benefits.

During 2011, the Plan's investments depreciated by $(2,428,702).

NOTE 4 FAIR VALUE MEASUREMENTS

The financial statements have been prepared in accordance with applicable GAAP for fair value measurements and disclosures for financial assets and liabilities. Under the applicable GAAP literature, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. The applicable GAAP literature establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2011 and 2010.

Mutual funds: Valued at the net asset value of shares held by the Plan at year-end.

Common/collective trusts: Valued at fair value of the collective trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 67,598,670	$ -	$ -	$ 67,598,670
Common / collective trust funds	-	1,467,859	-	1,467,859
Total investments at fair value	$ 67,598,670	$ 1,467,859	$ -	$ 69,066,529

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 66,145,312	$ -	$ -	$ 66,145,312
Common / collective trust funds	-	1,639,528	-	1,639,528
Total investments at fair value	$ 66,145,312	$ 1,639,528	$ -	$ 67,784,840

NOTE 5 BENEFIT RESPONSIVE INVESTMENT

The Plan has a benefit-responsive investment contract with PNC Bank. Contract value is the relevant measurement attribute for that portion of the net assets of an investment company that are attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of their employer-sponsored defined-contribution plan which invests in the Fund. An investment contract is considered to be fully benefit-responsive if: (1) it is effected directly between the fund and the issuer and may not be transferred without the consent of the issuer; (2) in the case of traditional investment contracts, the repayment of principal and interest is a financial obligation of the issuer, or, in the case of synthetic investment contracts, the issuer of a wrapper contract provides assurance that the future contract crediting rate will not be adjusted to less than zero; (3) the contract requires all permitted participant-initiated transactions with the fund to be at contract value, without limitation; (4) it is improbable that an event will occur that would limit the ability of the fund to transact at contract value with both the issuer and the fund unit holders; and (5) the fund allows unit holders reasonable access to their funds.

The existence of certain conditions can limit the trust's ability to transact at contract value with the issuers of its investment contracts. Specifically, any event outside the normal operation of the trust which causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to such withdrawal. Examples of such events include, but are not limited to, partial or complete legal termination of fund, tax disqualification of the fund, and certain fund amendments if issuers' consent is not obtained. As of December 31, 2011, the occurrence of an event outside the normal operation of the trust which would cause a withdrawal from an investment contract is not considered to be probable.

In addition to the limitations noted above, issuers of investment contracts have certain rights to terminate a contract and settle at an amount which differs from contract value. For example, certain breaches by the fund of its obligations, representations, or warranties under the terms of an investment contract can result in its termination at market value, which may differ from contract value. Investment contracts may also provide for termination with no payment obligation from the issuer if the performance of the contract constitutes a prohibited transaction under ERISA or other applicable law.

NOTE 5 BENEFIT RESPONSIVE INVESTMENT (CONTINUED)

A number of factors can influence future crediting interest rates, which may include but are not limited to underlying portfolio performance, current market interest rates for reinvestment and duration posture.

Future crediting interest rates may vary based upon changes in the market and other plan and cash flow events which will impact the adjustment in the fund from fair value to contract value. The crediting interest rates are reviewed on a quarterly basis for resetting. The fund guarantees a return of principal and a specific minimum rate of return.

The fund administrator believes that it is not probable that events may occur that will limit the ability of the fund to transact at contract values with the issuer. The crediting interest rate was 2.16% and 2.38% at December 31, 2011 and 2010, respectively. The average yield based on crediting interest rate for the year ended December 31, 2011 and 2010 was 2.04% and 2.36%, respectively. The average yield based on GAAP income for the year ended December 31, 2010 and 2009 was 1.53% and 1.65%, respectively.

NOTE 6 TAX STATUS

The Plan uses a prototype plan document sponsored by PNC Bank. PNC received an opinion letter from the Internal Revenue Service (IRS), dated March 31, 2008, which states that the prototype document satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan was amended and restated effective January 1, 2009. The Plan has not obtained a new opinion letter or determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

NOTE 7 INFORMATION CERTIFIED BY THE TRUSTEE

The following information provided by PNC Bank N.A. (PNC Bank), the Trustee of the Plan for the years ended December 31, 2011 and 2010 was certified by them to be accurate and complete with respect to the following:

(a) The assets held by PNC Bank at December 31, 2011 and 2010 as well as the transactions involving these assets for the year ended December 31, 2011.

(b) The amount of investment income (loss) for the year ended December 31, 2011.

(c) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011.

NOTE 8 PLAN TERMINATION

The Board of Directors of Midland-Guardian Co., the Plan's sponsor, voted in November 2011 to terminate the Plan effective December 31, 2011. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the ongoing plan basis to the liquidation basis for periods after November 2011. This change does not result in any material adjustments to the financial statements presented.

NOTE 9 PLAN TRANSFERS

During 2010, the Plan recognized transfers to other plans of $611,322. These investments represent assets related to employees who transferred employment from Midland-Guardian Co. to other companies during the year as the result of the sale of a company division.

NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	2011	2010
Ending net assets available for benefits per financial statements	$ 71,182,892	$ 69,427,900
Adjustment from fair value to contract value for fully benefit-responsive contracts	46,672	34,184
Ending net assets available for benefits per 5500	$ 71,229,564	$ 69,462,084

The following is a reconciliation of investment appreciation per the financial statements at December 31, 2011 to Form 5500:

	2011
Net investment depreciation per financial statements	$ (2,428,702)
Less: Adjustment from fair value to contract value for benefit-responsive contracts	12,488
Net investment appreciation per Form 5500	$ (2,416,214)

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2011

Schedule H (Form 5500)
EIN 31-0626204
Plan Number – 002

Column A	Column B Identity of issuer, borrower of similar entity	Column C Description of Investment	Column E Current Value
	American Balanced R4	Mutual Fund	$ 5,322,449
	American Century Diversified Bond Investor	Mutual Fund	3,827,255
	American Century Equity Income Investor	Mutual Fund	5,517,734
	American Century Heritage Investor	Mutual Fund	4,827,452
	American Century Small Cap Value Inv	Mutual Fund	2,666,208
	American Euro Pacific Growth R4	Mutual Fund	4,598,502
	American Funds Growth Fund of America R4	Mutual Fund	4,134,155
	Artisan Mid Cap Value Fund	Mutual Fund	6,421,517
	Blackrock High Yield Bond	Mutual Fund	2,290,439
*	Federated Treasury Obligation SS	Mutual Fund	14,510,502
	Fidelity Spartan 500 Index Fd	Mutual Fund	330,026
	Pioneer Fund Class Y	Mutual Fund	1,617,829
*	Royce Value Plus Service Fund	Mutual Fund	1,734,524
	T Rowe 2010 Advisor Fund	Mutual Fund	1,582,185
	T Rowe 2020 Advisor Fund	Mutual Fund	2,414,823
	T Rowe 2030 Advisor Fund	Mutual Fund	1,295,438
	T Rowe 2040 Advisor Fund	Mutual Fund	3,357,304
	T Rowe 2050 Advisor Fund	Mutual Fund	1,150,328
*	Participants Loan-at carrying value	4.25% - 10.5%	1,909,142
*	PNC Investment Contract Fund Y	Common/Collective Trust Fund	1,467,859
		Total investments	$ 70,975,671

NOTE: The above data is based on information that has been certified as complete and accurate by the Trustee.

* Denotes Party-In-Interest

See accompanying independent auditors' disclaimer of opinion

PNC INSTITUTIONAL INVESTMENTS

CERTIFICATION FOR ENCLOSURE WITH FORM 5500

April 2012

Re: PNC Investment Contract Fund
Audited Financials 2011

Dear Plan Sponsor:

As a part of our ongoing commitment to you enclosed you will find the annual audited financial statement for the PNC Investment Contract Fund for 2011. Our records indicate your plan held a position in the fund as of December 31, 2011.

We certify that pursuant to Department of Labor Regulations §2520.103-9(c) the Fund Trustee will file with the Department of Labor on or before the filing due date a Form 5500 for the 2011 calendar year for the collective trust listed below. This filing will include an annual Statement of Assets and Liabilities for the following PNC Bank Collective Investment Trust Funds held by Employee Benefits plans:

FUND	TRUST NO.	FUND EIN
PNC EBT Investment Contract Fund	**1028398**	**25-1197336**

As always, if you have any questions or need any additional information, please do not hesitate to contact us at 800-762-0061.

I, Sherri L. Painter, Vice President, certify the accuracy and completeness of the information provided in this certification and in the above-described Statement of Assets and Liabilities.

Sincerely,

Sherri L. Painter
Vice President
Manager, Client Services & Compliance

Cc: Enclosure

The PNC Financial Services Group, Inc. ("PNC") uses the service marks "PNC Wealth Management", "PNC Institutional Investments" and "Hawthorn PNC Family Wealth" to provide investment and wealth management, fiduciary services, non-discretionary defined contribution plan services and investment options, FDIC-insured banking products and services and lending of funds through its subsidiary, PNC Bank, National Association, which is a **Member FDIC**, and uses the service marks "PNC Wealth Management" and "Hawthorn PNC Family Wealth" to provide certain fiduciary and agency services through its subsidiary, PNC Delaware Trust Company. PNC does not provide legal, tax or accounting advice. PNC does not provide investment advice to Vested Interest plan sponsors or participants.

Investments: Not FDIC Insured. No Bank Guarantee. May Lose Value.

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Barnes Dennig & Co. Ltd.

Cincinnati, Ohio
October 8, 2012

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MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of Midland-Guardian Co. Salaried Employees 401(k) Savings Plan (the "Plan") have been prepared on the liquidation basis of accounting.

The accompanying 2010 financial statements of the Plan have been prepared on the accrual basis.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

The PNC Investment Contract Fund is a common trust fund administered by PNC Bank. This Fund's investment objectives are to maximize the current income, while maintaining principal and to provide for withdrawals for certain participant-initiated transactions without penalty or adjustments.

Accounting Change

In September 2010, the Financial Accounting Standards Board (FASB) issued guidance clarifying the classification and measurement of participant loans by defined contribution pension plans. The guidance requires that participant loans be classified as notes receivable from participants and measured at their unpaid principal balance, plus any accrued but unpaid interest. The accounting change is effective for fiscal years ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented. Prior year amounts and disclosures have been revised to reflect the retrospective application of this amendment. The adoption resulted in a reclassification of participant loans totaling $1,652,325 from investments to notes receivable from participants as of December 31, 2010. As a result of this reclassification, these amounts were removed from the fair value measurement disclosures.

Investment Valuation

Investments are reported at fair value. Mutual funds are stated at fair value as determined by quoted market prices, which represents the net asset value of shares held by the Plan at year end. The Plan's interest in the collective trust is based at fair value of the collective trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits. Notes receivable from participants are valued at carrying value, which approximates market value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation (Continued)

Management fees charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees are reflected as a reduction of investment return for such investments.

Purchases and sales of investments are accounted for on the trade date (the date the order to buy or sell is executed). The cost of investments sold is computed on an average cost basis. Dividend income is recorded on the ex-dividend date, and interest income is recorded as earned.

Net appreciation (depreciation) in fair value of investments consists of the net realized gain (loss) from sales of assets and the net unrealized gain (loss) from changes in the fair value of assets during the year.

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Benefit payments are recorded when paid.

Expenses

During 2011, certain expenses and costs of administering the Plan were paid by Midland-Guardian Co. (the Plan Sponsor) and, accordingly, are not reflected in the Plan's financial statements.

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Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

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The Plan has evaluated subsequent events through October 8, 2012, which is the date these financial statements were available to be issued, and have been determined that there are no subsequent events that require disclosure under applicable General Accepted Accounting Principles ("GAAP") for subsequent events.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 DESCRIPTION OF THE PLAN

The following description of the Midland-Guardian Co. Salaried Employees 401(k) Savings Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

All full-time salaried employees of Midland-Guardian Co. and part-time employees who anticipate working 1,000 hours or more annually are eligible to participate in the Plan upon their hire date. The Plan is administered by a committee appointed by the Company's Board of Directors and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

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In November 2011, the Board of Directors of Midland-Guardian Co. approved the merger of this Plan into the Munich Re U.S. Savings Plan, effective end of day December 31, 2011. As a result, substantially all investments were transferred from the Plan into the Munich Re U.S. Savings Plan on January 3, 2012.

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Effective January 1, 2002, the Plan was amended authorizing a basic minimum before tax employee contribution to be 1 percent up to 6 percent and a maximum to be 100 percent (base and supplemental) of the participant's compensation, as defined in the Plan. However, contributions may not exceed limitations established under Section 402(g) of the Internal Revenue Code (IRC) of 1986 as amended ($16,500 at December 31, 2011). A participant may direct employee contributions in one-percent increments into various investment options offered by the Plan. Company contributions are automatically invested in the participant's selected investment options. Participants may change their investment elections daily. The Company matches 50 percent up to the first 6% of an employee's basic contribution.

Rollover Contributions

Participants may rollover their taxable portion of funds previously held for their account in another employee benefit plan to the Plan on a tax-free basis.

Participant Accounts

Individual accounts are maintained for each participant by the Plan's Trustee. Each participant's account is credited with the participant's and Company's contributions and a pro-rata allocation of the Plan's earnings and expenses. The pro-rata allocation is based upon each participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 2 DESCRIPTION OF THE PLAN (CONTINUED)

Vesting

Participants are vested immediately in their contributions. The vesting period in Company matching contributions is five (5) years. At the end of each year of employment, the employee will vest in 20 percent of the Company's matching contribution. Vesting is based on the date of hire, not the date of enrollment in the Plan.

If a participant terminates employment with the Company at any time and they are less than fully vested in their qualified matching contributions or earnings thereon, the non-vested portion is forfeited.

Forfeitures

As of December 31, 2011 and 2010, forfeited non-vested accounts totaled $138,191 and $39,182, respectively. All forfeitures under the Plan are used to reduce future employer contributions to the Plan. During the year ended December 31, 2011, there was $-0- forfeited non-vested amounts used to reduce employer contributions.

Payment of Benefits

Upon termination of service due to death, disability or retirement, a participant (or his or her designated beneficiary) may elect to receive an amount equal to the value of the participant's vested interest in his or her account. The form of payment is a lump-sum distribution, rollover into another qualified plan or an annuity to be paid for up to a 10-year period.

In-service distributions are permissible from the Plan for participants that have attained the age of 59 1/2.

In conditions of "financial hardship", a participant may apply to the Plan administrator for approval to withdraw that portion of the participant's account balance necessary to meet the financial hardship, subject to the limitations of the Plan and the Internal Revenue Code.

Upon termination of the Plan, the assets will be distributed to participants in accordance with the Plan's provisions and existing laws and regulations.

Notes Receivable from Participants

The Plan allows participants to borrow funds from their vested account balance subject to certain restrictions. Participants may take a minimum notes receivable of $500 from their account. The maximum notes receivable is 50% of their vested account balance (up to a maximum of $50,000). Notes receivable are repayable in one to five years unless the notes receivable is related to the purchase of the participant's primary residence, in which case the term may be up to thirty years. The interest rate applicable to Plan notes receivable is established at 1% over the prime rate.

NOTE 3 INVESTMENTS

Investments representing more than five percent of net assets available for benefits listed at market value are as follows at December 31:

	2011	2010
Federated Treasury Obligation Issue Fund	$ 14,510,502	$ 14,998,254
Artisan Mid Cap Value Fund	6,421,517	5,908,897
American Century Equity Income Investor	5,517,734	5,040,535
American Balanced Fund	5,322,449	5,129,034
American Century Investment Heritage	4,827,452	*
American Euro Pacific Growth Fund	4,598,502	5,232,466
American Funds Growth Fund of America	4,134,155	4,368,369

* This investment represented less than 5% of the Plan's net assets available for benefits.

During 2011, the Plan's investments depreciated by $(2,428,702).

NOTE 4 FAIR VALUE MEASUREMENTS

The financial statements have been prepared in accordance with applicable GAAP for fair value measurements and disclosures for financial assets and liabilities. Under the applicable GAAP literature, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. The applicable GAAP literature establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2011 and 2010.

Mutual funds: Valued at the net asset value of shares held by the Plan at year-end.

Common/collective trusts: Valued at fair value of the collective trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 67,598,670	$ -	$ -	$ 67,598,670
Common / collective trust funds	-	1,467,859	-	1,467,859
Total investments at fair value	$ 67,598,670	$ 1,467,859	$ -	$ 69,066,529

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 66,145,312	$ -	$ -	$ 66,145,312
Common / collective trust funds	-	1,639,528	-	1,639,528
Total investments at fair value	$ 66,145,312	$ 1,639,528	$ -	$ 67,784,840

NOTE 5 BENEFIT RESPONSIVE INVESTMENT

The Plan has a benefit-responsive investment contract with PNC Bank. Contract value is the relevant measurement attribute for that portion of the net assets of an investment company that are attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of their employer-sponsored defined-contribution plan which invests in the Fund. An investment contract is considered to be fully benefit-responsive if: (1) it is effected directly between the fund and the issuer and may not be transferred without the consent of the issuer; (2) in the case of traditional investment contracts, the repayment of principal and interest is a financial obligation of the issuer, or, in the case of synthetic investment contracts, the issuer of a wrapper contract provides assurance that the future contract crediting rate will not be adjusted to less than zero; (3) the contract requires all permitted participant-initiated transactions with the fund to be at contract value, without limitation; (4) it is improbable that an event will occur that would limit the ability of the fund to transact at contract value with both the issuer and the fund unit holders; and (5) the fund allows unit holders reasonable access to their funds.

The existence of certain conditions can limit the trust's ability to transact at contract value with the issuers of its investment contracts. Specifically, any event outside the normal operation of the trust which causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to such withdrawal. Examples of such events include, but are not limited to, partial or complete legal termination of fund, tax disqualification of the fund, and certain fund amendments if issuers' consent is not obtained. As of December 31, 2011, the occurrence of an event outside the normal operation of the trust which would cause a withdrawal from an investment contract is not considered to be probable.

In addition to the limitations noted above, issuers of investment contracts have certain rights to terminate a contract and settle at an amount which differs from contract value. For example, certain breaches by the fund of its obligations, representations, or warranties under the terms of an investment contract can result in its termination at market value, which may differ from contract value. Investment contracts may also provide for termination with no payment obligation from the issuer if the performance of the contract constitutes a prohibited transaction under ERISA or other applicable law.

NOTE 5 BENEFIT RESPONSIVE INVESTMENT (CONTINUED)

A number of factors can influence future crediting interest rates, which may include but are not limited to underlying portfolio performance, current market interest rates for reinvestment and duration posture.

Future crediting interest rates may vary based upon changes in the market and other plan and cash flow events which will impact the adjustment in the fund from fair value to contract value. The crediting interest rates are reviewed on a quarterly basis for resetting. The fund guarantees a return of principal and a specific minimum rate of return.

The fund administrator believes that it is not probable that events may occur that will limit the ability of the fund to transact at contract values with the issuer. The crediting interest rate was 2.16% and 2.38% at December 31, 2011 and 2010, respectively. The average yield based on crediting interest rate for the year ended December 31, 2011 and 2010 was 2.04% and 2.36%, respectively. The average yield based on GAAP income for the year ended December 31, 2010 and 2009 was 1.53% and 1.65%, respectively.

NOTE 6 TAX STATUS

The Plan uses a prototype plan document sponsored by PNC Bank. PNC received an opinion letter from the Internal Revenue Service (IRS), dated March 31, 2008, which states that the prototype document satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan was amended and restated effective January 1, 2009. The Plan has not obtained a new opinion letter or determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

NOTE 7 INFORMATION CERTIFIED BY THE TRUSTEE

The following information provided by PNC Bank N.A. (PNC Bank), the Trustee of the Plan for the years ended December 31, 2011 and 2010 was certified by them to be accurate and complete with respect to the following:

(a) The assets held by PNC Bank at December 31, 2011 and 2010 as well as the transactions involving these assets for the year ended December 31, 2011.

(b) The amount of investment income (loss) for the year ended December 31, 2011.

(c) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011.

NOTE 8 PLAN TERMINATION

The Board of Directors of Midland-Guardian Co., the Plan's sponsor, voted in November 2011 to terminate the Plan effective December 31, 2011. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the ongoing plan basis to the liquidation basis for periods after November 2011. This change does not result in any material adjustments to the financial statements presented.

NOTE 9 PLAN TRANSFERS

During 2010, the Plan recognized transfers to other plans of $611,322. These investments represent assets related to employees who transferred employment from Midland-Guardian Co. to other companies during the year as the result of the sale of a company division.

NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	2011	2010
Ending net assets available for benefits per financial statements	$ 71,182,892	$ 69,427,900
Adjustment from fair value to contract value for fully benefit-responsive contracts	46,672	34,184
Ending net assets available for benefits per 5500	$ 71,229,564	$ 69,462,084

The following is a reconciliation of investment appreciation per the financial statements at December 31, 2011 to Form 5500:

	2011
Net investment depreciation per financial statements	$ (2,428,702)
Less: Adjustment from fair value to contract value for benefit-responsive contracts	12,488
Net investment appreciation per Form 5500	$ (2,416,214)

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2011

Schedule H (Form 5500)
EIN 31-0626204
Plan Number – 002

Column A	Column B Identity of issuer, borrower of similar entity	Column C Description of Investment	Column E Current Value
	American Balanced R4	Mutual Fund	$ 5,322,449
	American Century Diversified Bond Investor	Mutual Fund	3,827,255
	American Century Equity Income Investor	Mutual Fund	5,517,734
	American Century Heritage Investor	Mutual Fund	4,827,452
	American Century Small Cap Value Inv	Mutual Fund	2,666,208
	American Euro Pacific Growth R4	Mutual Fund	4,598,502
	American Funds Growth Fund of America R4	Mutual Fund	4,134,155
	Artisan Mid Cap Value Fund	Mutual Fund	6,421,517
	Blackrock High Yield Bond	Mutual Fund	2,290,439
*	Federated Treasury Obligation SS	Mutual Fund	14,510,502
	Fidelity Spartan 500 Index Fd	Mutual Fund	330,026
	Pioneer Fund Class Y	Mutual Fund	1,617,829
*	Royce Value Plus Service Fund	Mutual Fund	1,734,524
	T Rowe 2010 Advisor Fund	Mutual Fund	1,582,185
	T Rowe 2020 Advisor Fund	Mutual Fund	2,414,823
	T Rowe 2030 Advisor Fund	Mutual Fund	1,295,438
	T Rowe 2040 Advisor Fund	Mutual Fund	3,357,304
	T Rowe 2050 Advisor Fund	Mutual Fund	1,150,328
*	Participants Loan-at carrying value	4.25% - 10.5%	1,909,142
*	PNC Investment Contract Fund Y	Common/Collective Trust Fund	1,467,859
		Total investments	$ 70,975,671

NOTE: The above data is based on information that has been certified as complete and accurate by the Trustee.

* Denotes Party-In-Interest

See accompanying independent auditors' disclaimer of opinion

Midland-Guardian Co.
Salaried Employees 401(k) Savings Plan

Financial Statements
With Accompanying Information
Years Ended December 31, 2011 and 2010
With Independent Auditors' Report

Independent Auditors' Report

To the Trustees of
The Midland-Guardian Co. Salaried Employees 401(k) Savings Plan
Cincinnati, Ohio

We were engaged to audit the accompanying Statements of Net Assets in Liquidation Available for Benefits of The Midland-Guardian Co. Salaried Employees 401(k) Savings Plan as of December 31, 2011 and 2010, and the related Statement of Changes in Net Assets in Liquidation Available for Benefits for the year ended December 31, 2011, and supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) at December 31, 2011. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by PNC Bank N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974.

Barnes Dennig & Co. Ltd.

Cincinnati, Ohio
October 8, 2012

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Statements of Net Assets in Liquidation Available for Benefits
December 31, 2011 and 2010

	2011	2010
Assets		
Investments:		
Investments at fair value		
Mutual Funds	$ 67,598,670	$ 66,145,312
Common/Collective Trust Fund	1,467,859	1,639,528
Total investments	69,066,529	67,784,840
Other:		
Contribution receivable	217,128	3,040
Accrued investment income	36,765	21,879
Net assets available for benefits at fair value	69,320,422	67,809,759
Notes receivable from participants	1,909,142	1,652,325
Adjustment from fair value to contract value for fully benefit-responsive investment contract	(46,672)	(34,184)
Net assets available for benefits	$ 71,182,892	$ 69,427,900

The accompanying notes are an integral part of these financial statements

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Statement of Changes in Net Assets in Liquidation Available for Benefits
Year Ended December 31, 2011

Additions:	
Investment income:	
Interest and dividend income	$ 1,606,618
Other income	81,853
Total investment income	1,688,471
Interest income on notes receivable from participants	74,010
Contributions:	
Employer	1,757,913
Employee	4,797,916
Rollover	147,877
Total contributions	6,703,706
Total additions	8,466,187
Deductions:	
Net depreciation in fair value of investments	(2,428,702)
Benefit payments to participants	(4,282,493)
Total deductions	(6,711,195)
Net increase	1,754,992
Net assets available for benefits:	
Beginning of year	69,427,900
End of year	$ 71,182,892

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MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

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Participants may rollover their taxable portion of funds previously held for their account in another employee benefit plan to the Plan on a tax-free basis.

Participant Accounts

Individual accounts are maintained for each participant by the Plan's Trustee. Each participant's account is credited with the participant's and Company's contributions and a pro-rata allocation of the Plan's earnings and expenses. The pro-rata allocation is based upon each participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 2 DESCRIPTION OF THE PLAN (CONTINUED)

Vesting

Participants are vested immediately in their contributions. The vesting period in Company matching contributions is five (5) years. At the end of each year of employment, the employee will vest in 20 percent of the Company's matching contribution. Vesting is based on the date of hire, not the date of enrollment in the Plan.

If a participant terminates employment with the Company at any time and they are less than fully vested in their qualified matching contributions or earnings thereon, the non-vested portion is forfeited.

Forfeitures

As of December 31, 2011 and 2010, forfeited non-vested accounts totaled $138,191 and $39,182, respectively. All forfeitures under the Plan are used to reduce future employer contributions to the Plan. During the year ended December 31, 2011, there was $-0- forfeited non-vested amounts used to reduce employer contributions.

Payment of Benefits

Upon termination of service due to death, disability or retirement, a participant (or his or her designated beneficiary) may elect to receive an amount equal to the value of the participant's vested interest in his or her account. The form of payment is a lump-sum distribution, rollover into another qualified plan or an annuity to be paid for up to a 10-year period.

In-service distributions are permissible from the Plan for participants that have attained the age of 59 1/2.

In conditions of "financial hardship", a participant may apply to the Plan administrator for approval to withdraw that portion of the participant's account balance necessary to meet the financial hardship, subject to the limitations of the Plan and the Internal Revenue Code.

Upon termination of the Plan, the assets will be distributed to participants in accordance with the Plan's provisions and existing laws and regulations.

Notes Receivable from Participants

The Plan allows participants to borrow funds from their vested account balance subject to certain restrictions. Participants may take a minimum notes receivable of $500 from their account. The maximum notes receivable is 50% of their vested account balance (up to a maximum of $50,000). Notes receivable are repayable in one to five years unless the notes receivable is related to the purchase of the participant's primary residence, in which case the term may be up to thirty years. The interest rate applicable to Plan notes receivable is established at 1% over the prime rate.

NOTE 3 INVESTMENTS

Investments representing more than five percent of net assets available for benefits listed at market value are as follows at December 31:

	2011	2010
Federated Treasury Obligation Issue Fund	$ 14,510,502	$ 14,998,254
Artisan Mid Cap Value Fund	6,421,517	5,908,897
American Century Equity Income Investor	5,517,734	5,040,535
American Balanced Fund	5,322,449	5,129,034
American Century Investment Heritage	4,827,452	*
American Euro Pacific Growth Fund	4,598,502	5,232,466
American Funds Growth Fund of America	4,134,155	4,368,369

* This investment represented less than 5% of the Plan's net assets available for benefits.

During 2011, the Plan's investments depreciated by $(2,428,702).

NOTE 4 FAIR VALUE MEASUREMENTS

The financial statements have been prepared in accordance with applicable GAAP for fair value measurements and disclosures for financial assets and liabilities. Under the applicable GAAP literature, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. The applicable GAAP literature establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2011 and 2010.

Mutual funds: Valued at the net asset value of shares held by the Plan at year-end.

Common/collective trusts: Valued at fair value of the collective trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 67,598,670	$ -	$ -	$ 67,598,670
Common / collective trust funds	-	1,467,859	-	1,467,859
Total investments at fair value	$ 67,598,670	$ 1,467,859	$ -	$ 69,066,529

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 66,145,312	$ -	$ -	$ 66,145,312
Common / collective trust funds	-	1,639,528	-	1,639,528
Total investments at fair value	$ 66,145,312	$ 1,639,528	$ -	$ 67,784,840

NOTE 5 BENEFIT RESPONSIVE INVESTMENT

The Plan has a benefit-responsive investment contract with PNC Bank. Contract value is the relevant measurement attribute for that portion of the net assets of an investment company that are attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of their employer-sponsored defined-contribution plan which invests in the Fund. An investment contract is considered to be fully benefit-responsive if: (1) it is effected directly between the fund and the issuer and may not be transferred without the consent of the issuer; (2) in the case of traditional investment contracts, the repayment of principal and interest is a financial obligation of the issuer, or, in the case of synthetic investment contracts, the issuer of a wrapper contract provides assurance that the future contract crediting rate will not be adjusted to less than zero; (3) the contract requires all permitted participant-initiated transactions with the fund to be at contract value, without limitation; (4) it is improbable that an event will occur that would limit the ability of the fund to transact at contract value with both the issuer and the fund unit holders; and (5) the fund allows unit holders reasonable access to their funds.

The existence of certain conditions can limit the trust's ability to transact at contract value with the issuers of its investment contracts. Specifically, any event outside the normal operation of the trust which causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to such withdrawal. Examples of such events include, but are not limited to, partial or complete legal termination of fund, tax disqualification of the fund, and certain fund amendments if issuers' consent is not obtained. As of December 31, 2011, the occurrence of an event outside the normal operation of the trust which would cause a withdrawal from an investment contract is not considered to be probable.

In addition to the limitations noted above, issuers of investment contracts have certain rights to terminate a contract and settle at an amount which differs from contract value. For example, certain breaches by the fund of its obligations, representations, or warranties under the terms of an investment contract can result in its termination at market value, which may differ from contract value. Investment contracts may also provide for termination with no payment obligation from the issuer if the performance of the contract constitutes a prohibited transaction under ERISA or other applicable law.

NOTE 5 BENEFIT RESPONSIVE INVESTMENT (CONTINUED)

A number of factors can influence future crediting interest rates, which may include but are not limited to underlying portfolio performance, current market interest rates for reinvestment and duration posture.

Future crediting interest rates may vary based upon changes in the market and other plan and cash flow events which will impact the adjustment in the fund from fair value to contract value. The crediting interest rates are reviewed on a quarterly basis for resetting. The fund guarantees a return of principal and a specific minimum rate of return.

The fund administrator believes that it is not probable that events may occur that will limit the ability of the fund to transact at contract values with the issuer. The crediting interest rate was 2.16% and 2.38% at December 31, 2011 and 2010, respectively. The average yield based on crediting interest rate for the year ended December 31, 2011 and 2010 was 2.04% and 2.36%, respectively. The average yield based on GAAP income for the year ended December 31, 2010 and 2009 was 1.53% and 1.65%, respectively.

NOTE 6 TAX STATUS

The Plan uses a prototype plan document sponsored by PNC Bank. PNC received an opinion letter from the Internal Revenue Service (IRS), dated March 31, 2008, which states that the prototype document satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan was amended and restated effective January 1, 2009. The Plan has not obtained a new opinion letter or determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

NOTE 7 INFORMATION CERTIFIED BY THE TRUSTEE

The following information provided by PNC Bank N.A. (PNC Bank), the Trustee of the Plan for the years ended December 31, 2011 and 2010 was certified by them to be accurate and complete with respect to the following:

(a) The assets held by PNC Bank at December 31, 2011 and 2010 as well as the transactions involving these assets for the year ended December 31, 2011.

(b) The amount of investment income (loss) for the year ended December 31, 2011.

(c) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011.

NOTE 8 PLAN TERMINATION

The Board of Directors of Midland-Guardian Co., the Plan's sponsor, voted in November 2011 to terminate the Plan effective December 31, 2011. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the ongoing plan basis to the liquidation basis for periods after November 2011. This change does not result in any material adjustments to the financial statements presented.

NOTE 9 PLAN TRANSFERS

During 2010, the Plan recognized transfers to other plans of $611,322. These investments represent assets related to employees who transferred employment from Midland-Guardian Co. to other companies during the year as the result of the sale of a company division.

NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	2011	2010
Ending net assets available for benefits per financial statements	$ 71,182,892	$ 69,427,900
Adjustment from fair value to contract value for fully benefit-responsive contracts	46,672	34,184
Ending net assets available for benefits per 5500	$ 71,229,564	$ 69,462,084

The following is a reconciliation of investment appreciation per the financial statements at December 31, 2011 to Form 5500:

	2011
Net investment depreciation per financial statements	$ (2,428,702)
Less: Adjustment from fair value to contract value for benefit-responsive contracts	12,488
Net investment appreciation per Form 5500	$ (2,416,214)

MIDLAND-GUARDIAN CO. SALARIED EMPLOYEES 401(K) SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2011

Schedule H (Form 5500)
EIN 31-0626204
Plan Number – 002

Column A	Column B Identity of issuer, borrower of similar entity	Column C Description of Investment	Column E Current Value
	American Balanced R4	Mutual Fund	$ 5,322,449
	American Century Diversified Bond Investor	Mutual Fund	3,827,255
	American Century Equity Income Investor	Mutual Fund	5,517,734
	American Century Heritage Investor	Mutual Fund	4,827,452
	American Century Small Cap Value Inv	Mutual Fund	2,666,208
	American Euro Pacific Growth R4	Mutual Fund	4,598,502
	American Funds Growth Fund of America R4	Mutual Fund	4,134,155
	Artisan Mid Cap Value Fund	Mutual Fund	6,421,517
	Blackrock High Yield Bond	Mutual Fund	2,290,439
*	Federated Treasury Obligation SS	Mutual Fund	14,510,502
	Fidelity Spartan 500 Index Fd	Mutual Fund	330,026
	Pioneer Fund Class Y	Mutual Fund	1,617,829
*	Royce Value Plus Service Fund	Mutual Fund	1,734,524
	T Rowe 2010 Advisor Fund	Mutual Fund	1,582,185
	T Rowe 2020 Advisor Fund	Mutual Fund	2,414,823
	T Rowe 2030 Advisor Fund	Mutual Fund	1,295,438
	T Rowe 2040 Advisor Fund	Mutual Fund	3,357,304
	T Rowe 2050 Advisor Fund	Mutual Fund	1,150,328
*	Participants Loan-at carrying value	4.25% - 10.5%	1,909,142
*	PNC Investment Contract Fund Y	Common/Collective Trust Fund	1,467,859
		Total investments	$ 70,975,671

NOTE: The above data is based on information that has been certified as complete and accurate by the Trustee.

* Denotes Party-In-Interest

See accompanying independent auditors' disclaimer of opinion