

State Auto Financial CORP
Form 8-K
May 12, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 12, 2016 (May 6, 2016)

STATE AUTO FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

000-19289
(Commission
File Number)

31-1324304
(IRS Employer
Identification No.)

518 East Broad Street, Columbus, Ohio

43215-3976

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (614) 464-5000

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5. Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Item 5.02(f)

State Auto Financial Corporation (the *Company*) has a Long-Term Incentive Plan under which grants of cash-based performance award units (*PAUs*) are made to its Named Executive Officers (*NEOs*) and other members of the Leadership Team. The value of a PAU is dependent upon the State Auto Group's relative performance to a peer group of other property and casualty insurers (the *LTIP Peer Group*) during a three-year performance period. The value of the PAU awards to the NEOs for the three-year performance period ended December 31, 2015 (the **2013-2015 performance period**), was omitted from the Company's definitive Proxy Statement dated March 24, 2016 (the **2016 Proxy Statement**) because, as of that date, the final LTIP Peer Group data for the 2013-2015 performance period was not available to the Company.

On May 6, 2016, the Company's Compensation Committee approved PAU awards for the 2013-2015 performance period for the NEOs identified in the 2016 Proxy Statement. Set forth below are the non-equity incentive compensation and total compensation for each NEO reported in the Summary Compensation Table on Page 65 of the 2016 Proxy Statement, as recalculated to include the value of the PAU awards for the 2013-2015 performance period.

| Named Executive Officer | Year | Non-Equity Incentive Plan Compensation (\$)(1) | Total (\$) |
|-------------------------|------|--|------------|
| Michael E. LaRocco | 2015 | 319,576 | 1,463,251 |
| Steven E. English | 2015 | 262,455 | 965,109 |
| Jessica E. Clark | 2015 | 407,829 | 1,338,122 |
| Clyde H. Fitch | 2015 | 178,285 | 774,337 |
| James A. Yano | 2015 | 368,130 | 752,583 |
| Kim B. Garland | 2015 | 330,000 | 745,742 |
| Robert P. Restrepo, Jr. | 2015 | 559,692 | 4,165,651 |
| Steven J. Hunckler | 2015 | 211,110 | 1,825,337 |

- (1) For the total 2015 non-equity incentive plan compensation, the dollar amounts shown in this column reflect the aggregate amount of the following awards earned in 2015 by each NEO under the Long-Term Incentive Plan, the Company performance component of the LBP and the individual performance component of the LBP.

| Named Executive Officer | Long-Term Incentive Plan PAU Award (\$) | LBP Company Performance Award (\$) | LBP Individual Performance Award (\$) | Total Non-Equity Incentive Plan Compensation Awards (\$) |
|-------------------------|---|------------------------------------|---------------------------------------|--|
| | | | | |

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|-------------------------|---------|---------|---------|---------|
| Michael E. LaRocco | | 117,276 | 202,300 | 319,576 |
| Steven E. English | 60,773 | 61,310 | 140,372 | 262,455 |
| Jessica E. Clark | 175,565 | 58,014 | 173,250 | 407,829 |
| Clyde H. Fitch | 42,088 | 48,784 | 87,413 | 178,285 |
| James A. Yano | 225,295 | 92,842 | 49,993 | 368,130 |
| Kim B. Garland | | 247,500 | 82,500 | 330,000 |
| Robert P. Restrepo, Jr. | 208,081 | 138,530 | 213,081 | 559,692 |
| Steven J. Hunckler | 32,360 | 116,187 | 62,563 | 211,110 |

Item 5.07 Submission of Matters to a Vote of Security Holders

(a) The Company's annual meeting of shareholders (the *2016 Annual Meeting*) was held on May 6, 2016.

(b) The following is a brief description and vote count on all items voted on at the 2016 Annual Meeting:

Proposal One Election of Directors.

The following persons were elected to serve as Class I directors to hold office until the 2019 annual meeting of shareholders and until a successor is elected and qualified, with each director nominee receiving the votes as indicated below:

| Nominee | Shares Voted For | Shares Voted Withheld | Broker Non-votes |
|-------------------|-----------------------------|----------------------------------|-----------------------------|
| Robert E. Baker | 38,080,457 | 99,331 | 2,223,824 |
| Thomas E. Markert | 38,080,855 | 98,933 | 2,223,824 |

Proposal Two Amendment to the Company's Code of Regulations.

This Proposal was approved with the following vote:

| Shares | Shares | | Broker |
|------------------|----------------------|--------------------|------------------|
| Voted For | Voted Against | Abstentions | Non-votes |
| 37,890,239 | 2,492,101 | 21,272 | |

Proposal Three Amendment to the 2009 Equity Incentive Compensation Plan

This Proposal was approved with the following vote:

| Shares | Shares | | Broker |
|------------------|----------------------|--------------------|------------------|
| Voted For | Voted Against | Abstentions | Non-votes |
| 37,606,157 | 533,330 | 40,301 | 2,223,824 |

Proposal Four Approval of Material Terms of the Outside Directors Restricted Share Unit Plan

This Proposal was approved with the following vote:

| Shares | Shares | | Broker |
|------------------|----------------------|--------------------|------------------|
| Voted For | Voted Against | Abstentions | Non-votes |
| 37,953,386 | 188,256 | 38,146 | 2,223,824 |

Proposal Five Approval of Material Terms of the One Team Incentive Plan

This Proposal was approved with the following vote:

| Shares | Shares | | Broker |
|------------------|----------------------|--------------------|------------------|
| Voted For | Voted Against | Abstentions | Non-votes |
| 37,719,126 | 421,250 | 39,412 | 2,223,824 |

Proposal Six - Ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2016.

This Proposal was approved with the following vote:

| Shares | Shares | | Broker |
|------------------|----------------------|--------------------|------------------|
| Voted For | Voted Against | Abstentions | Non-votes |

| | | |
|------------|---------|--------|
| 39,830,453 | 517,048 | 56,111 |
|------------|---------|--------|

Proposal Seven Advisory vote on compensation paid to named executive officers, as disclosed in the proxy materials.

This Proposal was approved with the following vote:

| Shares | Shares | | Broker |
|------------|---------------|-------------|-----------|
| Voted For | Voted Against | Abstentions | Non-votes |
| 37,945,123 | 193,841 | 40,824 | 2,223,824 |

(c) Not applicable.

Section 8. Other Events

Item 8.01 Other Events.

At the Company's Board of Directors' meeting held on May 6, 2016, the following directors were appointed or re-appointed to the following Board committees:

Audit Committee: Chairperson Eileen A. Mallesch, Robert E. Baker, David R. Meuse and S. Elaine Roberts

Compensation Committee: Chairperson Robert E. Baker, David J. D. Antoni, Thomas E. Markert and Eileen A. Mallesch

Nominating and Governance Committee: Chairperson Michael J. Fiorile, David J. D. Antoni, Thomas E. Markert and S. Elaine Roberts

Investment and Finance Committee: Chairperson David R. Meuse, David J. D. Antoni and Michael E. LaRocco

Independent Committee: Chairperson Thomas E. Markert, David J. D. Antoni, Eileen A. Mallesch, David R. Meuse and S. Elaine Roberts

Risk Committee: Chairperson Michael J. Fiorile, Eileen A. Mallesch, Thomas E. Markert, and S. Elaine Roberts

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STATE AUTO FINANCIAL CORPORATION

Date: May 12, 2016

By /s/ Melissa A. Centers
Senior Vice President, Secretary and General
Counsel