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): March 28, 2011

United Fire & Casualty Company
(Exact name of registrant as specified in its charter)

Iowa 001-34257 42-0644327
(State or other jurisdiction (Commission File Number) (IRS Employer Identification No.)
of incorporation)

118 Second Avenue, S.E.,
Cedar Rapids, Iowa
(Address of principal executive offices)

52407
(Zip Code)

Registrant's telephone number, including area code: (319) 399-5700

(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:

☐ 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))
Item 2.01. Completion of Acquisition or Disposition of Assets.

On March 28, 2011, United Fire & Casualty Company, an Iowa corporation ("United Fire"), and Mercer Insurance Group, Inc., a Pennsylvania corporation ("Mercer"), completed the merger of Mercer with and into a wholly owned subsidiary of United Fire (the "Merger") pursuant to an Agreement and Plan of Merger dated as of November 30, 2010 (the "Merger Agreement") among United Fire, Red Oak Acquisition Corp., a Pennsylvania corporation and wholly owned subsidiary of United Fire ("Acquisition Corp.") and Mercer. As a result of the Merger, Mercer became a wholly owned subsidiary of United Fire.

As a result of the Merger, at the effective time of the Merger (the "Effective Time"), each share of Mercer common stock ("Mercer Common Stock") that was issued and outstanding immediately prior to the Effective Time (other than shares of Mercer Common Stock held in the treasury of Mercer or by any subsidiary of Mercer and any shares of Mercer Common Stock owned by United Fire or any wholly owned subsidiary of United Fire), including any allocated and unallocated shares held by the Mercer Employee Stock Ownership Plan (the "Mercer ESOP"), and any shares of restricted stock, was cancelled and converted into the right to receive $28.25 in cash (the "Cash Consideration"), without interest.

In connection with the Merger, each outstanding option to purchase Mercer Common Stock ("Mercer Stock Option"), whether or not vested and exercisable, was, at the Effective Time, cancelled and converted into the right to receive the product of (i) the number of shares of Mercer Common Stock that would have been acquired upon the exercise of such Mercer Stock Option, multiplied by (ii) the excess, if any, of the Cash Consideration over the exercise price to acquire a share of Mercer Common Stock under such Mercer Stock Option (the "Option Consideration"), subject to any applicable withholding taxes.

A copy of the press release announcing the completion of the Merger is filed as Exhibit 99.1 to this Current Report and is incorporated herein by reference. The foregoing summary of the Merger Agreement and the transactions contemplated thereby contained in this Item 2.01 does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions of the Merger Agreement, a copy of which was attached as Exhibit 2.1 to United Fire's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 1, 2010, and incorporated herein by reference.

The Merger Agreement has been included in this communication to provide investors and shareholders with information regarding its terms. It is not intended to provide any other factual information about United Fire, Acquisition Corp. or Mercer. The representations, warranties and covenants contained in the Merger Agreement (i) have been made only for purposes of the Merger Agreement, (ii) are subject to materiality qualifications contained in the Merger Agreement which may differ from what may be viewed as material by investors, (iii) were made only as of the date of the Merger Agreement or such other date as is specified in the Merger Agreement, and (iv) may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts. Investors are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of United Fire, Acquisition Corp. or Mercer or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in United Fire's or Mercer's public disclosures.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The financial statements required by Item 9.01(a) of Form 8-K will be filed by amendment no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.
(b) Pro Forma Financial Statements and Exhibits.

The pro forma financial statements required by Item 9.01(b) of Form 8-K will be filed by amendment no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(c) None.

(d) Exhibits.

The following exhibits are furnished herewith.

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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.

United Fire & Casualty Company
(Registrant)

Date: March 28, 2011 /s/ Randy A. Ramlo
Randy A. Ramlo, Chief Executive Officer
## EXHIBIT INDEX

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United Fire & Casualty Company completes acquisition of Mercer Insurance Group, Inc.

CEDAR RAPIDS, Iowa - March 28, 2011 - United Fire & Casualty Company (NASDAQ: UFCS) today announced that it has completed its acquisition of Mercer Insurance Group, Inc. (NASDAQ: MIGP).

With this acquisition, initially announced on November 30, 2010, there is no overlap between the agency networks of United Fire and Mercer, as Mercer primarily markets in six Western and Mid-Atlantic states in which United Fire has no appointed property and casualty agencies. United Fire will now market through over 1,000 independent agencies, diversifying exposure to weather and other catastrophe risks across our geographic markets. Also with the completion of the acquisition, the combined company will be able to build on common conservative underwriting and investment cultures.

“The completion of this transaction marks an important milestone for United Fire,” said Randy A. Ramlo, president and chief executive officer of United Fire. “Today, we significantly expanded our resources to better serve our policyholders and agents by offering additional products and services. With Mercer Insurance, we know that our shared focus on underwriting profitability will achieve the continued strong, consistent results our United Fire stockholders expect.”

Under the terms of the merger agreement, Mercer Insurance stockholders will receive $28.25 per share in cash, representing an aggregate transaction value of approximately $191 million. As previously reported, United Fire anticipates the acquisition will contribute to its net income and return on equity no later than 2012.

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About United Fire & Casualty Company and subsidiaries

Founded in 1946, United Fire & Casualty Company and its subsidiaries are engaged in the business of writing property and casualty insurance and life insurance, and selling annuities. Our company's net premiums written totaled $463.9 million through the year ended December 31, 2010, and our market capitalization was $584.7 million at December 31, 2010.

United Fire and its property and casualty insurance subsidiaries are licensed in 43 states, plus the District of Columbia, and represented by approximately 800 independent agencies. Our line of products consists of commercial insurance (including surety bonds) and personal insurance. Approximately 91 percent of property and casualty premiums written are commercial in nature.
United Fire is rated A (Excellent) by A.M. Best Company. For the third consecutive year, United Fire was named a "Top 10 Ease of Doing Business Performer" for 2010 in Deep Customer Connections Inc.'s (DCC) eighth annual Ease of Doing Business (EDB) survey. The performance of more than 200 property and casualty carriers was assessed by 7,800 independent agents and brokers. They rated the importance of 11 key factors, ranging from underwriting responsiveness to handling claims promptly to employing effective, user-friendly technology. DCC specializes in helping property and casualty carriers achieve profitable growth by making it easy for their agents to work with them. DCC's EDB Index® is an industry benchmark of carriers' EDB performance. United Fire has also been named one of the Most Trustworthy Publicly Traded Companies in America, a list compiled through a partnership with Forbes and Audit Integrity. According to the stringent Audit Integrity standards for transparency and fair governance, less than five percent of the entire U.S. stock market qualifies for inclusion on the list.

Our subsidiary, United Life Insurance Company, is licensed in 28 states, represented by over 900 independent life agencies, and has been named to the Ward's 50 Life & Health Insurance Companies for five consecutive years (2006-2010).

**About Mercer Insurance Group**


On February 23, 2011, Mercer reported net premiums written of $132.7 million, a GAAP combined ratio of 96.4 percent and net income of $14.7 million, or $2.28 per diluted share, for the year ended December 31, 2010. At December 31, 2010, book value per share was $27.88.

**Disclosure of forward-looking statements**

This release may contain forward-looking statements about our operations, anticipated performance and other similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934 for forward-looking statements. The forward-looking statements are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and/or projected. Such forward-looking statements are based on current expectations, estimates, forecasts and projections about our company, the industry in which we operate, and beliefs and assumptions made by management. Words such as "expect(s)," "anticipate(s)," "intend(s)," "plan(s)," "believe(s)," "continue(s)," "seek(s)," "estimate(s)," "goal(s)," "target(s)," "forecast(s)," "project(s)," "predict(s)," "should," "could," "may," "will continue," "might," "hope," "can" and other words and terms of similar meaning or expression in connection with a discussion of future operating, financial performance or financial condition, are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. Information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in Part I Item 1A "Risk Factors" of our annual report on Form 10-K for the year ended December 31, 2010, filed with the SEC on March 1, 2011. The risks identified on Form 10-K are representative of the risks, uncertainties, and assumptions that could cause actual outcomes and results to differ materially from what is expressed in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release or as of the date they are made.
Additional Information

Investors and shareholders are advised to read any relevant documents filed with the SEC by United Fire and Mercer as they become available. Those documents contain important information about United Fire and Mercer.

Investors and shareholders may obtain free copies of documents filed by United Fire and Mercer Insurance (when available) at the SEC’s website at http://www.sec.gov at United Fire’s website at http://www.unitedfiregroup.com, or at Mercer’s website at http://www.mercerins.com. Documents may also be obtained, when available, for free from United Fire by directing such request to United Fire Group, Attn: Investor Relations, 118 Second Avenue SE, P.O. Box 73909, Cedar Rapids, IA 52407-3909.