



LIFE AND ACCIDENT AND HEALTH COMPANIES —ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

## Grange Life Insurance Company

NAIC Group Code	0267 (Current Period)	0267 (Prior Period)	NAIC Company Code	71218	Employer's ID Number	31-0739286
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile			United States of America			
Incorporated		03/05/1968	Commenced Business		07/01/1968	
Statutory Home Office		650 South Front Street (Street and Number)	Columbus, OH 43206-1014 (City or Town, State and Zip Code)			
Main Administrative Office		Columbus, OH 43206-1014 (City or Town, State and Zip Code)	650 South Front Street (Street and Number)	614-445-2900 (Area Code) (Telephone Number)		
Mail Address		650 South Front Street, P.O. Box 1218 (Street and Number or P.O. Box)	Columbus, OH 43216-1212 (City or Town, State and Zip Code)			
Primary Location of Books and Records		Columbus, OH 43206-1014 (City or Town, State and Zip Code)	650 South Front Street (Street and Number)	614-445-2820 (Area Code) (Telephone Number)		
Internet Website Address		www.grangeinsurance.com				
Statement Contact		Richard Paul McKinley (Name) mckinleyd@grangeinsurance.com (E-mail Address)	614-445-2820 (Area Code) (Telephone Number) (Extension) 614-445-2619 (FAX Number)			
Policyowner Relations Contact		Columbus, OH 43206-1014 (City or Town, State and Zip Code)	650 South Front Street (Street and Number)	614-445-2900 (Area Code) (Telephone Number) (Extension)		

### OFFICERS

President	Thomas Howard Welch	CFO & Vice President	Randall Joseph Montelone
Secretary & Vice President	David Trufant Roark	Actuary	Actuarial Management Resources

### VICE PRESIDENTS

Martin James Dinehart	Walter Loren Neff
-----------------------	-------------------

### DIRECTORS OR TRUSTEES

RANDALL JOSEPH MONTELONE	EDWIN LOWELL BILLMAN	ANTHONY ALFONSO COLAO JR
ROBERT JOHN O'BRIEN	MICHAEL VERNE PARROTT	MELVIN GEORGE PYE JR
JAMES LAWRENCE SETTERLIN	THOMAS SIMRALL STEWART	PHILIP WAYNE STICHTER
PHILIP HUGH URBAN	DAVID CHARLES WETMORE	

State of ..... OHIO ..... }  
County of ..... PICKAWAY ..... ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Thomas Howard Welch  
PRESIDENT

Randall Joseph Montelone  
CFO & VICE PRESIDENT

David Trufant Roark  
SECRETARY & VICE PRESIDENT

Subscribed and sworn to before me this  
SEVENTH day of NOVEMBER, 2002

LINDA LINDSEY  
ADMINISTRATIVE ASSISTANT  
MAY 28, 2003

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	122,955,847		122,955,847	112,515,157
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	521,730		521,730	762,939
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Policy loans .....	7,128,601		7,128,601	6,802,006
6. Premium notes, including \$ ..... for first year premiums .....				
7. Cash (\$ ..... 3,533,564 ) and short -term investments (\$ ..... ) .....	3,533,564		3,533,564	4,184,004
8. Other invested assets .....				
9. Receivable for securities .....				0
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	134,139,742		134,139,742	124,264,106
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers .....	2,283,601		2,283,601	458,000
12.2 Commissions and expense allowances due .....				
12.3 Experience rating and other refunds due .....				
12.4 Other amounts receivable under reinsurance contracts .....				
13. Electronic data processing equipment and software .....	59,899		59,899	101,739
14. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 752,887 net deferred tax asset) .....	3,204,564	2,451,677	752,887	789,126
15. Guaranty funds receivable or on deposit .....				
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ ..... (179,375) loading) .....	7,915,711		7,915,711	6,185,941
17. Accident and health premiums due and unpaid .....				6,500
18. Investment income due and accrued .....	1,638,814		1,638,814	1,819,089
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				
21. Amounts receivable relating to uninsured accident and health plans .....				
22. Amounts due from agents .....				
23. Other assets nonadmitted .....	101,831	101,831		
24. Aggregate write-ins for other than invested assets .....	72,519		72,519	12,727
25. Total assets excluding Separate Accounts business (Lines 11 to 24) .....	149,416,681	2,553,508	146,863,173	133,637,228
26. From Separate Accounts Statement .....				
27. Total (Lines 25 and 26) .....	149,416,681	2,553,508	146,863,173	133,637,228
<b>DETAILS OF WRITE-INS</b>				
1001. ....				
1002. ....				
1003. ....				
1098. Summary of remaining write-ins for Line 10 from overflow page .....				
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above) .....				0
2401. Miscellaneous Receivables .....	72,519		72,519	12,727
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....	72,519		72,519	12,727

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$ 117,998,207 less \$ included in Line 6.3 (including \$ Modco Reserve) .....	117,998,207	108,326,031
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve) .....	399,826	394,589
3. Liability for deposit-type contracts (including \$ Modco Reserve) .....	519,427	436,809
4. Contract claims:		
4.1 Life .....	2,759,674	1,707,310
4.2 Accident and health .....	55,000	55,000
5. Policyholders' dividends \$ 224,939 and coupons \$ due and unpaid .....	224,939	191,889
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco Reserve) .....	53,987	53,987
6.2 Dividends not yet apportioned (including \$ Modco Reserve) .....		
6.3 Coupons and similar benefits (including \$ Modco Reserve) .....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums .....	140,575	58,441
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds .....		
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded .....	479,115	290,890
10. Commissions to agents due or accrued—life and annuity contracts \$ 357,745 accident and health \$ 3,306 and deposit-type contract funds \$ .....	361,051	267,293
11. Commissions and expense allowances payable on reinsurance assumed .....	875,338	862,588
12. General expenses due or accrued .....		
13. Transfers to Separate Accounts due or accrued (net) (Including \$ accrued for expense allowances recognized in reserves) .....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	293,040	348,328
15. Federal and foreign income taxes, including \$ 141,140 on realized capital gains (losses) (including \$ 20,886 net deferred tax liability) .....	1,272,398	384,944
16. Unearned investment income .....	290,223	267,659
17. Amounts withheld or retained by company as agent or trustee .....		
18. Amounts held for agents' account, including \$ agents' credit balances .....		
19. Remittances and items not allocated .....	320,308	163,038
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$ and interest thereon \$ .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve .....	440,581	440,581
24.2 Reinsurance in unauthorized companies .....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....	1,675,902	1,598,700
24.5 Drafts outstanding .....		
24.6 Liability for amounts held under uninsured accident and health plans .....		
24.7 Funds held under coinsurance .....	317,045	
24.8 Payable for securities .....		
24.9 Capital notes \$ and interest thereon \$ .....	26,943	21,876
25. Aggregate write-ins for liabilities .....	128,503,579	115,869,953
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	128,503,579	115,869,953
27. From Separate Accounts Statement .....		
28. Total Liabilities (Lines 26 and 27) .....	1,500,000	1,500,000
29. Common capital stock .....		
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	600,000	600,000
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	16,259,594	15,667,274
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$ ) .....	16,859,594	16,267,274
36.2 shares preferred (value included in Line 30 \$ ) .....	18,359,594	17,767,274
37. Surplus (total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$ in Separate Accounts Statement) .....	146,863,173	133,637,227
38. Totals of Lines 29, 30 and 37 .....		
39. Totals of Lines 28 and 38 .....		
<b>DETAILS OF WRITE-INS</b>		
2501. CHECKS OUTSTANDING .....	26,943	21,876
2502. .....		
2503. .....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	26,943	21,876
3101. .....		
3102. .....		
3103. .....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....		
3401. .....		
3402. .....		
3403. .....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....		

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**SUMMARY OF OPERATIONS**

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health policies and contracts .....	22,584,164	20,645,536	26,928,020
2. Considerations for supplementary contracts with life contingencies .....	914,610	663,694	
3. Net investment income .....	6,455,288	6,067,683	8,061,501
4. Amortization of Interest Maintenance Reserve (IMR) .....	73,892	40,436	64,608
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....			
6. Commissions and expense allowances on reinsurance ceded .....	2,967,822	2,682,681	3,686,800
7. Reserve adjustments on reinsurance ceded .....			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....			
8.2 Charges and fees for deposit-type contracts .....	28,211	40,238	54,505
8.3 Aggregate write-ins for miscellaneous income .....	33,023,987	29,476,574	39,459,128
9. Totals (Lines 1 to 8.3) .....	5,778,178	5,981,061	8,752,849
10. Death benefits .....			
11. Matured endowments (excluding guaranteed annual pure endowments) .....			
12. Annuity benefits .....	2,083,298	1,704,596	2,032,782
13. Disability benefits and benefits under accident and health contracts .....	219,974	290,103	279,600
14. Coupons, guaranteed annual pure endowments and similar benefits .....			
15. Surrender benefits and withdrawals for life contracts .....	3,244,973	2,971,093	3,689,834
16. Group conversions .....			
17. Interest and adjustments on contract or deposit-type contract funds .....			
18. Payments on supplementary contracts with life contingencies .....	9,750,452	8,874,043	11,762,782
19. Increase in aggregate reserves for life and accident and health contracts .....	21,076,875	19,820,896	26,517,847
20. Totals (Lines 10 to 19) .....	4,072,981	3,351,643	4,681,077
21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only) .....			
22. Commissions and expense allowances on reinsurance assumed .....			
23. General insurance expenses .....	6,463,058	5,357,905	7,141,002
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	526,806	460,573	637,955
25. Increase in loading on deferred and uncollected premiums .....	(822,222)	(2,236)	(27,451)
26. Net transfers to or (from) Separate Accounts .....			
27. Aggregate write-ins for deductions .....			
28. Totals (Lines 20 to 27) .....	31,317,498	28,988,781	38,950,430
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	1,706,489	487,793	508,698
30. Dividends to policyholders .....	230,148	192,331	265,692
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	1,476,341	295,462	243,006
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	748,369	106,366	239,444
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	727,972	189,096	3,562
34. Net realized capital gains or (losses) less capital gains tax of \$ (22,942) (excluding taxes of \$ 141,140 transferred to the IMR) .....	(42,607)		
35. Net income (Line 33 plus Line 34) .....	685,365	189,096	3,562
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year .....	17,767,274	17,298,959	17,298,959
37. Net income (Line 35) .....	685,365	189,096	3,562
38. Change in net unrealized capital gains (losses) .....	(62,614)	(217,241)	(193,255)
39. Change in net unrealized foreign exchange capital gain (loss) .....			
40. Change in net deferred income tax .....	(57,123)	789,230	2,416,282
41. Change in non-admitted assets and related items .....	26,692	(36,223)	(1,616,152)
42. Change in liability for reinsurance in unauthorized companies .....			
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....			
44. Change in asset valuation reserve .....		(123,166)	(142,122)
45. Change in treasury stock .....			
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....			
47. Other changes in surplus in Separate Accounts Statement .....			
48. Change in surplus notes .....			
49. Cumulative effect of changes in accounting principles .....			
50. Capital changes:			
50.1 Paid in .....			
50.2 Transferred from surplus (Stock Dividend) .....			
50.3 Transferred to surplus .....			
51. Surplus adjustment:			
51.1 Paid in .....			
51.2 Transferred to capital (Stock Dividend) .....			
51.3 Transferred from capital .....			
51.4 Change in surplus as a result of reinsurance .....			
52. Dividends to stockholders .....			
53. Aggregate write-ins for gains and losses in surplus .....			
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	592,320	601,696	468,315
55. Capital and surplus, as of statement date (Lines 36 + 54) .....	18,359,594	17,900,655	17,767,274
<b>DETAILS OF WRITE-INS</b>			
08.301. SERVICE FEES .....	28,211	40,238	54,505
08.302. .....			
08.303. .....			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....			
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) .....	28,211	40,238	54,505
2701. .....			
2702. .....			
2703. .....			
2798. Summary of remaining write-ins for Line 27 from overflow page .....			
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) .....			
5301. .....			
5302. .....			
5303. .....			
5398. Summary of remaining write-ins for Line 53 from overflow page .....			
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....			

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums and annuity considerations for life and accident and health contracts .....	21,832,834	25,802,853
2. Charges and fees for deposit-type contracts .....	914,610	663,694
3. Considerations for supplementary contracts with life contingencies .....	6,735,626	8,071,638
4. Net investment income .....	2,967,822	3,686,800
5. Commissions and expense allowances on reinsurance ceded .....	28,211	54,505
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts .....	32,479,103	38,279,490
7. Aggregate write-ins for miscellaneous income .....	6,541,835	8,919,645
8. Total (Lines 1 to 7) .....	2,083,298	2,032,782
9. Death Benefits .....	219,974	279,600
10. Matured endowments .....	3,244,973	3,689,834
11. Annuity Benefits .....	6,450,679	7,188,732
12. Disability benefits and benefits under accident and health contracts .....	581,722	594,114
13. Coupons, guaranteed annual pure endowments and similar benefits .....	23,298,803	28,276,636
14. Surrender benefits and withdrawals for life contracts .....	9,180,300	10,002,854
<b>Cash from Investments</b>		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds .....	28,430,549	20,721,432
30.2 Stocks .....	52,743	
30.3 Mortgage loans .....		
30.4 Real estate .....		
30.5 Other invested assets .....		
30.6 Net gains or (losses) on cash and short-term investments .....		
30.7 Miscellaneous proceeds .....		
30.8 Total investment proceeds (Lines 30.1 to 30.7) .....	28,483,292	20,721,432
31. Net tax on capital gains (losses) .....	14,499	
32. Total (Line 30.8 minus Line 31) .....	28,483,292	20,706,933
33. Cost of investments acquired (long-term only):		
33.1 Bonds .....	38,520,222	31,012,803
33.2 Stocks .....	781	9,898
33.3 Mortgage loans .....		
33.4 Real estate .....		
33.5 Other invested assets .....		
33.6 Miscellaneous applications .....	(317,045)	
33.7 Total investments acquired (Lines 33.1 to 33.6) .....	38,203,958	31,022,701
34. Net increase (or decrease) in policy loans and premium notes .....	326,595	511,290
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34) .....	(10,047,261)	(10,827,058)
<b>Cash from Financing and Miscellaneous Sources</b>		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in .....		
36.2 Borrowed money \$ ..... less amounts repaid \$ .....		
36.3 Capital notes \$ ..... less amounts repaid \$ .....		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies .....		
36.5 Other cash provided .....	276,312	61,381
36.6 Total (Lines 36.1 to 36.5) .....	276,312	61,381
37. Cash applied:		
37.1 Dividends to stockholders paid .....		
37.2 Interest on indebtedness .....		
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies .....	59,792	194,228
37.4 Other applications (net) .....	59,792	196,495
37.5 Total (Lines 37.1 to 37.4) .....	216,520	(135,114)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38) .....	(650,441)	(959,318)
40. Cash and short-term investments:		
40.1 Beginning of year .....	4,184,005	5,143,323
40.2 End of period (Line 39 plus Line 40.1) .....	3,533,564	4,184,005
<b>DETAILS OF WRITE-INS</b>		
0701. SERVICE FEES .....	28,211	54,505
0702. .....		
0703. .....		
0798. Summary of remaining write-ins for Line 7 from overflow page .....		
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above) .....	28,211	54,505
2401. .....		
2402. .....		
2403. .....		
2498. Summary of remaining write-ins for Line 24 from overflow page .....		
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above) .....		

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**EXHIBIT 1**

**DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial Life .....			
2. Ordinary Life Insurance .....	23,437,186	20,371,081	28,766,196
3. Ordinary Individual Annuities .....	3,683,854	3,220,352	4,004,657
4. Credit Life (Group & Individual) .....			
5. Group Life Insurance .....	956,981	886,942	1,199,307
6. Group Annuities .....			
7. A & H - Group .....			
8. A & H - Credit (Group & Individual) .....			
9. A & H - Other .....	521,394	436,645	555,953
10. Aggregate of All Other Lines of Business .....			
11. Subtotal .....	28,599,415	24,915,020	34,526,113
12. Deposit-Type Contracts .....			
13. Total	28,599,415	24,915,020	34,526,113
<b>DETAILS OF WRITE-INS</b>			
1001. ....			
1002. ....			
1003. ....			
1098. Summary of remaining write-ins for Line 10 from overflow page .....			
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)			

## NOTES TO FINANCIAL STATEMENTS

No events subsequent to the most recent annual statement or audited financial statements, have occurred which have a material impact on the company for this reporting period other than the update of the SSAP's.

### 9. Income Taxes

The components of the net deferred tax asset / (liability) at September 30, 2002 are as follows:

1. Total of all deferred tax assets (admitted and nonadmitted)	\$3,204,564
2. Total of all deferred tax liabilities	\$ 20,886
3. Deferred tax assets nonadmitted in accordance with SSAP No.10 Income Taxes	\$2,451,677
4. Increase (decrease) in deferred tax assets nonadmitted	\$ (57,123)

# STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY

## GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

### PART 1 - COMMON INTERROGATORIES GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? ..... Yes [ ] No [X]

1.2 If yes, explain:

.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State Domicile, as required by the Model Act? ..... Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

3.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/1998

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/1998

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 10/30/2000

7.4 By what department or departments?

.....

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]

8.2 If yes, give full information:

.....

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**INVESTMENT**

9.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]

9.2 If yes, explain:

.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

10.2 If yes, give full and complete information relating thereto:

.....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ ..... 0

12. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
13.24 Short-term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....	\$ .....	\$ .....
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [X]

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [X] No [ ]

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank One Trust Co. NA .....	1111 Polaris Parkway Columbus, OH 43240 .....

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? ..... Yes [ ] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**GENERAL INTERROGATORIES (continued)**

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**PART 2 - LIFE & HEALTH**

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1 Amount
1.1	Long-Term Mortgages In Good Standing	
1.11	Farm Mortgages .....	\$ ..... 0
1.12	Residential Mortgages .....	\$ ..... 0
1.13	Commercial Mortgages .....	\$ ..... 0
1.14	Total Mortgages in Good Standing .....	\$ _____
1.2	Long-Term Mortgages In Good Standing with Restructured Terms	
1.21	Total Mortgages in Good Standing .....	\$ ..... 0
1.3	Long-Term Mortgages Loans Upon which Interest is Overdue more than Three Months	
1.31	Farm Mortgages .....	\$ ..... 0
1.32	Residential Mortgages .....	\$ ..... 0
1.33	Commercial Mortgages .....	\$ ..... 0
1.34	Total Mortgages with Interest Overdue more than Three Months.....	\$ _____
1.4	Long-Term Mortgages Loans in Process of Foreclosure	
1.41	Farm Mortgages .....	\$ ..... 0
1.42	Residential Mortgages .....	\$ ..... 0
1.43	Commercial Mortgages .....	\$ ..... 0
1.44	Total Mortgages in Process of Foreclosure.....	\$ _____
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2).....	\$ ..... 0
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61	Farm Mortgages .....	\$ ..... 0
1.62	Residential Mortgages .....	\$ ..... 0
1.63	Commercial Mortgages .....	\$ ..... 0
1.64	Total Mortgages Foreclosed and Transferred to Real Estate .....	\$ _____

**SCHEDULE A - VERIFICATION**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....				
2. Increase (decrease) by adjustment .....				
3. Cost of acquired .....				
4. Cost of additions to and permanent improvements .....				
5. Total profit (loss) on sales .....				
6. Increase (decrease) by foreign exchange adjustment .....				
7. Amount received on sales .....				
8. Book/adjusted carrying value at end of current period .....				
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....				
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)				

**SCHEDULE B - VERIFICATION**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....				
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount and mortgage interest points and commitment fees .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

**SCHEDULE BA - VERIFICATION**

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period .....				
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book/adjusted carrying value of long-term invested assets at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period				

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1	102,111,872	11,035,425	6,391,583	1,938,152	97,671,513	102,111,872	108,693,866	97,991,113
2. Class 2	14,212,072			(1,974,401)	14,242,325	14,212,072	12,237,671	12,325,679
3. Class 3	1,022,582			(1,022,582)	1,998,923	1,022,582	0	1,248,364
4. Class 4	1,003,060			1,021,273	248,378	1,003,060	2,024,333	
5. Class 5								
6. Class 6					949,965			950,000
7. Total Bonds	118,349,586	11,035,425	6,391,583	(37,558)	115,111,104	118,349,586	122,955,870	112,515,156
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	118,349,586	11,035,425	6,391,583	(37,558)	115,111,104	118,349,586	122,955,870	112,515,156

Schedule DA - Part 1  
**NONE**

Schedule DA - Part 2  
**NONE**

Schedule DB - Part F - Section 1  
**NONE**

Schedule DB - Part F - Section 2  
**NONE**

Schedule S  
**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS**

During Current Year to Date - Allocated by States and Territories

States, Etc.	Is Insurer Licensed? (Yes or No)	Direct Business Only			6	
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees		
		2 Life Insurance Premiums	3 Annuity Considerations			
1. Alabama .....	AL .....	29,962	1,800			
2. Alaska .....	AK .....	1,257				
3. Arizona .....	AZ .....	19,084				
4. Arkansas .....	AR .....	12,686				
5. California .....	CA .....	34,323	3,700			
6. Colorado .....	CO .....	9,199		97		
7. Connecticut .....	CT .....	5,143				
8. Delaware .....	DE .....	3,581				
9. District of Columbia .....	DC .....	724				
10. Florida .....	FL .....	190,408		7,451		
11. Georgia .....	GA .....	2,098,990	64,965	102,281		
12. Hawaii .....	HI .....	1,007				
13. Idaho .....	ID .....	1,069				
14. Illinois .....	IL .....	329,060	102,363	5,213		
15. Indiana .....	IN .....	1,727,400	274,811	35,034		
16. Iowa .....	IA .....	4,313				
17. Kansas .....	KS .....	6,188				
18. Kentucky .....	KY .....	3,077,289	470,808	72,227		
19. Louisiana .....	LA .....	10,304				
20. Maine .....	ME .....	1,036				
21. Maryland .....	MD .....	16,936				
22. Massachusetts .....	MA .....	2,871				
23. Michigan .....	MI .....	70,804	29,955	218		
24. Minnesota .....	MN .....	9,640				
25. Mississippi .....	MS .....	36,195	21,478			
26. Missouri .....	MO .....	26,126				
27. Montana .....	MT .....	2,257				
28. Nebraska .....	NE .....	2,863				
29. Nevada .....	NV .....	4,853				
30. New Hampshire .....	NH .....	1,453				
31. New Jersey .....	NJ .....	7,181				
32. New Mexico .....	NM .....	2,348		199		
33. New York .....	NY .....	10,934		364		
34. North Carolina .....	NC .....	33,225				
35. North Dakota .....	ND .....	35				
36. Ohio .....	OH .....	12,792,378	2,358,301	246,472		
37. Oklahoma .....	OK .....	8,268				
38. Oregon .....	OR .....	2,433				
39. Pennsylvania .....	PA .....	54,889				
40. Rhode Island .....	RI .....					
41. South Carolina .....	SC .....	38,500	450	223		
42. South Dakota .....	SD .....	3,825				
43. Tennessee .....	TN .....	3,570,763	352,056	49,298		
44. Texas .....	TX .....	44,204		1,347		
45. Utah .....	UT .....	2,322				
46. Vermont .....	VT .....	3,356				
47. Virginia .....	VA .....	35,279		504		
48. Washington .....	WA .....	8,954				
49. West Virginia .....	WV .....	23,782	3,167	289		
50. Wisconsin .....	WI .....	12,525		177		
51. Wyoming .....	WY .....	1,945				
52. American Samoa .....	AS .....					
53. Guam .....	GU .....					
54. Puerto Rico .....	PR .....					
55. US Virgin Islands .....	VI .....					
56. Canada .....	CN .....					
57. Aggregate Other Alien .....	OT .....	XXX				
58. Subtotal .....		(a) 12	24,394,167	3,683,854	521,394	
90. Reporting entity contributions for employee benefit plans .....		XXX				
91. Dividends or refunds applied to purchase paid-up additions and annuities .....		XXX				
92. Dividends or refunds applied to shorten endowment or premium paying period .....		XXX				
93. Premium or annuity considerations waived under disability or other contract provisions .....		XXX				
94. Aggregate of other amounts not allocable by State .....		XXX				
95. Totals (Direct Business) .....		XXX	24,394,167	3,683,854	521,394	
96. Plus Reinsurance Assumed .....		XXX				
97. Totals (All Business) .....		XXX	24,394,167	3,683,854	521,394	
98. Less Reinsurance Ceded .....		XXX	6,591,592		174,989	
99. Totals (All Business) less Reinsurance Ceded .....		XXX	17,802,575	3,683,854	346,405	
<b>DETAILS OF WRITE-INS</b>						
5701. ....		XXX				
5702. ....		XXX				
5703. ....		XXX				
5798. Summary of remaining write-ins for Line 57 from overflow page .....		XXX				
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above) .....		XXX				
9401. ....		XXX				
9402. ....		XXX				
9403. ....		XXX				
9498. Summary of remaining write-ins for Line 94 from overflow page .....		XXX				
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above) .....		XXX				

(a) Insert the number of yes responses except for Canada and Other Alien.

## STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

FEI NO.	STATE OF	NAIC	DOMICILE	CODE
---------	----------	------	----------	------

PARENT COMPANY:

31-4192970	OHIO	14060	*GRANGE MUTUAL CASUALTY COMPANY
------------	------	-------	---------------------------------

SUBSIDIARY COMPANIES:

31-0739286	OHIO	71218	*GRANGE LIFE INSURANCE COMPANY	100% OWNED
41-1405571	OHIO	40118	*TRUSTGARD INSURANCE COMPANY	100% OWNED
31-1432675	OHIO	10322	*GRANGE INDEMNITY INSURANCE COMPANY	100% OWNED
31-1769414	MICHIGAN	11136	*GRANGE INSURANCE COMPANY OF MICHIGAN	100% OWNED
31-1651402	OHIO	N/A	THE GRANGE BANK	100% OWNED

AFFILIATE:

39-0367560	WISCONSIN	14303	* INTEGRITY MUTUAL INSURANCE COMPANY	100% POOLED
------------	-----------	-------	--------------------------------------	-------------

\* INSURER

## STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

### RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?	.....Yes.....
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	.....No.....

### Explanations:

### Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



**OVERFLOW PAGE FOR WRITE-INS**

---

Schedule A - Part 2  
**NONE**

Schedule A - Part 3  
**NONE**

Schedule B - Part 1  
**NONE**

Schedule B - Part 2  
**NONE**

Schedule BA - Part 1  
**NONE**

Schedule BA - Part 2  
**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
<b>BONDS</b>								
US Governments								
United States								
312925-4S-6	FHLMC Call 3.670% 03/26/07	09/16/2002	DBAB		1,000,000	1,000,000		1PE
Total United States						1,000,000	1,000,000	0 XXX
0399996	- Bonds - U.S. Government				1,000,000	1,000,000	0	XXX
0399999	- Total - Bonds - U.S. Government				1,000,000	1,000,000	0	XXX
Special Revenue & Assessment								
United States								
31359M-ML-4	FNMA 10NC3 1X - Call 6.250% 03/22/12	08/01/2002	DBAB		1,045,320	1,000,000	22,569	1PE
31359M-NK-5	FNMA 10NC3 1x - Call 5.500% 07/18/12	08/13/2002	DBAB		2,055,000	2,000,000	7,944	1PE
31392T-XA-0	FHR 2478 EG 6.000% 09/15/27	09/25/2002	Huntington Capital Corp.		2,182,744	2,090,000	10,102	1PE
Total United States						5,283,064	5,090,000	40,615 XXX
3199996	- Bonds - Special Revenues - United States				5,283,064	5,090,000	40,615	XXX
3199999	- Total - Bonds - Special Revenue				5,283,064	5,090,000	40,615	XXX
Public Utilities (unaffiliated)								
United States								
927804-CE-2	Virginia Electric & 7.625% 07/01/07 Power NC	07/22/2002	Banc One Capital Corp.		680,538	600,000	3,050	1
Total United States						680,538	600,000	3,050 XXX
3899996	- Bonds - Public Utilities - United States				680,538	600,000	3,050	XXX
3899999	- Total - Bonds - Public Utilities				680,538	600,000	3,050	XXX
Industrial & Miscellaneous								
United States								
172953-7N-5	Citicorp Mortgage 6.500% 04/25/32							
459200-AZ-4	Security 2002-5 1A8	09/25/2002	DBAB		1,046,250	1,000,000	5,236	1PE
532457-AU-2	IBM Corporation NC 4.250% 09/15/09	09/24/2002	DBAB		1,002,070	1,000,000	2,007	1PE
674135-BL-1	Lilly (Eli) & Co NC 6.000% 03/15/12	09/04/2002	Raymond James & Associates		1,098,260	1,000,000	28,500	1PE
Oakwood Mortgage 7.350% 04/15/27						925,244	870,306	1,777 1PE
674135-BL-1	Investors Inc 1996-C A5	09/06/2002	DBAB					
Total United States						4,071,824	3,870,306	37,520 XXX
4599996	- Bonds - Industrial and Misc - United States				4,071,824	3,870,306	37,520	XXX
4599999	- Total - Bonds - Industrial, Misc.				4,071,824	3,870,306	37,520	XXX
6099997	- Total - Bonds - Part 3				11,035,426	10,560,306	81,185	XXX
6099999	- Total - Bonds				11,035,426	10,560,306	81,185	XXX
6599999	- Total - Preferred Stocks					XXX		XXX
COMMON STOCK								
Parents, Subsidiaries & Affiliates								
United States								
66718*-10-4	Northview Insurance Agency Inc Class A Common Stock	08/15/2002	Direct		5,000	781		UZ
Total United States						781	XXX	0 XXX
6999999	- Total - Common Stocks - Parent, Subsidiaries, Affiliates					781	XXX	0 XXX
7099997	- Total - Common Stocks - Part 3					781	XXX	0 XXX
7099999	- Total - Common Stocks					781	XXX	0 XXX
7199999	- Total - Preferred and Common Stocks					781	XXX	0 XXX
7299999	- Totals				11,036,207	XXX		81,185 XXX

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues .....

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**SCHEDULE D - PART 4**

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter**

1 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designa- tion (a)	
<b>BONDS</b>																	
US Governments																	
United States																	
36202D-BX-8...	GNMA II #2754 6.500% 05/20/29	07/01/2002	Paydown.			.55,667	.55,667	.56,615	.56,614	(947)				0	302	1PE	
36202D-BX-8...	GNMA II #2754 6.500% 05/20/29	08/01/2002	Paydown.			.55,167	.55,167	.56,106	.56,105	(938)				0	598	1PE	
36202D-BX-8...	GNMA II #2754 6.500% 05/20/29	09/01/2002	Paydown.			.67,320	.67,320	.68,466	.68,465	(1,145)				0	1,094	1PE	
36204S-ZD-1...	GNMA Pool 378840 PL 8.250% 09/15/24	07/01/2002	Paydown.			1,168	1,168	1,159	1,160	8				0	8	1PE	
36204S-ZD-1...	GNMA Pool 378840 PL 8.250% 09/15/24	08/01/2002	Paydown.			1,176	1,176	1,167	1,168	8				0	16		
36204S-ZD-1...	GNMA Pool 378840 PL 8.250% 09/15/24	09/01/2002	Paydown.			1,185	1,185	1,176	1,176	9				0	24	1	
	GNMA Pool 397814 PL - 8.250%	06/15/20															
36205Q-3X-5...	241 (F)...	07/01/2002	Paydown.			1,712	1,712	1,742	1,738	(26)				0	12	1	
	GNMA Pool 397814 PL - 8.250%	06/15/20															
36205Q-3X-5...	241 (F)...	08/01/2002	Paydown.			1,724	1,724	1,754	1,751	(26)				0	24	1	
	GNMA Pool 397814 PL - 8.250%	06/15/20															
36205Q-3X-5...	241 (F)...	09/01/2002	Paydown.			1,737	1,737	1,767	1,763	(27)				0	.36	1	
362200-SX-6...	GNMA Pool 293134 9.000% 09/15/05	07/01/2002	Paydown.			.299	.299	.296	.297	2				0	.2	1PE	
362200-SX-6...	GNMA Pool 293134 9.000% 09/15/05	08/01/2002	Paydown.			.301	.301	.299	.299	2				0	.5	1PE	
362200-SX-6...	GNMA Pool 293134 9.000% 09/15/05	09/01/2002	Paydown.			.304	.304	.301	.301	2				0	.7	1PE	
36223D-CX-2...	GNMA Pool 304386 PL 7.625% 05/15/32	07/01/2002	Paydown.			1,026	1,026	1,032	1,031	(6)				0	.7	1PE	
36223D-CX-2...	GNMA Pool 304386 PL 7.625% 05/15/32	08/01/2002	Paydown.			1,033	1,033	1,038	1,038	(6)				0	.13	1PE	
36223D-CX-2...	GNMA Pool 304386 PL 7.625% 05/15/32	09/01/2002	Paydown.			1,039	1,039	1,046	1,045	(6)				0	.20	1PE	
	Total United States					190,858	190,858	193,964	193,951	(3,096)	0	0	0	0	2,168	XXX	XXX
0399996 - Bonds - U.S. Government						190,858	190,858	193,964	193,951	(3,096)	0	0	0	0	2,168	XXX	XXX
039999 - Bonds - U.S. Governments						190,858	190,858	193,964	193,951	(3,096)	0	0	0	0	2,168	XXX	XXX
Special Revenue & Assessment																	
United States																	
31292H-NB-6...	FGLMC Pool C01286 6.000% 01/01/32	07/01/2002	Paydown.			6,042	6,042	.5,958	.5,959	.83				0	.30	1	
31292H-NB-6...	FGLMC Pool C01286 6.000% 01/01/32	08/01/2002	Paydown.			.8,435	.8,435	.8,317	.8,318	.116				0	.84	1	
31292H-NB-6...	FGLMC Pool C01286 6.000% 01/01/32	09/01/2002	Paydown.			16,656	16,656	16,424	16,426	.230				0	.250		
31335H-02-2...	FHLMC Pool #C90473 6.500% 08/01/21	07/01/2002	Paydown.			22,382	22,382	22,704	22,693	(311)				0	.121	1PE	
31335H-02-2...	FHLMC Pool #C90473 6.500% 08/01/21	08/01/2002	Paydown.			42,782	42,782	43,397	43,376	(594)				0	.463	1PE	
31335H-02-2...	FHLMC Pool #C90473 6.500% 08/01/21	09/01/2002	Paydown.			73,969	73,969	75,032	74,996	(1,027)				0	1,202	1PE	
31339G-29-5...	FHR 2387 D 5.500% 12/15/26...	07/01/2002	Paydown.			18,574	18,574	18,284	18,284	.290				0	.85	1PE	
31339G-29-5...	FHR 2387 D 5.500% 12/15/26...	08/01/2002	Paydown.			21,299	21,299	20,967	20,967	.333				0	.195	1PE	
31339G-29-5...	FHR 2387 D 5.500% 12/15/26...	09/01/2002	Paydown.			33,069	33,069	32,552	32,552	.517				0	.455	1PE	
	FHG 25 B SEQ GNJO 6.5 6.500%	12/25/08				20,360	20,360	20,182	20,246	.114				0	.110	1	
	FHG 25 B SEQ GNJO 6.5 6.500%	07/01/2002	Paydown.											0			
3133T2-3F-5...		12/25/08				22,032	22,032	21,839	21,908	.123				0	.239	1	
3133T2-3F-5...	FHG 25 B SEQ GNJO 6.5 6.500%	09/01/2002	Paydown.			27,413	27,413	27,174	27,260	.153				0	.445	1	
	FHR 2141 E NAS FGLMC 6.600%	12/25/08												0			
3133TK-G7-9...	7.0...	07/01/2002	Paydown.			1,155	1,155	1,174	1,169	(.13)				0	.6	1PE	
3133TK-G7-9...	FHR 2141 E NAS FGLMC 6.600%	04/15/29												0			
3133TK-G7-9...	7.0...	08/01/2002	Paydown.			1,165	1,165	1,184	1,178	(.13)				0	.13	1PE	
3133TK-G7-9...	FHR 2141 E NAS FGLMC 6.600%	04/15/29												0			
3133TK-G7-9...	7.0...	09/01/2002	Paydown.			1,174	1,174	1,193	1,187	(.13)				0	.19	1PE	
	FNR G93-31 PJ 6.550% 10/25/20													0			
31359D-YK-3...	PAC-1(11) GNSF 7.0...	07/01/2002	Paydown.			.27,179	.27,179	.27,689	.27,166	.14				0	.148	1PE	
31359D-YK-3...	FNR G93-31 PJ 6.550% 10/25/20													0			
31359D-YK-3...	PAC-1(11) GNSF 7.0...	08/01/2002	Paydown.			.37,574	.37,574	.38,279	.37,556	.19				0	.410	1PE	
31359D-YK-3...	FNR G93-31 PJ 6.550% 10/25/20													0			
31364K-2Y-5...	PAC-1(11) GNSF 7.0...	09/01/2002	Paydown.			.37,404	.37,404	.38,105	.37,385	.19				0	.612	1PE	
31364K-2Y-5...	FNMA 10NC3 - Call 6.450% 03/08/11	08/13/2002	DBAB.			2,088,980	2,000,000	2,008,900	2,007,971	(498)				.81,507	.81,507	.55,900	

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

**SCHEDULE D - PART 4**

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter**

1 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designa- tion (a)
31371J-07-2	FNMA Pool 253478 8.000% 09/01/20.	07/01/2002	Paydown.		16,104	16,104	16,305	16,306	(202)				0	0	107	1PE
31371J-07-2	FNMA Pool 253478 8.000% 09/01/20.	08/01/2002	Paydown.		9,213	9,213	9,328	9,328	(116)				0	0	123	1PE
31371J-07-2	FNMA Pool 253478 8.000% 09/01/20.	09/01/2002	Paydown.		21,273	21,273	21,539	21,540	(267)				0	0	425	1PE
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20.	07/01/2002	Paydown.		27,626	27,626	27,358	27,362	264				0	0	161	1PE
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20.	08/01/2002	Paydown.		61,460	61,460	60,864	60,873	587				0	0	717	1PE
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20.	09/01/2002	Paydown.		68,382	68,382	67,719	67,729	653				0	0	1,197	1PE
38373X-FF-8	GNR 2002-45 A 6.000% 06/20/32	07/01/2002	Paydown.		6,907	6,907	7,015	7,015	(108)				0	0	35	1PE
38373X-FF-8	GNR 2002-45 A 6.000% 06/20/32	08/01/2002	Paydown.		11,947	11,947	12,133	12,133	(187)				0	0	119	1PE
38373X-FF-8	GNR 2002-45 A 6.000% 06/20/32	09/01/2002	Paydown.		4,906	4,906	4,982	4,982	(77)				0	0	147	1PE
	GNR 1995-6 GQ SEQ 7.500% 09/20/25															
3837HO-JV-6	G2SF 7.5...	07/01/2002	Paydown.		66,822	66,822	69,485	68,801	(1,979)				0	0	418	NRZ
3837HO-JV-6	GNR 1995-6 GQ SEQ 7.500% 09/20/25	08/01/2002	Paydown.		85,118	85,118	88,509	87,638	(2,521)				0	0	1,064	NRZ
3837HO-JV-6	G2SF 7.5...	09/01/2002	Paydown.		74,194	74,194	77,150	76,391	(2,197)				0	0	1,391	NRZ
3837HO-JV-6	GNR 1995-6 GQ SEQ 7.500% 09/20/25	09/25/2002	Huntington Capital Corp.		1,860,893	1,773,862	1,844,543	1,826,393	(2,028)				36,533	36,533	43,978	NRZ
	Total United States				4,822,489	4,646,478	4,736,284	4,713,088	(8,636)	0	0	0	118,040	118,040	110,669	XXX
3199996 - Bonds - Special Revenues - United States					4,822,489	4,646,478	4,736,284	4,713,088	(8,636)	0	0	0	118,040	118,040	110,669	XXX
3199999 - Bonds - Special Revenues					4,822,489	4,646,478	4,736,284	4,713,088	(8,636)	0	0	0	118,040	118,040	110,669	XXX
<b>Industrial &amp; Miscellaneous</b>																
<b>United States</b>																
035229-BF-9...	Anheuser Busch 7.000% 09/01/05	09/01/2002	Call 100.0000...		1,000,000	1,000,000	.997,580	999,048	.952				0	0	35,000	
	Companies Callable...															NRZ
	Federal Express 1997-1 7.500% 01/15/18															
31331F-AU-5...	A PT Certificates...	07/16/2002	Redemption 100.0000...		4,170	4,170	4,170	4,170					0	0	156	1PE
337925-CL-3...	FirstPlus Home Loan 6.960% 07/12/21	07/12/2002	Paydown.		67,920	67,920	68,101	67,813	.107				0	0	394	1PE
337925-CL-3...	FirstPlus Home Loan 6.960% 07/12/21	08/12/2002	Paydown.		71,968	71,968	72,159	71,855	.113				0	0	835	1PE
337925-CL-3...	FirstPlus Home Loan 6.960% 07/12/21	09/12/2002	Paydown.		76,507	76,507	76,711	76,387	.121				0	0	1,331	1PE
60935B-BG-3...	The Money Store Home 7.625% 12/15/27	07/01/2002	Paydown.		23,131	23,131	23,897	23,159	(29)				0	0	147	1PE
60935B-BG-3...	The Money Store Home 7.625% 12/15/27	08/01/2002	Paydown.		14,425	14,425	14,902	14,442	(18)				0	0	183	1PE
60935B-BG-3...	The Money Store Home 7.625% 12/15/27	09/01/2002	Paydown.		12,652	12,652	13,071	12,668	(16)				0	0	241	1PE
69348R-JR-8...	PNC Mortgage 6.500% 05/25/29	07/01/2002	Paydown.		33,008	33,008	32,977	32,962	.45				0	0	.179	1PE
69348R-JR-8...	Securities Corp. 1999-4 4A1	08/01/2002	Paydown.		68,547	68,547	68,483	68,453	.94				0	0	.743	1PE
69348R-JR-8...	PNC Mortgage 6.500% 05/25/29	09/01/2002	Paydown.		79,882	79,882	79,807	79,772	.110				0	0	1,298	1PE
843590-CH-1...	Southern Pacific 6.740% 01/25/28	07/01/2002	Paydown.		13,170	13,170	13,333	13,115	.55				0	0	.74	1PE
843590-CH-1...	Secured Asset 1997-4 A6	08/01/2002	Paydown.		6,020	6,020	6,094	5,995	.25				0	0	.68	1PE
843590-CH-1...	Southern Pacific 6.740% 01/25/28	09/01/2002	Paydown.		14,767	14,767	14,949	14,705	.64				0	0	249	1PE
	Total United States				1,486,167	1,486,167	1,486,234	1,484,544	1,623	0	0	0	0	0	40,898	XXX
4599996 - Bonds - Industrial and Misc - United States					1,486,167	1,486,167	1,486,234	1,484,544	1,623	0	0	0	0	0	40,898	XXX
4599999 - Bonds - Industrial and Miscellaneous					1,486,167	1,486,167	1,486,234	1,484,544	1,623	0	0	0	0	0	40,898	XXX
6099997 - Bonds - Part 4					6,499,514	6,323,503	6,416,482	6,391,583	(10,109)	0	0	0	118,040	118,040	153,735	XXX
6099999 - Total - Bonds					6,499,514	6,323,503	6,416,482	6,391,583	(10,109)	0	0	0	118,040	118,040	153,735	XXX

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

## SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter**

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

(a) For all common stock bearing the "NASC" designation, <sup>3</sup> provide: the number of such

E05.2

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GRANGE LIFE INSURANCE COMPANY**

## **SCHEDULE E - PART 1 - CASH**

Month End Depository Balances							8
1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			
				5 First Month	6 Second Month	7 Third Month	*
Bank One Ohio Trust Co. - One Group Instl	1.810	7,061	0	1,484,507	1,640,086	541,751	
Provident Nat'l Bank - Temp Invest Fund	1.690		0	31,113	31,159	31,204	
Huntington National Bank			0	3,453,587	4,591,928	2,960,609	
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX						XXX
0199999 Totals - Open Depositories	XXX	7,061	0	4,969,207	6,263,173	3,533,564	XXX
0399999 Total Cash on Deposit	XXX	7,061	0	4,969,207	6,263,173	3,533,564	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	7,061	0	4,969,207	6,263,173	3,533,564	XXX