

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 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <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>	
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1c Effective date of plan <u>07/01/1945</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>STATE AUTO PROPERTY & CASUALTY INSURANCE COMPANY</u> <u>518 E. BROAD STREET</u> <u>COLUMBUS, OH 43215</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>57-6010814</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>614-464-5000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>524150</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>57-6010814</u>	2c Sponsor's telephone number <u>614-464-5000</u>	2d Business code (see instructions) <u>524150</u>	
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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. Signature of plan administrator	04/11/2014 Date	PETER LOVE Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	04/11/2014 Date	PETER LOVE Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number 																											
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 STATE AUTOMOBILE MUTUAL INSURANCE COMPANY		4b EIN 31-4316080 4c PN 001																											
5 Total number of participants at the beginning of the plan year		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">5</td> <td style="text-align: right;">4049</td> </tr> </table>	5	4049																									
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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).		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="background-color: #cccccc; height: 20px;"></td> </tr> <tr> <td style="width: 10%; text-align: center;">6a</td> <td style="text-align: right;">1552</td> </tr> <tr> <td style="text-align: center;">6b</td> <td style="text-align: right;">1176</td> </tr> <tr> <td style="text-align: center;">6c</td> <td style="text-align: right;">1060</td> </tr> <tr> <td style="text-align: center;">6d</td> <td style="text-align: right;">3788</td> </tr> <tr> <td style="text-align: center;">6e</td> <td style="text-align: right;">174</td> </tr> <tr> <td style="text-align: center;">6f</td> <td style="text-align: right;">3962</td> </tr> <tr> <td style="text-align: center;">6g</td> <td></td> </tr> <tr> <td style="text-align: center;">6h</td> <td style="text-align: right;">51</td> </tr> </table>			6a	1552	6b	1176	6c	1060	6d	3788	6e	174	6f	3962	6g		6h	51									
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6h	51																												
a Active participants.....																													
b Retired or separated participants receiving benefits.....																													
c Other retired or separated participants entitled to future benefits.....																													
d Subtotal. Add lines 6a , 6b , and 6c																													
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....																													
f Total. Add lines 6d and 6e																													
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....																													
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....																													
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">7</td> <td></td> </tr> </table>	7																										
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1G																													
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:																													
9a Plan funding arrangement (check all that apply) <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☐</td> <td>Insurance</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>Code section 412(e)(3) insurance contracts</td> </tr> <tr> <td>(3)</td> <td>☒</td> <td>Trust</td> </tr> <tr> <td>(4)</td> <td>☐</td> <td>General assets of the sponsor</td> </tr> </table>		(1)	☐	Insurance	(2)	☐	Code section 412(e)(3) insurance contracts	(3)	☒	Trust	(4)	☐	General assets of the sponsor	9b Plan benefit arrangement (check all that apply) <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☐</td> <td>Insurance</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>Code section 412(e)(3) insurance contracts</td> </tr> <tr> <td>(3)</td> <td>☒</td> <td>Trust</td> </tr> <tr> <td>(4)</td> <td>☐</td> <td>General assets of the sponsor</td> </tr> </table>	(1)	☐	Insurance	(2)	☐	Code section 412(e)(3) insurance contracts	(3)	☒	Trust	(4)	☐	General assets of the sponsor			
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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 <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☒</td> <td>R (Retirement Plan Information)</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</td> </tr> <tr> <td>(3)</td> <td>☒</td> <td>SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</td> </tr> </table>		(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 <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☒</td> <td>H (Financial Information)</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>I (Financial Information – Small Plan)</td> </tr> <tr> <td>(3)</td> <td>☐</td> <td>A (Insurance Information)</td> </tr> <tr> <td>(4)</td> <td>☒</td> <td>C (Service Provider Information)</td> </tr> <tr> <td>(5)</td> <td>☐</td> <td>D (DFE/Participating Plan Information)</td> </tr> <tr> <td>(6)</td> <td>☐</td> <td>G (Financial Transaction Schedules)</td> </tr> </table>	(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)
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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 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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 AUTO PROPERTY & CASUALTY INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>57-6010814</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>2012</u>	
2 Assets:	
a Market value	2a <u>246753872</u>
b Actuarial value	2b <u>246869911</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>1282</u> (1) Number of participants <u>102723473</u> (2) Funding Target
b For terminated vested participants.....	3b <u>1045</u> <u>33113186</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>4939056</u>
(2) Vested benefits.....	3c(2) <u>88755274</u>
(3) Total active	3c(3) <u>1734</u> <u>93694330</u>
d Total	3d <u>4061</u> <u>229530989</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>7.08 %</u>
6 Target normal cost.....	6 <u>7689608</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>09/10/2013</u>
Signature of actuary		Date
<u>JAMES P. VAN VLEET</u>		<u>11-05701</u>
Type or print name of actuary		Most recent enrollment number
<u>MASSMUTUAL RETIREMENT SERVICES</u>		<u>614-659-0116</u>
Firm name		Telephone number (including area code)
<u>40 VILLAGE POINTE DRIVE</u> <u>POWELL, OH 43065</u>		
Address of the firm		

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

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

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	17471872	3138160
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	15163163	0
9 Amount remaining (line 7 minus line 8)	2308709	3138160
10 Interest on line 9 using prior year's actual return of <u>3.93</u> %	90732	123330
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		14585155
b Interest on (a) using prior year's effective interest rate of <u>6.01</u> % except as otherwise provided (see instructions)		
c Total available at beginning of current plan year to add to prefunding balance		14585155
d Portion of (c) to be added to prefunding balance		11677991
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	2399441	14939481

Part III Funding Percentages		
14 Funding target attainment percentage	14	100.00 %
15 Adjusted funding target attainment percentage	15	100.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/07/2013	5000000				
04/09/2013	5000000				
07/19/2013	5000000				
07/30/2013	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	18186290
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No		
c If line 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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ 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 subject to 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	
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	7689608	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment			
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	7689608	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	2399441	4216062	6615503
36 Additional cash requirement (line 34 minus line 35)	36	1074105	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	18186290	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	17112185	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	6615503	
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 an election was made to use PRA 2010 funding relief for this plan:			
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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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 AUTO PROPERTY & CASUALTY INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>57-6010814</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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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	350647	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	131808	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	80771	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 ☒	21547	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	21547
(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: DOUGLAS A. GIBBY	b EIN: 26-1589907
c Position: ACTUARY	
d Address: 40 VILLIAGE POINTE DRIVE POWELL, OH 43065	e Telephone: 614-726-4414

Explanation: RETIREMENT

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 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
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 AUTO PROPERTY & CASUALTY INSURANCE COMPANY		D Employer Identification Number (EIN) 57-6010814

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	2120935	1944200
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	20000000	20000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	779853	683702
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	6176601	6992060
(2) U.S. Government securities.....	1c(2)	68168798	68917801
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	17146323	11678715
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	111118804	130513514
(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)		996870
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	24483853	30844111

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	249995167	272570973

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	33725	20068
k Total liabilities (add all amounts in lines 1g through 1j)	1k	33725	20068

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	249961442	272550905
---	----	-----------	-----------

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 Contributions:**

		(a) Amount	(b) Total
(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)	3765344	
(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)		3765344

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2817998	
(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)		2817998

(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

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	14727227	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		14727227

		(a) Amount	(b) Total
(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		
d Total income. Add all income amounts in column (b) and enter total.....	2d		41310569

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	18127067	
(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)		18127067
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)	594039	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		594039
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		18721106

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		22589463
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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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.			

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)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

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 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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 AUTO PROPERTY & CASUALTY INSURANCE COMPANY</u>	D Employer Identification Number (EIN) <u>57-6010814</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
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 <u>0</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

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) 2012
v. 120126

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 53% Investment-Grade Debt: 35% High-Yield Debt: _____% Real Estate: _____% Other: 12%

- 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 line 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, 2012 and 2011
with Independent Auditors' Report*

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Audited Financial Statements and Supplemental Schedules

December 31, 2012 and 2011

Contents

Independent Auditors' Report.....	1
Audited Financial Statements	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to the Financial Statements.....	4
Supplemental Schedules	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	13
Schedule H, Line 4j - Schedule of Reportable Transactions.....	19

Independent Auditors' Report

Benefits Committee
State Auto Insurance Companies Employee Retirement Plan
Columbus, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the State Auto Insurance Companies Employee Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 held the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule of Assets (Held at End of Year) and Schedule of Reportable Transactions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the 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 the Employee Retirement Income Security Act of 1974.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
September 13, 2013

4449 easton way, 4th floor
columbus, oh 43219

www.cshco.com
p. 614.885.2208
f. 614.885.8159

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

	December 31	
	<u>2012</u>	<u>2011</u>
Assets		
Cash.....	\$ 1,944,200	2,120,935
Investments, at fair value:		
U.S. treasury securities and U.S. government agencies.....	46,659,504	38,674,679
Corporate obligations	11,399,689	16,865,115
U.S. government agencies mortgage-backed securities.....	21,408,160	27,411,937
Equity securities	130,513,514	111,118,804
Limited partnerships.....	30,844,111	24,483,853
Short-term money market funds	6,233,587	5,764,089
<i>Total investments</i>	<u>247,058,565</u>	<u>224,318,477</u>
Contribution receivable	20,000,000	20,000,000
Accrued investment income	665,309	764,849
Assets held for Group Comprehensive Medical Insurance Plan for Employees (401(h) Account)	2,884,506	2,775,902
Accrued investment income (401(h) Account).....	18,393	15,004
<i>Total assets</i>	<u>272,570,973</u>	<u>249,995,167</u>
Liabilities		
Amount due to Group Comprehensive Medical Insurance Plan for Employees (401(h) Account)	2,902,899	2,790,907
Accrued liabilities.....	20,068	33,725
<i>Total liabilities</i>	<u>2,922,967</u>	<u>2,824,632</u>
Net assets available for benefits	<u>\$269,648,006</u>	<u>247,170,535</u>

See accompanying notes.

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

	Year Ended December 31	
	<u>2012</u>	<u>2011</u>
Employer contributions	\$20,000,000	20,000,000
Investment income:		
Interest and dividends.....	6,514,834	6,322,126
Net appreciation in fair value of investments	14,683,743	2,825,135
<i>Total investment income</i>	21,198,577	9,147,261
<i>Total income</i>	41,198,577	29,147,261
Administrative expenses.....	594,039	567,633
Benefits paid directly to participants and beneficiaries.....	18,127,067	16,015,336
<i>Total deductions</i>	18,721,106	16,582,969
<i>Net increase</i>	22,477,471	12,564,292
<u>Net assets available for benefits:</u>		
Beginning of year	247,170,535	234,606,243
End of year	<u>\$269,648,006</u>	<u>247,170,535</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 a life annuity for unmarried participants and joint and survivor annuity for married participants; however, other optional payment methods 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.

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 2012 and 2011). 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, 2012 and 2011.

Administrative Expenses

The Plan paid investment management fees of \$594,039 and \$567,633 for the years ended December 31, 2012 and 2011, respectively. Certain expenses are paid by the Company and are excluded from these financial statements.

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

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. The Company adopted this guidance at January 1, 2012, and it did not have a material impact on the financial statements.

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, 2012 and 2011.

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 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, 2012 and 2011, 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.

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

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.

The table below summarizes the Plan's investments within the fair value hierarchy at December 31, 2012 and 2011:

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
At December 31, 2012:	Total			
Fixed maturities:				
U.S. treasury securities and U.S. government agencies	\$ 46,659,504	-	46,659,504	-
Corporate obligations	11,399,689	-	11,399,689	-
U.S. government agencies mortgage-backed securities	21,408,160	-	21,408,160	-
<i>Total fixed maturities</i>	79,467,353	-	79,467,353	-
Equity securities:			-	-
Large-cap equity securities	93,483,506	93,483,506	-	-
Small-cap equity securities	37,030,008	37,030,008	-	-
<i>Total equity securities</i>	130,513,514	130,513,514	-	-
Limited partnerships	30,844,111	-	30,844,111	-
Short-term money market funds	6,233,587	6,233,587	-	-
<i>Total</i>	\$247,058,565	136,747,101	110,311,464	-

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

		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	-

The following tables summarize investments measured at fair value based on net asset value (NAV) per share as of December 31, 2012 and 2011, respectively:

At December 31, 2012	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Limited partnerships	\$ 30,844,111	n/a	Daily	30 days
At December 31, 2011	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Limited partnerships	\$ 24,483,853	n/a	Daily	30 days

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

During 2012 and 2011, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated in value as follows:

	Year Ended	
	2012	2011
Level 1:		
Equity securities	\$ 9,927,101	269,620
Level 2:		
U.S. treasury securities and U.S. government agencies.....	1,294,624	2,592,659
U.S. government agencies mortgage-backed securities.....	(361,371)	552,244
Corporate obligations	316,356	290,458
Limited partnerships	3,507,033	(879,846)
<i>Total realized and unrealized appreciation</i>	\$14,683,743	2,825,135

The following investments, at fair value, represented 5% or more of assets available for benefits as of December 31, 2012 and 2011:

	December 31	
	2012	2011
Equity securities:		
DFA Emerging Mrkts Value Port	\$ 14,216,784	*
Limited partnerships:		
Silchester International Investors	16,811,995	13,514,098
Mondrian Intl Equity Fund.....	14,032,116	*

*Value is less than 5% of net assets available for benefits.

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, 2012 and 2011 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, 2012 and 2011. Significant assumptions underlying the actuarial computations for 2012 and 2011 include: (a) assumed rate of return on investments of 7.0% in 2012 and 8.0% in 2011, (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) assumed mortality rate based on the 2012 IRS Annuitant and Nonannuitant tables for males and females in 2012 and RP-2000 Combined Healthy Table for males and females in 2011, and (d) employee turnover based upon 75% Financial Institution Termination Study Table.

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Notes to the Financial Statements, Continued

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	
	2012	2011
Actuarial present value of accumulated benefits:		
Vested:		
Participants currently receiving benefits	\$101,281,656	88,147,601
Other participants	125,132,768	99,515,028
<i>Total vested</i>	226,414,424	187,662,629
Non-vested	5,166,807	4,595,198
<i>Total actuarial present value of accumulated benefits</i>	\$231,581,231	192,257,827

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	
	2012	2011
Actuarial present value of accumulated pension benefits as of		
January 1, 2011 and 2010, respectively	\$192,257,827	222,468,136
Increase (decrease) during the year attributable to:		
Pension benefits accumulated	9,391,974	11,621,397
Interest accumulated	14,740,013	14,199,939
Pension benefits paid	(16,015,336)	(15,286,065)
Change in actuarial assumption	31,206,753	(40,745,580)
<i>Actuarial present value of accumulated pension benefits as of</i>		
<i>January 1, 2012 and 2011, respectively</i>	\$231,581,231	192,257,827

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, 2012, 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 2009.

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

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, 2012 and 2011:

	2012	2011
Net assets available for benefits per the financial statements	\$269,648,006	247,170,535
401(h) Account net assets included in Form 5500.....	2,902,899	2,790,907
<i>Net assets available for benefits per the 5500</i>	<u>\$272,550,905</u>	<u>249,961,442</u>

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

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, 2012 and 2011:

	Financial statements	401(h) Account	Form 5500
	2012		
Interest, dividends and other investment income	\$ 6,514,834	68,508	6,583,342
Net appreciation in fair value of investments.....	14,683,743	43,484	14,727,227
	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

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 13, 2013, which represented the date the financial statements were available to be issued.

Supplemental Schedules

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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. treasury securities and U.S. government agencies									
	FEDERAL FARM CREDIT BANK	Due	12/16/2015	4.88	%	1,000,000	Par	\$ 990,610	\$ 1,128,670
	FEDERAL FARM CREDIT BANK	Due	06/16/2032	4.50	%	500,000	Par	502,235	600,300
	FEDERAL FARM CREDIT BANK	Due	10/05/2026	2.57	%	1,000,000	Par	1,001,290	1,010,320
	FEDERAL FARM CREDIT BANK	Due	09/20/2021	2.18	%	500,000	Par	500,000	502,345
	FEDERAL HOME LOAN BANK	Due	04/25/2026	4.38	%	1,000,000	Par	1,044,200	1,236,200
	FEDERAL HOME LOAN BANK	Due	03/13/2026	4.38	%	1,500,000	Par	1,533,870	1,831,155
	FEDERAL HOME LOAN MTG CORP	Due	08/28/2014	0.38	%	500,000	Par	500,625	500,880
	FEDERAL NATIONAL MTG ASSN	Due	08/07/2018	5.24	%	500,000	Par	511,930	514,470
	US TREASURY	Due	12/31/2015	2.13	%	2,000,000	Par	2,107,500	2,104,540
	US TREASURY	Due	11/30/2017	2.25	%	3,000,000	Par	3,232,500	3,225,930
	US TREASURY NOTES	Due	02/15/2022	2.00	%	1,000,000	Par	1,044,844	1,034,140
	US TREASURY TIPS	Due	01/15/2016	2.00	%	2,500,000	Par	2,534,581	3,230,509
	US TREASURY TIPS	Due	07/15/2016	2.25	%	2,500,000	Par	2,784,226	3,290,820
	US TREASURY TIPS	Due	01/15/2017	2.38	%	1,500,000	Par	1,534,303	1,999,755
	US TREASURY TIPS	Due	01/15/2018	2.63	%	500,000	Par	511,090	640,286
	US TREASURY TIPS	Due	01/15/2021	1.13	%	600,000	Par	623,521	745,197
	US TREASURY TIPS	Due	01/15/2025	2.00	%	1,000,000	Par	1,060,470	1,655,428
	US TREASURY TIPS	Due	01/15/2026	2.00	%	2,000,000	Par	2,054,674	3,056,791
	US TREASURY TIPS	Due	01/15/2027	2.38	%	2,000,000	Par	2,057,021	3,162,963
	US TREASURY TIPS	Due	01/15/2028	1.75	%	1,000,000	Par	939,572	1,429,280
	US TREASURY TIPS	Due	02/15/2040	2.13	%	1,000,000	Par	1,142,304	1,570,377
	US TREASURY TIPS	Due	02/15/2041	2.13	%	500,00	Par	550,616	779,880
	US TREASURY TIPS	Due	02/15/2042	0.75	%	2,000,000	Par	2,115,085	2,242,374
	COLUMBUS OH GO	Due	06/01/2024	4.71	%	1,490,000	Par	1,655,673	1,584,213
	FRANKLIN CNTY OH	Due	12/01/2033	5.86	%	500,000	Par	558,750	586,230
	MONTGOMERY CO VA ECON DEV AUTH	Due	06/01/2028	5.52	%	1,000,000	Par	1,019,200	1,106,250
	SALT LAKE CNTY UTAH SALES TAX	Due	11/01/2020	3.50	%	1,305,000	Par	1,329,247	1,417,178
	SAN ANTONIO TX	Due	08/15/2028	4.00	%	1,500,000	Par	1,626,570	1,619,355
	TENN VALLEY AUTH	Due	07/15/2033	4.70	%	500,000	Par	508,190	608,510
	TX ST	Due	04/01/2026	4.27	%	1,010,000	Par	1,055,309	1,171,398
	UTAH ST	Due	07/01/2025	4.27	%	1,000,000	Par	1,045,520	1,073,760
Total U.S. treasury securities and U.S. government agencies								\$39,675,526	\$46,659,504

* 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 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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	%	178,352	Par	\$ 173,503	\$ 181,825	
FHLMC	Due	12/01/2021	5.00	%	341,477	Par	339,076	367,548	
FHLMC	Due	04/01/2024	4.50	%	809,580	Par	793,894	885,831	
FNMA	Due	09/01/2014	5.50	%	139,808	Par	141,119	150,244	
FNMA	Due	05/01/2020	4.75	%	1,306,447	Par	1,349,723	1,537,057	
FNMA	Due	11/01/2026	5.50	%	387,201	Par	383,208	421,431	
GNMA	Due	01/15/2043	7.25	%	2,929,816	Par	2,992,075	2,959,548	
GNMA	Due	04/15/2048	6.55	%	1,046,548	Par	1,127,002	1,107,823	
GNMA	Due	03/15/2050	6.25	%	2,965,980	Par	3,029,007	3,246,939	
GNMA	Due	12/15/2050	6.72	%	4,960,341	Par	5,078,149	5,407,654	
COULEE MEDICAL FOUNDATION	Due	04/20/2036	6.50	%	4,734,000	Par	4,734,000	5,142,260	
U.S. government agencies mortgage-backed securities							\$20,141,756	\$21,408,160	
Corporate obligations									
AT&T INC	Due	02/01/2018	5.50	%	2,000,000	Par	\$ 2,000,000	\$ 2,382,580	
CONOCOPHILLIPS	Due	10/15/2032	5.90	%	500,000	Par	547,725	640,670	
DEERE & CO	Due	10/16/2029	5.38	%	500,000	Par	537,410	640,060	
DUKE ENERGY CORP	Due	08/15/2022	3.05	%	1,000,000	Par	1,004,200	1,017,880	
GENERAL ELECTRIC CAPITAL CORP	Due	03/15/2032	6.75	%	1,000,000	Par	1,292,110	1,298,730	
INTEL CORP	Due	10/01/2041	4.80	%	500,000	Par	514,525	550,305	
IBM CORPORATION	Due	06/15/2013	7.50	%	1,000,000	Par	1,048,170	1,033,370	
IBM CORPORATION	Due	11/29/2032	5.88	%	500,000	Par	567,505	663,705	
MICROSOFT CORP	Due	06/01/2039	5.20	%	500,000	Par	584,995	611,835	
* STATE AUTO FINANCIAL CORP	Due	11/15/2013	6.25	%	220,000	Par	178,200	224,774	
UNITED PARCEL SERVICE	Due	01/15/2018	5.50	%	1,000,000	Par	1,013,040	1,201,500	
VERIZON COMMUNICATIONS	Due	11/01/2041	4.75	%	1,000,000	Par	1,011,550	1,134,280	
Total corporate obligations							\$10,299,430	\$11,399,689	

* 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 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
Equity securities				
	ADVENT SOFTWARE INC	25,713 Shares	\$609,963	\$549,744
	AEROVIRONMENT	14,258 Shares	364,856	309,969
	APPLE INC	5,500 Shares	3,205,543	2,926,951
	AMERISAFE INC	26,575 Shares	495,431	724,169
	APPLIED INDUSTRIAL TECH	7,033 Shares	271,873	295,456
	ARGO GROUP INTL HOLDINGS LTD	9,157 Shares	295,261	307,584
	ARUBA NETWORKS INC	39,263 Shares	733,261	814,315
	ATMI INC	31,803 Shares	588,588	664,047
	AT&T INC	40,000 Shares	1,409,900	1,348,400
	AUTOMATIC DATA PROCESSING	17,500 Shares	754,341	996,275
	BANK NEW YORK MELLON CORP	35,000 Shares	755,382	899,500
	BJ'S RESTAURANTS INC	8,525 Shares	398,869	280,473
	BLACKROCK	12,500 Shares	2,306,382	2,583,875
	BONANZA CREEK ENERGY INC	9,007 Shares	231,761	250,305
	CATERPILLAR INC	5,000 Shares	584,834	448,042
	CADENCE DESIGN SYSTEMS INC	40,116 Shares	456,704	541,967
	CARDTRONICS INC	18,014 Shares	248,525	427,652
	CENTURYLINK	35,000 Shares	1,226,484	1,369,200
	CHEVRON CORP	30,000 Shares	2,585,137	3,244,200
	COCA-COLA COMPANY	50,000 Shares	1,537,401	1,812,500
	COLUMBIA BANKING SYSTEM INC	27,226 Shares	448,691	488,434
	COMFORT SYSTEMS USA	14,979 Shares	188,008	182,145
	COMMVAULT SYSTEMS INC	16,944 Shares	319,733	1,180,360
	CROCS INC	58,510 Shares	636,677	841,959
	CSX CORP	45,000 Shares	1,054,238	887,850
	DEERE & CO	25,000 Shares	1,303,869	2,160,500
	DEVON ENERGY CORP	40,000 Shares	2,522,091	2,081,600
	DFA EMERGING MRKTS VALUE PORT	476,434 Shares	13,142,348	14,216,784
	DIAMONDBACK ENERGY INC	4,300 Shares	75,250	82,216
	DU PONT & CO	37,500 Shares	1,645,077	1,686,694
	DUFF & PHELPS CORP	40,534 Shares	661,579	633,141
	DUNKIN BRANDS GROUP INC	14,187 Shares	394,481	470,725
	EMCOR GROUP INC	10,498 Shares	304,721	363,336
	EMPLOYERS HOLDINGS INC	24,955 Shares	427,938	513,574
	EXELON CORP	30,000 Shares	1,201,563	892,200
	EXACTTARGET INC	25,043 Shares	579,869	500,860
	FEDEX CORP	10,000 Shares	752,229	917,200
	FEI COMPANY	9,793 Shares	449,909	543,222

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
	FORUM ENERGY TECHNOLOGIES INC	13,938	Shares	293,861	344,966
	FREEPORT MCMORAN	50,000	Shares	1,983,948	1,710,000
	GENERAC HOLDINGS INC	19,226	Shares	553,519	659,644
	GENERAL DYNAMICS	40,000	Shares	2,494,937	2,770,800
	GENERAL ELECTRIC CORP	70,000	Shares	1,682,482	1,469,300
	GEOSPACE TECHNOLOGIES CORP	4,404	Shares	308,469	391,383
	GRAFTECH INTERNATIONAL LTD	50,671	Shares	757,133	475,801
	GREAT LAKES DREDGE & DOCK CO	35,305	Shares	247,459	315,270
	GUIDEWIRE SOFTWARE INC	18,531	Shares	450,623	550,741
	HAEMONETICS CORP	14,166	Shares	432,396	578,539
	THE HARTFORD FINANCIAL SERVICES GROUP	20,000	Shares	355,874	448,800
	HARRIS CORP	35,000	Shares	1,348,931	1,713,600
	HEALTHCARE SERVICES GROUP	31,425	Shares	530,520	730,003
	HEINZ H J CO	25,000	Shares	1,338,399	1,442,000
	HIBBETT SPORTS INC	7,394	Shares	319,334	389,664
	HOME BANCSHARES INC	16,307	Shares	328,459	538,457
	HOMEAWAY INC	11,066	Shares	273,614	243,452
	HONEYWELL INTL INC	20,000	Shares	1,159,446	1,269,400
	IBERIABANK CORP	10,818	Shares	538,500	531,380
	ICON PLC	19,839	Shares	422,786	550,731
	ICU MEDICAL INC	9,504	Shares	423,843	579,079
	INTEL CORP	100,000	Shares	2,211,722	2,062,000
	INFOBLOX INC	14,461	Shares	291,352	259,864
	INNERWORKINGS INC	35,875	Shares	472,933	494,358
	IBM CORPORATION	7,500	Shares	564,485	1,436,625
	J2 GLOBAL INC	29,711	Shares	859,591	909,157
	JACK IN THE BOX INC	8,405	Shares	241,090	240,383
*	JP MORGAN CHASE & CO	35,000	Shares	1,232,612	1,538,918
	KAISER ALUMINUM CORP	6,112	Shares	296,684	377,049
	KOHL’S CORP	30,000	Shares	1,316,664	1,289,400
	KOPPERS HOLDINGS INC	4,337	Shares	163,847	165,457
	KORN/FERRY INTL	14,117	Shares	240,566	223,896
	L3 COMMUNICATIONS HLDG	20,000	Shares	1,413,458	1,532,400
	LAREDO PETROLEUM INC	21,395	Shares	383,559	388,533
	LTX CREDENCE CORP	68,794	Shares	468,506	451,289
	MACQUARIE INFRASTRUCTURE CO	6,278	Shares	276,044	286,026
	MARATHON OIL CORP	40,000	Shares	776,649	1,226,400
	MARATHON PETROLEUM CORP	65,000	Shares	2,009,719	4,095,000
	MATTRESS FIRM HLDG	16,491	Shares	503,591	404,524

* 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 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
	MCDONALDS CORP	11,500 Shares	682,424	1,014,415
	MEADWESTVACO CORP	70,000 Shares	1,814,347	2,230,900
	MEDNAX INC	9,222 Shares	503,169	733,333
	MERCK & CO INC	40,000 Shares	1,452,353	1,637,600
	MICROSOFT CORP	50,000 Shares	1,274,413	1,335,485
	MKS INSTRUMENTS INC	19,690 Shares	540,774	507,608
	MONOTYPE IMAGING HOLDINGS INC	37,156 Shares	348,383	593,753
	MONRO MUFFLER BRAKE	16,183 Shares	538,984	564,788
	NATIONAL-OILWELL VARCO INC	15,000 Shares	1,055,674	1,025,250
	NETGEAR INC	13,237 Shares	452,192	521,935
	NIKE INC - CL B	25,000 Shares	515,701	1,290,000
	NORFOLK SOUTHERN CORP	40,000 Shares	2,534,647	2,473,600
	NXSTAGE MEDICAL INC	50,266 Shares	558,782	565,494
	OASIS PETROLEUM INC	14,425 Shares	370,113	458,715
	OCEANEERING INTL INC	4,645 Shares	124,015	249,855
	OIL STATES INTL INC	3,420 Shares	217,095	244,667
	OLD DOMINION FREIGHT LINE INC	6,246 Shares	95,363	214,112
	OLYMPIC STEEL INC	13,836 Shares	378,946	306,329
	PAREXEL INTL CORP	19,767 Shares	426,591	584,905
	PEPSICO INC	27,500 Shares	1,436,009	1,881,826
	PPL CORP	40,000 Shares	1,093,212	1,145,200
	PROCTER & GAMBLE CO	35,000 Shares	1,966,107	2,376,150
	QLIK TECHNOLOGIES INC	33,202 Shares	738,455	721,147
	QUALCOMM INC	47,500 Shares	2,182,092	2,938,331
	REALPAGE INC	1,182 Shares	23,161	25,495
	S&P 500 SPDR	10,000 Shares	1,325,012	1,424,100
	SCBT FINANCIAL CORP	8,057 Shares	247,680	323,730
	SCHLUMBERGER LTD	25,000 Shares	1,609,248	1,732,466
	SHUTTERFLY INC	16,171 Shares	454,239	483,027
	SILICON LABS INC	17,099 Shares	735,785	714,726
	SKECHERS USA INC	23,860 Shares	448,619	440,855
	SMITH & WESSON HOLDING CORP	15,188 Shares	144,073	128,186
	STEVEN MADDEN LTD	12,241 Shares	464,483	517,427
	SUPERIOR ENERGY SERVICES INC	6,461 Shares	196,326	133,872
	SYNCHRONOSS TECHNOLOGIES INC	14,463 Shares	327,981	305,024
	TANGOE INC	25,631 Shares	378,409	304,240
	TARGET CORP	40,000 Shares	2,136,799	2,366,800
	THERMON GROUP HOLDINGS	15,421 Shares	359,613	347,435
	THORATEC CORP	15,008 Shares	482,249	563,100

* 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 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
	TITAN INTL INC ILL	28,053	Shares			607,382	609,311
	UMPQUA HOLDINGS CORP	32,950	Shares			380,416	388,480
	UNDER ARMOUR INC	9,602	Shares			347,308	465,985
	UNION PACIFIC CORP	18,500	Shares			1,980,461	2,325,820
	UNIVERSAL STAINLESS & ALLOY	6,835	Shares			242,213	251,323
	UNITED PARCEL SERVICE	20,000	Shares			1,480,417	1,474,600
	UNITED TECHNOLOGIES CORP	10,000	Shares			587,168	820,100
	VERIZON COMMUNICATIONS	35,000	Shares			1,016,710	1,514,450
	VITAMIN SHOPPE INC	6,491	Shares			276,008	372,324
	VOCUS INC	48,225	Shares			742,834	838,150
	VOLCANO CORP	16,910	Shares			439,848	399,245
	WATTS WATER TECHNOLOGIES	500	Shares			20,825	21,495
	WEB.COM GROUP INC	37,635	Shares			626,118	556,998
	WELLCARE HEALTH PLANS	9,126	Shares			520,893	444,345
	WHITEWAVE FOODS	5,360	Shares			96,604	83,294
Total equity securities						\$115,135,095	\$130,513,514
Limited partnerships							
	MONDRIAN INTL EQUITY FUND	579,503	Shares			\$14,493,811	\$14,032,116
	SILCHESTER INTERNATIONAL INVESTORS	219,496	Shares			12,896,321	16,811,995
Total limited partnerships						\$27,390,132	\$30,844,111
Short-term money market funds							
*	JP MORGAN PRIME MONEY MARKET FD	6,233,587	Par			\$6,233,587	\$6,233,587
Total investments						\$218,874,526	\$247,058,565
401(h) Account							
	FEDERAL FARM CREDIT BANK	Due	02/04/2013	2.15 %	250,000 Par	249,813	\$ 250,450
	FEDERAL HOME LOAN BANK	Due	09/27/2013	4.11 %	100,000 Par	103,995	102,889
	US TREASURY TIPS	Due	01/15/2021	1.13 %	400,000 Par	415,680	496,798
	GENERAL ELECTRIC CAPITAL CORP	Due	12/06/2017	5.25 %	100,000 Par	100,000	117,915
	PROCTOR & GAMBLE CO	Due	08/15/2014	4.95 %	150,000 Par	144,675	161,111
	S&P 500 SPDR				7,000 Shares	959,626	996,870
*	JP MORGAN PRIME MONEY MARKET FD				758,473 Par	758,473	758,473
Total 401(h) Account						\$2,732,262	\$2,884,506

* 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 57-6010814 / Plan Number 001

Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2012

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	73,551,287 units; 261 transactions	\$73,551,287	\$ -	\$73,551,287	\$73,551,287	\$ -
* JP Morgan Prime money market fund	72,735,828 units; 167 transactions	\$ -	\$72,735,828	\$72,735,828	\$72,735,828	\$ -
Notes:						
There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2012.						
* Denotes party-in-interest.						

State Auto Insurance Companies Employee Retirement Plan
EIN: 57-6010814 Plan: 001

Schedule SB- Line 19 Discounted Employer Contributions

The following employer contributions for the prior plan year were made or will be made by the dates below:

Effective Interest Rate: 7.08%

Date	Amount	Amount Discounted To 01/01/2012	Receivables Discounted to 01/01/2013
03/07/2013	\$ 5,000,000	\$ 4,613,022	\$ 4,939,624
04/09/2013	5,000,000	4,584,658	4,909,252
07/19/2013	5,000,000	4,498,925	4,817,449
07/30/2013	<u>5,000,000</u>	<u>4,489,685</u>	<u>4,807,555</u>
	\$ 20,000,000	\$ 18,186,290	\$ 19,473,880

September 11, 2013

Mr. Douglas A. Gibby
40 Village Pointe Drive
Powell, OH 43065

Notice to Enrolled Actuary

I, Beth Bridgman, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2012 Form 5500 Annual Return/Report of Employee Benefit Plan, for the State Auto Insurance Companies Employee Retirement Plan. This Form 5500 is identified in line 2b by the nine-digit EIN 57-6010814, and in line 1b by the three-digit PN 001.

Reason for termination: Retirement

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the plan and be submitted to: Office of Enforcement, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

A handwritten signature in cursive script that reads "Beth Bridgman".

Beth Bridgman
Total Rewards Consultant

State Auto Insurance Companies Employee Retirement Plan
EIN: 57-6010814 Plan: 001

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
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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. treasury securities and U.S. government agencies									
	FEDERAL FARM CREDIT BANK	Due	12/16/2015	4.88	%	1,000,000	Par	\$ 990,610	\$ 1,128,670
	FEDERAL FARM CREDIT BANK	Due	06/16/2032	4.50	%	500,000	Par	502,235	600,300
	FEDERAL FARM CREDIT BANK	Due	10/05/2026	2.57	%	1,000,000	Par	1,001,290	1,010,320
	FEDERAL FARM CREDIT BANK	Due	09/20/2021	2.18	%	500,000	Par	500,000	502,345
	FEDERAL HOME LOAN BANK	Due	04/25/2026	4.38	%	1,000,000	Par	1,044,200	1,236,200
	FEDERAL HOME LOAN BANK	Due	03/13/2026	4.38	%	1,500,000	Par	1,533,870	1,831,155
	FEDERAL HOME LOAN MTG CORP	Due	08/28/2014	0.38	%	500,000	Par	500,625	500,880
	FEDERAL NATIONAL MTG ASSN	Due	08/07/2018	5.24	%	500,000	Par	511,930	514,470
	US TREASURY	Due	12/31/2015	2.13	%	2,000,000	Par	2,107,500	2,104,540
	US TREASURY	Due	11/30/2017	2.25	%	3,000,000	Par	3,232,500	3,225,930
	US TREASURY NOTES	Due	02/15/2022	2.00	%	1,000,000	Par	1,044,844	1,034,140
	US TREASURY TIPS	Due	01/15/2016	2.00	%	2,500,000	Par	2,534,581	3,230,509
	US TREASURY TIPS	Due	07/15/2016	2.25	%	2,500,000	Par	2,784,226	3,290,820
	US TREASURY TIPS	Due	01/15/2017	2.38	%	1,500,000	Par	1,534,303	1,999,755
	US TREASURY TIPS	Due	01/15/2018	2.63	%	500,000	Par	511,090	640,286
	US TREASURY TIPS	Due	01/15/2021	1.13	%	600,000	Par	623,521	745,197
	US TREASURY TIPS	Due	01/15/2025	2.00	%	1,000,000	Par	1,060,470	1,655,428
	US TREASURY TIPS	Due	01/15/2026	2.00	%	2,000,000	Par	2,054,674	3,056,791
	US TREASURY TIPS	Due	01/15/2027	2.38	%	2,000,000	Par	2,057,021	3,162,963
	US TREASURY TIPS	Due	01/15/2028	1.75	%	1,000,000	Par	939,572	1,429,280
	US TREASURY TIPS	Due	02/15/2040	2.13	%	1,000,000	Par	1,142,304	1,570,377
	US TREASURY TIPS	Due	02/15/2041	2.13	%	500,00	Par	550,616	779,880
	US TREASURY TIPS	Due	02/15/2042	0.75	%	2,000,000	Par	2,115,085	2,242,374
	COLUMBUS OH GO	Due	06/01/2024	4.71	%	1,490,000	Par	1,655,673	1,584,213
	FRANKLIN CNTY OH	Due	12/01/2033	5.86	%	500,000	Par	558,750	586,230
	MONTGOMERY CO VA ECON DEV AUTH	Due	06/01/2028	5.52	%	1,000,000	Par	1,019,200	1,106,250
	SALT LAKE CNTY UTAH SALES TAX	Due	11/01/2020	3.50	%	1,305,000	Par	1,329,247	1,417,178
	SAN ANTONIO TX	Due	08/15/2028	4.00	%	1,500,000	Par	1,626,570	1,619,355
	TENN VALLEY AUTH	Due	07/15/2033	4.70	%	500,000	Par	508,190	608,510
	TX ST	Due	04/01/2026	4.27	%	1,010,000	Par	1,055,309	1,171,398
	UTAH ST	Due	07/01/2025	4.27	%	1,000,000	Par	1,045,520	1,073,760
Total U.S. treasury securities and U.S. government agencies								\$39,675,526	\$46,659,504

* 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 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
 December 31, 2012

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	%	178,352	Par	\$ 173,503	\$ 181,825
	FHLMC	Due	12/01/2021	5.00	%	341,477	Par	339,076	367,548
	FHLMC	Due	04/01/2024	4.50	%	809,580	Par	793,894	885,831
	FNMA	Due	09/01/2014	5.50	%	139,808	Par	141,119	150,244
	FNMA	Due	05/01/2020	4.75	%	1,306,447	Par	1,349,723	1,537,057
	FNMA	Due	11/01/2026	5.50	%	387,201	Par	383,208	421,431
	GNMA	Due	01/15/2043	7.25	%	2,929,816	Par	2,992,075	2,959,548
	GNMA	Due	04/15/2048	6.55	%	1,046,548	Par	1,127,002	1,107,823
	GNMA	Due	03/15/2050	6.25	%	2,965,980	Par	3,029,007	3,246,939
	GNMA	Due	12/15/2050	6.72	%	4,960,341	Par	5,078,149	5,407,654
	COULEE MEDICAL FOUNDATION	Due	04/20/2036	6.50	%	4,734,000	Par	4,734,000	5,142,260
								\$20,141,756	\$21,408,160
U.S. government agencies mortgage-backed securities									
Corporate obligations									
	AT&T INC	Due	02/01/2018	5.50	%	2,000,000	Par	\$ 2,000,000	\$ 2,382,580
	CONOCOPHILLIPS	Due	10/15/2032	5.90	%	500,000	Par	547,725	640,670
	DEERE & CO	Due	10/16/2029	5.38	%	500,000	Par	537,410	640,060
	DUKE ENERGY CORP	Due	08/15/2022	3.05	%	1,000,000	Par	1,004,200	1,017,880
	GENERAL ELECTRIC CAPITAL CORP	Due	03/15/2032	6.75	%	1,000,000	Par	1,292,110	1,298,730
	INTEL CORP	Due	10/01/2041	4.80	%	500,000	Par	514,525	550,305
	IBM CORPORATION	Due	06/15/2013	7.50	%	1,000,000	Par	1,048,170	1,033,370
	IBM CORPORATION	Due	11/29/2032	5.88	%	500,000	Par	567,505	663,705
	MICROSOFT CORP	Due	06/01/2039	5.20	%	500,000	Par	584,995	611,835
*	STATE AUTO FINANCIAL CORP	Due	11/15/2013	6.25	%	220,000	Par	178,200	224,774
	UNITED PARCEL SERVICE	Due	01/15/2018	5.50	%	1,000,000	Par	1,013,040	1,201,500
	VERIZON COMMUNICATIONS	Due	11/01/2041	4.75	%	1,000,000	Par	1,011,550	1,134,280
Total corporate obligations								\$10,299,430	\$11,399,689

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
Equity securities				
	ADVENT SOFTWARE INC	25,713 Shares	\$609,963	\$549,744
	AEROVIRONMENT	14,258 Shares	364,856	309,969
	APPLE INC	5,500 Shares	3,205,543	2,926,951
	AMERISAFE INC	26,575 Shares	495,431	724,169
	APPLIED INDUSTRIAL TECH	7,033 Shares	271,873	295,456
	ARGO GROUP INTL HOLDINGS LTD	9,157 Shares	295,261	307,584
	ARUBA NETWORKS INC	39,263 Shares	733,261	814,315
	ATMI INC	31,803 Shares	588,588	664,047
	AT&T INC	40,000 Shares	1,409,900	1,348,400
	AUTOMATIC DATA PROCESSING	17,500 Shares	754,341	996,275
	BANK NEW YORK MELLON CORP	35,000 Shares	755,382	899,500
	BJ'S RESTAURANTS INC	8,525 Shares	398,869	280,473
	BLACKROCK	12,500 Shares	2,306,382	2,583,875
	BONANZA CREEK ENERGY INC	9,007 Shares	231,761	250,305
	CATERPILLAR INC	5,000 Shares	584,834	448,042
	CADENCE DESIGN SYSTEMS INC	40,116 Shares	456,704	541,967
	CARDTRONICS INC	18,014 Shares	248,525	427,652
	CENTURYLINK	35,000 Shares	1,226,484	1,369,200
	CHEVRON CORP	30,000 Shares	2,585,137	3,244,200
	COCA-COLA COMPANY	50,000 Shares	1,537,401	1,812,500
	COLUMBIA BANKING SYSTEM INC	27,226 Shares	448,691	488,434
	COMFORT SYSTEMS USA	14,979 Shares	188,008	182,145
	COMMVault SYSTEMS INC	16,944 Shares	319,733	1,180,360
	CROCS INC	58,510 Shares	636,677	841,959
	CSX CORP	45,000 Shares	1,054,238	887,850
	DEERE & CO	25,000 Shares	1,303,869	2,160,500
	DEVON ENERGY CORP	40,000 Shares	2,522,091	2,081,600
	DFA EMERGING MKTS VALUE PORT	476,434 Shares	13,142,348	14,216,784
	DIAMONDBACK ENERGY INC	4,300 Shares	75,250	82,216
	DU PONT & CO	37,500 Shares	1,645,077	1,686,694
	DUFF & PHELPS CORP	40,534 Shares	661,579	633,141
	DUNKIN BRANDS GROUP INC	14,187 Shares	394,481	470,725
	EMCOR GROUP INC	10,498 Shares	304,721	363,336
	EMPLOYERS HOLDINGS INC	24,955 Shares	427,938	513,574
	EXELON CORP	30,000 Shares	1,201,563	892,200
	EXACTTARGET INC	25,043 Shares	579,869	500,860
	FEDEX CORP	10,000 Shares	752,229	917,200
	FEI COMPANY	9,793 Shares	449,909	543,222

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
	FORUM ENERGY TECHNOLOGIES INC	13,938 Shares	293,861	344,966
	FREEPORT MCMORAN	50,000 Shares	1,983,948	1,710,000
	GENERAC HOLDINGS INC	19,226 Shares	553,519	659,644
	GENERAL DYNAMICS	40,000 Shares	2,494,937	2,770,800
	GENERAL ELECTRIC CORP	70,000 Shares	1,682,482	1,469,300
	GEOSPACE TECHNOLOGIES CORP	4,404 Shares	308,469	391,383
	GRAFTECH INTERNATIONAL LTD	50,671 Shares	757,133	475,801
	GREAT LAKES DREDGE & DOCK CO	35,305 Shares	247,459	315,270
	GUIDEWIRE SOFTWARE INC	18,531 Shares	450,623	550,741
	HAEMONETICS CORP	14,166 Shares	432,396	578,539
	THE HARTFORD FINANCIAL SERVICES GROUP	20,000 Shares	355,874	448,800
	HARRIS CORP	35,000 Shares	1,348,931	1,713,600
	HEALTHCARE SERVICES GROUP	31,425 Shares	530,520	730,003
	HEINZ H J CO	25,000 Shares	1,338,399	1,442,000
	HIBBETT SPORTS INC	7,394 Shares	319,334	389,664
	HOME BANCSHARES INC	16,307 Shares	328,459	538,457
	HOMEAWAY INC	11,066 Shares	273,614	243,452
	HONEYWELL INTL INC	20,000 Shares	1,159,446	1,269,400
	IBERIABANK CORP	10,818 Shares	538,500	531,380
	ICON PLC	19,839 Shares	422,786	550,731
	ICU MEDICAL INC	9,504 Shares	423,843	579,079
	INTEL CORP	100,000 Shares	2,211,722	2,062,000
	INFOBLOX INC	14,461 Shares	291,352	259,864
	INNERWORKINGS INC	35,875 Shares	472,933	494,358
	IBM CORPORATION	7,500 Shares	564,485	1,436,625
	J2 GLOBAL INC	29,711 Shares	859,591	909,157
	JACK IN THE BOX INC	8,405 Shares	241,090	240,383
*	JP MORGAN CHASE & CO	35,000 Shares	1,232,612	1,538,918
	KAISER ALUMINUM CORP	6,112 Shares	296,684	377,049
	KOHL'S CORP	30,000 Shares	1,316,664	1,289,400
	KOPPERS HOLDINGS INC	4,337 Shares	163,847	165,457
	KORN/FERRY INTL	14,117 Shares	240,566	223,896
	L3 COMMUNICATIONS HLDG	20,000 Shares	1,413,458	1,532,400
	LAREDO PETROLEUM INC	21,395 Shares	383,559	388,533
	LTX CREDENCE CORP	68,794 Shares	468,506	451,289
	MACQUARIE INFRASTRUCTURE CO	6,278 Shares	276,044	286,026
	MARATHON OIL CORP	40,000 Shares	776,649	1,226,400
	MARATHON PETROLEUM CORP	65,000 Shares	2,009,719	4,095,000
	MATTRESS FIRM HLDG	16,491 Shares	503,591	404,524

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
MCDONALDS CORP	11,500 Shares	682,424	1,014,415
MEADWESTVACO CORP	70,000 Shares	1,814,347	2,230,900
MEDNAX INC	9,222 Shares	503,169	733,333
MERCK & CO INC	40,000 Shares	1,452,353	1,637,600
MICROSOFT CORP	50,000 Shares	1,274,413	1,335,485
MKS INSTRUMENTS INC	19,690 Shares	540,774	507,608
MONOTYPE IMAGING HOLDINGS INC	37,156 Shares	348,383	593,753
MONRO MUFFLER BRAKE	16,183 Shares	538,984	564,788
NATIONAL-OILWELL VARCO INC	15,000 Shares	1,055,674	1,025,250
NETGEAR INC	13,237 Shares	452,192	521,935
NIKE INC - CL B	25,000 Shares	515,701	1,290,000
NORFOLK SOUTHERN CORP	40,000 Shares	2,534,647	2,473,600
NXSTAGE MEDICAL INC	50,266 Shares	558,782	565,494
OASIS PETROLEUM INC	14,425 Shares	370,113	458,715
OCEANEERING INTL INC	4,645 Shares	124,015	249,855
OIL STATES INTL INC	3,420 Shares	217,095	244,667
OLD DOMINION FREIGHT LINE INC	6,246 Shares	95,363	214,112
OLYMPIC STEEL INC	13,836 Shares	378,946	306,329
PAREXEL INTL CORP	19,767 Shares	426,591	584,905
PEPSICO INC	27,500 Shares	1,436,009	1,881,826
PPL CORP	40,000 Shares	1,093,212	1,145,200
PROCTER & GAMBLE CO	35,000 Shares	1,966,107	2,376,150
QLIK TECHNOLOGIES INC	33,202 Shares	738,455	721,147
QUALCOMM INC	47,500 Shares	2,182,092	2,938,331
REALPAGE INC	1,182 Shares	23,161	25,495
S&P 500 SPDR	10,000 Shares	1,325,012	1,424,100
SCBT FINANCIAL CORP	8,057 Shares	247,680	323,730
SCHLUMBERGER LTD	25,000 Shares	1,609,248	1,732,466
SHUTTERFLY INC	16,171 Shares	454,239	483,027
SILICON LABS INC	17,099 Shares	735,785	714,726
SKECHERS USA INC	23,860 Shares	448,619	440,855
SMITH & WESSON HOLDING CORP	15,188 Shares	144,073	128,186
STEVEN MADDEN LTD	12,241 Shares	464,483	517,427
SUPERIOR ENERGY SERVICES INC	6,461 Shares	196,326	133,872
SYNCHRONOSS TECHNOLOGIES INC	14,463 Shares	327,981	305,024
TANGOE INC	25,631 Shares	378,409	304,240
TARGET CORP	40,000 Shares	2,136,799	2,366,800
THERMON GROUP HOLDINGS	15,421 Shares	359,613	347,435
THORATEC CORP	15,008 Shares	482,249	563,100

* Denotes party-in-interest.

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STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN
EIN 57-6010814/ Plan Number 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year), Continued
December 31, 2012

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)
	TITAN INTL INC ILL	28,053	Shares			607,382	609,311
	UMPQUA HOLDINGS CORP	32,950	Shares			380,416	388,480
	UNDER ARMOUR INC	9,602	Shares			347,308	465,985
	UNION PACIFIC CORP	18,500	Shares			1,980,461	2,325,820
	UNIVERSAL STAINLESS & ALLOY	6,835	Shares			242,213	251,323
	UNITED PARCEL SERVICE	20,000	Shares			1,480,417	1,474,600
	UNITED TECHNOLOGIES CORP	10,000	Shares			587,168	820,100
	VERIZON COMMUNICATIONS	35,000	Shares			1,016,710	1,514,450
	VITAMIN SHOPPE INC	6,491	Shares			276,008	372,324
	VOCUS INC	48,225	Shares			742,834	838,150
	VOLCANO CORP	16,910	Shares			439,848	399,245
	WATTS WATER TECHNOLOGIES	500	Shares			20,825	21,495
	WEB.COM GROUP INC	37,635	Shares			626,118	556,998
	WELLCARE HEALTH PLANS	9,126	Shares			520,893	444,345
	WHITEWAVE FOODS	5,360	Shares			96,604	83,294
	Total equity securities					\$115,135,095	\$130,513,514
Limited partnerships							
	MONDRIAN INTL EQUITY FUND	579,503	Shares			\$14,493,811	\$14,032,116
	SILCHESTER INTERNATIONAL INVESTORS	219,496	Shares			12,896,321	16,811,995
	Total limited partnerships					\$27,390,132	\$30,844,111
Short-term money market funds							
*	JP MORGAN PRIME MONEY MARKET FD	6,233,587	Par			\$6,233,587	\$6,233,587
	Total investments					\$218,874,526	\$247,058,565
401(h) Account							
	FEDERAL FARM CREDIT BANK	Due	02/04/2013	2.15	%	250,000 Par	\$ 250,450
	FEDERAL HOME LOAN BANK	Due	09/27/2013	4.11	%	100,000 Par	102,889
	US TREASURY TIPS	Due	01/15/2021	1.13	%	400,000 Par	496,798
	GENERAL ELECTRIC CAPITAL CORP	Due	12/06/2017	5.25	%	100,000 Par	117,915
	PROCTOR & GAMBLE CO	Due	08/15/2014	4.95	%	150,000 Par	161,111
	S&P 500 SPDR					7,000 Shares	996,870
*	JP MORGAN PRIME MONEY MARKET FD					758,473 Par	758,473
	Total 401(h) Account					\$2,732,262	\$2,884,506

* 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 57-6010814 / Plan Number 001

Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2012

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	73,551,287 units; 261 transactions	\$73,551,287	\$ -	\$73,551,287	\$73,551,287	\$ -
* JP Morgan Prime money market fund	72,735,828 units; 167 transactions	\$ -	\$72,735,828	\$72,735,828	\$72,735,828	\$ -
Notes:						
There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2012.						
* Denotes party-in-interest.						

State Auto Insurance Companies Employee Retirement Plan
EIN: 57-6010814 Plan: 001

Schedule SB, Line 26 - Schedule of Active Participant Data

Number and Average Salary¹ 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	4 -	7 -	- -	- -	- -	- -	- -	- -	- -	- -	11 -
25 – 29	4 -	54 47,405	18 -	2 -	- -	- -	- -	- -	- -	- -	78 46,327
30 – 34	9 -	60 59,026	52 61,941	18 -	- -	- -	- -	- -	- -	- -	139 59,906
35 – 39	13 -	48 71,598	47 62,029	57 60,234	13 -	2 -	- -	- -	- -	- -	180 65,516
40 – 44	13 -	53 81,326	43 82,431	44 62,523	37 75,284	21 75,227	2 -	- -	- -	- -	213 74,546
45 – 49	1 -	71 85,328	57 71,670	56 61,662	46 75,892	40 75,382	17 -	8 -	- -	- -	296 74,237
50 – 54	2 -	66 83,363	40 72,798	69 66,611	45 77,635	51 73,833	24 77,460	44 77,480	13 -	- -	354 75,081
55 – 59	3 -	40 73,128	33 81,403	57 61,476	44 75,048	31 71,591	19 -	17 -	18 -	1 -	263 74,340
60 – 64	2 -	27 93,219	33 83,624	34 58,100	23 77,228	16 -	9 -	11 -	8 -	7 -	170 79,027
65 – 69	- -	4 -	6 -	11 -	3 -	2 -	2 -	- -	- -	2 -	30 63,414
70 +	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
All Ages	51 64,585	430 73,016	329 70,730	348 61,600	211 76,394	163 72,818	73 77,477	80 85,612	39 76,583	10 -	1,734 71,224

¹ Average salary amounts are shown only for those age/service cells with 20 or more costed active participants. Salaries are limited by the by the IRC Section 401(a)(17) limit

**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

2012**This Form is Open to Public
Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► 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 AUTO PROPERTY & CASUALTY INS CO		D Employer Identification Number (EIN) 57-6010814
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>2012</u>			
2 Assets:			
a Market value		2a	246,753,872
b Actuarial value		2b	246,869,911
3 Funding target/participant count breakdown:		(1) Number of participants	
a For retired participants and beneficiaries receiving payment.....		3a	1,282
b For terminated vested participants.....		3b	1,045
c For active participants:		(2) Funding Target	
(1) Non-vested benefits		3c(1)	4,939,056
(2) Vested benefits		3c(2)	88,755,274
(3) Total active.....		3c(3)	1,734
d Total.....		3d	4,061
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	7.08 %
6 Target normal cost		6	7,689,608

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**

James P. Van Vleet

Signature of actuary

Type or print name of actuary

MassMutual Retirement Services

Firm name

40 Village Pointe Drive

Powell

OH 43065

Address of the firm

09/10/2013

Date

11-05701

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) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	17,471,872	3,138,160
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	15,163,163	0
9 Amount remaining (line 7 minus line 8)	2,308,709	3,138,160
10 Interest on line 9 using prior year's actual return of <u>3.93</u> %	90,732	123,330
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		14,585,155
b Interest on (a) using prior year's effective interest rate of <u>6.01</u> % except as otherwise provided (see instructions)		573,197
c Total available at beginning of current plan year to add to prefunding balance		15,158,352
d Portion of (c) to be added to prefunding balance		11,677,991
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	2,399,441	14,939,481

Part III Funding Percentages

14 Funding target attainment percentage	14	100.00 %
15 Adjusted funding target attainment percentage	15	100.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/07/2013	5,000,000				
04/09/2013	5,000,000				
07/19/2013	5,000,000				
07/30/2013	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	18,186,290

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			☐ 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 subject to 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	
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	7,689,608
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		0	0
b Waiver amortization installment			
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	7,689,608
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	2,399,441	4,216,062	6,615,503
36 Additional cash requirement (line 34 minus line 35).....	36		1,074,105
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37		18,186,290
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	17,112,185
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	6,615,503
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 an election was made to use PRA 2010 funding relief for this plan:	
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 : 001

C. 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: January 1, 2009
- 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 are eligible to participate in the Plan on the January 1 following the attainment of age 20.

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.

4. Normal Retirement Date

Normal Retirement Date is the first day of the calendar month coincident with or next following attainment of age 65.

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

5. Normal Retirement Benefit

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

- i. 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
- j. 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{PRIVATE }, the benefit is the lesser of:

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

For Patrons participants, the benefit is the sum of:

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

6. Early Retirement

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

EIN: 31-4316080 Plan : 001

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:

- o. 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.
- p. 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.
- q. 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.
- r. 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.
- s. A reduced benefit to be paid for 120 months certain and thereafter for life.
- t. A Social Security equalization benefit.
- u. 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

EIN: 31-4316080 Plan : 001

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.

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

State Auto Insurance Companies Employee Retirement Plan

EIN: 31-4316080 Plan : 001

B. 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 | 2009 Non-annuitant mortality for males and females |
| (2) Post-retirement | 2009 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 transition rates |
| (a) Segment 1 | 5.64% compounded annually |
| (b) Segment 2 | 6.40% compounded annually |
| (c) Segment 3 | 6.56% compounded annually |
| (d) Effective Rate | 6.45% compounded annually |

e. Expenses:

Two-year average of past expenses. \$300,000 for 2009.

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	.00030	.00015	.22500	.18000	.15750	.14250	.12750	.10463
30	.00039	.00021	.19500	.15000	.12750	.11250	.09750	.07913
35	.00069	.00036	.17250	.12750	.10500	.09000	.07500	.05550
40	.00089	.00049	.15000	.10875	.09000	.07500	.06000	.03863
45	.00110	.00076	.12750	.09750	.07500	.06000	.04500	.02513
50	.00138	.00111	.10500	.08250	.06000	.04500	.03000	.01875
55	.00191	.00208	.08250	.06000	.04500	.03375	.02250	.01275
60	.00331	.00349	.06000	.04500	.03000	.02250	.01500	.00750
65	.01071	.00957	.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.