

State Auto Financial CORP
 Form 4
 March 09, 2009

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
POWELL CYNTHIA A

(Last) (First) (Middle)
 518 E. BROAD STREET
 (Street)

COLUMBUS, OH 43215

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 State Auto Financial CORP [STFC]

3. Date of Earliest Transaction (Month/Day/Year)
 12/15/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |
| Common Shares without par value | 12/15/2008 | | A ⁽⁴⁾ | 5 ⁽⁴⁾ | A | \$ 0 | 8,414.865 ⁽³⁾ D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (Right to Buy) NQ | \$ 14.49 | 03/05/2009 | | A | 4,948 | 03/05/2010 ⁽¹⁾ 03/04/2019 | Common Shares | 4,948 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| POWELL CYNTHIA A 518 E. BROAD STREET COLUMBUS, OH 43215 | | | Vice President | |

Signatures

Cynthia A. Powell by James A. Yano, attorney in fact pursuant to POA filed with Commission 5/7/07.

03/09/2009

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The options vest in three equal annual installments beginning on March 5, 2010.

(2) Field should be left blank, but due to a software defect, requires input.

Includes the following acquisitions: 35.616 shares acquired in September 2008 and 42.47 shares acquired in December 2008 under the (3) State Auto Financial CP Reinvestment; 369.70 shares acquired in November 2008 through the State Auto Financial Corporation Employee Stock Purchase Plan; and 3.382 shares acquired in December 2008 as dividend reinvestment.

(4) Transaction reflects an annual stock bonus award made to the reporting person and to all full time employees of the Issuer.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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