

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
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>AMERICAN HARDWARE MUTUAL INSURANCE COMPANY PROVIDENT PLUS RETIREMENT PLAN</u> 2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY</u> <u>471 E BROAD STREET</u> <u>COLUMBUS, OH 43215</u>	1b Three-digit plan number (PN) ▶ <u>002</u>	1c Effective date of plan <u>01/01/1985</u>	
	2b Employer Identification Number (EIN) <u>41-0299900</u>	2c Sponsor's telephone number <u>614-225-1865</u>	
	2d Business code (see instructions) <u>524150</u>		

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	MARK PEACOCK, AVP HUMAN RESOURCES
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY 471 E BROAD STREET COLUMBUS, OH 43215	3b Administrator's EIN 41-0299900 3c Administrator's telephone number 614-225-1865
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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
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5 Total number of participants at the beginning of the plan year	5	799
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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	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G

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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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)** ☒ **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)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>AMERICAN HARDWARE MUTUAL INSURANCE COMPANY PROVIDENT PLUS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>41-0299900</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>51896525</u>
b	Actuarial value 2b <u>47185598</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>309</u> <u>29682311</u>
b	For terminated vested participants 3b <u>451</u> <u>22361675</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>61651</u>
(2)	Vested benefits 3c(2) <u>2921482</u>
(3)	Total active 3c(3) <u>39</u> <u>2983133</u>
d	Total 3d <u>799</u> <u>55027119</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.25 %</u>
6	Target normal cost 6 <u>352827</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/09/2012</u>
Signature of actuary	Date
<u>LORI A. DEVORE</u>	<u>11-05257</u>
Type or print name of actuary	Most recent enrollment number
<u>AON CONSULTING, INC.</u>	<u>614-436-8100</u>
Firm name	Telephone number (including area code)
<u>445 HUTCHINSON AVENUE, SUITE 900</u> <u>COLUMBUS, OH 43235-8619</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	7373404
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1969855
9	Amount remaining (line 7 minus line 8)	0	5403549
10	Interest on line 9 using prior year's actual return of <u>15.14</u> %	0	818097
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		817062
b	Interest on (a) using prior year's effective rate of <u>6.66</u> % except as otherwise provided (see instructions)		123703
c	Total available at beginning of current plan year to add to prefunding balance		940765
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		3057744
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	3163902

Part III		Funding percentages	
14	Funding target attainment percentage	14	80.00 %
15	Adjusted funding target attainment percentage	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	352827	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	11005423	2103749	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	2456576	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	2456576	2456576
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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 <u>AMERICAN HARDWARE MUTUAL INSURANCE COMPANY PROVIDENT PLUS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>41-0299900</u>

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
DIVERSIFIED RETIREMENT CORPORATION

13-3689044

(b) Enter name and EIN or address of person who provided you disclosure 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)

DIVERSIFIED RETIREMENT CORPORATION

13-3689044

(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?
11 12 15 28 38 50 59 61 62 63 64	RECORDKEEPER	54731	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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
(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.	
(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

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 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
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan AMERICAN HARDWARE MUTUAL INSURANCE COMPANY PROVIDENT PLUS RETIREMENT PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 41-0299900	

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)	1500000	
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	33552	
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)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(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)	50428788	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	51962340	0

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 through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	51962340	0
---	-----------	----------	---

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(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)	1422085	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1422085
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		-819275
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		602810

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3269631	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3269631
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)	54731	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		54731
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3324362

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-2721552
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		49240788

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: MCGLADREY LLP

(2) EIN: 42-0714325

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.).....		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.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....		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.).....	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?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
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			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☒ Yes ☐ No Amount: 0

- 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)

MOTORISTS MUTUAL RETIREMENT PLAN

5b(2) EIN(s)	5b(3) PN(s)
31-4259550	001

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

A Name of plan <u>AMERICAN HARDWARE MUTUAL INSURANCE COMPANY PROVIDENT PLUS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>41-0299900</u>

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	<u>0</u>
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): <u>13-3689044</u>		
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	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 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
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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.
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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): _____

**American Hardware Mutual Insurance
Company Provident Plus Retirement Plan**

Financial Report
December 31, 2011

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Independent Auditor's Report

To the Board of Directors and Plan Administrator
American Hardware Mutual Insurance Company
Provident Plus Retirement Plan
Columbus, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of the American Hardware Mutual Insurance Company Provident Plus Retirement Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of reportable transactions for the year ended December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States 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 4, which was certified or provided by State Street Bank and Trust Company, the current trustee of the Plan, and SEI Private Trust Company, the former trustee of the Plan, except for comparing this information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustees holds/held the Plan's assets and executes/executed transactions. The Plan Administrator has obtained certifications from the trustees regarding the completeness and accuracy of the information summarized in Note 4 that was provided to the Plan Administrator by the current trustee as of and for the year ended December 31, 2011 and as of December 31, 2010 and for the period from December 15, 2010 to December 31, 2010, and the former trustee from January 1, 2010 to December 15, 2010.

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 purposes 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 or provided 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 United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As discussed in Note 1 to the financial statements, the Board of Directors of Motorists Commercial Mutual Insurance Company, the Plan's sponsor, approved on February 20, 2012 to merge the Plan into the Motorists Mutual Retirement Plan effective December 31, 2011. All plan assets and accumulated plan benefit obligations were transferred to the legal control of the Motorists Mutual Retirement Plan on December 31, 2011.

McGladrey LLP

Columbus, Ohio
October 10, 2012

**American Hardware Mutual Insurance Company
Provident Plus Retirement Plan**

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

	2011	2010
Assets:		
Investments, at fair value:		
Mutual funds	\$ -	\$ 50,428,788
Accrued dividends receivable	-	33,552
Net assets available for benefits	\$ -	\$ 50,462,340

See notes to the financial statements.

**American Hardware Mutual Insurance Company
Provident Plus Retirement Plan**

**Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2011 and 2010**

	2011	2010
Additions:		
Investment income:		
Interest and dividends	\$ 1,422,085	\$ 1,549,674
Net appreciation (depreciation) in fair value of investments	<u>(819,274)</u>	<u>4,796,150</u>
Investment income, net	602,811	6,345,824
Sponsor's contribution	<u>1,500,000</u>	<u>4,000,000</u>
Total additions	2,102,811	10,345,824
Deductions:		
Pension benefits paid directly to participants and beneficiaries	3,269,632	2,483,691
Administrative expenses	<u>54,731</u>	<u>4,361</u>
Total deductions	3,324,363	2,488,052
Net increase (decrease) prior to transfers	(1,221,552)	7,857,772
Plan transfer to Motorists Mutual Retirement Plan	<u>(49,240,788)</u>	<u>-</u>
Net increase (decrease)	(50,462,340)	7,857,772
Net Assets Available for Benefits:		
Beginning of Year	<u>50,462,340</u>	<u>42,604,568</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ 50,462,340</u></u>

See notes to the financial statements.

American Hardware Mutual Insurance Company

Provident Plus Retirement Plan

Notes to the Financial Statements

Note 1. Description of the Plan

The following description of the American Hardware Mutual Insurance Company Provident Plus Retirement Plan (the Plan) is provided for general informational purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General: The Plan is a defined benefit pension plan covering substantially all employees of American Hardware Mutual Insurance Company (the Sponsor) and its subsidiaries. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan merger: Effective December 31, 2011, the Plan was merged into the Motorists Mutual Retirement Plan. The merger resulted in net assets of approximately \$49,241,000 and accumulated plan benefits of approximately \$47,115,000 being transferred to the Motorists Mutual Retirement Plan. The merger does not impact participant benefits as the benefit provisions were incorporated in the Motorists Mutual Retirement Plan.

Pension benefits: Participants are eligible to receive pension benefits upon reaching age 65; or, subject to certain age and length of service requirements, a participant may elect an early retirement at a reduced benefit. The normal form of benefit is a life annuity with a 5-year term certain guaranteed and optional forms of payment of benefits are available at the election of the participant. Benefits under the Plan are based on employees' average monthly compensation received during the five complete consecutive years with the highest compensation levels. Employees are 100% vested after 5 years of service. Survivor benefits are distributed in the event of pre-retirement death. Death benefits are paid to the beneficiaries of active and retired employees in accordance with the Plan. Active participants who become disabled continue to accrue pension benefits subject to certain limitations, as defined by the Plan; however, the Plan does not provide disability benefits.

Funding: Contributions are made by the Sponsor in such amounts as has been actuarially determined to fund current costs. Minimum funding requirements as set forth in ERISA have been met.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions: The Sponsor's contributions are recognized on an accrual basis.

Benefits: Benefit payments to participants and beneficiaries are recorded upon distribution.

Administrative expenses: Administrative expenses represent fees for investment management and benefit payment services. Administrative expenses are recorded on an accrual basis. The Sponsor pays certain administrative expenses directly.

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Actuarial present value of accumulated plan benefits: Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' average monthly compensation received during the five complete consecutive years with the highest compensation levels. The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date of which the benefit information is presented (the valuation date). Benefits payable under all circumstances – retirement, death and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Allocated benefits, to be provided via annuity contracts, are excluded from Plan assets and the related liabilities are excluded from accumulated plan benefits.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of Plan assets available for benefits and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

Risks and uncertainties: The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the participants' account balances and amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Recently issued accounting pronouncement: In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04 "*Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*, (ASU 2011-04)". ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management will evaluate the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

Subsequent events: The Sponsor has evaluated subsequent events for potential recognition and/or disclosure through October 10, 2012, the date the financial statements were available to be issued.

Reclassifications: Certain prior year financial statement information has been reclassified to conform to the current year presentation.

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 3. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is determined by an independent consulting actuary and is determined by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial present values of accumulated plan benefits as of December 31 are as follows:

	2011 (prior to transfer)	2010
Vested benefits:		
Participants currently receiving benefits	\$ 27,367,740	\$ 24,575,693
Other participants	19,690,256	18,550,914
	<u>47,057,996</u>	<u>43,126,607</u>
Nonvested accrued benefits	57,258	66,775
Total actuarial present value of accumulated plan benefits	<u>\$ 47,115,254</u>	<u>\$ 43,193,382</u>

The actuarial present value increased (decreased) due to the following:

	2011	2010
Actuarial present value of accumulated plan benefits, beginning of year	<u>\$ 43,193,382</u>	<u>\$ 41,678,854</u>
Interest	3,431,265	3,338,081
Change in actuarial assumptions	2,033,703	-
Benefits accumulated	1,726,536	660,138
Benefits paid	(3,269,632)	(2,483,691)
Plan merger (Note 1)	(47,115,254)	-
Net increase (decrease)	<u>(43,193,382)</u>	<u>1,514,528</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ -</u>	<u>\$ 43,193,382</u>

The actuarial present value presented at December 31, 2011 and 2010 used January 1, 2012 and 2011 data, respectively, which was not materially different. Significant assumptions underlying the actuarial computations as of December 31, 2011 (prior to transfer) and 2010 include:

- (a) Assumed rate of return on investments of 8.00% and 8.25%, respectively.
- (b) Retirement at varying rates beginning at age 55 with all participants retired at age 67; and
- (c) Assumed mortality based on RP2000 Mortality Table.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 4. Information Certified and Provided by State Street Bank and Trust Company (SSB) and SEI Private Trust Company (SEI)

The following is a summary of the plan's asset information as of December 31, 2011 and 2010, and for the years then ended, included throughout the Plan's financial statements and supplemental schedule that was prepared by or derived from information provided by SSB, the current trustee, and SEI, the former trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the trustees that information provided to the Plan Administrator by the trustees related to the following assets is complete and accurate to the best of their knowledge and ability. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to information which appears throughout the financial statements and the supplemental schedule related to the following assets.

The fair value of individual investments that represent 5% or more of the Plan's net assets are separately identified:

	2011	2010	
Mutual funds:			
SEI Core Fixed Income Fund	\$ -	\$ 10,132,540	*
SEI Large Cap Fund	-	20,217,351	*
SEI Small Cap Fund	-	20,078,897	*
Total investments	<u>\$ -</u>	<u>\$ 50,428,788</u>	

Accrued dividends	<u>\$ -</u>	<u>\$ 33,552</u>
-------------------	-------------	------------------

* Greater than 5% of Plan's net assets in the current year.

SSB also certified as to the completeness and accuracy of net appreciation (depreciation) in the fair value of investments, and of interest and dividend income for the years ended December 31, which included the following:

	2011	2010
Net appreciation (depreciation) in fair value of investments:		
Mutual funds	\$ (819,274)	\$ 4,796,150
Interest and dividends	1,422,085	1,549,674
	<u>\$ 602,811</u>	<u>\$ 6,345,824</u>

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 5. Fair Value Measurements

FASB guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB guidance are described below:

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.

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 the methodologies used at December 31, 2011 and 2010.

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

The method 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.

Due to the Plan merger effective December 31, 2011, no fair value measurement table by level will be presented as of December 31, 2011.

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 5. Fair Value Measurements (Continued)

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

	2010			
	Level 1	Level 2	Level 3	Total
Equity mutual funds:				
Large cap	\$ 20,217,351	\$ -	\$ -	\$ 20,217,351
International	10,132,540	-	-	10,132,540
Fixed income mutual funds:				
Intermediate	20,078,897	-	-	20,078,897
Total assets at fair value	<u>\$ 50,428,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,428,788</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2011 and 2010, there were no transfers in or out of levels 1, 2, or 3.

Note 6. Related Party Transactions

Certain plan investments are shares of mutual funds managed by SSB and SEI. SSB and SEI are the trustee and former trustee, as defined by the Plan; therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for administrative services provided by SSB amounted to \$54,731 and \$2,416 for the years ended December 31, 2011 and 2010, respectively. Fees paid by the Plan for investment management fees (netted with investment income) and other administrative services provided by SEI amounted to \$161,750 and \$1,945, respectively, for the year ended December 31, 2010.

Note 7. Plan Termination

Under the terms of the Plan, the Sponsor has the right to terminate the Plan. While the Sponsor has not expressed any intent to terminate the Plan or to discontinue contributions, it is free to do so at any time, subject to the provisions set forth in ERISA. Should the Plan be terminated at some future time, all participants become 100% vested in benefits earned as of the termination date.

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before termination.

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 7. Plan Termination (Continued)

2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding plan termination.
3. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).
4. All other vested benefits (that is, vested benefits not insured by the PBGC).
5. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2011 that ceiling is \$4,500 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at the time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Sponsor and the level of benefits guaranteed by the PBGC.

If, however, the Plan is terminated for any reason other than the bankruptcy or near bankruptcy of the Sponsor and the Plan has sufficient assets, the Sponsor will be required to pay to the Plan an amount that, together with Plan assets, will satisfy all benefits accumulated to the date of the Plan's termination.

During 2010 and early 2011, the Sponsor significantly downsized its personnel in excess of 20% of the Plan's participants which resulted in a technical partial plan termination. The Plan did not experience any significant pension benefit payments due to the technical partial plan termination. However, the affected participants were immediately 100 percent vested in the Plan.

Note 9. Tax Status

The Internal Revenue Service has determined and informed the Sponsor by a letter dated May 13, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

American Hardware Mutual Insurance Company
Provident Plus Retirement Plan

Notes to the Financial Statements

Note 9. Tax Status (Continued)

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan. As of December 31, 2011 and 2010, management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain income tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. Generally, the statute of limitations restricts federal and state examinations by tax authorities to three to five years from the date of filing. When and if applicable, potential interest and penalty costs are accrued as incurred, with expenses recognized in income taxes in the statement of changes in net assets available for benefits.

Note 10. Reconciliation of the Financial Statements to the Form 5500

Following is the reconciliation of the Sponsor's contribution per the financial statements to the Form 5500 for the year ended December 31, 2011:

Sponsor's contribution per financial statements	\$ 1,500,000
Current year contribution receivable included on Form 5500	-
Prior year contribution receivable included on Form 5500	(1,500,000)
Sponsor's contribution per the Form 5500	<u>\$ -</u>

The contributions on the Form 5500 reflect all contributions attributable to the plan year for actuarial funding purposes. However, the contribution receivable reported on the Form 5500 is not recognized on the financial statements because a formal funding commitment was not made by the end of the plan year.

SUPPLEMENTAL SCHEDULE

**American Hardware Mutual Insurance Company
Provident Plus Retirement Plan**

**EIN 41-0299900 / Plan No. 002
Schedule H, 4j - Schedule of Reportable Transactions
Year Ended December 31, 2011**

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Assets	Current Value of Assets on Transaction Date	Net Gain / (Loss) on Sales
Category (iii) - series of transactions in excess of 5 percent of plan assets:						
Vanguard Total Bond Market Index Fund	Mutual Fund	\$ 1,700,854	\$ -	\$ 1,700,854	\$ 1,700,854	\$ -
		\$ -	\$ 3,301,727	\$ 3,249,033	\$ 3,301,727	\$ 52,694

Schedule SB Attachment (Form 5500)—2011 Plan Year
American Hardware Mutual Insurance Company Provident Plus Retirement
Plan

EIN: 41-0299900 PN: 002

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2011

Number of Participants and Average Compensation

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29		1								
30-34		1	1	1						
35-39		2		2						
40-44		2		1		4				
45-49					1		3	1		
50-54		1	1		1	1	1	1	1	
55-59		1			2		3			
60-64		1				2	2		1	
65-69										
70+										

N-39

Schedule SB Attachment (Form 5500)—2011 Plan Year
American Hardware Mutual Insurance Company Provident Plus Retirement
Plan
EIN: 41-0299900 PN: 002

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Cost Method

Traditional Unit Credit.

Asset Method

Based on average of fair market values over the period beginning on the last day of the 25th month preceding the month in which the valuation occurs and ending on the Valuation Date. This result is limited to no lower than 90% and no greater than 110% of the fair market value of plan assets as of the Valuation Date.

Dates of Calculations

The Valuation Date is January 1, 2011.

Employees Included in the Calculations

All active employees who have met the Plan's eligibility requirements as of the valuation date are included in the calculations. Former employees or their survivors who are receiving or entitled to receive an immediate or deferred benefit under the provisions of the Plan are also included.

Source of Data

Participant salaries are limited to the IRC Section 401(a)(17) limit that was in effect as of the beginning of the plan year. Projected benefits are limited to the IRC Section 415(b) limit that was in effect as of the beginning of the plan year.

Data is as of the valuation date and is supplied to us by the Employer.

We rely on the Employer to inform us of any former participants who have been rehired and lost prior service because of the length of their break in service. These employees may have participation requirements different from other new employees.

Financial information was supplied to us by SEI Investments.

Although we believe these to be accurate and complete, the data and financial information have not been audited by us.

Schedule SB Attachment (Form 5500)—2011 Plan Year
American Hardware Mutual Insurance Company Provident Plus Retirement
Plan

EIN: 41-0299900 PN: 002

Interest and Other Rate Assumptions

Below is a summary of interest and inflation rates used for the January 1, 2011 valuation.

Interest Rates		Assumption
(1)	Funding Target	September 2010 Segment Rates: 3.78%/6.31%/6.57%
(2)	Expected Return on Plan Assets	8.25%

Other Rates		Assumption
(1)	Social Security Wage Bases	4.50%
(1)	CPI for Social Security	4.50%
(2)	Future Salaries	5.00%
(3)	Increase Rate for the Maximum Benefit	3.00%
(4)	Cost-of-Living Adjustment	4.50%

Schedule SB Attachment (Form 5500)—2011 Plan Year
American Hardware Mutual Insurance Company Provident Plus Retirement
Plan

EIN: 41-0299900 PN: 002

Decrement Assumptions

Below is a summary of decrements used in this valuation.

Mortality Decrement	Description
(1) Funding	
(a) Non-annuitant	IRS 2011 Non-annuitant Mortality Table for Males and Females
(b) Annuitant	IRS 2011 Annuitant Mortality Table for Males and Females

—Retirement—	
Decrement Age	Rates
55	0.050000
56	0.050000
57	0.050000
58	0.050000
59	0.050000
60	0.050000
61	0.050000
62	0.250000
63	0.200000
64	0.200000
65	0.500000
66	0.666667
67	1.000000

—Termination—¹		
Decrement Age	Male Rates	Female Rates
25	0.140607	0.140607
40	0.094145	0.094145
55	0.017446	0.017446
65	0.000000	0.000000

The weighted average retirement age is 62. Sample Retirement and Termination rates are illustrated in the tables above.

¹ Rates shown are for employees with four or more years of service. During the first three years of service, employees are assumed to terminate at the rate of 25% per year.

Schedule SB Attachment (Form 5500)—2011 Plan Year
American Hardware Mutual Insurance Company Provident Plus Retirement
Plan
EIN: 41-0299900 PN: 002

Expenses

The plan pays trust fees from the trust. The current year's expenses are assumed to be equal to the prior year's expenses paid from the trust.

Form of Benefit Payment

100% of participants are assumed to elect the Normal Form.

Other Considerations

Disability benefits are not considered to have material effect on cost and have not been specifically valued.

For the purpose of valuing death benefits, 80% of the employees are assumed to be married. Wives are assumed to be 3 years younger than their husbands.

ATTACHMENT TO THE 2011 SCHEDULE H OF FORM 5500
LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR) &
LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS

Plan Sponsor: Motorists Mutual Insurance Company

Plan Name: American Hardware Mutual Insurance Company Provident Plus Retirement
Plan

Plan Year: January 1, 2011 to December 31, 2011

EIN: 41-0299900

Plan No.: 002

Item 4j- Schedule of Reportable Transactions

Page 12 of the attached auditor's report of the Plan for the plan year ending December 31, 2011 provides the schedule of reportable transactions.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

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▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan American Hardware Mut Ins Co Provident Plus Rtmnt Plan	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Motorists Commercial Mutual Insurance Company	D Employer Identification Number (EIN) 41-0299900
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>		
2 Assets:		
a Market value	2a	51,896,525
b Actuarial value	2b	47,185,598
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 309	29,682,311
b For terminated vested participants	3b 451	22,361,675
c For active participants:		
(1) Non-vested benefits	3c(1)	61,651
(2) Vested benefits	3c(2)	2,921,482
(3) Total active	3c(3) 39	2,983,133
d Total	3d 799	55,027,119
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	6.25 %
6 Target normal cost	6	352,827

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**LAO
Signature of actuary10/9/2012
Date

Lori A. DeVore

11-05257

Type or print name of actuary

Most recent enrollment number

Aon Consulting, Inc.

(614) 436-8100

445 Hutchinson Avenue, Suite 900
Firm name

Telephone number (including area code)

Columbus

OH 43235-8619

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	7,373,404
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1,969,855
9 Amount remaining (line 7 minus line 8).....	0	5,403,549
10 Interest on line 9 using prior year's actual return of <u>15.14</u> %.....		818,097
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		817,062
b Interest on (a) using prior year's effective rate of <u>6.66</u> % except as otherwise provided (see instructions).....		123,703
c Total available at beginning of current plan year to add to prefunding balance.....		940,765
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....		3,057,744
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	3,163,902

Part III Funding percentages

14 Funding target attainment percentage	14	80.00 %
15 Adjusted funding target attainment percentage	15	80.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals •			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	352,827	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance		
a Net shortfall amortization installment.....	11,005,423		2,103,749
b Waiver amortization installment.....	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	2,456,576	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	2,456,576	2,456,576
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Schedule SB Attachment (Form 5500)—2011 Plan Year
American Hardware Mutual Insurance Company Provident Plus Retirement
Plan

EIN: 41-0299900 PN: 002

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	5.00%	1.0000	2.75
56	5.00%	0.9500	2.66
57	5.00%	0.9025	2.57
58	5.00%	0.8574	2.49
59	5.00%	0.8145	2.40
60	5.00%	0.7738	2.32
61	5.00%	0.7351	2.24
62	25.00%	0.6983	10.82
63	20.00%	0.5238	6.60
64	20.00%	0.4190	5.36
65	50.00%	0.3352	10.89
66	66.67%	0.1676	7.37
67	100.00%	0.0559	3.74
Weighted Average			62.21

Schedule SB Attachment (Form 5500)—2011 Plan Year American Hardware Mutual Insurance Company Provident Plus Retirement Plan

EIN: 41-0299900 PN: 002

Schedule SB, Part V—Summary of Plan Provisions

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

General Information

Original Effective Date:	January 1, 1985
Effective Date of Last Amendment:	January 1, 2008
Plan Year:	January 1st to December 31st
Employer Fiscal Year	January 1st to December 31st
Employer ID Number:	41-0299900
Plan Administrator's ID Number:	41-0299900
Plan Number:	002
Plan Administrator:	American Hardware Mutual Insurance Company

Eligibility

All employees of the Employer not covered by a collective bargaining agreement are eligible to participate in the Plan on the first day of the month coinciding with or next following the completion of one year of service and the attainment of age 21.

Service

Service for benefit accrual purposes is equal to the period of continuous service with the Employer. Prior to January 1, 2002, service for vesting purposes is based on the number of plan years in which at least 1,000 hours are worked. After January 1, 2002, service for vesting purposes is based on elapsed time, disregarding fractional years of service.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following the attainment of age 65 and the completion of five years of vesting service. However, in no event will a participant's Normal Retirement Date be later than the first day of the month coincident with or next following the attainment of age 65 and the fifth anniversary of participation.

Schedule SB Attachment (Form 5500)—2011 Plan Year American Hardware Mutual Insurance Company Provident Plus Retirement Plan

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Normal Retirement Benefit

The amount of the monthly benefit to be paid for life with 5 years certain is the sum of (1) and (2) below:

- (1) 1.00% of Average Compensation times years of benefit service
- (2) 0.65% of Average Compensation in excess of covered compensation times years of benefit service not in excess of 35 years.

Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event, he will receive at actual retirement or death, the greater of a benefit based upon salary and service through his actual date of retirement and the actuarial equivalent of his Normal Retirement Benefit.

Annual Compensation

Compensation reflects that compensation which is treated as FICA wages without regard to the Social Security taxable wage base, excluding relocation expenses, recruiting awards, car allowances, merchandise prizes and executive physicals.

Compensation also includes any amounts deferred under a Section 125 or 401(k) Plan maintained by the Employer.

Average Compensation

The average of a participant's monthly compensation during the highest five consecutive, complete Plan Years of service.

Accrued Benefit

The Normal Retirement Benefit taking into account Average Compensation and Service through the date of determination.

Unless otherwise provided under the Plan, each section 401(a)(17) employee's Accrued Benefit under this Plan will be the greater of the Accrued Benefit determined for the Employee under 1 or 2 below:

- (1) the Employee's Accrued Benefit determined with respect to the benefit formula applicable for the Plan Year beginning on or after January 1, 1994, as applied to the Employee's total years of service taken into account under the Plan for the purposes of benefit accruals, or
- (2) the sum of:
 - (a) the Employee's Accrued Benefit as of the last day of the last Plan Year beginning before January 1, 1994, frozen in accordance with Section 1.401(a)(4)-13 of the regulations, and
 - (b) the Employee's Accrued Benefit determined under the benefit formula applicable for the Plan Year beginning on or after January 1, 1994, as applied to the Employee's years of service credited to the Employee for Plan Years beginning on or after January 1, 1994, for purposes of benefit accruals.

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A Section 401(a)(17) employee means an employee whose current Accrued Benefit as of a date on or after the first day of the first Plan Year beginning on or after January 1, 1994, is based on Compensation for a year beginning prior to the first day of the first Plan Year beginning on or after January 1, 1994, that exceeded \$150,000.

Early Retirement Benefit

Upon the completion of 5 years of vesting service and the attainment of age 55, a participant may elect to retire. He may receive a monthly benefit for life with 5 years certain beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin before the Normal Retirement Date, with the benefit being reduced 1/2 of 1% for each month preceding the Normal Retirement Date.

Death Benefit

In the event of a vested active participant's death, a spouse's benefit will be payable assuming the participant had terminated on the day prior to death and elected a joint and one-half contingent annuitant survivor benefit commencing at the earliest possible retirement date.

Severance Benefit

Upon the termination of employment after 5 or more years of vesting service, a participant shall have a vested interest in his Accrued Benefit. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity, a life annuity with 5 years certain. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option [1] below with the participant's spouse as the beneficiary. The options are:

- (1) A reduced benefit to be paid during the participant's lifetime with one-half the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.
- (2) A reduced benefit to be paid during the participant's lifetime with 75 percent of the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.
- (3) An increased benefit to be paid for life.

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The life only Optional Method of Settlement is actuarially equivalent to the normal form of annuity based on a 7% interest rate and the 1983 Group Annuity Mortality. The beneficiary survivor Optional Method of Settlements are actuarially equivalent to the normal form of annuity based on tables defined in the plan document.

Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

Additional Information

The above description is a summary only; for additional details, reference should be made to the formal Plan document.

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Schedule SB, line 32—Schedule of Amortization Bases

Type Of Base	Present Value of Installments	Valuation Date Established	Remaining Years in Amortization Period	Amortization Amount
Shortfall	\$4,760,329	January 1, 2009	5	\$1,023,992
Shortfall	\$2,469,048	January 1, 2010	6	\$458,486
Shortfall	\$3,776,046	January 1, 2011	7	\$621,271