



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 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, Columbus, OH 43206-1014

Main Administrative Office 650 South Front Street, Columbus, OH 43206-1014, 614-445-2900

Mail Address 650 South Front Street, P.O. Box 1218, Columbus, OH 43216-1212

Primary Location of Books and Records 650 South Front Street, Columbus, OH 43206-1014, 614-445-2820

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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

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 RANDALL JOSEPH MONTELONE

State of Ohio } ss
County of Picaway }

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 21 day of February, 2003
a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Linda K. Lindsey
Administrative Assistant
May 28, 2003

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds	124,876,956		124,876,956	112,515,157
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	.0		.0	.0
2.2 Common stocks (Schedule D, Part 2, Section 2).....	489,132		489,132	762,939
3. Mortgage loans on real estate: (Schedule B, Part 1)				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Policy loans	7,232,933		7,232,933	6,802,006
6. Premium notes, including \$ for first year premiums .....			.0	.0
7. Cash (\$5,629,596 , Schedule E, Part 1) and short -term investments (\$0 , Schedule DA, Part 2)	5,629,596		5,629,596	4,184,004
8. Other invested assets (Schedule BA, Part 1) .....	.0		.0	.0
9. Receivable for securities .....			.0	.0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	138,228,617	.0	138,228,617	124,264,106
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2)	515,000		515,000	458,000
12.2 Commissions and expense allowances due .....			.0	.0
12.3 Experience rating and other refunds due .....			.0	.0
12.4 Other amounts receivable under reinsurance contracts .....			.0	.0
13. Electronic data processing equipment and software.....	53,910		53,910	101,739
14. Federal and foreign income tax recoverable and interest thereon (including \$850,357 net deferred tax asset)	2,756,256	1,905,899	850,357	789,126
15. Guaranty funds receivable or on deposit .....			.0	.0
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$(192,595) loading)	8,076,530		8,076,530	6,185,941
17. Accident and health premiums due and unpaid	6,862		6,862	6,500
18. Investment income due and accrued	1,872,053		1,872,053	1,819,089
19. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
20. Receivable from parent, subsidiaries and affiliates .....			.0	.0
21. Amounts receivable relating to uninsured accident and health plans .....			.0	.0
22. Amounts due from agents .....			.0	.0
23. Other assets nonadmitted (Exhibit 9)	134,317	134,317	.0	.0
24. Aggregate write-ins for other than invested assets .....	.0	.0	.0	12,727
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	151,643,545	2,040,216	149,603,329	133,637,228
26. From Separate Accounts Statement			0	0
27. Total (Lines 25 and 26)	151,643,545	2,040,216	149,603,329	133,637,228
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page .....	.0	.0	.0	.0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0	0
2401. ....			.0	12,727
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	.0	.0	.0	.0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	0	0	0	12,727

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$121,901,905 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	121,901,905	108,326,031
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ Modco Reserve)	253,190	394,589
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)	312,499	436,809
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	1,363,505	1,707,310
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	11,000	55,000
5. Policyholders' dividends \$288,673 and coupons \$ due and unpaid (Exhibit 4, Line 10)	288,673	191,889
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to .....12/31/2003 (including \$ Modco).....	54,627	53,987
6.2 Dividends not yet apportioned (including \$ Modco)	0	0
6.3 Coupons and similar benefits (including \$ Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	117,276	58,441
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds	0	0
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded	0	0
9.4 Interest maintenance reserve (Page 33, Line 6)	462,332	290,890
10. Commissions to agents due or accrued-life contracts and annuity contracts \$405,679 accident and health \$2,663 and deposit-type contract funds \$	408,342	267,293
11. Commissions and expense allowances payable on reinsurance assumed	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5)	1,129,081	862,588
13. Transfers to Separate Accounts due or accrued (net) (Including \$0 accrued for expense allowances recognized in reserves)	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	362,469	348,328
15. Federal and foreign income taxes including \$206,657 on realized capital gains (losses) (including \$ net deferred tax liability)	1,040,908	384,944
16. Unearned investment income	286,185	267,659
17. Amounts withheld or retained by company as agent or trustee	0	0
18. Amounts held for agents' account, including \$ agents' credit balances	0	0
19. Remittances and items not allocated	210,664	163,038
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21. Liability for benefits for employees and agents if not included above	0	0
22. Borrowed money \$ and interest thereon \$	0	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7)	566,640	440,581
24.2 Reinsurance in unauthorized companies	0	0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers	0	0
24.4 Payable to parent, subsidiaries and affiliates	2,369,076	1,598,700
24.5 Drafts outstanding	0	0
24.6 Liability for amounts held under uninsured accident and health plans	0	0
24.7 Funds held under coinsurance	0	0
24.8 Payable for securities	0	0
24.9 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	33,806	21,876
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	131,172,178	115,869,953
27. From Separate Accounts Statement	0	0
28. Total Liabilities (Lines 26 and 27)	131,172,178	115,869,953
29. Common capital stock	1,500,000	1,500,000
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	600,000	600,000
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	16,331,151	15,667,274
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)	0	0
36.2 shares preferred (value included in Line 30 \$)	0	0
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$0 in Separate Accounts Statement)	16,931,151	16,267,274
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	18,431,151	17,767,274
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3)	149,603,329	133,637,227
DETAILS OF WRITE-INS		
2501. Miscellaneous Payable	4,962	0
2502. CHECKS OUTSTANDING	28,844	21,876
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	33,806	21,876
3101.	0	0
3102.	0	0
3103.	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.	0	0
3402.	0	0
3403.	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	31,233,654	26,928,020
2. Considerations for supplementary contracts with life contingencies	1,093,243	663,694
3. Net investment income (Exhibit of Net Investment Income, Line 17)	8,541,966	8,061,501
4. Amortization of interest maintenance reserve (IMR) (Page 33, Line 5)	130,889	64,608
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	4,111,845	3,686,800
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	32,444	54,505
9. Total (Lines 1 to 8.3)	45,144,041	39,459,128
10. Death benefits	7,750,642	8,752,849
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	3,095,776	2,032,782
13. Disability benefits and benefits under accident and health contracts	327,915	279,600
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	4,660,237	3,689,834
16. Group conversions	0	0
17. Interest and adjustments on contracts or deposit-type contract funds	0	0
18. Payments on supplementary contracts with life contingencies	0	0
19. Increase in aggregate reserves for life and accident and health contracts	13,297,281	11,762,782
20. Totals (Lines 10 to 19)	29,131,851	26,517,847
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1 less Col. 11)	5,604,000	4,681,077
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	8,730,637	7,141,002
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	640,358	637,955
25. Increase in loading on deferred and uncollected premiums	(835,442)	(27,451)
26. Net transfers to or (from) Separate Accounts	0	0
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	43,271,404	38,950,430
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	1,872,637	508,698
30. Dividends to policyholders	360,129	265,692
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	1,512,508	243,006
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	783,182	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)	729,326	3,562
34. Net realized capital gains or (losses) less capital gains tax of \$ (53,213) (excluding taxes of \$ 162,793) transferred to the IMR	(98,824)	0
35. Net income (Line 33 plus Line 34)	630,502	3,562
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, previous year (Page 3, Line 38, Col. 2)	17,767,274	17,298,959
37. Net income (Line 35)	630,502	3,562
38. Change in net unrealized capital gains (losses)	58,789	(193,255)
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	339,970	2,416,286
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	(239,325)	(1,616,152)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve (Page 34, Lines 2 through 5 minus Line 6 plus Line 7 plus Line 11 plus Lines 14 through 15, Col. 7)	(126,059)	(142,122)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts Statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	0	0
51.2 Transferred to capital (Stock Dividend)	0	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	0	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	663,877	468,319
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	18,431,151	17,767,278
DETAILS OF WRITE-INS		
08.301. SERVICE FEES	32,444	54,505
08.302.	0	0
08.303.	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	32,444	54,505
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
5301.	0	0
5302.	0	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	30,432,095	25,802,853
2. Charges and fees for deposit-type contracts	0	0
3. Considerations for supplementary contracts with life contingencies	1,093,243	663,694
4. Net investment income	8,665,098	8,071,638
5. Commissions and expense allowances on reinsurance ceded	4,111,845	3,686,800
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
7. Aggregate write-ins for miscellaneous income	32,444	54,505
8. Total (Lines 1 to 7)	44,334,725	38,279,490
9. Death benefits	8,151,447	8,919,645
10. Matured endowments	0	0
11. Annuity benefits	3,095,776	2,032,782
12. Disability benefits and benefits under accident and health contracts	371,915	279,600
13. Coupons, guaranteed annual pure endowments and similar benefits	0	0
14. Surrender benefits and withdrawals for life contracts	4,660,237	3,689,834
15. Group conversions	0	0
16. Interest and adjustments on contracts or deposit-type contract funds	0	0
17. Payments on supplementary contracts with life contingencies	0	0
18. Total (Lines 9 to 17)	16,279,375	14,921,861
19. Commissions on premiums, annuity considerations and deposit-type contract funds	5,462,951	4,667,710
20. Commissions and expense allowances on reinsurance assumed	0	0
21. General insurance expenses	8,464,144	7,188,732
22. Insurance taxes, licenses and fees, excluding federal income taxes	626,217	594,114
23. Net transfers to or (from) Separate Accounts	0	0
24. Aggregate write-ins for deductions	0	0
25. Total (Lines 18 to 24)	30,832,687	27,372,417
26. Dividends paid to policyholders	262,706	250,664
27. Federal income taxes (excluding tax on capital gains)	236,798	653,555
28. Total (Lines 25 to 27)	31,332,191	28,276,636
29. Net cash from operations (Line 8 minus Line 28)	13,002,534	10,002,854
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	41,973,667	20,721,432
30.2 Stocks	128,209	0
30.3 Mortgage loans	0	0
30.4 Real estate	0	0
30.5 Other invested assets	0	0
30.6 Net gains (losses) on cash and short-term investments	0	0
30.7 Miscellaneous proceeds	0	0
30.8 Total investment proceeds (Lines 30.1 to 30.7)	42,101,876	20,721,432
31. Net tax on capital gains (losses)	0	14,499
32. Total (Line 30.8 minus Line 31)	42,101,876	20,706,933
33. Cost of investments acquired (long-term only):		
33.1 Bonds	53,974,831	31,012,803
33.2 Stocks	781	9,898
33.3 Mortgage loans	0	0
33.4 Real estate	0	0
33.5 Other invested assets	0	0
33.6 Miscellaneous applications	0	0
33.7 Total investments acquired (Lines 33.1 to 33.6)	53,975,612	31,022,701
34. Net increase (or decrease) in policy loans and premium notes	430,927	511,290
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	(12,304,663)	(10,827,058)
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in	0	0
36.2 Borrowed money \$ less amounts repaid \$	0	0
36.3 Capital notes \$ less amounts repaid \$	0	0
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies	208,223	0
36.5 Other cash provided	889,306	61,381
36.6 Total (Lines 36.1 to 36.5)	1,097,529	61,381
37. Cash applied:		
37.1 Dividends to stockholders paid	0	0
37.2 Interest on indebtedness	0	0
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	349,809	2,267
37.4 Other applications (net)	0	194,228
37.5 Total (Lines 37.1 to 37.4)	349,809	196,495
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	747,720	(135,114)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	1,445,591	(959,319)
40. Cash and short-term investments:		
40.1 Beginning of year	4,184,005	5,143,323
40.2 End of year (Line 39 plus Line 40.1)	5,629,596	4,184,005
DETAILS OF WRITE-INS		
0701. Service Fees	32,444	54,505
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page	0	0
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	32,444	54,505
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	31,233,654	.0	24,663,985	5,439,169		.0	791,742	.0	.0	.0	338,758	
2. Considerations for supplementary contracts with life contingencies	1,093,243			1,093,243								
3. Net investment income	8,541,966		6,620,705	1,879,388			21,423				20,450	
4. Amortization of Interest Maintenance Reserve (IMR)	130,889		101,450	28,798			328				313	
5. Separate Accounts net gain from operations excluding unrealized gains or losses	.0											
6. Commissions and expense allowances on reinsurance ceded	4,111,845	.0	4,011,172	.0		.0	42,546	.0	.0	.0	58,127	.0
7. Reserve adjustments on reinsurance ceded	.0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	.0											
8.2 Charges and fees for deposit-type contracts	.0											
8.3 Aggregate write-ins for miscellaneous income	32,444										32,444	.0
9. Totals (Lines 1 to 8.3)	45,144,041	.0	35,397,312	8,440,598	.0	.0	856,039	.0	.0	.0	450,092	.0
10. Death benefits	7,750,642		7,550,845				199,797					
11. Matured endowments (excluding guaranteed annual pure endowments)	.0	.0	.0				.0					
12. Annuity benefits	3,095,776			3,095,776				.0				
13. Disability benefits and benefits under accident and health contracts	327,915								.0	.0	327,915	
14. Coupons, guaranteed annual pure endowments and similar benefits	.0											
15. Surrender benefits and withdrawals for life contracts	4,660,237		4,660,237									
16. Group conversions	.0											
17. Interest and adjustments on contract or deposit-type contract funds	.0											
18. Payments on supplementary contracts with life contingencies	.0											
19. Increase in aggregate reserves for life and accident and health contracts	13,297,281		8,792,764	4,645,916							(141,399)	
20. Totals (Lines 10 to 19)	29,131,851	.0	21,003,846	7,741,692	.0	.0	199,797	.0	.0	.0	186,516	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	5,604,000	.0	5,250,931	276,749		.0	.0	.0	.0	.0	76,320	.0
22. Commissions and expense allowances on reinsurance assumed	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
23. General insurance expenses	8,730,637		8,339,092	146,163			147,460				97,922	.0
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	640,358		614,191				19,716				6,451	.0
25. Increase in loading on deferred and uncollected premiums	(835,442)		(835,442)									
26. Net transfers to or (from) Separate Accounts	.0											
27. Aggregate write-ins for deductions	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
28. Totals (Lines 20 to 27)	43,271,404	.0	34,372,618	8,164,604	.0	.0	366,973	.0	.0	.0	367,209	.0
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	1,872,637	.0	1,024,694	275,994	.0	.0	489,066	.0	.0	.0	82,883	.0
30. Dividends to policyholders	360,129		54,627				305,502				.0	
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	1,512,508	.0	970,067	275,994	.0	.0	183,564	.0	.0	.0	82,883	.0
32. Federal income taxes incurred (excluding tax on capital gains)	783,182		502,300	142,910			95,049				42,923	
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	729,326	.0	467,767	133,084	.0	.0	88,515	.0	.0	.0	39,960	.0
DETAILS OF WRITE-INS												
08.301. Service Fees	32,444										32,444	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	32,444	.0	.0	.0	.0	.0	.0	.0	.0	.0	32,444	.0
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 Line 10 Line 16 Line 23 Line 24

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	108,326,031	0	85,606,999	22,719,032	0	0	0	0
2. Tabular net premiums or considerations	39,619,786		32,648,556	6,326,741			644,489	
3. Present value of disability claims incurred	37,121		37,121		XXX			
4. Tabular interest	5,843,973		4,479,723	1,349,723			14,527	
5. Tabular less actual reserve released	(319,864)		(40,891)	(278,973)				
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	153,507,047	0	122,731,508	30,116,523	0	0	659,016	0
9. Tabular cost	23,827,995		23,168,979		XXX		659,016	
10. Reserves released by death	226,650		226,650	XXX	XXX			XXX
11. Reserves released by other terminations (net)	4,893,249		4,893,249					
12. Annuity, supplementary contract and disability payments involving life contingencies	2,657,248		42,004	2,615,244				
13. Net transfers to or (from) Separate Accounts	0							
14. Total Deductions (Lines 9 to 13)	31,605,142	0	28,330,882	2,615,244	0	0	659,016	0
15. Reserve December 31, current year	121,901,905	0	94,400,626	27,501,279	0	0	0	0

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EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 467,909	510,194
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 7,563,185	7,573,720
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	8,842	8,986
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	547,448	528,923
6. Cash/short-term investments	(e) 32,219	32,219
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	14,605	14,605
10. Total gross investment income	8,634,208	8,668,647
11. Investment expenses		(g) 126,681
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		126,681
17. Net Investment Income - (Line 10 minus Line 16)		8,541,966
DETAILS OF WRITE-INS		
0901. Interest on Securities Lending	14,605	14,605
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	14,605	14,605
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 137,550 accrual of discount less \$ 295,121 amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds	80,047				80,047
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	385,077			53,131	438,208
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)					0
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)	(152,037)			5,658	(146,379)
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	313,087	0	0	58,789	371,876
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS

	1		2		3 Ordinary		4	5	6 Group		7 Accident and Health		8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business					
FIRST YEAR (other than single)																
1. Uncollected	29,296		29,296													
2. Deferred and accrued	1,503,713		1,503,713													
3. Deferred, accrued and uncollected:																
3.1 Direct	1,533,009		1,533,009													
3.2 Reinsurance assumed	.0		.0													
3.3 Reinsurance ceded	.0		.0													
3.4 Net (Line 1 + Line 2)	1,533,009	.0	1,533,009	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	18,735	.0	18,735	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Line 3.4 - Line 4	1,514,274	.0	1,514,274	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:																
6.1 Direct	8,817,674		7,901,305	870,007											46,362	
6.2 Reinsurance assumed	.0		.0													
6.3 Reinsurance ceded	2,261,510		2,246,058												15,452	
6.4 Net	6,556,164	.0	5,655,247	870,007	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	30,910	.0
7. Line 5 + Line 6.4	8,070,438	.0	7,169,521	870,007	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	30,910	.0
8. Prior year (uncollected + deferred and accrued - advance)	1,518,716	.0	1,518,716	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:																
9.1 Direct	8,813,232	.0	7,896,863	870,007	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	46,362	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	2,261,510	.0	2,246,058	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	15,452	.0
9.4 Net (Line 7 - Line 8)	6,551,722	.0	5,650,805	870,007	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	30,910	.0
SINGLE																
10. Single premiums and considerations:																
10.1 Direct	3,920,361		54,268	3,866,093												
10.2 Reinsurance assumed	.0		.0													
10.3 Reinsurance ceded	.0		.0													
10.4 Net	3,920,361	.0	54,268	3,866,093	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
RENEWAL																
11. Uncollected	(456,701)		(463,564)												6,863	
12. Deferred and accrued	6,485,978		6,485,978													
13. Deferred, accrued and uncollected:																
13.1 Direct	6,029,277		6,022,414												6,863	
13.2 Reinsurance assumed	.0		.0													
13.3 Reinsurance ceded	.0		.0													
13.4 Net (Line 11 + Line 12)	6,029,277	.0	6,022,414	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	6,863	.0
14. Advance	98,540	.0	98,540	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	5,930,737	.0	5,923,874	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	6,863	.0
16. Collected during year:																
16.1 Direct	26,824,892		24,299,576	703,069		1,288,978									533,269	
16.2 Reinsurance assumed	.0		.0													
16.3 Reinsurance ceded	6,869,322		6,146,302			497,236									225,784	
16.4 Net	19,955,570	.0	18,153,274	703,069	.0	791,742	.0	.0	.0	.0	.0	.0	.0	.0	307,485	.0
17. Line 15 + Line 16.4	25,886,307	.0	24,077,148	703,069	.0	791,742	.0	.0	.0	.0	.0	.0	.0	.0	314,348	.0
18. Prior year (uncollected + deferred and accrued - advance)	5,124,735	.0	5,118,235	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	6,500	.0
19. Renewal premiums and considerations:																
19.1 Direct	27,998,793	.0	25,473,114	703,069	.0	1,288,978	.0	.0	.0	.0	.0	.0	.0	.0	533,632	.0
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	7,237,222	.0	6,514,202	.0	.0	497,236	.0	.0	.0	.0	.0	.0	.0	.0	225,784	.0
19.4 Net (Line 17 - Line 18)	20,761,571	.0	18,958,912	703,069	.0	791,742	.0	.0	.0	.0	.0	.0	.0	.0	307,848	.0
TOTAL																
20. Total premiums and annuity considerations:																
20.1 Direct	40,732,386	.0	33,424,245	5,439,169	.0	1,288,978	.0	.0	.0	.0	.0	.0	.0	.0	579,994	.0
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	9,498,732	.0	8,760,260	.0	.0	497,236	.0	.0	.0	.0	.0	.0	.0	.0	241,236	.0
20.4 Net (Line 9.4 + 10.4 + 19.4)	31,233,654	.0	24,663,985	5,439,169	.0	791,742	.0	.0	.0	.0	.0	.0	.0	.0	338,758	.0

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1)	208,080					208,080					
22. All other (Exhibit 4, Lines 2, 3 & 4)	54,627		54,627								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	2,287,391		2,273,610							13,781	
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	2,287,391	0	2,273,610	0	0	0	0	0	0	13,781	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	1,824,454		1,737,562			42,546				44,346	
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	1,824,454	0	1,737,562	0	0	42,546	0	0	0	44,346	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	4,111,845	0	4,011,172	0	0	42,546	0	0	0	58,127	0
26.2 Reinsurance assumed (Page 6, Line 23)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	4,111,845	0	4,011,172	0	0	42,546	0	0	0	58,127	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	4,803,233		4,687,984	65,640						49,609	
28. Single	197,057			197,057							
29. Renewal	603,710		562,947	14,052						26,711	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	5,604,000	0	5,250,931	276,749	0	0	0	0	0	76,320	0

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EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent	137,055	1,559			138,614
2. Salaries and wages	3,564,445	40,905			3,605,350
3.11 Contributions for benefit plans for employees					0
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans					0
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare					0
3.32 Other agent welfare					0
4.1 Legal fees and expenses	14,371	163			14,534
4.2 Medical examination fees	1,440,506	16,071			1,456,577
4.3 Inspection report fees	59,724	666			60,390
4.4 Fees of public accountants and consulting actuaries	122,318	1,391			123,709
4.5 Expense of investigation and settlement of policy claims	1,855				1,855
5.1 Traveling expenses	240,232	2,680			242,912
5.2 Advertising	149,025	1,663			150,688
5.3 Postage, express, telegraph and telephone	367,419	4,179			371,598
5.4 Printing and stationery	396,729	4,513			401,242
5.5 Cost or depreciation of furniture and equipment					0
5.6 Rental of equipment					0
5.7 Cost or depreciation of EDP equipment and software	264,579	3,010			267,589
6.1 Books and periodicals	20,599	234			20,833
6.2 Bureau and association fees	43,718	497			44,215
6.3 Insurance, except on real estate					0
6.4 Miscellaneous losses					0
6.5 Collection and bank service charges	42,954	489			43,443
6.6 Sundry general expenses	853,991	9,714			863,705
6.7 Group service and administration fees					0
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance					0
7.2 Agents' balances charged off (less \$ recovered)					0
7.3 Agency conferences other than local meetings	913,195	10,188			923,383
9.1 Real estate expenses					0
9.2 Investment expenses not included elsewhere				126,681	126,681
9.3 Aggregate write-ins for expenses	0	0	0	0	0
10. General expenses incurred	8,632,715	97,922	0	126,681 (a)	8,857,318
11. General expenses unpaid December 31, prior year	846,449	16,139	0	0	862,588
12. General expenses unpaid December 31, current year	1,120,914	8,167	0	0	1,129,081
13. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0	0
14. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	8,358,250	105,894	0	126,681	8,590,825
DETAILS OF WRITE-INS					
09.301.					
09.302.					
09.303.					
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	0	0	0	0	0

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					0
2. State insurance department licenses and fees	110,628	1,117			111,745
3. State taxes on premiums	523,279	5,334			528,613
4. Other state taxes, incl. \$ for employee benefits					0
5. U.S. Social Security taxes					0
6. All other taxes					0
7. Taxes, licenses and fees incurred	633,907	6,451	0	0	640,358
8. Taxes, licenses and fees unpaid December 31, prior year	340,163	8,165	0	0	348,328
9. Taxes, licenses and fees unpaid December 31, current year	358,844	3,625	0	0	362,469
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	615,226	10,991	0	0	626,217

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums	208,080	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	54,627	
4. Applied to provide paid-up annuities		
5. Total Lines 1 thru 4	262,707	0
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options	0	0
9. Total Lines 5 thru 8	262,707	0
10. Amount due and unpaid	288,673	
11. Provision for dividends or refunds payable in the following calendar year	54,626	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 thru 14	343,299	0
16. Total from prior year	245,877	0
17. Total Dividends or refunds (Lines 9 + 15 - 16)	360,129	0
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
A. LIFE INSURANCE:					
0100001. 58 CSO ALB 3.50%	3,485,433		3,485,433		
0100002. 58 CSO ALB 4.00%	81,098		81,098		
0100003. 58 CSO ALB 2.50%	202,114		202,114		
0100004. 58 CSO ALB 4.50%	409,258		409,258		
0100005. 80 CSO ALB 4.50%	82,410,739		82,410,739		
0100006. 80 CSO ALB 5.00%	2,345,699		2,345,699		
0100007. 80 CSO ALB 5.50%	4,181,223		4,181,223		
0100008. 80 CSO ALB 4.50% SEGMENTED	5,808,509		5,808,509		
0100009. 58 CET 2.5%	3,582		3,582		
0100010. 80 CET 4.5%	94,951		94,951		
0199997. Totals (Gross)	99,022,606	0	99,022,606	0	0
0199998. Reinsurance ceded	6,295,954		6,295,954		
0199999. Totals (Net)	92,726,652	0	92,726,652	0	0
B. ANNUITIES (excluding supplementary contracts with life contingencies):					
0200001. 37 SA 3.5% Def	279,290	XXX	279,290	XXX	
0200002. 37 SA 4.5% Def	7,222,384	XXX	7,222,384	XXX	
0200003. Single Pay Def Annuity	12,821,539	XXX	12,821,539	XXX	
0200004. Flex Pay Def Annuity	3,808,665	XXX	3,808,665	XXX	
0200005. 457 Annuity	1,361,839	XXX	1,361,839	XXX	
0200006. Immediate Annuities	2,007,562	XXX	2,007,562	XXX	
0299997. Totals (Gross)	27,501,279	XXX	27,501,279	XXX	0
0299998. Reinsurance ceded	0	XXX	0	XXX	
0299999. Totals (Net)	27,501,279	XXX	27,501,279	XXX	0
C. SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0399997. Totals (Gross)	0	0	0	0	0
0399998. Reinsurance ceded	0		0		
0399999. Totals (Net)	0	0	0	0	0
D. ACCIDENTAL DEATH BENEFITS:					
0400001. 59 ADB and 58 CSO 3.5%	31,321		31,321		
0499997. Totals (Gross)	31,321	0	31,321	0	0
0499998. Reinsurance ceded	0		0		
0499999. Totals (Net)	31,321	0	31,321	0	0
E. DISABILITY-ACTIVE LIVES:					
0500001. 52 Disability and 58 CSO 3%	464,070		464,070		
0599997. Totals (Gross)	464,070	0	464,070	0	0
0599998. Reinsurance ceded	51,811		51,811		
0599999. Totals (Net)	412,259	0	412,259	0	0
F. DISABILITY-DISABLED LIVES:					
0600001. 52 Dis / 58 CSO 3.0%	304,912		304,912		
0699997. Totals (Gross)	304,912	0	304,912	0	0
0699998. Reinsurance ceded	0		0		
0699999. Totals (Net)	304,912	0	304,912	0	0
G. MISCELLANEOUS RESERVES					
0700001. For excess of valuation net premiums over corresponding gross premiums on respective policies	438,570		438,570		
0700002. For non-deduction of deferred fractional premiums at the death of the insured	486,912		486,912		
0799997. Totals (Gross)	925,482	0	925,482	0	0
0799998. Reinsurance ceded	0		0		
0799999. Totals (Net)	925,482	0	925,482	0	0
9999999. Totals (Net) - (Page 3, Line 1)	121,901,905	0	121,901,905	0	0



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT 5 - INTERROGATORIES

- 1.1. Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [X] No []
- 1.2. If not, state which kind is issued
.....
- 2.1. Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
- 2.2. If not, state which kind is issued
non-participating
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [] No [X]
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the Instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No [X]
 - 4.1 Amount of insurance?..... \$
 - 4.2 Amount of reserve?..... \$
 - 4.3 Basis of reserve:
.....
 - 4.4 Basis of regular assessments:
.....
 - 4.5 Basis of special assessments:
.....
 - 4.6 Assessments collected during the year \$
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
Not Applicable
.....
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? Yes [] No [X]
 - 6.1 If so, state the amount of reserve on such contracts on the basis actually held:..... \$
 - 6.2 which would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:..... \$
 - Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts, or agreements in effect as of December 31 of the current year? Yes [] No [X]
 - 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements?..... \$
 - 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
.....
 - 7.3 State the amount of reserves established for this business:..... \$
 - 7.4 Identify where the reserves are reported in the blank:
.....

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)			
0199999 - Subtotal (Page 7, Line 6)	XXX	XXX	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 - Subtotal	XXX	XXX	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
NONE			
0399999 - Subtotal	XXX	XXX	
9999999 - Total (Column 4, only)			

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT 6 - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserve	69,013					69,013			
2. Additional contract reserves (a)	321,670					321,670			
3. Additional actuarial reserves-Asset/Liability analysis	0								
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	390,683	0	0	0	0	390,683	0	0	0
8. Reinsurance ceded	232,245					232,245			
9. Totals (Net)	158,438	0	0	0	0	158,438	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	270,921					270,921			
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	0								
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	270,921	0	0	0	0	270,921	0	0	0
15. Reinsurance ceded	176,169					176,169			
16. Totals (Net)	94,752	0	0	0	0	94,752	0	0	0
17. TOTAL (Net)	253,190	0	0	0	0	253,190	0	0	0
18. TABULAR FUND INTEREST	6,330					6,330			
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Supplemental Contracts and Annuities Certain	4 Dividend Accumulations or Refunds	5 Premium and Other Deposit Funds	6 Other
1. Balance at the beginning of the year before reinsurance	436,809			55,403		381,406
2. Deposits received during the year	208,223			2,552		205,671
3. Investment earnings credited to the account	17,276			1,965		15,311
4. Other net change in reserves .....	.0					
5. Fees and other charges assessed .....	.0					
6. Surrender charges .....	.0					
7. Net surrender or withdrawal payments	349,809			5,381		344,428
8. Other net transfers to or (from) Separate Accounts .....	.0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	312,499	0	0	54,539	0	257,960
10. Reinsurance balance at the beginning of the year .....	.0					
11. Net change in reinsurance assumed .....	.0					
12. Net change in reinsurance ceded .....	.0					
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	.0	0	0	0	0	0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	312,499	0	0	54,539	0	257,960

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and Unpaid:											
1.1 Direct	2,547,500		2,527,500				20,000				
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	1,296,000		1,250,000								46,000
1.4 Net	1,251,500	0	1,277,500	0	0	0	20,000	0	0	0	(46,000)
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other											
2.21 Direct	66,005		66,005								
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	0										
2.24 Net	66,005	0	(b) 66,005	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
3. Incurred but unreported:											
3.1 Direct	57,000										57,000
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net	57,000	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 57,000
4. TOTALS											
4.1 Direct	2,670,505	0	2,593,505	0	0	0	20,000	0	0	0	57,000
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,296,000	0	1,250,000	0	0	0	0	0	0	0	46,000
4.4 Net	1,374,505	0	(a) 1,343,505	0	0	0	(a) 20,000	0	0	0	11,000

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$, Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	14,403,266		10,440,073	3,095,776			387,875				479,542
1.2 Reinsurance assumed	.0										
1.3 Reinsurance ceded	2,784,128		2,370,423				306,078				107,627
1.4 Net ^(d)	11,619,138	.0	8,069,650	3,095,776	.0	.0	81,797	.0	.0	.0	371,915
2. Liability December 31, current year from Part 1:											
2.1 Direct	2,670,505	.0	2,593,505	.0	.0	.0	20,000	.0	.0	.0	57,000
2.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded	1,296,000	.0	1,250,000	.0	.0	.0	.0	.0	.0	.0	46,000
2.4 Net	1,374,505	.0	1,343,505	.0	.0	.0	20,000	.0	.0	.0	11,000
3. Amounts recoverable from reinsurers December 31, current year	515,000		515,000								
4. Liability December 31, prior year:											
4.1 Direct	2,371,510	.0	2,296,510	.0	.0	.0	20,000	.0	.0	.0	55,000
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	609,200	.0	609,200	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	1,762,310	.0	1,687,310	.0	.0	.0	20,000	.0	.0	.0	55,000
5. Amounts recoverable from reinsurers December 31, prior year	458,000	0	340,000	0	0	0	118,000	0	0	0	0
6. Incurred Benefits:											
6.1 Direct	14,702,261	.0	10,737,068	3,095,776	.0	.0	387,875	.0	.0	.0	481,542
6.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.3 Reinsurance ceded	3,527,928	.0	3,186,223	.0	.0	.0	188,078	.0	.0	.0	153,627
6.4 Net	11,174,333	0	7,550,845	3,095,776	0	0	199,797	0	0	0	327,915

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (d) Includes \$ premiums waived under total and permanent disability benefits.

EXHIBIT 9
ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 17 and 19 to 22, Column 2.....	1,905,899	1,627,160	(278,739)
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....		.0	.0
2.2 Furniture and equipment	51,401	49,718	(1,683)
2.3 Leasehold improvements .....		.0	.0
2.4 Cash advanced to or in the hands of officers or agents	82,916	124,013	41,097
2.5 Loans on personal security, endorsed or not .....		.0	.0
2.6 Supplies, stationery, printed matter .....		.0	.0
2.7 Commuted commissions .....		.0	.0
3. Total (Lines 2.1 thru 2.7)	134,317	173,731	39,414
4. Disallowed interest maintenance reserve .....		.0	.0
5. Aggregate write-ins for other assets	0	0	0
6. Total (Line 1 plus Lines 3 to 5)	2,040,216	1,800,891	(239,325)
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Grange Life Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements are in conformity with Statutory Accounting Principles and the basis prescribed for valuation by the NAIC.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Common Stocks at market.
4. Preferred stocks are stated at cost.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

2. Accounting Changes and Corrections of Errors

There are no material changes in accounting principles and/or correction of errors.

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

- A. There are no mortgage loans.
- B. There has been no debt restructuring.
- C. There are no reverse mortgages.
- D. There are no loan-backed securities
- E. There are no Repurchase Agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

7. Investment Income

- A. The Company allocates investment income by line of business using the approximate asset value method.
- B. The Company uses the grouped method to amortize interest related gains and losses arising from the sale of fixed income investments including bonds. This method is consistent with prior years.

8. Derivative Instruments

Not Applicable

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:	2002
1. Total of all deferred tax assets (admitted and nonadmitted):	\$2,804,399
2. Total of all deferred tax liabilities	\$ 48,143
3. Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$1,905,899
4. Increase (decrease) in deferred tax assets nonadmitted	\$ 278,739

NOTES TO FINANCIAL STATEMENTS

B. Current income taxes incurred consist of the following major components:

	2002
1. Current year expense	\$ 781,182
2. Tax Credits	\$ 0
3. Current year equity tax	\$ 0
4. Prior year overaccrual of tax reserves	\$ 0
5. Current income taxes incurred	\$ 781,182

The main components of the 2002 deferred tax amounts are as follows:

DTAS	Statutory	Tax	Difference	Tax Effect
6. Stocks 85,794	\$ 489,132	\$ 734,259	\$ 245,127	\$
7. EDP Equipment 17,990	53,910	105,311	51,401	
8. Deferred Acquisition Costs 1,059,933	0	3,028,381	3,028,381	
9. Agent Loans	0	84,016	84,016	29,405
10. Software 7,722	0	22,062	22,062	
11. Reserves 1,336,589	121,901,907	118,084,804	3,818,819	
12. General Expenses 147,682	1,129,081	707,129	421,952	
13. Unearned Investment Income	286,185	0	286,185	100,165
14. Dividends	54,627	0	54,627	19,119
15. Total DTAs			8,012,570	2,804,399
DTLS	Statutory	Tax	Difference	Tax Effect
16. Bonds	\$ 126,680,872	\$126,543,321	137,550	\$ 48,142
17. Total DTLs	126,680,872	126,543,321	137,550	48,142

C. Among the more significant book to tax adjustments were the following:

	Amount	Tax Effect
1. Income before taxes	1,381,617	469,303
2. Book over tax reserves	2,554,766	868,173
3. Net DAC adjustment	362,676	122,862
4. Advanced Premiums	58,834	19,556
5. Unearned Interest	18,526	5,850
6. Tax exempt interest	0	0
7. Loading	(835,442)	(284,500)
8. Accrued dividends	0	0
9. Deferred Premiums	(1,228,293)	(418,062)
10. Accrued deferred compensation	0	0
11. Taxable Income	2,312,684	783,182

D. Income Taxes

- The Company's Federal Income Tax return is consolidated with the Grange Mutual Casualty Company and other affiliates.
- The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually in the first quarter.

10. Information Concerning Parent, Subsidiaries and Affiliates

- All outstanding shares of the Company are 100% owned by Grange Mutual Casualty Company, an Ohio domiciled insurance company.
- A management fee is paid to the parent as reimbursement for salaries and other expenses paid by the parent.
- Employees and agents of the parent company are covered by a group policy issued by Grange Life Insurance Company.
- The company has no shares of an upstream or ultimate parent.
- The company has no guarantees or undertakings for the benefit of an affiliate which result in material contingent exposure.
- The company has only cost allocation arrangements based upon generally accepted principles.

11. Debt

- Capital Notes Not Applicable
- All other debt Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- The Company participates in the retirement plan of the parent. All employees are the employees of the parent. The policy is to fund pension costs accrued.
- The Company participates in the incentive savings plan of the parent, for which substantially all employees are eligible.
- The Company participates in the postretirement benefit plans of the parent.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations.

The Company has no unusual dividend restrictions.

14. Contingencies

Not Applicable

15. Leases

NOTES TO FINANCIAL STATEMENTS

Not Applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

Not Applicable

20. Other Items

Not Applicable

21. Events Subsequent

Not Applicable

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No.
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? No.

Section 2 - Ceded Reinsurance Report - Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? No
2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? No

Section 3 - Ceded Reinsurance Report - Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ none
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No

B. Uncollectible Reinsurance None

C. Commutation of Ceded Reinsurance. None

23. Retrospectively rated Contracts & Contracts Subject to Redetermination

Not Applicable

24. Change in Incurred Losses and Loss Adjustment Expenses

Not Applicable

25. Intercompany Pooling Arrangements

Not Applicable

26. Reserves for Life Contracts and Deposit-Type Contracts

- A. The Company waives deductions of deferred fractional premiums upon the death of the insured, and returns any portion of the final premium beyond the date of death. Appropriate actuarial reserves are established in Exhibit 5.
- B. Extra premiums are charged for substandard lives, plus the gross premium for a rated age. Reserves are determined by computing the regular reserve for the plan at the rated age and holding in addition the extra premium charge for the year.
- C. The Company has no coverage for which future valuation premiums exceed gross premiums and therefore require deficiency reserves.
- D. The tabular interest, the tabular less actual reserve released, and the tabular cost have been determined by formula as described in the instructions.
- E. For the determination of tabular interest on funds not involving life contingencies the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.
- F. The company has no other reserve changes.

NOTES TO FINANCIAL STATEMENTS

27. Variable Annuities with Guaranteed Living Benefits

Not Applicable

28. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

	Amount	% of Total
1. Subject to Discretionary withdrawal:		
1.1 – with mkt. Value adj.	\$ 0	0%
1.2 – at book less surrender charges of 5% or more	\$ 11,653,746	41.89%
1.3 – at mkt. Value	\$ 0	0%
1.4 – Total with adj. At mkt. Value	\$ 11,653,746	41.89%
1.5 – at book value w/o adj.	\$ 16,160,032	58.11%
2. Not subject to discretionary withdrawal	\$ 0	0%
3. Total (gross)	\$ 27,813,778	100.0%
4. Reinsurance ceded	\$ 0	0%
5. Total (net)* (3)-(4)	\$ 27,813,778	100.0%
Life & Accident & Health Annual Statement		
6. Exhibit 5, section B, Total (net)	\$ 27,501,279	
7. Exhibit 5, section C, Total (net)	\$ 0	
8. Exhibit 7, column 1, line 12	\$ 312,499	
9. Subtotal	\$ 27,813,778	

No separate Accounts

29. Premium and Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2002 were as follows:

	Gross	Net of Loading
Ordinary new business	\$ 1,533,009	\$ 1,372,538
Ordinary Renewal	6,701,167	6,703,991
Total	\$ 8,234,176	\$ 8,076,529

30. Separate Accounts

Not Applicable

Failure of the amounts to add to totals is due to rounding or truncation

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	3,063,265	2.216	3,063,265	2.216
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	8,096,920	5.858	8,096,920	5.858
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	3,779,025	2.734	3,779,025	2.734
1.512 Issued by FNMA and FHLMC	3,411,617	2.468	3,411,617	2.468
1.513 Privately issued	1,910,068	1.382	1,910,068	1.382
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	11,660,867	8.436	11,660,867	8.436
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	16,954,734	12.266	16,954,734	12.266
1.523 All other privately issued		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	76,000,459	54.982	76,000,459	54.982
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated	488,352	0.353	488,352	0.353
3.4 Other equity securities:				
3.41 Affiliated	781	0.001	781	0.001
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans	7,232,933	5.233	7,232,933	5.233
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	5,629,595	4.073	5,629,596	4.073
9. Other invested assets		0.000		0.000
10. Total invested assets	138,228,616	100.000	138,228,617	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] NA []
- 1.3 State Regulating? Ohio
- 2.1 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]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1998
- 3.2 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
- 3.3 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
- 3.4 By what department or departments?
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 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 the 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
.....
.....

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 KPMG Columbus, Ohio.....
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Thomas Hull, Actuarial Management Resources 4964 University Parkway Suite 107 Winston-Salem, NC
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA [X]

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person?. Yes [X] No []

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers .. \$.....
- 14.12 To stockholders not officers ... \$.....
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers ... \$.....
- 14.22 To stockholders not officers \$.....
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others \$.....
- 15.22 Borrowed from others \$.....
- 15.23 Leased from others \$.....
- 15.24 Other \$.....
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 16.2 If answer is yes,
- 16.21 Amount paid as losses or risk adjustment \$.....
- 16.22 Amount paid as expenses \$.....
- 16.23 Other amounts paid \$.....

GENERAL INTERROGATORIES

(continued)
INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred					[]	[X]	[]	[X]
Common	100,000	80,000	18.750	XXX	XXX	XXX	XXX	XXX

18.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes [X] No []

18.2 If no, give full and complete information relating thereto:

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [X] No []

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21	Loaned to others	\$11,086,101
19.22	Subject to repurchase agreements	\$
19.23	Subject to reverse repurchase agreements	\$
19.24	Subject to dollar repurchase agreements	\$
19.25	Subject to reverse dollar repurchase agreements	\$
19.26	Pledged as collateral	\$
19.27	Placed under option agreements	\$
19.28	Letter stock or other securities restricted as to sale ...	\$
19.29	Other	\$

19.3 For each category above, if any of these assets are held by others, identify by whom held:

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

For categories (19.21) and (19.23) above, and for any other securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....
.....

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

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

21.2. If yes, state the amount thereof at December 31 of the current year. \$

22. 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 []

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

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

GENERAL INTERROGATORIES

(continued)
INVESTMENT

22.02 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)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?..... Yes [] No []

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

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

22.05 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 Number(s)	2 Name	3 Address

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....12,287

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
American Council of Life Insurance.....	\$.....6,500
	\$.....
	\$.....

24.1 Amount of payments for legal expenses, if any?..... \$.....

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$.....
	\$.....
	\$.....

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$.....
	\$.....
	\$.....

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives \$0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives \$0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives \$0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives \$0
- 2.1 Does this reporting entity have Separate Accounts? Yes [] No [X]
- 2.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [] No [] NA [X]
- 2.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$
- 2.4 State the authority under which Separate Accounts are maintained:
- 2.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]
- 2.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]
- 3.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No []
- 3.2 Net reimbursement of such expenses between reporting entities:
- 3.21 Paid: \$
- 3.22 Received: \$
- 4.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]
- 4.2 If yes, what amount pertaining to these items is included in:
- 4.21 Page 3, Line 3 \$
- 4.22 Page 4, Line 1 \$
5. For stock reporting entities only:
- 5.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$
6. Total dividends paid stockholders since organization of the reporting entity:
- 6.11 Cash: \$
- 6.12 Stock: \$
- 7.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 7.11 Name of real estate holding company
- 7.12 Number of parcels involved
- 7.13 Total book/adjusted carrying value \$
- 7.2 If yes, provide explanation:

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]

Workers compensation carve-out business is defined as reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability expositors, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers Compensation Carve-Out Supplement to the Annual Statement: Yes [] No [X]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1. Reinsurance Assumed	2. Reinsurance Ceded	3. Net Retained
8.31 Earned premium.....
8.32 Paid claims.....
8.33 Claim liability and reserve (beginning of year).....
8.34 Claim liability and reserve (end of year).....
8.35 Incurred Claims.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column 1 are:

	Attachment Point	1. Earned Premium	2. Claim Liability And Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 – 99,999	.....	.....
8.43	\$100,000 – 249,999	.....	.....
8.44	\$250,000 – 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
 Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2002	2 2001	3 2000	4 1999	5 1998
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - Whole Life and Endowment (Line 34, Col. 4)	1,850,450	1,844,019	1,818,155	1,812,220	1,748,603
2. Ordinary - Term (Line 21, Col. 4, less Line 34, Col. 4)	6,656,956	5,470,858	4,437,164	3,938,297	3,480,451
3. Credit Life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	174,848	162,132	147,510	137,281	130,473
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	8,682,254	7,477,009	6,402,829	5,887,798	5,359,527
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - Whole Life and Endowment (Line 34, Col. 2)	325,861	150,361	163,614	165,370	239,486
9. Ordinary - Term (Line 2, Col. 4, less Line 34, Col. 2)	1,412,346	1,908,866	803,880	713,743	587,761
10. Credit Life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	18,274	18,185	25,019	20,070	25,981
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	1,756,481	2,077,412	992,513	899,183	853,228
Premium Income - Lines of Business					
14. Industrial Life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	24,663,985	21,844,881	21,717,642	20,179,867	17,919,378
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	5,439,169	4,004,657	5,320,474	4,113,189	2,405,662
16. Credit Life (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	791,742	774,642	707,212	666,961	631,335
17.2 Group Annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-Group (Exhibit 1-Part 1, Line 20.4, Col. 8)	0	0	0	0	0
18.2 A & H-Credit (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-Other (Exhibit 1-Part 1, Line 20.4, Col. 10)	338,758	303,840	291,705	286,649	246,088
19. Aggregate of All Other Lines of Business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	0	0	0
21. Total	31,233,654	26,928,020	28,037,033	25,246,666	21,202,463
Balance Sheet Items (Pages 2 & 3)					
22. Total Admitted Assets Excluding Separate Accounts Business (Page 2, Line 25, Col. 3)	149,603,329	133,637,228	121,842,609	86,012,769	96,808,004
23. Total Liabilities Excluding Separate Accounts Business (Page 3, Line 26)	131,172,178	115,869,953	104,543,650	396,230	81,724,147
24. Aggregate Life Reserves (Page 3, Line 1)	121,901,905	108,326,031	96,699,806	222,255	76,064,228
25. Aggregate A & H Reserves (Page 3, Line 2)	253,190	394,589	397,234	1,500,000	351,887
26. Deposit-type contract funds (Page 3, Line 3)	312,499	436,809	XXX	XXX	XXX
27. Asset Valuation Reserve (Page 3, Line 24.1)	566,640	440,581	298,459	222,255	191,071
28. Capital (Page 3, Lines 29 and 30)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
29. Surplus (Page 3, Line 37)	16,931,151	16,267,274	15,798,958	15,182,421	13,583,857
Risk-Based Capital Analysis					
30. Total Adjusted Capital	19,025,105	18,234,849	17,623,794	16,930,244	15,297,006
31. Authorized Control Level Risk - Based Capital	3,523,477	3,704,026	3,449,748	3,260,436	3,139,775
Percentage Distribution of Assets (Page 2, Col. 3) (Line No. / Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1)	90.3	90.5	89.2	91.6	91.5
33. Stocks (Lines 2.1 and 2.2)	0.4	0.6	0.8	0.0	0.0
34. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real Estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Policy Loans (Line 5)	5.2	5.5	5.5	5.7	5.8
37. Premium Notes (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Cash and Short - Term Investments (Line 7)	4.1	3.4	4.5	2.8	2.7
39. Other Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivable for Securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Aggregate Write-ins for Invested Assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42. Cash and Invested Assets (Line 11)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated Bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated Preferred Stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated Common Stocks (Schedule D Summary, Line 53, Col. 2)	781	0	0	0	0
46. Affiliated Short-Term Investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	0	0	0	0	0
47. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
48. All Other Affiliated	0	0	0	0	0
49. Total of above Lines 43 to 48	781	0	0	0	0
Total Non-admitted and Admitted Assets					
50. Total Non admitted Assets (Page 2, Line 27, Col. 2)	2,040,216	1,800,891	184,740	155,188	196,142
51. Total Admitted Assets (Page 2, Line 27, Col. 3)	149,603,329	133,637,228	121,842,609	108,198,886	96,808,004
Investment Data					
52. Net Investment Income (Exhibit of Net Investment Income)	8,541,966	8,061,501	7,564,256	6,738,571	5,972,230
53. Realized Capital Gains (Losses)	313,087	180,285	26,927	7,723	76,414
54. Unrealized Capital Gains (Losses)	58,789	(193,255)	(110,660)	0	0
55. Total of above Lines 52, 53 & 54	8,913,842	8,048,531	7,480,523	6,746,294	6,048,644
Benefits and Reserve Increases (Page 6)					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 less Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 & 11).....	15,506,655	14,475,465	14,755,094	10,375,331	9,553,725
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	327,915	279,600	251,781	295,554	215,501
58. Increase in Life Reserves - Other than Group and Annuities (Line 19, Cols. 2 and 3)	8,792,764	8,100,875	6,988,661	6,565,500	6,025,651
59. Increase in A & H Reserves (Line 19, Cols. 9, 10 & 11)	(141,399)	(2,644)	1,003	44,343	75,464
60. Dividends to Policyholders (Line 30, Col. 1)	360,129	265,692	232,490	281,101	204,795
Operating Percentages					
61. Insurance Expense Percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.0	32.7	30.2	27.9	31.7	32.7
62. Lapse Percent (Ordinary Only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21)	6.6	14.5	7.5	6.4	6.5
63. A & H Loss Percent (Schedule H, Part 1, Lines 3 and 4, Col. 2)	55.8	91.0	86.7	119.0	117.7
64. A & H Expense Percent (Schedule H, Pt. 1, Line 8, Col. 2)	35.6	29.4	42.4	58.8	55.1
A & H Claim Reserve Adequacy					
65. Incurred Losses on Prior Years' Claims - Group Health (Schedule H, Part 3, Line 3.1 Col. 2)	0	0	0	0	0
66. Prior Years' Claim Liability and Reserve - Group Health (Schedule H, Part 3, Line 3.2 Col. 2)	0	0	0	0	0
67. Incurred Losses on Prior Years' Claims-Health other than Group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	177,726	230,242	157,854	169,026	126,645
68. Prior Years' Claim Liability and Reserve-Health other than Group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	260,432	274,369	280,011	244,236	169,022
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial Life (Col. 2)	0	0	0	0	0
70. Ordinary - Life (Col. 3)	467,767	(189,595)	583,146	1,525,281	1,355,937
71. Ordinary - Individual Annuities (Col. 4)	133,084	5,471	53,429	(16,940)	(57,809)
72. Ordinary-Supp. Contracts (Col. 5)	0	0	2,100	(9)	226
73. Credit Life (Col. 6)	0	0	0	0	0
74. Group Life (Col. 7)	88,515	7,355	194,373	170,845	225,929
75. Group Annuities (Col. 8)	0	0	0	0	0
76. A & H-Group (Col. 9)	0	54,505	26,133	18,637	2,128
77. A & H-Credit (Col. 10)	0	0	0	0	0
78. A & H-Other (Col. 11)	39,960	125,826	(26,228)	(109,022)	(84,989)
79. Aggregate of All Other Lines of Business (Col. 12)	0	0	0	0	0
80. Total (Col. 1)	729,326	3,562	832,953	1,588,792	1,441,422

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	0	0	69,662	7,314,877	0	0	2	2,199	162,132	7,477,009
2. Issued during year	0	0	12,616	1,738,207	0	0		204	18,274	1,756,481
3. Reinsurance assumed										0
4. Revived during year										0
5. Increased during year (net)									5,955	5,955
6. Subtotals, Lines 2 to 5	0	0	12,616	1,738,207	0	0	0	204	24,229	1,762,436
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	82,278	9,053,084	0	0	2	2,403	186,361	9,239,445
Deductions during year:										
10. Death			231	11,663			XXX	13	388	12,051
11. Maturity			102	8,396			XXX			8,396
12. Disability							XXX			0
13. Expiry										0
14. Surrender			2,102	232,305						232,305
15. Lapse			3,381	293,314				168	11,125	304,439
16. Conversion							XXX	XXX	XXX	0
17. Decreased (net)										0
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals, (Lines 10 to 19)	0	0	5,816	545,678	0	0	0	181	11,513	557,191
21. In force end of year, (Line 9 minus Line 20)	0	0	76,462	8,507,406	0	0	2	2,222	174,848	8,682,254
22. Reinsurance ceded end of year	XXX		XXX	3,016,316	XXX		XXX	XXX	134,067	3,150,383
23. Line 21 minus Line 22	XXX	0	XXX	5,491,090	XXX	^(b) 0	XXX	XXX	40,781	5,531,871
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$; Individual \$

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	
25. Other paid-up insurance				
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Page 30, Line 2)		In Force End of Year (Included in Page 30, Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing			751	21,857
28. Term policies - other	9,524	1,412,346	46,662	6,635,100
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals, Line 27 to 30	9,524	1,412,346	47,413	6,656,957
Reconciliation to Page 30, Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX		
34. Totals, whole life and endowment	3,092	325,861	29,049	1,850,450
35. Total (Lines 31 to 34)	12,616	1,738,207	76,462	8,507,407

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Page 30, Line 2)		In Force End of Year (Included in Page 30, Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	1,738,207		8,505,082	2,325
38. Credit Life (Group and Individual)				
39. Group	862	17,412	18,840	156,008
40. Totals (Lines 36 to 39)	1,739,069	17,412	8,523,922	158,333

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Page 30, Line 2 ceded to other companies	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		XXX		XXX
43. Federal Employees' Group Life Insurance included in Page 30, Line 21				
44. Servicemen's Group Life Insurance included in Page 30, Line 21				
45. Group Permanent Insurance included in Page 30, Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	50,932
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 Original Face Amount.....
Wife & Child at current death benefit
47.2

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			15,167	1,138				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total	0 ^(b)	0	15,167 ^(b)	1,138	0 ^(b)	0	0 ^(b)	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES,
INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR
SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH
AND OTHER POLICIES**

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)				
7. Reinsurance				
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	149	1,239	0	0
2. Issued during year	37	264		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	186	1,503	0	0
Deductions during year:				
6. Decreased (net)	6	79		
7. Reinsurance				
8. Totals (Lines 6 and 7)	6	79	0	0
9. In force end of year	180	1,424	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	770	551,512	0	0	0	0
2. Issued during year	210	4,471				
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)	980	XXX	0	XXX	0	XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)	100	XXX		XXX		XXX
8. Reinsurance		XXX		XXX		XXX
9. Total (Lines 6 thru 8)	100	XXX	0	XXX	0	XXX
10. In force end of year	880 (a)	504,849	0 (a)		0 (a)	

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	0	30
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)	0	30
Deductions During Year:		
6. Decreased (net)		1
7. Reinsurance		
8. Totals (Lines 6 and 7)	0	1
9. In force end of year	0	29
10. Amount of account balance	(a)	(a)

(a) See paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	6,842,291	7,008,458	6,858,179	6,795,535
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	6,842,291	7,008,458	6,858,179	6,795,535
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0	0
	10. Canada	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	23,169,402	23,250,281	23,227,990	22,952,731
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	23,169,402	23,250,281	23,227,990	22,952,731
Public Utilities (unaffiliated)	17. United States	14,178,170	14,561,621	14,145,353	14,100,000
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	14,178,170	14,561,621	14,145,353	14,100,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	80,687,093	82,755,096	80,907,831	79,640,761
	22. Canada	0	0	0	0
	23. Other Countries	0	0	0	0
	24. Totals	80,687,093	82,755,096	80,907,831	79,640,761
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	124,876,956	127,575,456	125,139,353	123,489,027
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States	0	0	0	0
	28. Canada	0	0	0	0
	29. Other Countries	0	0	0	0
	30. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	0
	32. Canada	0	0	0	0
	33. Other Countries	0	0	0	0
	34. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0	0
	36. Canada	0	0	0	0
	37. Other Countries	0	0	0	0
	38. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	0
	40. Total Preferred Stocks	0	0	0	0
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States	0	0	0	0
	42. Canada	0	0	0	0
	43. Other Countries	0	0	0	0
	44. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0	0
	46. Canada	0	0	0	0
	47. Other Countries	0	0	0	0
	48. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States	488,351	488,351	733,478	0
	50. Canada	0	0	0	0
	51. Other Countries	0	0	0	0
	52. Totals	488,351	488,351	733,478	0
Parent, Subsidiaries and Affiliates	53. Totals	781	781	781	0
	54. Total Common Stocks	489,132	489,132	734,259	0
	55. Total Stocks	489,132	489,132	734,259	0
	56. Total Bonds and Stocks	125,366,088	128,064,588	125,873,612	123,489,027

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 61,300,090 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	113,278,096	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	53,975,611	6.1 Column 17, Part 1	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1	0
3.1 Column 16, Part 1	(47,393)	6.3 Column 11, Part 2, Sec. 2	0
3.2 Column 12, Part 2, Sec. 1	0	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Sec. 2	(126,269)	7. Book/adjusted carrying value at end of current period	125,366,088
3.4 Column 10, Part 4	74,832	8. Total valuation allowance	
4. Total gain (loss), Col. 14, Part 4	313,087	9. Subtotal (Lines 7 plus 8)	125,366,088
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	42,101,876	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	125,366,088

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE GRANGE LIFE INSURANCE COMPANY

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Life Contracts		Direct Business Only		
		2	3	4	5	6
	Is Insurer Licensed? (Yes or No)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Deposit-Type Contract Funds	Other Considerations
1. Alabama	AL	No.	40,490	2,400	.0	.0
2. Alaska	AK	No.	1,257	.0	.0	.0
3. Arizona	AZ	No.	26,578	27,024	.0	.0
4. Arkansas	AR	No.	18,116	.0	.0	.0
5. California	CA	No.	45,977	5,550	.0	.0
6. Colorado	CO	No.	12,216	.0	97	.0
7. Connecticut	CT	No.	7,045	.0	.0	.0
8. Delaware	DE	No.	4,998	.0	.0	.0
9. District of Columbia	DC	No.	758	.0	.0	.0
10. Florida	FL	No.	261,828	.0	8,396	.0
11. Georgia	GA	Yes.	2,818,282	88,222	143,545	.0
12. Hawaii	HI	No.	1,336	.0	.0	.0
13. Idaho	ID	No.	1,149	.0	.0	.0
14. Illinois	IL	Yes.	449,604	125,926	6,897	.0
15. Indiana	IN	Yes.	2,312,821	390,744	46,355	.0
16. Iowa	IA	Yes.	5,218	.0	.0	.0
17. Kansas	KS	Yes.	7,937	.0	.0	.0
18. Kentucky	KY	Yes.	4,155,935	956,872	101,103	.0
19. Louisiana	LA	No.	13,224	.0	.0	.0
20. Maine	ME	No.	1,410	.0	.0	.0
21. Maryland	MD	No.	21,936	.0	.0	.0
22. Massachusetts	MA	No.	5,377	.0	.0	.0
23. Michigan	MI	Yes.	104,025	30,773	671	.0
24. Minnesota	MN	No.	11,728	.0	.0	.0
25. Mississippi	MS	No.	49,194	22,378	.0	.0
26. Missouri	MO	Yes.	41,895	.0	.0	.0
27. Montana	MT	No.	2,510	.0	.0	.0
28. Nebraska	NE	No.	3,658	.0	.0	.0
29. Nevada	NV	No.	6,300	.0	.0	.0
30. New Hampshire	NH	No.	2,145	.0	.0	.0
31. New Jersey	NJ	No.	9,141	.0	.0	.0
32. New Mexico	NM	No.	3,792	.0	199	.0
33. New York	NY	No.	14,042	.0	364	.0
34. North Carolina	NC	No.	44,392	.0	.0	.0
35. North Dakota	ND	No.	.69	.0	.0	.0
36. Ohio	OH	Yes.	17,902,750	2,948,232	204,151	208,223
37. Oklahoma	OK	No.	10,312	.0	.0	.0
38. Oregon	OR	No.	3,465	.0	.0	.0
39. Pennsylvania	PA	Yes.	77,029	.0	.0	.0
40. Rhode Island	RI	No.	.0	.0	.0	.0
41. South Carolina	SC	No.	47,434	3,310	.0	.0
42. South Dakota	SD	No.	5,069	.0	447	.0
43. Tennessee	TN	Yes.	4,816,742	625,526	64,837	.0
44. Texas	TX	No.	58,806	.0	1,347	.0
45. Utah	UT	No.	2,581	.0	.0	.0
46. Vermont	VT	No.	4,027	.0	.0	.0
47. Virginia	VA	No.	48,139	.0	756	.0
48. Washington	WA	No.	11,107	.0	.0	.0
49. West Virginia	WV	No.	31,432	3,988	289	.0
50. Wisconsin	WI	Yes.	15,957	.0	177	.0
51. Wyoming	WY	No.	2,894	.0	.0	.0
52. American Samoa	AS	No.	.0	.0	.0	.0
53. Guam	GU	No.	.0	.0	.0	.0
54. Puerto Rico	PR	No.	.0	.0	.0	.0
55. US Virgin Islands	VI	No.	.0	.0	.0	.0
56. Canada	CN	No.	.0	.0	.0	.0
57. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0
58. Subtotal	(a)	12	33,544,127	5,230,945	579,631	208,223
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		.0	.0	.0	.0
95. Totals (Direct Business)	XXX		33,544,127	5,230,945	579,631	208,223
96. Plus Reinsurance Assumed	XXX					
97. Totals (All Business)	XXX		33,544,127	5,230,945	579,631	208,223
98. Less Reinsurance Ceded	XXX		9,257,496		241,236	
99. Totals (All Business) less Reinsurance Ceded	XXX		24,286,631	5,230,945	338,395	208,223
DETAILS OF WRITE-INS						
5701.	XXX					
5702.	XXX					
5703.	XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		.0	.0	.0	.0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0
9401.	XXX					
9402.	XXX					
9403.	XXX					
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		.0	.0	.0	.0
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Line 1, indicate which :

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

FEI NO.	STATE OF	NAIC DOMICILE	CODE		
<u>PARENT COMPANY:</u>					
31-4192970	OHIO	OHIO	14060	*GRANGE MUTUAL CASUALTY COMPANY	
<u>SUBSIDIARY COMPANIES:</u>					
31-0739286	OHIO	OHIO	71218	*GRANGE LIFE INSURANCE COMPANY	100% OWNED
41-1405571	OHIO	OHIO	40118	*TRUSTGARD INSURANCE COMPANY	100% OWNED
31-1432675	OHIO	OHIO	10322	*GRANGE INDEMNITY INSURANCE COMPANY	100% OWNED
31-1769414	MICHIGAN	MICHIGAN	11136	*GRANGE INSURANCE COMPANY OF MICHIGAN	100% OWNED
31-1651402	OHIO	OHIO	N/A	THE GRANGE BANK	100% OWNED

* INSURER