

State Auto Financial CORP
Form 8-K
February 15, 2008

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): February 15, 2008 (February 14, 2008)

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
(Address of principal executive offices)

43215-3976
(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)

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- “ 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 2. Financial Information

Item 2.02. Results of Operations and Financial Condition.

On February 14, 2008, State Auto Financial Corporation (the **Company**) issued a press release disclosing the Company's results of operations for its three-month period and fiscal year ended December 31, 2007 (the **Release**). The full text of the Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The Release included a non-GAAP financial measure, net income from operations per diluted share. Net income from operations differs from GAAP net income only by the exclusion of realized capital gains and (losses), net of applicable taxes, on investment activity for the periods being reported. For the three-month periods ended December 31, 2007 and 2006, GAAP net income was \$1.01 per diluted share and \$1.08 per diluted share, respectively, while net income from operations was \$0.99 per diluted share and \$1.03 per diluted share for these same respective periods. For the three-month periods ended December 31, 2007 and 2006, the difference between GAAP net income per diluted share and net income from operations per diluted share was \$0.02 and \$0.05, respectively, of realized capital gains or losses, net of applicable taxes.

Management uses net income from operations because it believes this calculation better indicates the Company's operating performance than GAAP net income because net income from operations excludes the sometimes volatile realized capital gains/losses, net of applicable federal income taxes, that can produce inconsistent results. Net income from operations provides a more consistent measure on which to predict future earnings of the Company.

Section 7. Regulation FD

Item 7.01. Regulation FD Disclosure.

The Company's management conducted a conference call on February 14, 2008, at approximately 10:00 a.m., EST, to review the Company's financial results for the three-month period and fiscal year ended December 31, 2007, and to respond to questions from interested investors and financial analysts. A transcript of the conference call is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

Following the conference call, the Company's management responded to questions from a financial analyst who, due to communication problems, was unable to pose such questions during the conference call. A transcript of the questions posed by the financial analyst and the responses of the Company's management to same is furnished as Exhibit 99.3 to this Current Report on Form 8-K.

Section 8. Other Events

Item 8.01. Other Events.

Attached as Exhibit 99.4 to this Current Report on Form 8-K and incorporated herein by reference is a press release issued by State Auto Financial Corporation on February 14, 2008, regarding preliminary catastrophe loss estimates regarding first quarter 2008 catastrophe storm activity through February 8, 2008.

Section 9. Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Press release issued by State Auto Financial Corporation on February 14, 2008, regarding results of operations for three-month period and fiscal year ended December 31, 2007. |
| 99.2 | Transcript of conference call held by management of State Auto Financial Corporation on February 14, 2008. |
| 99.3 | Transcript of questions posed following the conference call identified in Exhibit 99.2 and responses of management of State Auto Financial Corporation to same. |
| 99.4 | Press release issued by State Auto Financial Corporation on February 14, 2008, regarding preliminary catastrophe loss estimates regarding first quarter 2008 catastrophe storm activity through February 8, 2008. |

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: February 15, 2008

By /s/ Steven E. English
Vice President and Chief Financial Officer

EXHIBIT INDEX

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