

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <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 STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>07/01/1945</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>001</u>	1c Effective date of plan	<u>07/01/1945</u>		
1b Three-digit plan number (PN) ►	<u>001</u>						
1c Effective date of plan	<u>07/01/1945</u>						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) STATE AUTOMOBILE MUTUAL INSURANCE COMPANY 518 E. BROAD STREET COLUMBUS, OH 43215	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>31-4316080</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>614-464-5000</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>524150</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>31-4316080</u>	2c Sponsor's telephone number	<u>614-464-5000</u>	2d Business code (see instructions)	<u>524150</u>
2b Employer Identification Number (EIN)	<u>31-4316080</u>						
2c Sponsor's telephone number	<u>614-464-5000</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.	<u>10/12/2012</u>	<u>CYNTHIA A. POWELL, VP</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/12/2012</u>	<u>CYNTHIA A. POWELL, VP</u>
	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") STATE AUTOMOBILE MUTUAL INSURANCE COMPANY 518 E. BROAD STREET COLUMBUS, OH 43215	3b Administrator's EIN 31-4316080 3c Administrator's telephone number 614-464-5000
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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	4159
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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	1734
b Retired or separated participants receiving benefits.....	6b	1117
c Other retired or separated participants entitled to future benefits.....	6c	1027
d Subtotal. Add lines 6a , 6b , and 6c	6d	3878
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	171
f Total. Add lines 6d and 6e	6f	4049
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	76

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:
 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>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>31-4316080</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>234157106</u>
b	Actuarial value 2b <u>222078468</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>1221</u> <u>107237725</u>
b	For terminated vested participants 3b <u>1006</u> <u>36291898</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>6679532</u>
(2)	Vested benefits 3c(2) <u>101626390</u>
(3)	Total active 3c(3) <u>1944</u> <u>108305922</u>
d	Total 3d <u>4171</u> <u>251835545</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>6.01</u> %
6	Target normal cost 6 <u>9629669</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	
Signature of actuary <u>DOUGLAS A. GIBBY</u>	Date <u>11-03371</u>
Type or print name of actuary <u>THE HARTFORD</u>	Most recent enrollment number <u>614-659-0116</u>
Firm name <u>40 VILLAGE POINTE DRIVE POWELL, OH 43065</u>	Telephone number (including area code)
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)	19469575	2796436
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	1026836	0
9	Amount remaining (line 7 minus line 8)	18442739	2796436
10	Interest on line 9 using prior year's actual return of <u>12.22</u> %	2253703	341724
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		11487686
b	Interest on (a) using prior year's effective rate of <u>6.61</u> % except as otherwise provided (see instructions)		759336
c	Total available at beginning of current plan year to add to prefunding balance		12247022
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	3224570	
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	17471872	3138160

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	90.92 %
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	
03/07/2012	5000000		
04/17/2012	5000000		
07/05/2012	5000000		
08/24/2012	5000000		
Totals ▶		18(b)	20000000
		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 18423743
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: 2.94%	2nd segment: 5.82%	3rd segment: 6.46 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 63
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	9629669	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
b Waiver amortization installment	50367109	9372082	
	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	19001751	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	15163163	0	15163163
36 Additional cash requirement (line 34 minus line 35)	36	3838588	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	18423743	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	14585155	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	14585155	
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>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STATE AUTOMOBILE MUTUAL INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>31-4316080</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

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

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)

CORTINA ASSET MANAGEMENT

56-2450074

(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?
21 51	FUND INVESTMENT MANAGER	330076	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SILCHESTER

36-7045783

(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?
28 51	FUND INVESTMENT MANAGER	139477	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MONDRIAN

56-2475915

(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?
28 51	FUND INVESTMENT MANAGER	66282	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)

JPMORGAN CHASE BANK, N.A.

13-4994650

(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?
19 50	CUSTODIAN	0	Yes ☒ No ☐	Yes ☐ No ☒	31757	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
JPMORGAN CHASE BANK, N.A.	19 50	31757
(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.	
J.P. MORGAN ASSET MANAGEMENT 245 PARK AVENUE NEW YORK, NY 10167	OTHER INVESTMENT FEES AND EXPENSES	
(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

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080	

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	1146066	2120935
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	15000000	20000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	719878	779853
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2362259	6176601
(2) U.S. Government securities.....	1c(2)	61187518	68168798
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	13101511	17146323
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	118380040	111118804
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	25503637	24483853

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	237400909	249995167

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	104274	33725
k Total liabilities (add all amounts in lines 1g through 1j)	1k	104274	33725

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	237296635	249961442
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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)	20000000	
(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)		20000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4059453	
(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)		4059453
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2293094	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2293094
(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)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	2853148	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		2853148
(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)		
c Other income.....	2c		42081
d Total income. Add all income amounts in column (b) and enter total.....	2d		29247776

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	16015336	
(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)		16015336
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)	567633	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		567633
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		16582969

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		12664807
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: CLARK, SCHAEFER, HACKETT & COMPANY

(2) EIN: 31-0800053

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		1500000
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:

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2011 This Form is Open to Public Inspection.	
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011					
A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STATE AUTOMOBILE MUTUAL INSURANCE COMPANY				D Employer Identification Number (EIN) 31-4316080	
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	
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): _____ 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	2
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					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2011 v.012611	

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: 65% Investment-Grade Debt: 31% High-Yield Debt: _____% Real Estate: _____% Other: 4%

- 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): _____

Audited Financial Statements and Supplemental Schedules

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

*Years Ended December 31, 2011 and 2010
with Independent Auditors' Report*

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Audited Financial Statements and Supplemental Schedules

December 31, 2011 and 2010

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Independent Auditors' Report

Benefits Committee
State Auto Insurance Companies Employee Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the State Auto Insurance Companies Employee 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 schedules as listed in the accompanying table of contents as of and for the year ended December 31, 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), 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 by JPMorgan Chase Bank, N.A., the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the custodian as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the custodian is complete and accurate.

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

Clark, Schaefer, Hackett & Co.

Columbus, Ohio

September 19, 2012

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columbus, oh 43235

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
Statements of Net Assets Available for Benefits

	December 31	
	<u>2011</u>	<u>2010</u>
Assets		
Cash.....	\$ 2,120,935	1,146,066
Investments, at fair value:		
U.S. treasury securities and U.S. government agencies.....	38,674,679	29,075,775
Corporate obligations.....	16,865,115	12,826,878
U.S. government agencies mortgage-backed securities.....	27,411,937	29,910,474
Equity securities	111,118,804	118,380,040
Limited partnerships	24,483,853	25,503,637
Short-term money market funds	5,764,089	2,162,146
<i>Total investments</i>	<u>224,318,477</u>	<u>217,858,950</u>
Contribution receivable	20,000,000	15,000,000
Accrued investment income	764,849	699,619
Assets held for Group Comprehensive Medical Insurance Plan for Employees		
(401(h) Account)	2,775,902	2,676,015
Accrued investment income (401(h) Account).....	15,004	14,377
Receivable for securities.....	-	5,882
<i>Total assets</i>	<u>249,995,167</u>	<u>237,400,909</u>
Liabilities		
Amount due to Group Comprehensive Medical Insurance Plan for Employees		
(401(h) Account)	2,790,907	2,690,392
Accrued liabilities.....	33,725	104,274
<i>Total liabilities</i>	<u>2,824,632</u>	<u>2,794,666</u>
Net assets available for benefits	<u><u>\$247,170,535</u></u>	<u><u>234,606,243</u></u>

See accompanying notes.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2011	2010
Employer contributions	\$20,000,000	28,000,000
Investment income:		
Interest and dividends	6,322,126	5,383,812
Net appreciation in fair value of investments	2,825,135	19,090,424
<i>Total investment income</i>	<u>9,147,261</u>	<u>24,474,236</u>
<i>Total income</i>	<u>29,147,261</u>	<u>52,474,236</u>
Administrative expenses	567,633	476,247
Benefits paid directly to participants and beneficiaries	<u>16,015,336</u>	<u>15,286,065</u>
<i>Total deductions</i>	<u>16,582,969</u>	<u>15,762,312</u>
<i>Net increase</i>	<u>12,564,292</u>	<u>36,711,924</u>
<u>Net assets available for benefits:</u>		
Beginning of year	<u>234,606,243</u>	<u>197,894,319</u>
End of year	<u>\$247,170,535</u>	<u>234,606,243</u>

See accompanying notes.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
Notes to the Financial Statements

1. Description of the Plan

Organization

The State Auto Insurance Companies Employee Retirement Plan (the "Plan") was established in July 1945 to provide retirement benefits for the employees of State Auto Property & Casualty Insurance Company and its affiliates (the "Company").

The following description of the Plan provides only general information. Participants should refer to the Plan document for a complete description of the Plan.

General

The Plan is a defined benefit plan and covers substantially all employees of the Company, except those employees hired on or after January 1, 2010. Participants are eligible to receive pension benefits upon reaching age 65 or early retirement if certain age and length of service requirements are met. Benefits are determined by applying factors specified in the Plan to a participant's defined average annual compensation and are recognized when paid. Benefits are normally in the form of life annuity for unmarried participants and joint and survivor annuity for married participants. Optional methods of determining benefits are also available. Participants become fully vested upon completion of five years of service.

The Company has the right to amend the Plan at any time. No amendment shall cause the assets of the Plan to be used for purposes other than for the benefit of the participants prior to satisfaction of all liabilities under the Plan, or to adversely affect any retirement benefit being received.

In 2010, an amendment was made to change the sponsor of the Plan from State Auto Mutual Insurance Company to its affiliate State Auto Property & Casualty Insurance Company, which is the employer of all participants covered by the Plan.

Funding Policy

Contributions are made by the Company in such amounts as have been actuarially determined (using the Pension Protection Act of 2006 Target Liability Method for 2011 and 2010). The Plan meets the minimum funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

401(h) Account

During 1990, a provision was made to the Plan to allow funding for future retiree health benefits under Section 401(h) of the Internal Revenue Code ("401(h) Account"). This provision allows an additional annual contribution to the Section 401(h) Account for medical benefits not to exceed certain limitations, as defined by the Internal Revenue Code. The assets related to the Section 401(h) Account are short-term investments and fixed maturities which are available only to pay retiree health and welfare benefits. There were no transfers between the 401(h) Account and the Plan for the years ended December 31, 2011 and 2010.

Administrative Expenses

The Plan paid investment management fees of \$567,633 and \$476,247 for the years ended December 31, 2011 and 2010, respectively.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
Notes to the Financial Statements, Continued

Plan Termination

While the Company 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 by ERISA. Should the Plan be terminated at some future time, all participants become 100% vested in benefits earned as of the termination date.

If the termination is the result of the bankruptcy or near bankruptcy of the Company and the Plan's assets are not adequate to pay all benefits vested prior to the termination, the Pension Benefit Guaranty Corporation ("PBGC") will take over the Plan and will pay those benefits which it guarantees. In this case, some participants may receive a smaller benefit than if the Plan had continued. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits (as described in the Plan) and the level of benefits guaranteed by the PBGC at that time.

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

Upon termination, the assets of the Plan shall be allocated in the following order:

- a. to continue benefits to participants or beneficiaries who were in pay status as of the beginning of the three-year period ending on the termination date,
- b. to provide benefits to participants who would have been entitled to receive benefits if such participants had retired prior to the beginning of the three-year period ending on the termination date,
- c. to provide all other insured benefits guaranteed by the PBGC,
- d. to provide all other non-forfeitable benefits,
- e. to provide all other benefits, and
- f. to provide any remaining assets to the participating employer.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accounting records of the Plan are maintained in conformity with U.S. generally accepted accounting principles ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Valuation of Investments and Related Investment Income

The Plan invests in fixed maturities, equity securities, limited partnerships and short-term money market funds. The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 3 for discussion on fair value measurements. Security transactions are accounted for on the trade date. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 5) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions for services rendered by the participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries and are based on employees' average compensation amounts beginning on January 1, 1993. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Assets Held for Group Comprehensive Medical Insurance Plan for Employees

The assets for the Group Comprehensive Medical Insurance Plan for Employees ("Group Medical Plan"), a self-insured plan, represent investments that are held for the future benefit of the Group Medical Plan under a 401(h) Account. The investment income, contributions, distributions, gains and losses related to this account are reflected in the Group Medical Plan and not in the accompanying financial statements.

Adoption of New Accounting Pronouncements*Improving Disclosures about Fair Value Measurements*

In January 2010, the FASB issued guidance to improve the disclosures related to fair value measurements. The guidance requires the information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements to be presented separately on a gross basis, rather than as one net number. The Company adopted this guidance effective January 1, 2011. The disclosures required by this guidance are provided in accompanying Note 3.

Improving Disclosures about Fair Value Measurements

In January 2010, the FASB issued guidance to improve the disclosures related to fair value measurements. The new guidance requires expanded fair value disclosures, including the reasons for significant transfers between Level 1 and Level 2 and the amount of significant transfers into each level disclosed separately from transfers out of each level. For Level 3 fair value measurements, information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements shall be presented separately on a gross basis, rather than as one net number. In addition, clarification is provided about existing disclosure requirements, such as presenting fair value measurement disclosures for each class of assets and liabilities that are determined based on their nature and risk characteristics and their placement in the fair value hierarchy (that is, Level 1, 2, or 3), as opposed to each major category of assets and liabilities, as required in the previous guidance. Disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements will be required for fair value measurement that fall in either Level 2 or Level 3. The Plan adopted this guidance effective January 1, 2010, except for the gross presentation of purchases, sales, issuances and settlements in the Level 3 reconciliation, which was adopted January 1, 2011. The disclosures required by this new guidance are provided in the accompanying Note 3.

Pending Adoption of Accounting Pronouncements*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*

The amendments in this guidance result in common fair value measurement and disclosure requirements in GAAP and International Financial Reporting Standards ("IFRS"). Consequently, the amendments in the guidance change the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend for the amendments in the guidance to result in a change in the application of the requirements in the Fair Value Measurements Topic. The guidance also clarifies the FASB's intent about the application of existing fair value measurement requirements as well as changes to a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. This guidance is effective on a prospective basis for fiscal years and interim periods beginning after December 15, 2011.

3. Fair Value Measurements and Investments

Below is the fair value hierarchy that categorizes into three levels the inputs to valuation techniques that are used to measure fair value:

- Level 1 includes observable inputs which reflect quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 includes observable inputs for assets or liabilities other than quoted prices included in Level 1, and it includes valuation techniques which use prices for similar assets and liabilities.
- Level 3 includes unobservable inputs which reflect the reporting entity's estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Transfers between level categorizations may occur due to changes in the availability of market observable inputs. Transfers in and out of level categorizations are reported as having occurred at the end of the year in which the transfer occurred. There were no transfers between level categorizations during the years ended December 31, 2011 and 2010, other than within other invested assets as described below.

The Plan utilizes one nationally recognized pricing service to estimate the majority of its available for sale investment portfolio's fair value. The Plan obtains one price per security and the processes and control procedures employed by the Plan are designed to ensure the value is accurately recorded on an unadjusted basis. Through discussions with the pricing service, the Plan

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

gains an understanding of the methodologies used to price the different types of securities, that the data and the valuation methods utilized are appropriate and consistently applied, and that the assumptions are reasonable and representative of fair value. To validate the reasonableness of the valuations obtained from the pricing service, the Plan compares to other fair value pricing information gathered from other independent pricing sources. At December 31, 2011 and 2010, the Plan did not adjust any of the prices received from the pricing service.

The following sections describe the valuation methods used by the Plan for each type of financial instrument it holds that are carried at fair value:

Fixed Maturities

The Plan utilizes a pricing service to estimate fair value measurements for its fixed maturity securities (described in the Fair Value table below). The fair value estimates of these investments are determined by evaluations that are based on observable market information rather than market quotes. Inputs to the evaluations include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, interest rate yield curves, credit spreads, and other market-observable information. All unadjusted estimates of fair value for these investments priced by the pricing service are included in the amounts disclosed in Level 2 of the hierarchy.

Equity Securities

The fair value of each equity security is based on an observable market price for an identical asset in an active market and is priced by the same pricing service discussed above. Equity securities are recorded using unadjusted market prices and have been disclosed in Level 1.

Limited Partnerships

The Plan's limited partnerships invest primarily in equity securities of foreign issuers and are managed by third party investment managers. The limited partnerships fair value has been determined using the net asset value ("NAV") per share of the investments. The Plan employs procedures to assess the reasonableness of the fair value of the limited partnerships including obtaining and reviewing each limited partnership's audited financial statements. There are no unfunded commitments related to the limited partnerships. The Plan may not sell its investment in the limited partnerships; however, the Plan may redeem all or a portion of its investment in the limited partnerships at NAV per share with the appropriate prior written notice. The Plan's limited partnerships have been disclosed in Level 2.

Short-term Money Market Funds

The carrying value approximates fair value and has been disclosed in Level 1.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

The table below summarizes the Plan's investments within the fair value hierarchy at December 31, 2011 and 2010:

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
At December 31, 2011:	Total			
Fixed maturities:				
U.S. treasury securities and U.S. government agencies	\$ 38,674,679	-	38,674,679	-
Corporate obligations	16,865,115	-	16,865,115	-
U.S. government agencies mortgage-backed securities	27,411,937	-	27,411,937	-
<i>Total fixed maturities</i>	82,951,731	-	82,951,731	-
Equity securities:			-	-
Large-cap equity securities	79,233,297	79,233,297	-	-
Small-cap equity securities	31,885,507	31,885,507	-	-
<i>Total equity securities</i>	111,118,804	111,118,804	-	-
Limited partnerships	24,483,853	-	24,483,853	-
Short-term money market funds	5,764,089	5,764,089	-	-
<i>Total</i>	\$224,318,477	116,882,893	107,435,584	-

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
At December 31, 2010:	Total			
Fixed maturities:				
U.S. treasury securities and U.S. government agencies	\$ 29,075,775	-	29,075,775	-
Corporate obligations	12,826,878	-	12,826,878	-
U.S. government agencies mortgage-backed securities	29,910,474	-	29,910,474	-
<i>Total fixed maturities</i>	71,813,127	-	71,813,127	-
Equity securities:			-	-
Large-cap equity securities	86,363,565	86,363,565	-	-
Small-cap equity securities	32,016,475	32,016,475	-	-
<i>Total equity securities</i>	118,380,040	118,380,040	-	-
Limited partnerships	25,503,637	-	25,503,637	-
Short-term money market funds	2,162,146	2,162,146	-	-
<i>Total</i>	\$217,858,950	120,542,186	97,316,764	-

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

For assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately for each major category of assets is as follows:

	Equity securities
Beginning balance, January 1, 2010	\$ 173,329
Total gains or losses (realized/unrealized) included in changes in net assets	7,226
Purchases, sales, issuances and settlements	(180,555)
Transfers in and/or out of Level 3	-
Ending balance, December 31, 2010	\$ -
The amount of total gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets still held at December 31, 2010	\$ -

During 2011 and 2010, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	Year Ended	
	2011	2010
Level 1:		
Equity securities.....	\$ 269,620	15,689,700
Level 2:		
U.S. treasury securities and U.S. government agencies.....	2,592,659	484,009
U.S. government agencies mortgage-backed securities.....	552,244	488,044
Corporate obligations.....	290,458	97,510
Limited partnerships	(879,846)	2,323,935
Level 3:		
Equity securities.....	-	7,226
Total realized and unrealized appreciation.....	\$2,825,135	19,090,424

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

The following investments, at fair value, represented 5% or more of assets available for benefits as of December 31, 2011 and 2010:

	December 31	
	2011	2010
Limited partnerships:		
International Equity Group Trust	\$13,514,098	14,129,146

4. Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements and supplemental schedules as of and for the years ended December 31, 2011 and 2010 was obtained from data that has been prepared and certified to as complete and accurate by the custodian, except those items related to the limited partnership investments and DFA Emerging Markets Value Portfolio:

- Investments
- Net appreciation (depreciation) in fair value of investments
- Interest and dividend income
- Assets held at the end of year

5. Accumulated Plan Benefits

Calculations of the present value of the accumulated plan benefits were made by consulting actuaries as of January 1, 2011 and 2010. Significant assumptions underlying the actuarial computations for 2011 and 2010 include: (a) assumed rate of return on investments of 8.0% in 2011 and 6.61% in 2010, (b) retirement rate based at retirement age from age 55 to 59 at a rate of 2%, age 60 to 61 at 10%, age 62 at 30%, age 63 to 64 at 20%, and age 65 at 100%, (c) RP-2000 Combined Healthy Table for males and females in 2011 and assumed mortality rate based on the 2010 IRS Annuitant and Nonannuitant tables for males and females in 2010, and (d) employee turnover based upon 75% Financial Institution Termination Study Table.

The risks and uncertainties inherent in the estimate of accumulated plan benefits include, but are not limited to, actual experience different from the estimated factors of rate of return on investments, retirement ages, mortality rates and employee turnover. The Plan's net assets available for benefits and changes in net assets available for benefits could be impacted, perhaps significantly, in the future if the ultimate accumulated plan benefits vary from the amount currently recorded.

	January 1	
	2011	2010
Actuarial present value of accumulated benefits:		
Vested:		
Participants currently receiving benefits	\$88,147,601	96,831,435
Other participants	99,515,028	121,081,478
<i>Total vested</i>	187,662,629	217,912,913
Non-vested	4,595,198	4,555,223
<i>Total actuarial present value of accumulated benefits</i>	\$192,257,827	222,468,136

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

The consulting actuaries have computed the components of the change in the actuarial present value of accumulated pension benefits between the valuation dates as follows:

	January 1	
	2011	2010
Actuarial present value of accumulated pension benefits as of		
January 1, 2010 and 2009, respectively.....	\$222,468,136	172,963,493
Increase (decrease) during the year attributable to:		
Pension benefits accumulated.....	11,621,397	17,455,625
Interest accumulated.....	14,199,939	13,038,824
Pension benefits paid.....	(15,286,065)	(19,956,382)
Change in actuarial assumption.....	(40,745,580)	38,966,576
Actuarial present value of accumulated pension benefits as of		
January 1, 2011 and 2010, respectively.....	<u>\$192,257,827</u>	<u>222,468,136</u>

6. Federal Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 5, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

7. Reconciliation to Form 5500

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

	2011	2010
Net assets available for benefits per the financial statements	\$247,170,535	234,606,243
401(h) Account net assets included in Form 5500.....	<u>2,790,907</u>	<u>2,690,392</u>
Net assets available for benefits per the 5500	<u>\$249,961,442</u>	<u>237,296,635</u>

The net assets of the 401(h) Account included in the Form 5500 are not available to pay pension benefits but can be used to pay retiree health and welfare benefits.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

The following is a reconciliation of the individual captions in the changes in net assets per the financial statements to the Form 5500 for the years ended December 31, 2011 and 2010:

	Financial statements	401(h) Account	Form 5500
	2011		
Interest, dividends and other investment income	\$6,322,126	72,502	6,394,628
Net appreciation in fair value of investments	2,825,135	28,013	2,853,148
	2010		
Interest, dividends and other investment income	\$ 5,383,812	65,823	5,449,635
Net appreciation in fair value of investments	19,090,424	11,132	19,101,556

8. 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 that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Transactions with Parties-In-Interest

The Plan invests in corporate obligations and money markets managed by JP Morgan Chase, custodian of the Plan. The Plan also invests in one corporate obligation issued by a subsidiary of the Company. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

10. Subsequent Events

The Plan evaluated events subsequent to the date of the financial statements through September 19, 2012, which represented the date the financial statements were available to be issued.

Supplemental Schedules

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)						(d)	(e)
U.S. treasury securities and U.S. government agencies								
FEDERAL FARM CREDIT BANK	Due	12/16/2015	4.88	%	1,000,000	Par	\$ 990,610	\$ 1,153,530
FEDERAL FARM CREDIT BANK	Due	06/16/2032	4.50	%	500,000	Par	502,235	569,070
FEDERAL HOME LOAN BANK	Due	03/13/2026	4.38	%	1,500,000	Par	1,533,870	1,695,705
FEDERAL HOME LOAN BANK	Due	04/25/2026	4.38	%	1,000,000	Par	1,044,200	1,157,850
FEDERAL HOME LOAN MTG CORP	Due	01/15/2012	5.75	%	2,000,000	Par	1,997,140	2,003,800
FEDERAL NATIONAL MTG ASSN	Due	08/02/2012	5.00	%	500,000	Par	495,078	513,945
FEDERAL NATIONAL MTG ASSN	Due	08/07/2018	5.24	%	500,000	Par	511,930	535,780
FEDERAL NATL MTG ASSN	Due	11/23/2026	4.00	%	1,000,000	Par	1,000,000	1,006,860
FEDERAL NATL MTG ASSN	Due	12/19/2031	4.13	%	1,000,000	Par	1,000,000	1,010,340
US TREASURY	Due	01/15/2014	2.00	%	1,000,000	Par	1,081,778	1,297,664
US TREASURY	Due	01/15/2016	2.00	%	2,500,000	Par	2,534,581	3,187,738
US TREASURY	Due	07/15/2016	2.50	%	2,500,000	Par	2,784,226	3,241,722
US TREASURY	Due	01/15/2017	2.38	%	1,500,000	Par	1,534,303	1,954,916
US TREASURY	Due	01/15/2018	1.63	%	500,000	Par	511,090	615,375
US TREASURY	Due	01/15/2021	1.13	%	600,000	Par	623,521	692,598
US TREASURY	Due	01/15/2025	2.38	%	1,000,000	Par	1,060,470	1,527,205
US TREASURY	Due	01/15/2026	2.00	%	2,000,000	Par	2,054,674	2,804,564
US TREASURY	Due	01/15/2027	2.38	%	2,000,000	Par	2,057,021	2,900,044
US TREASURY	Due	01/15/2028	1.75	%	1,000,000	Par	939,572	1,299,736
US TREASURY	Due	02/15/2040	2.13	%	1,000,000	Par	1,142,304	1,405,787
US TREASURY	Due	02/15/2041	2.13	%	500,000	Par	550,616	698,265
SALT LAKE CNTY UTAH SALES TAX	Due	11/01/2020	3.50	%	1,305,000	Par	1,329,247	1,399,991
COLUMBUS OH GO	Due	06/01/2024	4.71	%	1,490,000	Par	1,655,673	1,609,751
UTAH ST	Due	07/01/2025	3.54	%	1,000,000	Par	1,045,520	1,042,340
TX ST	Due	04/01/2026	4.27	%	1,010,000	Par	1,055,309	1,125,978
MONTGOMERY CO VA ECON DEV AUTH	Due	06/01/2028	5.52	%	1,000,000	Par	1,019,200	1,077,630
TENN VALLEY AUTH	Due	07/15/2033	4.70	%	500,000	Par	508,190	589,870
FRANKLIN CNTY OH	Due	12/01/2033	5.86	%	500,000	Par	558,750	556,625
Total U.S. treasury securities and U.S. government agencies							<u>\$33,121,108</u>	<u>\$38,674,679</u>

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares							Cost	Current value	
(a)	(b)	(c)							(d)	(e)
U.S. government agencies mortgage-backed securities										
FHLMC	Due	12/01/2014	4.00	%	352,784	Par	\$ 343,193	\$ 361,025		
FHLMC	Due	12/01/2021	5.00	%	506,010	Par	502,452	544,639		
FHLMC	Due	04/01/2024	4.50	%	1,222,667	Par	1,198,978	1,321,546		
FNMA	Due	09/01/2014	5.50	%	292,024	Par	294,761	317,332		
FNMA	Due	05/01/2020	4.75	%	1,324,050	Par	1,367,909	1,493,786		
FNMA	Due	11/01/2026	5.50	%	588,702	Par	582,631	641,890		
GNMA	Due	11/15/2033	6.50	%	1,847,324	Par	1,958,164	1,979,344		
GNMA	Due	08/15/2040	6.25	%	2,224,566	Par	2,232,907	2,393,126		
GNMA	Due	01/15/2043	7.25	%	2,954,705	Par	3,017,492	3,011,007		
GNMA	Due	04/15/2048	6.55	%	1,059,425	Par	1,134,407	1,125,623		
GNMA	Due	03/15/2050	6.25	%	2,984,256	Par	3,047,672	3,338,836		
GNMA	Due	12/15/2050	6.72	%	4,985,907	Par	5,104,322	5,576,483		
COULEE MEDICAL FOUNDATION	Due	04/20/2036	6.50	%	5,000,000	Par	5,000,000	5,307,300		
U.S. government agencies mortgage-backed securities							\$25,784,888	\$27,411,937		

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)	(c)						(d)	(e)
Corporate obligations									
	AT&T INC	Due	02/01/2018	5.50	%	2,000,000	Par	\$ 2,000,000	\$ 2,315,060
	BLACKROCK INC	Due	12/10/2019	5.00	%	2,120,000	Par	2,302,362	2,313,556
	CONOCOPHILLIPS	Due	10/15/2032	5.90	%	500,000	Par	547,725	615,915
	DEERE & CO	Due	10/16/2029	5.38	%	500,000	Par	537,410	628,335
	GENERAL ELECTRIC CAPITAL CORP	Due	06/15/2012	6.00	%	1,000,000	Par	1,073,500	1,022,480
	GENERAL ELECTRIC CAPITAL CORP	Due	10/19/2012	5.25	%	1,000,000	Par	930,660	1,034,970
	GENERAL ELECTRIC CAPITAL CORP	Due	10/06/2017	5.50	%	1,500,000	Par	1,493,830	1,505,610
	INTEL CORP	Due	10/01/2041	4.80	%	500,000	Par	514,525	560,355
	IBM CORPORATION	Due	06/15/2013	7.50	%	1,000,000	Par	1,048,170	1,098,490
	IBM CORPORATION	Due	11/29/2032	5.88	%	500,000	Par	567,505	634,910
	MICROSOFT CORP	Due	06/01/2039	5.20	%	500,000	Par	584,995	619,135
	NATIONSBANK CORP	Due	08/15/2015	7.75	%	2,000,000	Par	2,120,590	2,025,500
*	STATE AUTO FINANCIAL CORP	Due	11/15/2013	6.25	%	220,000	Par	178,200	216,229
	UNITED PARCEL SERVICE	Due	01/15/2018	5.50	%	1,000,000	Par	1,013,040	1,198,340
	VERIZON COMMUNICATIONS	Due	11/01/2041	4.75	%	1,000,000	Par	1,011,550	1,076,230
Total corporate obligations								\$15,924,062	\$16,865,115
Equity securities									
	ABBOTT LABS		25,000	Shares				\$1,291,853	\$1,405,750
	AMERIGROUP CORPORATION		5,912	Shares				261,973	349,281
	AMERISAFE INC		25,435	Shares				465,372	591,364
	ARGO GROUP INTL HOLDINGS LTD		23,597	Shares				752,798	683,369
	ASTEC INDUSTRIES INC		9,924	Shares				355,462	319,652
	AT&T INC		50,000	Shares				1,813,200	1,512,000
	ATMI INC		29,613	Shares				521,245	593,148
	AUTOMATIC DATA PROCESSING		15,000	Shares				616,362	810,150
	BEACON ROOFING SUPPLY INC		9,109	Shares				191,910	184,276
	BJ'S RESTAURANTS INC		6,415	Shares				301,598	290,728
	BLACKROCK		7,500	Shares				1,412,533	1,336,800
	CARDTRONICS INC		25,852	Shares				337,232	699,555
	CARTER'S INC		11,504	Shares				268,667	457,974
	CENTURYLINK		25,000	Shares				825,470	930,000
	CHEVRON CORP		20,000	Shares				1,522,817	2,128,000
	CIRCOR INTERNATIONAL INC		10,769	Shares				497,879	380,253
	CLIFFS NATURAL RESOURCES		20,000	Shares				1,852,544	1,247,000
	COCA-COLA COMPANY		22,500	Shares				1,233,847	1,574,325
	COLUMBIA BANKING SYSTEM INC		24,309	Shares				392,106	468,434
	COMMVAULT SYSTEMS INC		26,943	Shares				506,338	1,151,005
	CROCS INC		56,540	Shares				592,438	835,096
	CSX CORP		45,000	Shares				1,054,238	947,700
	DEERE & CO		20,000	Shares				936,436	1,547,000

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2011

(a)	(b) Identity of issue, borrower, lessor or similar parties	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
	DEVON ENERGY CORP	30,000 Shares	1,865,734	1,860,000
	DFA EMERGING MKTS VALUE PORT	369,959 Shares	10,171,240	9,604,147
	DR PEPPER SNAPPLE GROUP INC	15,000 Shares	551,444	592,200
	DU PONT & CO	35,000 Shares	1,521,193	1,602,300
	DUFF & PHELPS CORP	38,974 Shares	637,077	565,123
	DUNKIN BRANDS GROUP INC	9,265 Shares	239,625	231,440
	DYCOM INDUSTRIES INC	36,434 Shares	593,476	762,199
	EMPLOYERS HOLDINGS INC	17,380 Shares	289,015	314,404
	EXELON CORP	20,000 Shares	826,171	867,400
	EXXON MOBIL CORPORATION	15,000 Shares	1,065,655	1,271,400
	FEDEX CORP	10,000 Shares	752,229	835,100
	FINISH LINE INC	29,861 Shares	635,102	575,869
	FREEPORT MCMORAN	45,000 Shares	1,820,692	1,655,550
	FXCM INC	23,709 Shares	332,239	231,163
	GENERAL DYNAMICS	27,500 Shares	1,630,691	1,826,275
	GENERAL ELECTRIC CORP	70,000 Shares	1,682,482	1,253,700
	GLOBE SPECIALTY METALS INC	18,856 Shares	351,834	252,482
	GRAFTECH INTERNATIONAL LTD	42,774 Shares	671,068	583,865
	HAEMONETICS CORP	10,433 Shares	624,517	638,708
	HANGER ORTHOPEDIC GROUP INC	7,227 Shares	119,076	135,074
	HARRIS CORP	30,000 Shares	1,144,590	1,081,200
	HEALTHCARE SERVICES GROUP	27,870 Shares	464,020	493,020
	HIBBETT SPORTS INC	20,370 Shares	774,651	920,317
	HOME BANCSHARES INC	18,402 Shares	361,032	476,796
	HOME DEPOT INC	30,000 Shares	637,140	1,261,200
	HOMEAWAY INC	7,693 Shares	287,968	178,863
	HONEYWELL INTL INC	20,000 Shares	1,159,446	1,087,000
	IBERIABANK CORP	7,101 Shares	359,094	350,079
	IBM CORPORATION	7,500 Shares	564,485	1,379,100
	ICON PLC	32,711 Shares	731,253	559,685
	ICU MEDICAL INC	9,174 Shares	407,461	412,830
	ILLINOIS TOOL WORKS INC	10,000 Shares	549,218	467,100
	INTEL CORP	100,000 Shares	2,211,722	2,425,000
	J2 GLOBAL INC	23,369 Shares	688,581	657,604
*	JP MORGAN CHASE & CO	40,000 Shares	1,454,964	1,330,000
	KAISER ALUMINUM CORP	8,073 Shares	418,699	370,389
	KENEXA CORP	13,286 Shares	379,922	354,736
	KOPPERS HOLDINGS INC	4,147 Shares	156,818	142,491
	KORN/FERRY INTL	26,994 Shares	412,372	460,518

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2011

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
		(e)	
L3 COMMUNICATIONS HLDG	10,000 Shares	753,105	666,800
LANDSTAR SYSTEM INC	6,875 Shares	250,412	329,450
LAREDO PETROLEUM INC	18,139 Shares	314,822	404,500
LINCARE HOLDINGS INC	15,561 Shares	310,295	400,073
LKQ CORP	17,901 Shares	397,392	538,462
LOCKHEED MARTIN CORPORATION	20,000 Shares	1,194,440	1,618,000
LOGITECH INTL SA	23,363 Shares	221,004	181,764
LOWES COMPANIES INC	40,000 Shares	1,290,461	1,015,200
MAGNUM HUNTER RESOURCES CORP	67,115 Shares	450,410	361,750
MARATHON OIL CORP	40,000 Shares	776,649	1,170,800
MARATHON PETROLEUM CORP	50,000 Shares	1,483,497	1,664,500
MATRIX SERVICE COMPANY	33,816 Shares	411,254	319,223
MCDONALDS CORP	10,000 Shares	552,071	1,003,300
MEADWESTVACO CORP	50,000 Shares	1,384,937	1,497,500
MEDNAX INC	9,906 Shares	537,395	713,331
MERCK & CO INC	35,000 Shares	1,264,606	1,319,500
MERCURY COMPUTER SYSTEMS INC	8,116 Shares	135,591	107,862
MICROSOFT CORP	80,000 Shares	1,443,163	2,076,800
MKS INSTRUMENTS INC	18,945 Shares	519,668	527,050
MONOTYPE IMAGING HOLDINGS INC	25,694 Shares	182,292	400,569
MONRO MUFFLER BRAKE	1,511 Shares	44,309	58,612
NANOMETRICS	31,646 Shares	300,578	582,919
NATIONAL-OILWELL VARCO INC	15,000 Shares	1,055,674	1,019,850
NETGEAR INC	15,586 Shares	615,401	523,222
NEXTERA ENERGY INC	15,000 Shares	816,056	913,200
NIKE INC - CL B	15,000 Shares	613,006	1,445,550
NORFOLK SOUTHERN CORP	15,000 Shares	792,719	1,092,900
NORTHROP GRUMMAN CORP	12,500 Shares	446,555	731,000
NXSTAGE MEDICAL INC	33,691 Shares	310,612	599,026
OASIS PETROLEUM INC	15,966 Shares	368,277	464,451
OCEANEERING INTL INC	4,480 Shares	115,422	206,662
OIL STATES INTL INC	1,572 Shares	75,285	120,054
OLD DOMINION FREIGHT LINE INC	13,443 Shares	270,126	544,845
OLYMPIC STEEL INC	13,230 Shares	365,186	308,524
PAREXEL INTL CORP	25,291 Shares	535,396	524,535
PEPSICO INC	25,000 Shares	1,263,347	1,658,750
PETROLEUM DEV CORP	7,431 Shares	225,323	260,902
PLANTRONICS INC NEW	9,828 Shares	349,650	350,270
POWER INTEGRATIONS INS	9,807 Shares	375,604	325,200

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2011

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
PPL CORP	35,000 Shares	950,988	1,029,700
PROCTER & GAMBLE CO	35,000 Shares	1,733,454	2,334,850
QLIK TECHNOLOGIES INC	17,002 Shares	399,214	411,448
QUALCOMM INC	40,000 Shares	1,730,193	2,188,000
REALPAGE INC	11,740 Shares	267,099	296,670
SANCHEZ ENERGY CORP	8,979 Shares	197,538	154,978
SCBT FINANCIAL CORP	7,722 Shares	237,101	224,015
SCHLUMBERGER LTD	25,000 Shares	1,609,248	1,707,750
SHUTTERFLY INC	15,613 Shares	436,832	355,352
SILICON LABS INC	13,595 Shares	611,565	590,295
SUCCESSFACTORS INC	19,592 Shares	447,532	781,133
SUPERIOR ENERGY SERVICES INC	23,973 Shares	864,890	681,792
TANGOE INC	20,452 Shares	220,588	314,961
TARGET CORP	25,000 Shares	1,282,359	1,280,500
TEXAS INSTRUMENTS INC	40,000 Shares	741,400	1,164,400
THORATEC CORP	16,499 Shares	532,775	553,706
TIFFANY & CO	15,000 Shares	1,010,394	993,900
UMPQUA HOLDINGS CORP	36,649 Shares	421,201	454,081
UNDER ARMOUR INC	2,981 Shares	209,035	214,006
UNITED PACIFIC CORP	10,000 Shares	979,459	1,059,400
UNITED PARCEL SERVICE	20,000 Shares	1,480,417	1,463,800
UNITED TECHNOLOGIES CORP	10,000 Shares	587,168	730,900
VERIZON COMMUNICATIONS	35,000 Shares	1,016,710	1,404,200
VOCUS INC	46,538 Shares	721,260	1,028,024
WASTE MANAGEMENT INC	35,000 Shares	1,160,507	1,144,850
Total equity securities		\$100,209,231	\$111,118,804

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2011

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares					Cost	Current value	
(a)	(b)	(c)					(d)	(e)	
Limited partnerships									
	INTERNATIONAL EQUITY GROUP TRUST	207,145	Shares				\$12,020,381	\$13,514,098	
	MONDRIAN INTL EQUITY FUND	495,026	Shares				12,493,811	10,969,755	
Total limited partnerships							\$24,514,192	\$24,483,853	
Short-term money market funds									
*	JP MORGAN PRIME MONEY MARKET FD	5,764,089	Par				\$5,764,089	\$5,764,089	
Total investments							\$205,317,570	\$224,318,477	
401(h) Account									
	FEDERAL HOME LOAN MTG CORP	Due	11/09/2018	2.40	%	250,000	Par	250,000	250,915
	US TREASURY	Due	07/15/2012	3.00	%	100,000	Par	117,959	128,634
	US TREASURY	Due	12/15/2012	1.13	%	500,000	Par	506,140	504,610
	US TREASURY	Due	01/15/2014	2.00	%	250,000	Par	287,456	324,416
	US TREASURY	Due	01/15/2021	1.13	%	400,000	Par	415,681	461,732
	FEDERAL FARM CREDIT BANK	Due	03/14/2012	4.50	%	50,000	Par	50,463	50,431
	FEDERAL FARM CREDIT BANK	Due	02/04/2013	2.15	%	250,000	Par	249,813	255,050
	FEDERAL HOME LOAN BANK	Due	09/27/2013	4.11	%	100,000	Par	103,995	106,394
	GENERAL ELECTRIC CORP	Due	12/06/2017	5.25	%	100,000	Par	100,000	114,776
	PROCTER & GAMBLE CO	Due	08/15/2014	4.95	%	150,000	Par	144,675	166,433
*	JP MORGAN PRIME MONEY MARKET FD					412,511	Par	412,511	412,511
Total 401(h) Account							\$2,638,693	\$2,775,902	

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
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Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2011

Identity of party involved (a)	Description of assets (b)	Purchase price (c)	Selling price (d)	Cost of asset (g)	Value of asset on transaction date (h)	Net loss (i)
Category (iii) - Series of transactions in excess of 5% of plan assets						
Short-term money market funds						
* JP Morgan Prime money market fund	77,137,123 units; 237 transactions	\$77,137,123	\$ -	\$77,137,123	\$77,137,123	\$ -
* JP Morgan Prime money market fund	73,535,180 units; 177 transactions	\$ -	\$73,535,180	\$73,535,180	\$73,535,180	\$ -

Notes:

There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2011.

* Denotes party-in-interest.



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State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

Schedule SB, Line 26 - Schedule of Active Participant Data

Number and Average Salary of Participants with XX Years of Credited Service											
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	Total
Under 25	5	15	-	-	-	-	-	-	-	-	20
	-	-	-	-	-	-	-	-	-	-	34,661
25 – 29	10	76	21	1	-	-	-	-	-	-	108
	-	48,049	42,830	-	-	-	-	-	-	-	46,370
30 – 34	8	75	63	21	-	-	-	-	-	-	167
	-	57,460	59,127	63,243	-	-	-	-	-	-	58,638
35 – 39	21	66	58	49	15	5	-	-	-	-	214
	62,917	71,311	57,968	58,697	-	-	-	-	-	-	64,074
40 – 44	10	75	48	50	39	26	3	-	-	-	251
	-	76,558	67,409	60,269	72,969	66,301	-	-	-	-	69,116
45 – 49	1	98	58	59	47	51	17	14	-	-	345
	-	79,914	62,860	59,693	76,072	67,372	-	-	-	-	69,554
50 – 54	5	75	51	68	52	46	24	53	9	-	383
	-	79,234	65,915	68,509	75,492	77,839	72,212	69,671	-	-	72,650
55 – 59	1	48	36	51	44	33	18	20	13	-	264
	-	80,586	76,712	62,880	70,343	66,093	-	118,694	-	-	75,391
60 – 64	2	35	24	35	27	13	11	10	6	9	172
	-	78,863	71,667	56,489	74,730	-	-	-	-	-	75,444
65 – 69	-	3	5	5	4	-	-	-	1	1	19
	-	-	-	-	-	-	-	-	-	-	-
70 +	-	-	-	1	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	-	-
All Ages	63	566	364	340	228	174	73	97	29	10	1,944
	60,027	69,745	63,225	61,660	72,857	70,421	75,534	84,062	68,052	-	68,095

State Auto Insurance Companies Employee Retirement Plan

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Schedule SB, Line 22 - Weighted Average Retirement Age

The weighted average retirement age is determined by weighting each retirement age by the probability of retirement, then averaging over the sum of the retirement probabilities.

Age	Retirement Rate	Weight
55	2%	1.10
56	2%	1.10
57	2%	1.09
58	2%	1.09
59	2%	5.42
60	10%	4.96
61	10%	13.62
62	30%	36.32
63	20%	6.46
64	20%	5.25
65	100%	<u>21.32</u>
Total		62.50
Average Retirement Age		63

State Auto Insurance Companies Employee Retirement Plan

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Schedule SB, Line 19 – Discounted Employer Contribution

Effective Interest Rate: 6.01%

Date	Amount	Amount Discounted	Amount Discounted
		To 01/01/2011	To 01/01/2012
03/07/2012	\$ 5,000,000	\$ 4,667,023	\$ 4,947,511
04/17/2012	5,000,000	4,636,526	4,915,182
07/05/2012	5,000,000	4,578,326	4,853,483
08/24/2012	5,000,000	4,541,868	4,814,835
	<u>\$ 20,000,000</u>	<u>\$ 18,423,743</u>	<u>\$ 19,531,011</u>

State Auto Insurance Companies Employee Retirement Plan

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Schedule SB, Line 32 - Shortfall Amortization Base

Maintenance of Shortfall Amortization Base (SAB) as of January 1, 2011

Date Established	SAB Original Amount	Original Amort. Period	Balance as of 01/01/2011	Remaining Amort. Period	Shortfall Amortization Installment
01/01/2009	\$ 28,138,981	7	\$22,460,430	5	\$ 4,756,107
01/01/2010	5,529,662	7	5,060,737	6	924,155
01/01/2011	22,845,942	7	<u>22,845,942</u>	7	<u>3,691,820</u>
			\$50,367,109		\$ 9,372,082

State Auto Insurance Companies Employee Retirement Plan

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B. Summary of Principal Plan Provisions

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

1. General Information

- a. Original Effective Date: July 1, 1945
- b. Effective Date of Last Amendment: July 1, 2010
- c. Plan Year: January 1 to December 31
- d. Employer Fiscal Year: January 1 to December 31
- e. Employer ID Number: 31-4316080
- f. Plan Administrator's ID Number: 31-4316080
- g. Plan Number: 001
- h. Plan Administrator: State Automobile Mutual Insurance Company Benefit Committee

2. Eligibility

All employees of the Employer hired prior to January 1, 2010 are eligible to participate in the Plan on the January 1 following the attainment of age 20. Effective July 1, 2010, participants were given the opportunity to opt-out of this defined benefit plan in favor of an enhanced defined contribution plan.

3. Service

Service, both for vesting and benefit accrual purposes, is equal to total service with the Employer measured in months where any partial month shall constitute a complete month. For former Meridian participants, service prior to January 1, 2002 is calculated under terms of the Meridian plan. For former Patrons participants, service prior to January 1, 2009 is calculated under the terms of the Patrons plan.

4. Normal Retirement Date

Prior to January 1, 2009 the Normal Retirement Date is the first day of the calendar month coincident with or next following attainment of age 65. After December 31, 2008 the Normal Retirement Date is the first day of the calendar month coincident with or next following the later of attainment of age 65 or the completion of five years of Service.

State Auto Insurance Companies Employee Retirement Plan

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5. Normal Retirement Benefit

The amount of the monthly benefit to be paid for life is the sum of (a) and (b) below:

- a. 1.75% of January 1, 1993 compensation times years of service as of January 1, 1993, plus .65% of January 1, 1993 compensation in excess of 1992 Social Security covered compensation times years of service as of January 1, 1993 up to 35 years. Plus
- b. 1.75% of average compensation from January 1, 1993 times years of service from January 1, 1993, plus .65% of average compensation from January 1, 1993 in excess of Social Security covered compensation times years of service from January 1, 1993, not to exceed 35 years less Service up to January 1, 1993.

For former Meridian Participants, the benefit is the lesser of:

- c. The Meridian formula using all service and compensation, or
- d. The Meridian formula for service prior to 2002 (using all compensation amounts) and the State Auto formula for service after 2001.

For former Patrons Participants, the benefit is the sum of:

- e. The 12/31/2008 Patrons Accrued Benefit increased 4% annually, plus
- f. The State Auto benefit after 12/31/2008 assuming all Patrons service for purposes of applying the 35 year cap.

For participants who opted out of the plan, benefits will be frozen as of June 30, 2010.

6. Early Retirement Benefits

Upon completion of 15 years of service and the attainment of age 55, a participant may elect to retire. The service requirement is waived for former Meridian participants who were age 55 or had completed 5 years of service as of December 31, 2001. The participant may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the Accrued Benefit. Payments may begin before the Normal Retirement Date, with the benefit being reduced 4 percent for each of the first 5 years and 5 percent for each of the next 5 years that the payment date precedes the Normal Retirement Date. If age and service total to 90 or more and the participant is at least age 55 with at least 30 years of service, the above reductions will not apply.

7. 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, a benefit based upon salary and service through his actual date of retirement.

8. Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be determined using his Average Compensation and Service at the effective date of calculation.

9. Annual Compensation

The participant's basic annualized earnings determined on each January 1, excluding any extraordinary pay, but including any 401(k) deferrals.



State Auto Insurance Companies Employee Retirement Plan

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10. Average Compensation

The average of all compensation amounts beginning on January 1, 1993.

11. 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 full contingent annuitant survivor benefit commencing at the earliest possible retirement date. Reductions may apply to this benefit.

12. Severance Benefits

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

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

13. Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity, a life annuity. 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 [a] below with the spouse as the beneficiary. The options are:

- A reduced benefit to be paid during the participant's lifetime with one-half the reduced benefit to be continued to his spouse for her lifetime after his death.
- A reduced benefit to be paid during the participant's lifetime with two-thirds the reduced benefit to be continued to his spouse for her lifetime after his death.
- A reduced benefit to be paid during the participant's lifetime with three-fourths the reduced benefit to be continued to his spouse for her lifetime after his death.
- A reduced benefit to be paid during the participant's lifetime with the same reduced benefit to be continued to his spouse for her lifetime after his death.
- A reduced benefit to be paid for 120 months certain and thereafter for life.
- A Social Security equalization benefit.
- A lump sum payment of up to 50% of the value of the participant's Accrued Benefit with the balance payable under any of the above options.

All Optional Methods of Settlement other than lump sums are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1971 Group Annuity Table for Males with an age setback of five years for the participant and no setback for any Eligible Spouse, Beneficiary, or Contingent Annuitant and 5.5% interest.

Lump sum payments are based on the applicable mortality table prescribed by the Secretary of the Treasury, as provided in Code Section 417 (e) and the annual segment rates of interest for the second month preceding the beginning of the Plan Year containing the date of distribution.



State Auto Insurance Companies Employee Retirement Plan

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14. 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.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

A. Valuation Method and Assumptions

1. Valuation Method

Pension Protection Act of 2006 Funding Target Method.

2. Valuation of Assets

Assets are valued using a 24-month smoothing method. The valuation assets may not be greater than 110% nor be less than 90% of the market value. The financial information used in this valuation was not audited by The Hartford.

3. 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 entitled to an immediate or deferred benefit under the provisions of the plan are also included.

4. Actuarial Assumptions

a. Mortality:

- | | |
|---------------------|--|
| (1) Pre-retirement | 2011 Non-annuitant mortality for males and females |
| (2) Post-retirement | 2011 Annuitant mortality for males and females |

b. Termination:

75% Financial institution termination study table. Sample rates are illustrated in the table on the next page.

c. Salary progression:

5.00% compounded annually

d. Interest rate used for determining:

- | | |
|---------------------|--|
| (1) Normal funding: | January 24-month average segment rates |
| (a) Segment 1 | 2.94% compounded annually |
| (b) Segment 2 | 5.82% compounded annually |
| (c) Segment 3 | 6.46% compounded annually |
| (d) Effective Rate | 6.01% compounded annually |

e. Expenses:

Two-year average of past expenses. \$0 for 2011.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

f. Retirement age:

Age	Retirement Rate
55-59	2%
60-61	10%
62	30%
63-64	20%
65	100%

g. Social Security Taxable
Wage Base increases: 4.00% compounded annually.

h. The following are examples of the probability that a participant will die or terminate within the year:

Age	<u>Mortality</u>		<u>Termination</u>					
	Male	Female	<u>Years of Service</u>					
			0	1	2	3	4	5+
25	.00029	.00014	.22500	.18000	.15750	.14250	.12750	.10463
30	.00039	.00020	.19500	.15000	.12750	.11250	.09750	.07913
35	.00068	.00036	.17250	.12750	.10500	.09000	.07500	.05550
40	.00088	.00048	.15000	.10875	.09000	.07500	.06000	.03863
45	.00107	.00074	.12750	.09750	.07500	.06000	.04500	.02513
50	.00133	.00107	.10500	.08250	.06000	.04500	.03000	.01875
55	.00184	.00205	.08250	.06000	.04500	.03375	.02250	.01275
60	.00321	.00345	.06000	.04500	.03000	.02250	.01500	.00750
65	.01041	.00947	.00000	.00000	.00000	.00000	.00000	.00000

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

5. Other Considerations

- a. 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.
- b. Disability benefits are not considered to have material effect on cost and have not been specifically valued.
- c. It is assumed that 70% of eligible participants elect the 50% lump sum option.
- d. For the purpose of valuing death benefits, 85% of employees are assumed to be married. Wives are assumed to be 3 years younger than their husbands.
- e. Although we believe these to be accurate and complete, employee data supplied to us by the Employer and financial information supplied to us by the Trustee have not been audited by us.
- f. 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 have participation requirements different from other new employees.

**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.

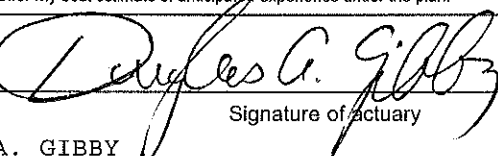
A Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	D Employer Identification Number (EIN) 31-4316080
E Type of plan: ☒ Single ☐ Multiple-A ☐ 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	234,157,106
b Actuarial value		2b	222,078,468
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	1,221	107,237,725
b For terminated vested participants.....	3b	1,006	36,291,898
c For active participants:			
(1) Non-vested benefits.....	3c(1)		6,679,532
(2) Vested benefits	3c(2)		101,626,390
(3) Total active.....	3c(3)	1,944	108,305,922
d Total.....	3d	4,171	251,835,545
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	6.01 %
6 Target normal cost		6	9,629,669

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**

Signature of actuary

DOUGLAS A. GIBBY

Type or print name of actuary

THE HARTFORD

40 VILLAGE POINTE DRIVE

Firm name

POWELL

OH 43065

Address of the firm

9/7/2012

Date

11-03371

Most recent enrollment number

(614) 659-0116

Telephone number (including area code)

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).....	19,469,575	2,796,436
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	1,026,836	0
9 Amount remaining (line 7 minus line 8)	18,442,739	2,796,436
10 Interest on line 9 using prior year's actual return of <u>12.22</u> %	2,253,703	341,724
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		11,487,686
b Interest on (a) using prior year's effective rate of <u>6.61</u> % except as otherwise provided (see instructions).....		816,941
c Total available at beginning of current plan year to add to prefunding balance.....		12,304,627
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	3,224,570	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	17,471,872	3,138,160

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	90.92 %
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
03/07/2012	5,000,000				
04/17/2012	5,000,000				
07/05/2012	5,000,000				
08/24/2012	5,000,000				
Totals •			18(b)	20,000,000	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	18,423,743

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: 2.94 %	2nd segment: 5.82 %	3rd segment: 6.46 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 63
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	9,629,669	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	50,367,109	9,372,082	
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	19,001,751	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	15,163,163	0	15,163,163
36 Additional cash requirement (line 34 minus line 35)	36	3,838,588	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	18,423,743	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	14,585,155	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	14,585,155	
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		

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)						(d)	(e)
U.S. treasury securities and U.S. government agencies								
FEDERAL FARM CREDIT BANK	Due	12/16/2015	4.88	%	1,000,000	Par	\$ 990,610	\$ 1,153,530
FEDERAL FARM CREDIT BANK	Due	06/16/2032	4.50	%	500,000	Par	502,235	569,070
FEDERAL HOME LOAN BANK	Due	03/13/2026	4.38	%	1,500,000	Par	1,533,870	1,695,705
FEDERAL HOME LOAN BANK	Due	04/25/2026	4.38	%	1,000,000	Par	1,044,200	1,157,850
FEDERAL HOME LOAN MTG CORP	Due	01/15/2012	5.75	%	2,000,000	Par	1,997,140	2,003,800
FEDERAL NATIONAL MTG ASSN	Due	08/02/2012	5.00	%	500,000	Par	495,078	513,945
FEDERAL NATIONAL MTG ASSN	Due	08/07/2018	5.24	%	500,000	Par	511,930	535,780
FEDERAL NATL MTG ASSN	Due	11/23/2026	4.00	%	1,000,000	Par	1,000,000	1,006,860
FEDERAL NATL MTG ASSN	Due	12/19/2031	4.13	%	1,000,000	Par	1,000,000	1,010,340
US TREASURY	Due	01/15/2014	2.00	%	1,000,000	Par	1,081,778	1,297,664
US TREASURY	Due	01/15/2016	2.00	%	2,500,000	Par	2,534,581	3,187,738
US TREASURY	Due	07/15/2016	2.50	%	2,500,000	Par	2,784,226	3,241,722
US TREASURY	Due	01/15/2017	2.38	%	1,500,000	Par	1,534,303	1,954,916
US TREASURY	Due	01/15/2018	1.63	%	500,000	Par	511,090	615,375
US TREASURY	Due	01/15/2021	1.13	%	600,000	Par	623,521	692,598
US TREASURY	Due	01/15/2025	2.38	%	1,000,000	Par	1,060,470	1,527,205
US TREASURY	Due	01/15/2026	2.00	%	2,000,000	Par	2,054,674	2,804,564
US TREASURY	Due	01/15/2027	2.38	%	2,000,000	Par	2,057,021	2,900,044
US TREASURY	Due	01/15/2028	1.75	%	1,000,000	Par	939,572	1,299,736
US TREASURY	Due	02/15/2040	2.13	%	1,000,000	Par	1,142,304	1,405,787
US TREASURY	Due	02/15/2041	2.13	%	500,000	Par	550,616	698,265
SALT LAKE CNTY UTAH SALES TAX	Due	11/01/2020	3.50	%	1,305,000	Par	1,329,247	1,399,991
COLUMBUS OH GO	Due	06/01/2024	4.71	%	1,490,000	Par	1,655,673	1,609,751
UTAH ST	Due	07/01/2025	3.54	%	1,000,000	Par	1,045,520	1,042,340
TX ST	Due	04/01/2026	4.27	%	1,010,000	Par	1,055,309	1,125,978
MONTGOMERY CO VA ECON DEV AUTH	Due	06/01/2028	5.52	%	1,000,000	Par	1,019,200	1,077,630
TENN VALLEY AUTH	Due	07/15/2033	4.70	%	500,000	Par	508,190	589,870
FRANKLIN CNTY OH	Due	12/01/2033	5.86	%	500,000	Par	558,750	556,625
Total U.S. treasury securities and U.S. government agencies							\$33,121,108	\$38,674,679

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares							Cost	Current value	
(a)	(b)	(c)							(d)	(e)
U.S. government agencies mortgage-backed securities										
FHLMC	Due	12/01/2014	4.00	%	352,784	Par	\$ 343,193	\$ 361,025		
FHLMC	Due	12/01/2021	5.00	%	506,010	Par	502,452	544,639		
FHLMC	Due	04/01/2024	4.50	%	1,222,667	Par	1,198,978	1,321,546		
FNMA	Due	09/01/2014	5.50	%	292,024	Par	294,761	317,332		
FNMA	Due	05/01/2020	4.75	%	1,324,050	Par	1,367,909	1,493,786		
FNMA	Due	11/01/2026	5.50	%	588,702	Par	582,631	641,890		
GNMA	Due	11/15/2033	6.50	%	1,847,324	Par	1,958,164	1,979,344		
GNMA	Due	08/15/2040	6.25	%	2,224,566	Par	2,232,907	2,393,126		
GNMA	Due	01/15/2043	7.25	%	2,954,705	Par	3,017,492	3,011,007		
GNMA	Due	04/15/2048	6.55	%	1,059,425	Par	1,134,407	1,125,623		
GNMA	Due	03/15/2050	6.25	%	2,984,256	Par	3,047,672	3,338,836		
GNMA	Due	12/15/2050	6.72	%	4,985,907	Par	5,104,322	5,576,483		
COULEE MEDICAL FOUNDATION	Due	04/20/2036	6.50	%	5,000,000	Par	5,000,000	5,307,300		
U.S. government agencies mortgage-backed securities							\$25,784,888	\$27,411,937		

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares						Cost	Current value
(a)	(b)	(c)						(d)	(e)
Corporate obligations									
	AT&T INC	Due	02/01/2018	5.50	%	2,000,000	Par	\$ 2,000,000	\$ 2,315,060
	BLACKROCK INC	Due	12/10/2019	5.00	%	2,120,000	Par	2,302,362	2,313,556
	CONOCOPHILLIPS	Due	10/15/2032	5.90	%	500,000	Par	547,725	615,915
	DEERE & CO	Due	10/16/2029	5.38	%	500,000	Par	537,410	628,335
	GENERAL ELECTRIC CAPITAL CORP	Due	06/15/2012	6.00	%	1,000,000	Par	1,073,500	1,022,480
	GENERAL ELECTRIC CAPITAL CORP	Due	10/19/2012	5.25	%	1,000,000	Par	930,660	1,034,970
	GENERAL ELECTRIC CAPITAL CORP	Due	10/06/2017	5.50	%	1,500,000	Par	1,493,830	1,505,610
	INTEL CORP	Due	10/01/2041	4.80	%	500,000	Par	514,525	560,355
	IBM CORPORATION	Due	06/15/2013	7.50	%	1,000,000	Par	1,048,170	1,098,490
	IBM CORPORATION	Due	11/29/2032	5.88	%	500,000	Par	567,505	634,910
	MICROSOFT CORP	Due	06/01/2039	5.20	%	500,000	Par	584,995	619,135
	NATIONSBANK CORP	Due	08/15/2015	7.75	%	2,000,000	Par	2,120,590	2,025,500
*	STATE AUTO FINANCIAL CORP	Due	11/15/2013	6.25	%	220,000	Par	178,200	216,229
	UNITED PARCEL SERVICE	Due	01/15/2018	5.50	%	1,000,000	Par	1,013,040	1,198,340
	VERIZON COMMUNICATIONS	Due	11/01/2041	4.75	%	1,000,000	Par	1,011,550	1,076,230
Total corporate obligations								\$15,924,062	\$16,865,115
Equity securities									
	ABBOTT LABS		25,000	Shares				\$1,291,853	\$1,405,750
	AMERIGROUP CORPORATION		5,912	Shares				261,973	349,281
	AMERISAFE INC		25,435	Shares				465,372	591,364
	ARGO GROUP INTL HOLDINGS LTD		23,597	Shares				752,798	683,369
	ASTEC INDUSTRIES INC		9,924	Shares				355,462	319,652
	AT&T INC		50,000	Shares				1,813,200	1,512,000
	ATMI INC		29,613	Shares				521,245	593,148
	AUTOMATIC DATA PROCESSING		15,000	Shares				616,362	810,150
	BEACON ROOFING SUPPLY INC		9,109	Shares				191,910	184,276
	BJ'S RESTAURANTS INC		6,415	Shares				301,598	290,728
	BLACKROCK		7,500	Shares				1,412,533	1,336,800
	CARDTRONICS INC		25,852	Shares				337,232	699,555
	CARTER'S INC		11,504	Shares				268,667	457,974
	CENTURYLINK		25,000	Shares				825,470	930,000
	CHEVRON CORP		20,000	Shares				1,522,817	2,128,000
	CIRCOR INTERNATIONAL INC		10,769	Shares				497,879	380,253
	CLIFFS NATURAL RESOURCES		20,000	Shares				1,852,544	1,247,000
	COCA-COLA COMPANY		22,500	Shares				1,233,847	1,574,325
	COLUMBIA BANKING SYSTEM INC		24,309	Shares				392,106	468,434
	COMMVAULT SYSTEMS INC		26,943	Shares				506,338	1,151,005
	CROCS INC		56,540	Shares				592,438	835,096
	CSX CORP		45,000	Shares				1,054,238	947,700
	DEERE & CO		20,000	Shares				936,436	1,547,000

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

(a)	(b) Identity of issue, borrower, lessor or similar parties	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
	DEVON ENERGY CORP	30,000 Shares	1,865,734	1,860,000
	DFA EMERGING MKTS VALUE PORT	369,959 Shares	10,171,240	9,604,147
	DR PEPPER SNAPPLE GROUP INC	15,000 Shares	551,444	592,200
	DU PONT & CO	35,000 Shares	1,521,193	1,602,300
	DUFF & PHELPS CORP	38,974 Shares	637,077	565,123
	DUNKIN BRANDS GROUP INC	9,265 Shares	239,625	231,440
	DYCOM INDUSTRIES INC	36,434 Shares	593,476	762,199
	EMPLOYERS HOLDINGS INC	17,380 Shares	289,015	314,404
	EXELON CORP	20,000 Shares	826,171	867,400
	EXXON MOBIL CORPORATION	15,000 Shares	1,065,655	1,271,400
	FEDEX CORP	10,000 Shares	752,229	835,100
	FINISH LINE INC	29,861 Shares	635,102	575,869
	FREEPORT MCMORAN	45,000 Shares	1,820,692	1,655,550
	FXCM INC	23,709 Shares	332,239	231,163
	GENERAL DYNAMICS	27,500 Shares	1,630,691	1,826,275
	GENERAL ELECTRIC CORP	70,000 Shares	1,682,482	1,253,700
	GLOBE SPECIALTY METALS INC	18,856 Shares	351,834	252,482
	GRAFTECH INTERNATIONAL LTD	42,774 Shares	671,068	583,865
	HAEMONETICS CORP	10,433 Shares	624,517	638,708
	HANGER ORTHOPEDIC GROUP INC	7,227 Shares	119,076	135,074
	HARRIS CORP	30,000 Shares	1,144,590	1,081,200
	HEALTHCARE SERVICES GROUP	27,870 Shares	464,020	493,020
	HIBBETT SPORTS INC	20,370 Shares	774,651	920,317
	HOME BANCSHARES INC	18,402 Shares	361,032	476,796
	HOME DEPOT INC	30,000 Shares	637,140	1,261,200
	HOMEAWAY INC	7,693 Shares	287,968	178,863
	HONEYWELL INTL INC	20,000 Shares	1,159,446	1,087,000
	IBERIABANK CORP	7,101 Shares	359,094	350,079
	IBM CORPORATION	7,500 Shares	564,485	1,379,100
	ICON PLC	32,711 Shares	731,253	559,685
	ICU MEDICAL INC	9,174 Shares	407,461	412,830
	ILLINOIS TOOL WORKS INC	10,000 Shares	549,218	467,100
	INTEL CORP	100,000 Shares	2,211,722	2,425,000
	J2 GLOBAL INC	23,369 Shares	688,581	657,604
*	JP MORGAN CHASE & CO	40,000 Shares	1,454,964	1,330,000
	KAISER ALUMINUM CORP	8,073 Shares	418,699	370,389
	KENEXA CORP	13,286 Shares	379,922	354,736
	KOPPERS HOLDINGS INC	4,147 Shares	156,818	142,491
	KORN/FERRY INTL	26,994 Shares	412,372	460,518

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

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

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	Cost	Current value
(a)	(b)	(c)	(d)
			(e)
L3 COMMUNICATIONS HLDG	10,000 Shares	753,105	666,800
LANDSTAR SYSTEM INC	6,875 Shares	250,412	329,450
LAREDO PETROLEUM INC	18,139 Shares	314,822	404,500
LINCARE HOLDINGS INC	15,561 Shares	310,295	400,073
LKQ CORP	17,901 Shares	397,392	538,462
LOCKHEED MARTIN CORPORATION	20,000 Shares	1,194,440	1,618,000
LOGITECH INTL SA	23,363 Shares	221,004	181,764
LOWES COMPANIES INC	40,000 Shares	1,290,461	1,015,200
MAGNUM HUNTER RESOURCES CORP	67,115 Shares	450,410	361,750
MARATHON OIL CORP	40,000 Shares	776,649	1,170,800
MARATHON PETROLEUM CORP	50,000 Shares	1,483,497	1,664,500
MATRIX SERVICE COMPANY	33,816 Shares	411,254	319,223
MCDONALDS CORP	10,000 Shares	552,071	1,003,300
MEADWESTVACO CORP	50,000 Shares	1,384,937	1,497,500
MEDNAX INC	9,906 Shares	537,395	713,331
MERCK & CO INC	35,000 Shares	1,264,606	1,319,500
MERCURY COMPUTER SYSTEMS INC	8,116 Shares	135,591	107,862
MICROSOFT CORP	80,000 Shares	1,443,163	2,076,800
MKS INSTRUMENTS INC	18,945 Shares	519,668	527,050
MONOTYPE IMAGING HOLDINGS INC	25,694 Shares	182,292	400,569
MONRO MUFFLER BRAKE	1,511 Shares	44,309	58,612
NANOMETRICS	31,646 Shares	300,578	582,919
NATIONAL-OILWELL VARCO INC	15,000 Shares	1,055,674	1,019,850
NETGEAR INC	15,586 Shares	615,401	523,222
NEXTERA ENERGY INC	15,000 Shares	816,056	913,200
NIKE INC - CL B	15,000 Shares	613,006	1,445,550
NORFOLK SOUTHERN CORP	15,000 Shares	792,719	1,092,900
NORTHROP GRUMMAN CORP	12,500 Shares	446,555	731,000
NXSTAGE MEDICAL INC	33,691 Shares	310,612	599,026
OASIS PETROLEUM INC	15,966 Shares	368,277	464,451
OCEANEERING INTL INC	4,480 Shares	115,422	206,662
OIL STATES INTL INC	1,572 Shares	75,285	120,054
OLD DOMINION FREIGHT LINE INC	13,443 Shares	270,126	544,845
OLYMPIC STEEL INC	13,230 Shares	365,186	308,524
PAREXEL INTL CORP	25,291 Shares	535,396	524,535
PEPSICO INC	25,000 Shares	1,263,347	1,658,750
PETROLEUM DEV CORP	7,431 Shares	225,323	260,902
PLANTRONICS INC NEW	9,828 Shares	349,650	350,270
POWER INTEGRATIONS INS	9,807 Shares	375,604	325,200

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2011

Identity of issue, borrower, lessor or similar parties	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares		Cost	Current value
(a)	(b)	(c)	(d)	(e)
PPL CORP	35,000	Shares	950,988	1,029,700
PROCTER & GAMBLE CO	35,000	Shares	1,733,454	2,334,850
QLIK TECHNOLOGIES INC	17,002	Shares	399,214	411,448
QUALCOMM INC	40,000	Shares	1,730,193	2,188,000
REALPAGE INC	11,740	Shares	267,099	296,670
SANCHEZ ENERGY CORP	8,979	Shares	197,538	154,978
SCBT FINANCIAL CORP	7,722	Shares	237,101	224,015
SCHLUMBERGER LTD	25,000	Shares	1,609,248	1,707,750
SHUTTERFLY INC	15,613	Shares	436,832	355,352
SILICON LABS INC	13,595	Shares	611,565	590,295
SUCCESSFACTORS INC	19,592	Shares	447,532	781,133
SUPERIOR ENERGY SERVICES INC	23,973	Shares	864,890	681,792
TANGOE INC	20,452	Shares	220,588	314,961
TARGET CORP	25,000	Shares	1,282,359	1,280,500
TEXAS INSTRUMENTS INC	40,000	Shares	741,400	1,164,400
THORATEC CORP	16,499	Shares	532,775	553,706
TIFFANY & CO	15,000	Shares	1,010,394	993,900
UMPQUA HOLDINGS CORP	36,649	Shares	421,201	454,081
UNDER ARMOUR INC	2,981	Shares	209,035	214,006
UNITED PACIFIC CORP	10,000	Shares	979,459	1,059,400
UNITED PARCEL SERVICE	20,000	Shares	1,480,417	1,463,800
UNITED TECHNOLOGIES CORP	10,000	Shares	587,168	730,900
VERIZON COMMUNICATIONS	35,000	Shares	1,016,710	1,404,200
VOCUS INC	46,538	Shares	721,260	1,028,024
WASTE MANAGEMENT INC	35,000	Shares	1,160,507	1,144,850
Total equity securities			\$100,209,231	\$111,118,804

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

EIN 31-4316080 / Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued

December 31, 2011

Identity of issue, borrower, lessor or similar parties		Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares					Cost	Current value
(a)	(b)	(c)					(d)	(e)
Limited partnerships								
	INTERNATIONAL EQUITY GROUP TRUST	207,145	Shares				\$12,020,381	\$13,514,098
	MONDRIAN INTL EQUITY FUND	495,026	Shares				12,493,811	10,969,755
Total limited partnerships							\$24,514,192	\$24,483,853
Short-term money market funds								
*	JP MORGAN PRIME MONEY MARKET FD	5,764,089	Par				\$5,764,089	\$5,764,089
Total investments							\$205,317,570	\$224,318,477
401(h) Account								
	FEDERAL HOME LOAN MTG CORP	Due	11/09/2018	2.40 %	250,000	Par	250,000	250,915
	US TREASURY	Due	07/15/2012	3.00 %	100,000	Par	117,959	128,634
	US TREASURY	Due	12/15/2012	1.13 %	500,000	Par	506,140	504,610
	US TREASURY	Due	01/15/2014	2.00 %	250,000	Par	287,456	324,416
	US TREASURY	Due	01/15/2021	1.13 %	400,000	Par	415,681	461,732
	FEDERAL FARM CREDIT BANK	Due	03/14/2012	4.50 %	50,000	Par	50,463	50,431
	FEDERAL FARM CREDIT BANK	Due	02/04/2013	2.15 %	250,000	Par	249,813	255,050
	FEDERAL HOME LOAN BANK	Due	09/27/2013	4.11 %	100,000	Par	103,995	106,394
	GENERAL ELECTRIC CORP	Due	12/06/2017	5.25 %	100,000	Par	100,000	114,776
	PROCTER & GAMBLE CO	Due	08/15/2014	4.95 %	150,000	Par	144,675	166,433
*	JP MORGAN PRIME MONEY MARKET FD				412,511	Par	412,511	412,511
Total 401(h) Account							\$2,638,693	\$2,775,902

* Denotes party-in-interest.

The data on this schedule has been certified as complete and accurate by JPMorgan Chase Bank, N.A., the custodian of the Plan (with the exception of the limited partnership investments and DFA Emerging Markets Value Portfolio).

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 31-4316080 / Plan Number 001

Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2011

Identity of party involved (a)	Description of assets (b)	Purchase price (c)	Selling price (d)	Cost of asset (g)	Value of asset on transaction date (h)	Net loss (i)
Category (iii) - Series of transactions in excess of 5% of plan assets						
Short-term money market funds						
* JP Morgan Prime money market fund	77,137,123 units; 237 transactions	\$77,137,123	\$ -	\$77,137,123	\$77,137,123	\$ -
* JP Morgan Prime money market fund	73,535,180 units; 177 transactions	\$ -	\$73,535,180	\$73,535,180	\$73,535,180	\$ -

Notes:

There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2011.

* Denotes party-in-interest.