

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 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 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ 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>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>07/01/1945</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>STATE AUTO PROPERTY & CASUALTY INSURANCE COMPANY</u> <u>518 E. BROAD STREET</u> <u>COLUMBUS, OH 43215</u>	2b	Employer Identification Number (EIN) <u>57-6010814</u>
		2c	Plan Sponsor's telephone number <u>614-464-5000</u>
		2d	Business code (see instructions) <u>524150</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2017	MATT POLLAK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	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	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3828
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 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	6a(1) 1120 6a(2) 842 6b 1445 6c 1286 6d 3573 6e 202 6f 3775 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 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) (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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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>2016</u>	
2 Assets:	
a Market value	2a <u>365471608</u>
b Actuarial value	2b <u>379216098</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>1494</u> (2) Vested Funding Target <u>134638285</u> (3) Total Funding Target <u>134638285</u>
b For terminated vested participants	<u>1214</u> <u>50557082</u> <u>50557082</u>
c For active participants	<u>1120</u> <u>105279559</u> <u>111105863</u>
d Total	<u>3828</u> <u>290474926</u> <u>296301230</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.15 %</u>
6 Target normal cost	6 <u>7093232</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/11/2017</u>
	Signature of actuary	Date
<u>MARK A. BONSALL, F.S.A.</u>	Type or print name of actuary	<u>17-06050</u>
<u>CONRAD SIEGEL ACTUARIES</u>	Firm name	Most recent enrollment number
<u>P.O. BOX 5900, 501 CORPORATE CIRCLE</u> <u>HARRISBURG, PA 17110-0900</u>	Address of the firm	<u>717-652-5633</u>
		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, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2016
v. 160205**

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	40798429
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	40798429
10	Interest on line 9 using prior year's actual return of <u>-0.45%</u>	0	-183593
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		44372439
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.34%</u>		2813213
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		47185652
d	Portion of (c) to be added to prefunding balance		47185652
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	87800488

Part III Funding Percentages			
14	Funding target attainment percentage	14	98.35%
15	Adjusted funding target attainment percentage	15	127.98%
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	101.47%
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
03/22/2017	5000000	0			
05/02/2017	5000000	0			
07/06/2017	5000000	0			
Totals ►			18(b)	15000000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	13834088
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: 4.43% 2nd segment: 5.91% 3rd segment: 6.65%	☐ 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	0
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0
Part VIII	Minimum Required Contribution For Current Year		
31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	7093232
b	Excess assets, if applicable, but not greater than line 31a	31b	0
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment	4885620	807219
b	Waiver amortization installment	0	0
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	7900451
		Carryover balance	Prefunding balance
35	Balances elected for use to offset funding requirement	0	0
36	Additional cash requirement (line 34 minus line 35)	36	7900451
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	13834088
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	5933637
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40	Unpaid minimum required contributions for all years	40	0
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)		
41	If 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	0
43	Excess installment acceleration amount to be carried over to future plan years	43	0

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
		2016
		This Form is Open to Public Inspection.
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
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	Service Provider Information (see instructions)
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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	322636	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SILCHESTER

45-3056700

(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	179927	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	68764	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)

CAUSEWAY CAPITAL MANAGEMENT LLC

95-4861680

(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	59106	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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 ☐	7551	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
JP MORGAN CORTINA ACCOUNT	19 50	7551

(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 4 NEW YORK PLAZA 12TH FL NY1-E036 NEW YORK, NY 10004	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
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE 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	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: INTL VALUE EQUITY GROUP TRUST

b Name of sponsor of entity listed in (a): SILCHESTER INTERNATIONAL INVESTORS LLP

c EIN-PN <u>36-7045783-001</u>	d Entity code <u>E</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17863854</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) 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
		2016
		This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
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	1178701	2527325
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	53000000	15000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	1638626	1737846
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	10357492	2470927
(2) U.S. Government securities	1c(2)	88323637	101936245
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	59760320	73949372
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)	125095028	132032658
(5) Partnership/joint venture interests	1c(5)	11904011	30283255
(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)	16665628	17863854
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	367923443 377801482
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	409212 124667
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	409212 124667
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	367514231 377676815

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.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	15000000
	(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)	15000000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0
	(B) U.S. Government securities	2b(1)(B)	3244541
	(C) Corporate debt instruments	2b(1)(C)	2814741
	(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)	6059282
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	2239225
	(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)	2239225
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	104313890
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	99845599
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	4468291
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	10842047
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	10842047

		(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)		1368219
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		11620
d Total income. Add all income amounts in column (b) and enter total.....	2d		39988684

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	29192116	
(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)		29192116
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)	633984	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		633984
j Total expenses. Add all expense amounts in column (b) and enter total	2j		29826100

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		10162584
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.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		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?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 3999416. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ 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>18</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.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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Schedule R (Form 5500) 2016
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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: <u>36.9</u> % Investment-Grade Debt: <u>49.5</u> % High-Yield Debt: <u>0.0</u> % Real Estate: <u>0.0</u> % Other: <u>13.6</u> % 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):

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

Audited Financial Statements and Supplemental Schedules

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

*Years Ended December 31, 2016 and 2015
with Independent Auditors' Report*

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

Audited Financial Statements and Supplemental Schedules
December 31, 2016 and 2015

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Independent Auditors' Report

To the Participants and 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, 2016 and 2015, 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

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, 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. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the custodian as of and for the years ended December 31, 2016 and 2015 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 schedules of assets (held at end of year) and schedule of reportable transactions as of and for the year ended December 31, 2016, 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 referred to above.

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
October 5, 2017

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

	December 31	
	2016	2015
Assets		
Cash	\$ 2,527,325	\$ 1,178,701
Investments, at fair value:		
U.S. treasury, U.S. government agencies and state securities	91,853,256	78,530,477
Corporate obligations	73,949,372	59,760,320
U.S. government agencies mortgage-backed securities	7,083,473	9,793,160
Common stocks	132,032,658	125,095,028
Limited partnerships	48,147,109	28,569,639
Short-term fixed maturities	2,999,516	—
Interest-bearing cash	2,470,927	10,357,492
<i>Total investments</i>	<u>358,536,311</u>	<u>312,106,116</u>
Contribution receivable	15,000,000	53,000,000
Accrued investment income	1,682,430	1,638,626
Receivable for securities	55,416	—
<i>Total assets</i>	<u>377,801,482</u>	<u>367,923,443</u>
Liabilities		
Payable for securities	—	295,144
Accrued liabilities	124,667	114,068
<i>Total liabilities</i>	<u>124,667</u>	<u>409,212</u>
Net assets available for benefits	<u>\$ 377,676,815</u>	<u>\$ 367,514,231</u>

See accompanying notes.

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

	Year Ended December 31	
	2016	2015
Employer contributions	\$ 15,000,000	\$ 53,000,000
Investment income:		
Interest and dividends	8,310,127	7,835,275
Net appreciation (depreciation) in fair value of investments	16,678,557	(9,243,142)
<i>Total investment income (loss)</i>	<u>24,988,684</u>	<u>(1,407,867)</u>
<i>Total income</i>	<u>39,988,684</u>	<u>51,592,133</u>
Administrative expenses	633,984	597,208
Benefits paid directly to participants and beneficiaries	29,192,116	19,014,141
<i>Total deductions</i>	<u>29,826,100</u>	<u>19,611,349</u>
<i>Net increase</i>	<u>10,162,584</u>	<u>31,980,784</u>
<u>Net assets available for benefits:</u>		
Beginning of year	<u>367,514,231</u>	<u>335,533,447</u>
End of year	<u><u>\$ 377,676,815</u></u>	<u><u>\$ 367,514,231</u></u>

See accompanying notes.

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 eligible 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 approximately 46% of current 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. 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 were sold during 2015 to pay retiree health and welfare benefits. There were no transfers between the 401(h) Account and the Plan for the year ended December 31, 2015.

Administrative Expenses

The Plan paid investment management fees of \$633,984 and \$597,208 for the years ended December 31, 2016 and 2015, respectively. Certain expenses are paid by the Company and are excluded from these financial statements.

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 interest-bearing cash. 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. The assets related to the Section 401(h) Account were sold during 2015 to pay retiree health and welfare benefits.

Adoption of Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, "Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or Its Equivalent)." ASU 2015-07 simplifies disclosures and reporting on investments valued at net asset value as a practical expedient. The Plan has elected to adopt ASU 2015-07, applied retrospectively to all periods presented, during 2016. This change has no impact on net assets available for benefits.

Reclassifications

Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation.

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, 2016 and 2015.

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, 2016 and 2015, 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.

Equity Securities

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

Limited Partnerships

The Plan's limited partnerships invest primarily in equity securities of foreign issuers and are managed by third party investment managers. The limited partnerships fair value has been determined using the net asset value ("NAV") per share of the investments. The Plan employs procedures to assess the reasonableness of the fair value of the limited partnerships including obtaining and reviewing each limited partnership's audited financial statements. There are no unfunded commitments related to the limited partnerships. The Plan may not sell its investment in the limited partnerships; however, the Plan may redeem all or a portion of its investment in the limited partnerships at NAV per share with the appropriate prior written notice. In accordance with Accounting Standards Codification 820-10, these investments are measured at fair value using the net asset value per share practical expedient and have not been classified in the fair value hierarchy.

Short-term Fixed Maturities and Interest-bearing Cash

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

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

The table below summarizes the Plan's investments within the fair value hierarchy at December 31, 2016 and 2015:

At December 31, 2016	Total	Level 1	Level 2	Level 3
Fixed maturities	\$172,886,101	—	172,886,101	—
Equity securities	132,032,658	132,032,658	—	—
Short-term fixed maturities	2,999,516	2,999,516	—	—
Interest-bearing cash	2,470,927	2,470,927	—	—
<i>Total assets in the fair value hierarchy</i>	310,389,202	137,503,101	172,886,101	—
Investments measured at net asset value	48,147,109	—	—	—
<i>Total investments at fair value</i>	\$358,536,311	137,503,101	172,886,101	—

At December 31, 2015	Total	Level 1	Level 2	Level 3
Fixed maturities	\$148,083,957	—	148,083,957	—
Equity securities	125,095,028	125,095,028	—	—
Interest-bearing cash	10,357,492	10,357,492	—	—
<i>Total assets in the fair value hierarchy</i>	283,536,477	135,452,520	148,083,957	—
Investments measured at net asset value	28,569,639	—	—	—
<i>Total investments at fair value</i>	\$312,106,116	135,452,520	148,083,957	—

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, 2016 and 2015 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, 2016 and 2015. Significant assumptions underlying the actuarial computations for 2016 and 2015 include: (a) assumed rate of return on investments of 7.0% in 2016 and 2015, (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 RP-2014 Total Mortality Table with projection Scale MP-2015 in 2016 and Scale MP-2014 in 2015, 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	
	2016	2015
Actuarial present value of accumulated benefits:		
Vested:		
Participants currently receiving benefits	\$ 129,422,015	\$ 124,347,680
Other participants	144,767,672	145,357,769
<i>Total vested</i>	<u>274,189,687</u>	<u>269,705,449</u>
Non-vested	5,168,923	5,683,933
<i>Total actuarial present value of accumulated benefits</i>	<u><u>\$ 279,358,610</u></u>	<u><u>\$ 275,389,382</u></u>

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	
	2016	2015
Actuarial present value of accumulated pension benefits as of January 1, 2015 and 2014, respectively	\$ 275,389,382	\$ 251,856,648
Increase (decrease) during the year attributable to:		
Pension benefits accumulated	7,473,004	9,510,216
Interest accumulated	18,556,259	17,005,355
Pension benefits paid	(19,014,142)	(16,472,239)
Change in actuarial assumption	(3,045,893)	13,489,402
<i>Actuarial present value of accumulated pension benefits as of January 1, 2016 and 2015, respectively</i>	<u><u>\$ 279,358,610</u></u>	<u><u>\$ 275,389,382</u></u>

6. Federal Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated November 14, 2013, 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.

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

7. Reconciliation to Form 5500

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, 2016 and 2015:

	Financial statements	401(h) Account	Form 5500
	2016		
Interest, dividends and other investment income	\$ 8,310,127	—	8,310,127
Net appreciation in fair value of investments	16,678,557	—	16,678,557
Benefits paid	29,192,116	—	29,192,116
	2015		
Interest, dividends and other investment income	\$ 7,835,275	901	7,836,176
Net (depreciation) appreciation in fair value of investments	(9,243,142)	97	(9,243,045)
Benefits paid	19,014,141	454,656	19,468,797

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 assets related to the Section 401(h) Account were sold during 2015 to pay retiree health and welfare benefits.

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

At certain points during the year, the Plan invested in corporate obligations managed by JPMorgan Chase, custodian of the Plan. 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 October 5, 2017, 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)
December 31, 2016

(a)	Identity of issue, borrower, lessor or similar parties (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares (c)						Cost (d)	Current value (e)
U.S. treasury, U.S. government agencies and state securities									
	FEDERAL FARM CREDIT BANK	Due	10/5/2026	2.57 %	1,000,000	Par	\$ 1,001,290	\$ 980,750	
	FEDERAL FARM CREDIT BANK	Due	7/24/2031	3.02 %	1,000,000	Par	859,300	981,020	
	FEDERAL FARM CREDIT BANK	Due	6/16/2032	4.50 %	500,000	Par	502,235	574,940	
	FEDERAL HOME LOAN BANK	Due	7/15/2036	5.50 %	2,500,000	Par	3,280,775	3,279,325	
	FEDERAL HOME LOAN MTG CORP	Due	12/17/2029	— %	4,000,000	Par	2,063,560	2,593,680	
	FEDERAL HOME LOAN MTG CORP	Due	7/15/2032	6.25 %	1,000,000	Par	1,293,550	1,376,140	
	FEDERAL NATIONAL MTG ASSN	Due	5/15/2029	6.25 %	1,000,000	Par	1,274,300	1,325,510	
	FEDERAL NATIONAL MTG ASSN	Due	1/15/2030	— %	3,000,000	Par	1,510,590	1,924,350	
	FEDERAL NATIONAL MTG ASSN	Due	5/15/2030	— %	2,000,000	Par	1,269,020	1,286,120	
	FEDERAL NATIONAL MTG ASSN	Due	11/15/2030	— %	2,000,000	Par	971,820	1,247,520	
	FEDERAL NATIONAL MTG ASSN	Due	11/15/2030	6.63 %	2,000,000	Par	2,693,800	2,782,180	
	US TREASURY NOTES	Due	11/15/2027	6.13 %	1,000,000	Par	1,321,875	1,342,030	
	US TREASURY NOTES	Due	8/15/2028	5.50 %	2,000,000	Par	2,541,875	2,589,380	
	US TREASURY NOTES	Due	11/15/2028	5.25 %	2,000,000	Par	2,424,375	2,546,100	
	US TREASURY NOTES	Due	5/15/2030	6.25 %	1,000,000	Par	1,337,188	1,414,730	
	US TREASURY NOTES	Due	2/15/2031	5.38 %	2,000,000	Par	2,574,063	2,663,760	
	US TREASURY NOTES	Due	2/15/2036	4.50 %	3,000,000	Par	4,118,594	3,795,930	
	US TREASURY NOTES	Due	5/15/2037	5.00 %	2,000,000	Par	2,460,000	2,685,400	
	US TREASURY NOTES	Due	5/15/2038	4.50 %	2,000,000	Par	2,470,625	2,526,100	
	US TREASURY NOTES	Due	2/15/2039	3.50 %	2,000,000	Par	2,390,313	2,187,180	
	US TREASURY NOTES	Due	8/15/2039	4.50 %	4,000,000	Par	4,586,250	5,023,120	
	US TREASURY NOTES	Due	2/15/2040	4.63 %	3,000,000	Par	4,297,031	3,833,910	
	US TREASURY NOTES	Due	5/15/2040	4.38 %	3,000,000	Par	4,136,484	3,706,530	
	US TREASURY NOTES	Due	8/15/2040	3.88 %	3,000,000	Par	3,829,219	3,444,480	
	US TREASURY NOTES	Due	11/15/2040	4.25 %	2,000,000	Par	2,209,375	2,428,120	
	US TREASURY NOTES	Due	5/15/2041	4.38 %	1,000,000	Par	1,399,844	1,237,310	
	US TREASURY NOTES	Due	8/15/2041	3.75 %	3,000,000	Par	3,300,000	3,378,870	
	US TREASURY NOTES	Due	11/15/2043	3.75 %	4,000,000	Par	4,000,000	4,535,160	
	US TREASURY NOTES	Due	11/15/2044	3.00 %	3,000,000	Par	3,330,000	2,963,550	
	US TREASURY NOTES	Due	2/15/2045	2.50 %	3,000,000	Par	3,015,000	2,672,220	
	US TREASURY TIPS	Due	1/15/2018	1.63 %	500,000	Par	511,090	592,005	
	US TREASURY TIPS	Due	1/15/2021	1.13 %	600,000	Par	623,521	695,552	
	US TREASURY TIPS	Due	7/15/2023	0.38 %	2,000,000	Par	1,991,737	2,096,054	
	US TREASURY TIPS	Due	1/15/2024	0.63 %	2,000,000	Par	2,141,933	2,108,385	
	US TREASURY TIPS	Due	1/15/2025	2.38 %	1,000,000	Par	1,060,470	1,472,465	
	US TREASURY TIPS	Due	1/15/2026	2.00 %	1,500,000	Par	2,112,365	2,058,090	
	US TREASURY TIPS	Due	1/15/2027	2.38 %	1,000,000	Par	1,028,510	1,404,182	
	US TREASURY TIPS	Due	1/15/2028	1.75 %	1,000,000	Par	939,572	1,288,319	
	US TREASURY TIPS	Due	4/15/2029	3.88 %	1,000,000	Par	2,074,469	2,010,372	
	US TREASURY TIPS	Due	2/15/2042	0.75 %	2,000,000	Par	2,115,085	2,025,564	
	MONTGOMERY CO VA ECON DEV AUTH	Due	6/1/2028	5.52 %	1,000,000	Par	1,019,200	1,092,840	
	TENN VALLEY AUTH	Due	7/15/2033	4.70 %	500,000	Par	508,190	587,809	
	TX ST	Due	4/1/2026	4.27 %	1,010,000	Par	1,055,309	1,096,204	
Total U.S. treasury, U.S. government agencies and state securities							\$ 89,643,802	\$ 91,853,256	

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).

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, 2016

(a)	Identity of issue, borrower, lessor or similar parties (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares (c)						Cost (d)	Current value (e)
U.S. government agencies mortgage-backed securities									
	FNMA	Due	5/1/2020	4.75 %	1,224,089	Par	\$ 1,264,637	\$ 1,313,863	
	GNMA	Due	10/15/2028	4.15 %	1,007,065	Par	1,052,698	1,054,591	
	COULEE MEDICAL FOUNDATION	Due	4/20/2036	6.50 %	4,340,000	Par	4,340,000	4,715,019	
Total U.S. government agencies mortgage-backed securities							\$ 6,657,335	\$ 7,083,473	
Corporate obligations									
	APPALACHIAN POWER CO	Due	8/15/2037	6.70 %	2,500,000	Par	\$ 3,157,050	\$ 3,203,600	
	APPLE INC	Due	5/4/2043	3.85 %	3,000,000	Par	2,860,330	2,868,720	
	DOW CHEMICAL CO	Due	10/1/2034	4.25 %	3,000,000	Par	2,809,050	2,956,680	
	EXXON MOBIL CORPORATION	Due	3/6/2045	3.57 %	3,000,000	Par	3,113,190	2,794,860	
	FEDEX CORP	Due	1/15/2034	4.90 %	2,000,000	Par	2,046,640	2,131,920	
	GENERAL ELECTRIC CORP	Due	3/15/2032	6.75 %	1,000,000	Par	1,292,110	1,331,130	
	GENERAL ELECTRIC CORP	Due	1/14/2038	5.88 %	2,000,000	Par	2,399,140	2,517,060	
	GENERAL ELECTRIC CORP	Due	3/11/2044	4.50 %	3,000,000	Par	2,998,980	3,220,440	
	GOLDMAN SACHS	Due	2/1/2041	6.25 %	2,000,000	Par	2,421,020	2,479,140	
	JOHNSON & JOHNSON	Due	5/15/2033	4.95 %	2,256,000	Par	2,469,057	2,630,992	
	JOHNSON & JOHNSON	Due	12/5/2033	4.38 %	2,000,000	Par	2,008,360	2,198,920	
	JOHNSON & JOHNSON	Due	3/1/2036	3.55 %	3,000,000	Par	3,020,400	3,001,830	
	MARATHON OIL CORP	Due	6/1/2045	5.20 %	3,000,000	Par	2,949,480	2,827,650	
	MICROSOFT CORP	Due	11/3/2035	4.20 %	4,000,000	Par	4,171,280	4,209,240	
	MICROSOFT CORP	Due	8/8/2036	3.45 %	2,000,000	Par	2,061,320	1,900,720	
	MICROSOFT CORP	Due	6/1/2039	5.20 %	500,000	Par	584,995	586,235	
	MIDAMERICAN ENERGY	Due	12/30/2031	6.75 %	1,000,000	Par	1,245,400	1,353,440	
	MORGAN STANLEY	Due	4/1/2032	7.25 %	2,000,000	Par	2,637,240	2,709,840	
	NORTHERN STATES PWR WI	Due	9/1/2038	6.38 %	1,900,000	Par	2,497,284	2,464,699	
	ORACLE CORP	Due	5/15/2035	3.90 %	3,000,000	Par	2,862,150	2,958,930	
	PROCTER & GAMBLE CO	Due	3/5/2037	5.55 %	3,000,000	Par	3,648,630	3,880,590	
	PUB SVC ELEC & GAS	Due	12/1/2036	5.70 %	2,000,000	Par	2,411,920	2,464,180	
	SOUTHERN CALIFORNIA EDISON	Due	2/1/2038	5.95 %	3,000,000	Par	3,867,450	3,767,040	
	TARGET CORP	Due	11/1/2032	6.35 %	1,100,000	Par	1,401,411	1,408,462	
	TRAVELERS PROP CASUALTY CORP	Due	3/15/2033	6.38 %	3,000,000	Par	3,866,310	3,788,310	
	UNION PACIFIC CORP	Due	2/1/2035	3.38 %	1,640,000	Par	1,658,499	1,551,014	
	VERIZON COMMUNICATIONS	Due	11/1/2041	4.75%	1,000,000	Par	1,011,550	987,450	
	VERIZON COMMUNICATIONS	Due	9/15/2033	6.40%	1,000,000	Par	1,204,280	1,206,510	
	WELLS FARGO	Due	5/1/2045	3.90%	3,000,000	Par	2,835,090	2,845,530	
	WELLS FARGO & CO	Due	2/7/2035	5.38%	1,500,000	Par	1,729,320	1,704,240	
Total corporate obligations							\$ 73,238,936	\$ 73,949,372	
Equity securities									
	AAC HLDNGS INC COM				32,342	Shares	\$ 695,288	\$ 234,156	
	ABIOMED INC				4,867	Shares	250,525	548,414	
	ADDUS HOMECARE CORP				17,741	Shares	392,174	621,822	
	ALMOST FAMILY INC				12,860	Shares	529,716	567,126	
	AMEDISYS INC				10,639	Shares	461,629	453,541	

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).

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, 2016

(a)	Identity of issue, borrower, lessor or similar parties (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares (c)	Cost (d)	Current value (e)
Equity securities (continued)				
	AMERISAFE INC	6,428 Shares	227,375	400,786
	ARGO GROUP INTL HOLDINGS LTD	3,352 Shares	192,761	220,897
	B&G FOOD INC	12,598 Shares	590,392	551,792
	BALCHEM CORP	366 Shares	30,185	30,715
	BANCORPSOUTH	23,834 Shares	565,035	740,046
	BANK OF THE OZARKS	12,862 Shares	500,591	676,413
	BEACON ROOFING SUPPLY INC	19,796 Shares	849,782	912,002
	BLACKBAUD INC	7,731 Shares	427,625	494,784
	BRINKER INTERNATIONAL	8,504 Shares	418,180	421,203
	BROADSOFT INC	16,366 Shares	586,177	675,098
	BURLINGTON STORES	16,183 Shares	751,477	1,371,509
	CACI INTL INC	4,187 Shares	532,683	520,444
	CARRIZO OIL & GAS INC	4,305 Shares	160,686	160,792
	CASEYS GENERAL STORES INC	5,356 Shares	379,444	636,721
	CHEMICAL FINANCIAL CORP	5,844 Shares	177,793	316,569
	CIRRUS LOGIC INC	9,194 Shares	320,387	519,829
	COLUMBIA BANKING SYSTEM INC	14,781 Shares	300,920	660,415
	COLUMBIA SPORTSWEAR CO	4,741 Shares	268,927	276,400
	COMMVAULT SYSTEMS INC	20,144 Shares	886,925	1,035,402
	CORE MARK HOLDINGS CO INC	16,523 Shares	547,681	711,646
	DORRMAN PRODUCTS INC	4,875 Shares	228,347	356,168
	DYCOM INDUSTRIES INC	8,374 Shares	626,983	672,348
	ENCORE WIRE	9,459 Shares	309,803	410,048
	FORUM ENERGY TECHNOLOGIES INC	29,157 Shares	520,040	641,454
	GIBRALTAR INDUSTRIES	15,882 Shares	431,229	661,485
	GIII APPAREL GROUP LTD	24,611 Shares	1,048,012	727,501
	GRANITE CONSTRUCTION INC	15,161 Shares	644,433	833,855
	HEADWATERS INC	17,457 Shares	256,219	410,589
	HEALTHEQUITY INC	8,564 Shares	289,071	347,013
	HMS HOLDINGS CORP	38,723 Shares	510,170	703,210
	HOME BANCSHARES INC	22,476 Shares	187,075	624,159
	IMPERVA INC	12,544 Shares	480,774	481,690
	INGEVITY CORP	14,312 Shares	542,670	785,156
	INOGEN INC	12,273 Shares	313,456	824,377
	ISHARES MSCI USA MIN VOL	980,000 Shares	38,863,736	44,315,600
	J2 GLOBAL INC	13,675 Shares	481,095	1,118,615
	JOHN BEAN TECHNOLOGIES CORP	4,719 Shares	245,227	405,598
	K2M GROUP HOLDINGS INC	35,025 Shares	576,711	701,901
	KINSALE CAPITAL GROUP INC	10,957 Shares	302,662	372,648
	KNOLL INC	2,279 Shares	45,493	63,652
	LHC GROUP INC	19,071 Shares	569,290	871,545
	LOGMEIN INC	5,952 Shares	321,066	574,666
	MASONITE INTL CORP	10,443 Shares	682,328	687,149
	MASTEC INC	6,112 Shares	132,147	233,784

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).

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, 2016

(a)	Identity of issue, borrower, lessor or similar parties (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares (c)				Cost (d)	Current value (e)		
Equity securities (continued)									
	MELLANOX TECHNOLOGIES LTD	13,945	Shares			639,496	570,351		
	MERCURY COMPUTER SYSTEMS INC	21,695	Shares			407,784	655,623		
	MICROSTRATEGY INC	3,721	Shares			600,102	734,525		
	MKS INSTRUMENTS INC	10,436	Shares			523,104	619,898		
	MUELLER WATER PRODUCTS	31,869	Shares			320,089	424,176		
	MXL	19,191	Shares			419,726	418,364		
	NXSTAGE MEDICAL INC	26,546	Shares			331,768	695,771		
	OLLIES BARGAIN OUTLET	22,400	Shares			453,516	637,280		
	PATTERSON UTI ENERGY INC	25,689	Shares			436,477	691,548		
	PDC ENERGY INC	1,498	Shares			67,549	108,725		
	PGT INC	36,135	Shares			373,080	413,746		
	PRA GROUP INC	14,312	Shares			482,766	559,599		
	REALPAGE INC	29,582	Shares			636,534	887,460		
	SILICON LABS INC	6,834	Shares			302,977	444,210		
	SKECHERS USA INC	26,211	Shares			625,932	644,266		
	SOUTH STATE CORP	6,345	Shares			244,335	554,553		
	STEVEN MADDEN LTD	26,321	Shares			899,261	940,976		
	SURGERY PARTNERS INC	27,585	Shares			454,967	437,222		
	SURGICAL CARE AFFILIATES	12,502	Shares			446,306	578,468		
	TELADOC	22,027	Shares			389,218	363,446		
	TUTOR PERINI CORP	7,707	Shares			208,011	215,796		
	UMPQUA HOLDINGS CORP	18,322	Shares			268,887	344,087		
	VANGUARD INST INDEX FUND	232,381	Shares			43,869,537	47,366,231		
	VERINT SYSTEMS INC	18,490	Shares			822,242	651,773		
	WEBSTER FINANCIAL CORP	9,061	Shares			367,237	491,831		
Total equity securities						\$ 114,243,296	\$ 132,032,658		
Limited partnerships									
	CAUSEWAY CAPITAL FUND NCFS	1,506,826	Shares			\$ 12,942,163	\$ 12,878,690		
	MONDRIAN INTL EQUITY FUND	584,080	Shares			15,418,498	17,404,565		
	SILCHESTER INTERNATIONAL INVESTORS	163,563	Shares			9,591,271	17,863,854		
Total limited partnerships						\$ 37,951,932	\$ 48,147,109		
Short-term fixed maturities									
	US TREASURY BILLS	Due	1/19/2017	— %	3,000,000	Par	\$ 2,997,638	\$ 2,999,516	
Total short-term fixed maturities						\$ 2,997,638	\$ 2,999,516		
Interest-bearing cash						2,470,927	Par	\$ 2,470,927	\$ 2,470,927
Total investments						\$ 327,203,866	\$ 358,536,311		

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).

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, 2016

Identity of party involved	Description of assets	Purchase price	Selling Price	Cost of asset	Value of asset on transaction date	Net gain
(a)	(b)	(c)	(d)	(g)	(h)	(i)
Category (iii) - Series of transactions in excess of 5% of plan assets						
Equity securities						
S&P 500 SPDR	190,000 units, 8 transactions	\$ —	\$ 38,559,749	\$ 37,106,744	\$ 38,559,749	\$ 1,453,005

Notes:

There were no category (i), (ii), or (iv) transactions during the year ended December 31, 2016.

ATTACHMENT TO SCHEDULE SB LINE 26 - SCHEDULE OF ACTIVE PARTICIPANT DATA

EIN: 57-6010814

PLAN NUMBER: 001

STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN

DISTRIBUTION OF ACTIVE MEMBERS BY AGE & SERVICE AS OF 01/01/2016

Attained Age	Years of Credited Service to Date											Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	6	0	0	0	0	0	0	0	6	6
30-34	0	0	18	9	1	0	0	0	0	0	28	28
35-39	0	0	22	27	12	0	0	0	0	0	61	61
40-44	0	0	16	30	32	7	2	0	0	0	87	87
45-49	0	0	30	24	24	25	15	2	0	0	120	120
50-54	0	0	45	32	28	35	39	15	8	0	202	202
55-59	0	0	36	34	46	34	32	16	33	6	237	237
60-64	0	0	21	22	22	21	13	13	9	4	125	125
65-69	0	0	9	6	15	7	3	2	1	3	46	46
70+	0	0	0	0	1	0	0	0	0	0	1	1
Total	0	0	203	184	181	129	104	48	51	13	913	913

Average Age: 52.1 Years Average Service to Date: 18.3 Years

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

Name of Plan: State Auto Insurance Companies Employee Retirement Plan

EIN: 57-6010814

PN: 001

Plan Year: 1/1/2016 - 12/31/2016

Interest Rates

	<u>HATFA</u>	<u>Pre MAP-21</u>
First Segment (1 to 60 months):	4.43%	1.41%
Second Segment (61 to 240 months):	5.91%	3.96%
Third Segment (Beyond 240 months):	6.65%	4.97%

(Results in an Effective Interest Rate of 6.15% under HATFA)

Salary

3.00% Annual Increase

Withdrawal

75% Financial institution termination study table. Rates of withdrawal vary by age and years of service. Sample rates for employees with more than 5 years of service are shown below. Rates for new employees start at 22.5% and decrease with age and service.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	10.4625%	35	5.5500%	50	1.8750%
25	10.4625%	40	3.8625%	55	1.2750%
30	7.9125%	45	2.5125%	60	0.7500%

Mortality

IRS 2016 Static Table

Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

Disability

No disability was assumed.

Retirement

Rates of retirement for participants eligible to retire:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
Less than 55	0.0000%	58	2.0000%	62	30.0000%
55	2.0000%	59	2.0000%	63	20.0000%
56	2.0000%	60	10.0000%	64	20.0000%
57	2.0000%	61	10.0000%	65+	100.0000%

Weighted average retirement age: 63

The weighted average retirement age is computed by first determining, for each possible retirement age, the probability that an eligible employee would retire at that age, given survival to the earliest possible retirement age. Then these probabilities at each age are multiplied (or weighted) by the age and summed. This sum, rounded to the nearest integral age, is the weighted average retirement age.

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

Name of Plan: State Auto Insurance Companies Employee Retirement Plan

EIN: 57-6010814

PN: 001

Plan Year: 1/1/2016 - 12/31/2016

Preretirement Survivor Death Benefit

Liabilities computed on the assumption that 85% of all participants will be married at the date of eligibility for the benefit. It is assumed that husbands will be three years older than their wives.

Lump Sum Distributions

60% assumed to elect a 50% lump sum distribution valued using the IRS 2016 Applicable Mortality Table.

Expenses

Plan-related expenses expected to be paid from plan assets during the plan year.

Actuarial Value of Assets

Average of the Adjusted Market Values as of the valuation date and the 2 preceding valuation dates. The averaging is adjusted for contributions, distributions and expected earnings, using an assumed interest rate of 8.00% for 2014 and 7.00% beginning in 2015 (but not in excess of the applicable third segment rate for that year). The resulting value may not be less than 90% nor more than 110% of the Adjusted Market Value of Assets.

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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 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**2016****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
☒ a single-employer plan ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report ☐ the final return/report
☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here: ☐
- D** Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program
☐ special extension (enter description) _____

Part II Basic Plan Information—enter all requested information

1a Name of plan STATE AUTO INSURANCE COMPANIES EMPLOYEE RETIREMENT PLAN		1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 07/01/1945
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) STATE AUTO PROPERTY & CASUALTY INSURANCE COMPANY 518 E. BROAD STREET COLUMBUS OH 43215		2b Employer Identification Number (EIN) 57-6010814 2c Plan Sponsor's telephone number 614-464-5000 2d Business code (see Instructions) 524150

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

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

SIGN HERE		<u>10/11/17</u>	Matt Pollak
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	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	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3,828
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2), 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	6a(1) 1,120 6a(2) 842 6b 1,445 6c 1,286 6d 3,573 6e 202 6f 3,775 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 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) (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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

Schedule H, line 4j – Schedule of Reportable Transactions

Plan Name: State Auto Insurance Companies Employee Retirement Plan
Employer I.D. #: 57-6010814
Plan Number: 001

(a) Identity of party involved	(b) Description of asset (including interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
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Schedule of Reportable Transactions is contained in the attached audit report.

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

► **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 INSURANCE COMPANY	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>01</u> Day <u>01</u> Year <u>2016</u>		
2	Assets:		
	a Market value.....	2a	365,471,608
	b Actuarial value	2b	379,216,098
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	1,494	134,638,285
	b For terminated vested participants	1,214	50,557,082
	c For active participants	1,120	105,279,559
	d Total	3,828	290,474,926
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	a Funding target disregarding prescribed at-risk assumptions.....	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate.....	5	6.15%
6	Target normal cost	6	7,093,232

Statement by Enrolled Actuary

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

SIGN HERE	Signature of actuary Mark A. Bonsall, F.S.A. Type or print name of actuary Conrad Siegel Actuaries Firm name P.O. Box 5900, 501 Corporate Circle Harrisburg PA 17110-0900 Address of the firm	Date 1706050 Most recent enrollment number 717-652-5633 Telephone number (including area code)
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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, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2016
v. 160205**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	40,798,429
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	40,798,429
10 Interest on line 9 using prior year's actual return of <u>-0.45%</u>	0	-183,593
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		44,372,439
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.34%</u>		2,813,213
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		47,185,652
d Portion of (c) to be added to prefunding balance.....		47,185,652
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	87,800,488

Part III Funding Percentages

14 Funding target attainment percentage	14	98.35%
15 Adjusted funding target attainment percentage.....	15	127.98%
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	101.47%
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
03/22/2017	5,000,000	0			
05/02/2017	5,000,000	0			
07/06/2017	5,000,000	0			
Totals ▶			18(b)	15,000,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	13,834,088

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: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %
			☐ 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	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	7,093,232
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	4,885,620	807,219	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....		34	7,900,451
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....		36	7,900,451
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	13,834,088
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	5,933,637
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If 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	0
43 Excess installment acceleration amount to be carried over to future plan years		43	0

Schedule C, line 2(h) – Formula Description

Plan Name: State Auto Insurance Companies Employee Retirement Plan
Employer I.D. #: 57-6010814
Plan Number: 001

(a) Name of Investment Fund (Source of Compensation)	(b) Name of Investment Adviser (Service Provider)	(c) Formula as Percentage of Assets	(d) Other Formula, if any
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See line 3(e) of Schedule C for a description of the applicable formulas for each fund manager

Schedule SB, line 19 - Discounted Employer Contributions

Name of Plan: State Auto Insurance Companies Employee Retirement Plan

EIN: 57-6010814

PN: 001

Plan Year: 1/1/2016 - 12/31/2016

Effective Interest Rate: 6.15%

Late Quarterly Interest Rate: 11.15%

Contribution Date	Applicable Plan Year	Contribution Amount	Interest Adjusted Contribution
3/22/2017	2016	5,000,000	4,648,340
5/2/2017	2016	5,000,000	4,617,281
7/6/2017	2016	5,000,000	4,568,467

Total

15,000,000

13,834,088

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

Name of Plan: State Auto Insurance Companies Employee Retirement Plan

EIN: 57-6010814

PN: 001

Plan Year: 1/1/2016 - 12/31/2016

The description of weighted average retirement age is contained in the first page of the attached Schedule SB, Part V - Statement of Actuarial Assumptions/ Methods.

Schedule SB, Part V - Summary of Plan Provisions
State Auto Insurance Companies Employee Retirement Plan
EIN: 57-6010814
Plan Number: 001

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

State Auto Insurance Companies Employee Retirement Plan is a defined benefit pension plan that was established July 1, 1945, and was last amended and restated effective as of January 1, 2002. The plan year begins January 1 and ends December 31.

ELIGIBILITY TO PARTICIPATE

Participation under this Plan was frozen effective January 1, 2010, with respect to employees with a first day of employment on or after that date. Effective July 1, 2010, participants were given the opportunity to opt-out of this defined benefit plan in favor of an enhanced defined contribution plan.

An employee becomes a participant in the Plan on the January 1 immediately following the date he meets the following requirement:

- Attains age 20.

NORMAL RETIREMENT BENEFIT

Normal Retirement Date

Prior to June 1, 2009, a participant is eligible for his normal retirement pension as of the first day of the month after the participant attains age 65.

Effective June 1, 2009, a participant is eligible for his normal retirement pension as of the first day of the month on or after the participant satisfies the following conditions:

- Attainment of age 65.
- Completion of 5 years of vesting service.

Normal Retirement Benefit

The normal retirement pension is payable monthly as long as the participant lives, with payments ceasing upon the participant's death.

Normal Retirement Pension Formula

If the participant retires as of his normal retirement date, his monthly pension will equal the sum of his monthly pension credits. The monthly pension benefit will equal 1/12 of:

- 1.75% of annual compensation as of January 1, 1993, multiplied by years of service as of January 1, 1993; plus
- 0.65% of annual compensation as of January 1, 1993, in excess of the 1992 Social Security integration level, multiplied by years of service as of January 1, 1993, up to a maximum of 35 years less any service attributable to former Patrons accruals; plus
- 1.75% of average compensation earned since January 1, 1993, multiplied by years of service earned after January 1, 1993; plus
- 0.65% of average compensation earned since January 1, 1993, in excess of the Social Security integration level, multiplied by years of service earned after January 1, 1993, up to a maximum of 35 years less Service as of January 1, 1993, and less any service attributed to former Patrons benefit formula.

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

For former Meridian Participants, the monthly benefit is 1/12 of the lesser of:

- The Meridian formula using all service and compensation; or
- The Meridian formula using service through December 31, 2001, and all compensation; plus the State Auto formula for service earned since December 31, 2001.

For former Meridian Participants, in no event will the benefit be less than the accrued benefit as of December 31, 2001, under the Meridian Plan.

For former Patrons Participants, the monthly benefit is 1/12 of the sum of:

- The Accrued Benefit in the Patrons Plan as of December 31, 2008, increased 4% annually through the last day of the month preceding the termination date; plus,
- The State Auto benefit after December 31, 2008, assuming all Patrons service for the purposes of applying the 35 year cap.

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

Social Security Integration Level

The Social Security integration level equals the average of the taxable wage bases over the 35-year period ending with the year the participant is entitled to full Social Security benefits.

Compensation

For the purposes of the Plan, "compensation" means the participant's basic annualized earnings determined on each January 1, excluding any extraordinary pay, such as overtime and bonuses, but including any 401(k) and similar deferrals, but subject to the Code section 401(a)(17) dollar limitation.

Accrued Benefit

The accrued benefit on any date other than the normal retirement date is determined according to the normal retirement pension formula, but based upon the participant's compensation and benefit service to date.

Retirement Payment Options

A participant may elect to receive his monthly pension in one of these optional forms of payment:

- **Lifetime Pension**
- **Lifetime Pension with Guaranteed Period** with guaranteed payments for 120 months.
- **Joint and Survivor Pension** with 100%, 75%, 66⅔%, or 50% survivor pension.
- **Social Security Adjusted Lifetime Pension** providing an increased monthly pension payable until the participant is eligible to begin receiving full retirement Social Security benefits.

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

- **Social Security Adjusted Joint and 100% Survivor Pension** providing an increased monthly pension payable until the participant is eligible to begin receiving full retirement Social Security benefits.
- **Partial Lump Sum Payment** – A lump sum payment of up to 50% of the value of the participant's Accrued Benefit is available with the balance payable under any of the above listed options. If the present value of the vested pension does not exceed \$1,000, this is the only payment option. Former Patrons participants may be eligible to receive the entire Patrons benefit in a lump sum payment. This payment option is not available if the Plan does not meet certain Internal Revenue Code funding requirements.

The monthly pension payable shall be reduced by 0.05% for each full calendar month prior to the participant's Normal Retirement Date that the Qualified Preretirement Survivor Benefit was in effect, including the calendar month of the participant's death, if applicable.

If the present value of the vested pension does not exceed \$1,000, the Plan will automatically distribute the benefit in cash if there is no election.

If the participant is married at the time payments are to begin, the automatic form of payment will be a Joint and 50% Survivor Pension with the spouse named as survivor annuitant. If the participant is not married at the time payments are to begin, the automatic form of payment will be a Lifetime Pension.

No option where the actuarial reduction is more than 50% shall be permitted other than the Qualified Joint and Survivor Annuity.

Payment options available for Pre-January 1, 2009, accrual under Patrons plan: Lifetime Annuity, Term Certain, Lump Sum.

Employment after Retirement. If a participant in pay status returns to employment, retirement benefits will not be suspended.

OTHER RETIREMENT BENEFITS

Late Retirement

If a participant continues working after his normal retirement date, his pension will not commence until he actually retires. The late retirement benefit is the normal retirement benefit determined under the pension formula using compensation and benefit service to date.

Benefits accrued by a participant in the Patrons plan prior to January 1, 2009, shall be increased actuarially for late retirement. Benefits accrued after January 1, 2009, shall have no actuarial increase for late retirement.

Early Retirement

A participant is eligible for early retirement after attainment of age 55 and completion of 15 years of vesting service. Former Meridian participants who were either age 55 or had completed 5 years of vesting service as of December 31, 2001, are eligible for early retirement after attainment of age 55. The early retirement pension is the actuarial equivalent of the pension accrued to the date of early retirement.

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

Patrons plan participants prior to January 1, 2009, with 10 years of service as of December 31, 2008, can retire as early as age 55. If they do not meet the age 55 with 15 years of vesting service eligibility, then a special early retirement reduction applies ($1/180^{\text{th}}$ per month for the first 60 months followed by $1/360^{\text{th}}$ per month for the next 60 months).

A participant is eligible for early retirement after attainment of age 55 and completion of 30 years of vesting service, and after the attained age plus years of vesting service equal at least 90. The early retirement pension is the pension accrued to the date of early retirement.

DISABILITY BENEFIT

The participant will be credited with years of benefit service and compensation while he is disabled and not working for the employer if he meets all of the following requirements as of the date he becomes disabled.

- Is actively employed.
- Becomes disabled and remains so for six months.

A participant is disabled if he is eligible for Social Security disability benefits or long-term disability benefits under an Employer maintained long-term disability plan.

Years of benefit service will be credited and compensation is assumed to remain constant while the participant is disabled.

DEATH BENEFIT

Preretirement Survivor Benefit

If a participant dies after he has become vested under the Plan but before he begins to receive a retirement pension benefit, his surviving spouse will receive a 100% survivor benefit. Payment will begin on the date on which he first would have been eligible for retirement. The amount of his surviving spouse's benefit is equal to the 100% survivor benefit payable under the joint and 100% survivor pension option, based upon his accrued pension at the date of death and reduced for early commencement of benefits, if applicable. If the participant is not married at the time of death, no benefit will be paid by the Plan.

The monthly pension payable shall be reduced by 0.05% for each full calendar month prior to the participant's Normal Retirement Date that the Qualified Preretirement Survivor Benefit was in effect, including the calendar month of the participant's death, if applicable.

For disabled participants with more than 15 years of vesting service upon disablement, there is no reduction for QPSA charge and the benefit is calculated as if the disabled participant were employed through the date of death.

Death benefits with a present value of under \$5,000 are immediately distributed as a lump sum payment.

The above provisions only apply to participants credited with an hour of service on or after August 23, 1984. Former participants who did not have an hour of service credited on or after August 23, 1984, are subject to separate provisions detailed in the plan document.

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

TERMINATION OF EMPLOYMENT BENEFITS

Vesting in Accrued Pension

If employment terminates other than by retirement or disability, the amount payable from the Plan is based upon the following vesting schedule:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
0–4 Years	0%
5 or More Years	100%

Time of Payment

The participant may elect payment after his early retirement date, reduced to reflect the early commencement of benefits. No pension payment is available under the Plan prior to early retirement, disability, or death, with one exception. If the present value of the vested accrued benefit does not exceed \$1,000, the lump sum value can be paid following termination of employment. If the present value of the participant's vested accrued benefit does not exceed \$1,000, the Plan will automatically distribute the amount in cash, if the participant does not elect a rollover to an IRA or another qualified plan.

Forfeitures

Forfeiture occurs when the participant terminates employment.

SERVICE RULES

Vesting Service Rules

Vesting service is determined using the elapsed time method. Fractional years of vesting service will be credited to the next higher month. For the purpose of determining years of vesting service, the Plan excludes the following service:

- Years of service before July 1, 1945, which is the date the employer adopted the Plan.
- Service with a prior employer as noted below.

Benefit Service Rules

A participant is credited with a year of benefit service for each 12-month period he is employed by the employer. Fractional years of benefit service will be credited to the next higher month.

For the purpose of determining years of benefit service, the Plan excludes the following service:

- Service before July 1, 1945, the date the Plan was adopted.
- Service with a prior employer as noted below.

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

Service with Prior Employers

The Plan takes into account service with the following employer(s) for the purpose noted, provided the employee was employed by the employer as of the listed effective date:

Employer	Purpose	Effective Date
The Meridian Plan	eligibility/vesting/benefit service	December 31, 2001
The Patrons Plan	eligibility/vesting/benefit service	December 31, 2008
Columbus Mutual Insurance Company	eligibility/vesting/benefit service	January 1, 1982
Southern Home Insurance Company	eligibility/vesting/benefit service	July 1, 1958
Royal Indemnity Company	benefit service	August 23, 1993

The Plan excludes service prior to the effective date with the following employer(s) for the purpose noted:

Employer	Purpose	Effective Date
Midwest Security Insurance Company	eligibility/vesting/benefit service	January 1, 1997
Farmers Casualty Insurance Company	eligibility/vesting/benefit service	January 1, 1999
Beacon National Insurance Company	eligibility/vesting/benefit service	January 1, 2008

ACTUARIAL EQUIVALENCE

Early Retirement –As described in Section 3.02 of the plan document. (For example, the factor at age 62 is 0.88, the factor at age 60 is 0.80, and the factor at age 55 is 0.55.)

Monthly Pension – Actuarial equivalence will be determined based on the participant's attained age and following mortality and interest assumptions:

Mortality table: Preretirement – GA1971-M (-5,0)
Postretirement – GA1971-M (-5,0)

Interest rate: Preretirement – 5.5%
Postretirement – 5.5%

Lump Sum – Actuarial equivalence will be determined based on the following mortality and interest assumptions:

Mortality table: The Code section 417 mortality table
Interest rate: The Code section 417 interest rates

Code Section 417 Mortality Table

The Code section 417 mortality table is the Applicable Mortality Table released annually by the Internal Revenue Service.

State Auto Insurance Companies Employee Retirement Plan
Actuarial Valuation as of January 1, 2016
Summary of Plan Provisions

Code Section 417 Interest Rates

The Code section 417 interest rates are the Transitional Segment Rates for the second month preceding the first day of the plan year that contains the annuity starting date.

CHANGES IN PRINCIPAL PLAN BENEFIT PROVISIONS SINCE THE LAST VALUATION

None

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR

None

Schedule H, line 4i – Schedule of Assets (Held At End of Year)

Plan Name: State Auto Insurance Companies Employee Retirement Plan
Employer I.D. #: 57-6010814
Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
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Schedule of Assets (Held At End of Year) is contained in the attached audit report.

Schedule SB, line 32 - Schedule of Amortization Bases

Name of Plan: State Auto Insurance Companies Employee Retirement Plan

EIN: 57-6010814

PN: 001

Plan Year: 1/1/2016 - 12/31/2016

Type of Base (shortfall or Waiver)	Initial Date	Amortization Base	Amortization Installment	Present Value of Remaining Amortization Installment	Remaining Amortization Years
shortfall	1/1/2016	4,885,620	807,219	4,885,620	7

\$	4,885,620	\$	807,219	\$	4,885,620
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