



QUARTERLY STATEMENT

AS OF JUNE 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

GRANGE INSURANCE COMPANY OF MICHIGAN

NAIC Group Code	00267	(Current Period)	00267	(Prior Period)	NAIC Company Code	11136	Employer's ID Number	31-1769414
Organized under the Laws of	Ohio				State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States							
Incorporated/Organized	04/23/2001				Commenced Business	07/26/2001		
Statutory Home Office	671 South High Street				Columbus, OH 43206-1014			
	(Street and Number)				(City or Town, State and Zip Code)			
Main Administrative Office	671 South High Street				Columbus, OH 43206-1014		614-445-2900	
	(Street and Number)				(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218				Columbus, OH 43216-1218			
	(Street and Number or P.O. Box)				(City or Town, State and Zip Code)			
Primary Location of Books and Records	671 South High Street				Columbus, OH 43206-1014		614-445-2900	
	(Street and Number)				(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com							
Statutory Statement Contact	David Sidney Ackermann				614-445-2900			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	ackermannd@grangeinsurance.com				614-542-3017			
	(E-mail Address)				(Fax Number)			

OFFICERS

Name	Title	Name	Title
THOMAS HOWARD WELCH	PRESIDENT & CEO	DAVID TRUFANT ROARK	VP & SECRETARY
JOHN PAUL MCCAFFREY	VP & CFO		

OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS		
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DIRECTORS OR TRUSTEES

DOUGLAS PAUL BUTH	GLENN EUGENE CORLETT	ELWOOD GORDON GEE	ROBERT ENLOW HOYT #
JOHN PAUL MCCAFFREY #	ROBERT JOHN O'BRIEN	MICHAEL VERNE PARROTT	MARY MARNETTE PERRY
MELVIN GEORGE PYE JR	THOMAS SIMRALL STEWART	PHILIP WAYNE STICHTER	THOMAS HOWARD WELCH
DAVID CHARLES WETMORE			

State ofOhio.....

County ofFranklin.....ss

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

THOMAS HOWARD WELCH PRESIDENT & CEO	DAVID TRUFANT ROARK VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
Subscribed and sworn to before me this 5th day of August, 2011		a. Is this an original filing? Yes [X] No []
Teresa J. Burchwell, Notary Public April 28, 2012		b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

STATEMENT AS OF JUNE 30, 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	44,900,715		44,900,715	44,695,110
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
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. Cash (\$0), cash equivalents (\$0) and short-term investments (\$3,461,272)	3,461,272		3,461,272	563,235
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	48,361,987	0	48,361,987	45,258,345
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	400,382		400,382	407,336
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,006,670	33,279	4,973,391	4,861,399
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$(11,382) earned but unbilled premiums)	(11,742)	(360)	(11,382)	(6,349)
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,971,678		2,971,678	1,643,889
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	992,213	461,218	530,995	1,019,936
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	363,626
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	16,232	0	16,232	10,369
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	57,737,420	494,137	57,243,283	53,558,551
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	57,737,420	494,137	57,243,283	53,558,551
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities in Pools	16,232		16,232	10,369
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	16,232	0	16,232	10,369

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$2,663,853)	9,515,168	10,104,426
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	2,912,044	3,045,448
4. Commissions payable, contingent commissions and other similar charges	201,862	303,559
5. Other expenses (excluding taxes, licenses and fees)	665,619	677,388
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	270,093	324,504
7.1 Current federal and foreign income taxes (including \$(47,215) on realized capital gains (losses))	98,258	677,401
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$36,822,301 and including warranty reserves of \$)	10,234,094	10,148,345
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	22,051	19,016
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	5,014,309	0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	28,933,498	25,300,087
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	28,933,498	25,300,087
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock		1,000,000
31. Preferred capital stock	1,000,000	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	9,000,000	9,000,000
35. Unassigned funds (surplus)	18,309,785	18,258,464
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	28,309,785	28,258,464
38. Totals (Page 2, Line 28, Col. 3)	57,243,283	53,558,551
DETAILS OF WRITE-INS		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 52,618,516)	53,712,717	52,478,389	108,098,196
1.2 Assumed (written \$ 13,170,365)	13,075,183	14,041,484	28,044,406
1.3 Ceded (written \$ 52,624,532)	53,709,301	52,483,318	108,131,826
1.4 Net (written \$ 13,164,349)	13,078,599	14,036,555	28,010,776
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 8,586,254):			
2.1 Direct	78,812,847	32,785,693	88,514,318
2.2 Assumed	8,671,170	8,762,631	17,149,135
2.3 Ceded	78,914,798	32,792,210	88,537,295
2.4 Net	8,569,219	8,756,114	17,126,158
3. Loss adjustment expenses incurred	1,397,703	1,522,045	2,971,546
4. Other underwriting expenses incurred	4,295,867	4,611,986	8,894,260
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	14,262,789	14,890,145	28,991,964
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(1,184,190)	(853,590)	(981,188)
INVESTMENT INCOME			
9. Net investment income earned	741,134	754,601	1,432,002
10. Net realized capital gains (losses) less capital gains tax of \$ (47,215)	(87,685)	(15,583)	(97,466)
11. Net investment gain (loss) (Lines 9 + 10)	653,449	739,018	1,334,536
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,106 amount charged off \$ 105,971)	(104,865)	(120,876)	(255,353)
13. Finance and service charges not included in premiums	1,344,433	1,512,340	3,036,920
14. Aggregate write-ins for miscellaneous income	13,415	13,273	29,214
15. Total other income (Lines 12 through 14)	1,252,983	1,404,737	2,810,781
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	722,242	1,290,165	3,164,129
17. Dividends to policyholders	39,959	41,177	80,891
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	682,283	1,248,988	3,083,238
19. Federal and foreign income taxes incurred	145,473	404,733	729,884
20. Net income (Line 18 minus Line 19)(to Line 22)	536,810	844,255	2,353,354
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	28,258,464	26,007,714	26,007,714
22. Net income (from Line 20)	536,810	844,255	2,353,354
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	0	0	0
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(40,838)	(208,346)	(119,976)
27. Change in nonadmitted assets	(444,651)	33,409	17,372
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	51,321	669,318	2,250,750
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	28,309,785	26,677,032	28,258,464
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	13,415	13,273	29,214
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	13,415	13,273	29,214
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	13,060,842	14,195,613	27,935,574
2. Net investment income	802,034	815,489	1,552,395
3. Miscellaneous income	1,252,983	1,404,737	2,810,781
4. Total (Lines 1 to 3)	15,115,859	16,415,839	32,298,750
5. Benefit and loss related payments	10,486,266	8,386,277	16,979,282
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	5,994,851	6,235,282	11,801,985
8. Dividends paid to policyholders	36,924	46,633	83,266
9. Federal and foreign income taxes paid (recovered) net of \$ (47,215) tax on capital gains (losses).....	677,401	665,939	665,941
10. Total (Lines 5 through 9)	17,195,442	15,334,131	29,530,474
11. Net cash from operations (Line 4 minus Line 10)	(2,079,583)	1,081,708	2,768,276
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	6,797,262	4,842,923	11,531,058
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	6,797,262	4,842,923	11,531,058
13. Cost of investments acquired (long-term only):			
13.1 Bonds	7,191,712	5,826,875	15,181,078
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	7,191,712	5,826,875	15,181,078
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(394,450)	(983,952)	(3,650,020)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	5,372,070	811,296	760,404
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	5,372,070	811,296	760,404
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,898,037	909,052	(121,340)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	563,235	684,575	684,575
19.2 End of period (Line 18 plus Line 19.1)	3,461,272	1,593,627	563,235

STATEMENT AS OF JUNE 30, 2011 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

- A. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio requires that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures Manual.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

NO CHANGE

3. BUSINESS COMBINATIONS AND GOODWILL

NONE

4. DISCONTINUED OPERATIONS

NO CHANGE

5. INVESTMENTS

D. LOAN-BACKED SECURITIES

- 1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.
2) NONE
3)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary Impairment for the Current Period	Amortized Cost After Other- Than Temporary Impairment	Fair Value at end of Current Period	Date of Financial Statement – End of Period
NONE						

- 4) As impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains:

a.

Aggregate Amount of Unrealized Losses:			
1	Less than 12 Months		(174,752)
2	Greater than 12 Months		(59,093)

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:			
1	Less than 12 Months		8,349,998
2	Greater than 12 Months		712,468

According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on 9/30/09. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

NO CHANGE

7. INVESTMENT INCOME

NO CHANGE

8. DERIVATIVE INSTRUMENTS

NONE

9. FEDERAL INCOME

- A. The components of the net deferred tax assets at June 30, 2011 and December 31, 2010 are as follows:

	6/30/2011	12/31/2010
Gross Deferred Tax Assets	\$ 1,045,717	\$ 1,076,025
Gross Deferred Tax Liabilities	53,504	42,974
Net Deferred Tax Asset (Liability)	992,213	1,033,051
Nonadmitted Deferred Tax Assets	461,218	13,115
Admitted Deferred Tax Asset	530,995	1,019,936
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ (448,103)	\$ 18,445

- B. The Company has no deferred tax liabilities that are not recognized

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

	6/30/2011	12/31/2010
Current Income Tax Expense	\$ 145,473	\$ 809,273
Tax on Capital Gains/(Losses)	(47,215)	(52,482)
Prior Year Under Accrual (Over Accrual)	-	(79,389)
Federal Income Taxes Incurred	\$ 98,258	\$ 677,402

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

NO CHANGE

STATEMENT AS OF JUNE 30, 2011 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

11. DEBT
NONE
12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREMENT BENEFIT PLANS
NO CHANGE
13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS
NO CHANGE
14. CONTINGENCIES
NO CHANGE
15. LEASES
NO CHANGE
16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.
NONE
17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES
NONE
18. GAINS OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.
NONE
19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS
NONE
20. FAIR VALUE MEASUREMENTS

A. All assets and liabilities of The Company are measured and reported at cost or amortized cost in accordance with footnote 1 above.

1. NONE

2. NONE

3. The Company’s policy is to recognize transfers in and out as of the end of the reporting period.

4. As of December 31, 2010, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows: According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of June 30, 2011, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.
21. OTHER ITEMS
NO CHANGE
22. EVENTS SUBSEQUENT
NO CHANGE
23. REINSURANCE
NO CHANGE
24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
NONE
25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

LOSSES AND LAE	6/30/2011	2010
BALANCE JANUARY 1	17,589,025	17,040,375
LESS REINSURANCE RECOVERABLES	4,439,151	3,989,557
NET BALANCE JANUARY 1	13,149,874	13,050,818
INCURRED RELATED TO:		
CURRENT YEAR	10,391,607	21,248,917
PRIOR YEAR	(424,685)	(1,151,214)
TOTAL INCURRED	9,966,922	20,097,703
PAID RELATED TO:		
CURRENT YEAR	6,912,502	13,834,270
PRIOR YEAR	3,777,081	6,164,377
TOTAL PAID	10,689,583	19,998,646
NET BALANCE AT DECEMBER 31	12,427,212	13,149,874
PLUS REINSURANCE RECOVERABLES	6,269,124	4,439,151
BALANCE AT DECEMBER 31	18,696,336	17,589,025
26. INTERCOMPANY POOLING AGREEMENTS
NO CHANGE
27. STRUCTURED SETTLEMENTS
NO CHANGE.
28. HEALTH CARE RECEIVABLES
NONE

STATEMENT AS OF JUNE 30, 2011 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

- 29. PARTICIPATING POLICIES
NONE
- 30. PREMIUM DEFICIENCY RESERVES
NO CHANGE
- 31. HIGH DEDUCTIBLES
NONE
- 32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES
NONE
- 33. ASBESTOS/ENVIRONMENTAL RESERVES
NONE
- 34. SUBSCRIBER SAVINGS ACCOUNTS
NOT APPLICABLE
- 35. MULTIPLE PERIL CROP INSURANCE
NONE
- 36. FINANCIAL GUARANTY INSURANCE
NONE
- 37. CATASTROPHIC PLANNING
NO CHANGE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 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 ☒
- 2.2

If yes, date of change:

01/01/3000
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

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

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

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☒ NA ☐

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 6.2

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.

12/31/2009
- 6.3

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).

10/25/2010
- 6.4

By what department or departments?
Ohio.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

9.11

If the response to 9.1 is No, please explain:
.....

9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
.....

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [] No [X]

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$0

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

11.2

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

12.

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

13.

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

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]

15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No []

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E – Part 3 – Special Deposits, 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 Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase Bank, N.A.....	1111 Polarsis Parkway, Columbus, OH 43240.....
Federal Home Loan Bank of Cincinnati.....	221 E. 4th St., 1000 Atrium 2, Cincinnati, OH 45202.....

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
.....
.....
.....
TOTAL			0	0	0	0	0	0	0	0

5. Operating Percentages:
5.1 A&H loss percent %
5.2 A&H cost containment percent %
5.3 A&H expense percent excluding cost containment expenses %

6.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$
6.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL..N		0		0		0
2. Alaska	AK..N		0		0		0
3. Arizona	AZ..N		0		0		0
4. Arkansas	AR..N		0		0		0
5. California	CA..N		0		0		0
6. Colorado	CO..N		0		0		0
7. Connecticut	CT..N		0		0		0
8. Delaware	DE..N		0		0		0
9. District of Columbia	DC..N		0		0		0
10. Florida	FL..N		0		0		0
11. Georgia	GA..N		0		0		0
12. Hawaii	HI..N		0		0		0
13. Idaho	ID..N		0		0		0
14. Illinois	IL..N		0		0		0
15. Indiana	IN..N		0		0		0
16. Iowa	IA..N		0		0		0
17. Kansas	KS..N		0		0		0
18. Kentucky	KY..N		0		0		0
19. Louisiana	LA..N		0		0		0
20. Maine	ME..N		0		0		0
21. Maryland	MD..N		0		0		0
22. Massachusetts	MA..N		0		0		0
23. Michigan	MI..L	52,618,516	55,423,067	35,137,437	29,132,332	209,246,232	141,023,084
24. Minnesota	MN..N		0		0		0
25. Mississippi	MS..N		0		0		0
26. Missouri	MO..N		0		0		0
27. Montana	MT..N		0		0		0
28. Nebraska	NE..N		0		0		0
29. Nevada	NV..N		0		0		0
30. New Hampshire	NH..N		0		0		0
31. New Jersey	NJ..N		0		0		0
32. New Mexico	NM..N		0		0		0
33. New York	NY..N		0		0		0
34. North Carolina	NC..N		0		0		0
35. North Dakota	ND..N		0		0		0
36. Ohio	OH..L		0		0		0
37. Oklahoma	OK..N		0		0		0
38. Oregon	OR..N		0		0		0
39. Pennsylvania	PA..N		0		0		0
40. Rhode Island	RI..N		0		0		0
41. South Carolina	SC..N		0		0		0
42. South Dakota	SD..N		0		0		0
43. Tennessee	TN..N		0		0		0
44. Texas	TX..N		0		0		0
45. Utah	UT..N		0		0		0
46. Vermont	VT..N		0		0		0
47. Virginia	VA..N		0		0		0
48. Washington	WA..N		0		0		0
49. West Virginia	WV..N		0		0		0
50. Wisconsin	WI..N		0		0		0
51. Wyoming	WY..N		0		0		0
52. American Samoa	AS..N		0		0		0
53. Guam	GU..N		0		0		0
54. Puerto Rico	PR..N		0		0		0
55. U.S. Virgin Islands	VI..N		0		0		0
56. Northern Mariana Islands	MP..N		0		0		0
57. Canada	CN..N		0		0		0
58. Aggregate Other Alien	OT..XXX	0	0	0	0	0	0
59. Totals	(a) 2	52,618,516	55,423,067	35,137,437	29,132,332	209,246,232	141,023,084
DETAILS OF WRITE-INS							
5801.	XXX		0		0		0
5802.	XXX		0		0		0
5803.	XXX		0		0		0
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

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

NONE

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	364,048	185,084	50.8	35.9
2.	Allied lines	226,361	209,287	92.5	52.4
3.	Farmowners multiple peril	195,003	372,516	191.0	276.6
4.	Homeowners multiple peril	12,086,035	7,144,423	59.1	77.7
5.	Commercial multiple peril	2,530,959	2,863,144	113.1	55.6
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine	375,617	199,419	53.1	45.3
10.	Financial guaranty			0.0	0.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake	2,707		0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation	439,040	279,507	63.7	98.5
17.1	Other liability occurrence	382,191	10,077	2.6	4.8
17.2	Other liability-claims made	149	(2,528)	(1,696.6)	852.3
17.3	Excess Workers' Compensation			0.0	
18.1	Products liability-occurrence	225	(45)	(20.0)	10.9
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	22,531,674	57,393,111	254.7	50.2
19.3,19.4	Commercial auto liability	1,172,140	1,020,837	87.1	58.5
21.	Auto physical damage	13,406,518	9,138,015	68.2	69.4
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft	50		0.0	(36.0)
27.	Boiler and machinery			0.0	0.0
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	53,712,717	78,812,847	146.7	62.5
DETAILS OF WRITE-INS					
3401.				0.0	0.0
3402.				0.0	0.0
3403.				0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	179,027	337,135	338,604
2.	Allied lines	115,636	209,733	209,117
3.	Farmowners multiple peril	109,293	169,340	176,663
4.	Homeowners multiple peril	6,078,335	10,961,536	11,739,412
5.	Commercial multiple peril	1,518,396	2,896,090	2,422,160
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	215,714	355,035	396,174
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	661	2,431	1,807
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	308,422	620,240	367,112
17.1	Other liability occurrence	203,049	371,457	355,855
17.2	Other liability-claims made	0		0
17.3	Excess Workers' Compensation	0		
18.1	Products liability-occurrence	(167)	131	124
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	10,713,698	22,143,019	23,526,685
19.3,19.4	Commercial auto liability	915,450	1,552,539	1,113,762
21.	Auto physical damage	6,446,961	12,999,730	14,775,492
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	100	100	100
27.	Boiler and machinery	0		0
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	26,804,575	52,618,516	55,423,067
DETAILS OF WRITE-INS				
3401.		0		0
3402.		0		0
3403.		0		0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2008 + Prior	1,762	1,181	2,943	661	44	705	1,219	13	960	2,193	118	(163)	(45)
2. 2009	1,336	1,457	2,793	641	53	694	893	22	1,048	1,963	198	(335)	(136)
3. Subtotals 2009 + prior	3,097	2,638	5,735	1,302	97	1,398	2,112	35	2,008	4,155	317	(498)	(181)
4. 2010	3,511	3,904	7,415	1,951	428	2,379	2,132	158	2,502	4,793	573	(816)	(243)
5. Subtotals 2010 + prior	6,608	6,542	13,150	3,253	524	3,777	4,245	193	4,510	8,948	890	(1,314)	(425)
6. 2011	XXX	XXX	XXX	XXX	6,913	6,913	XXX	2,033	1,446	3,479	XXX	XXX	XXX
7. Totals	6,608	6,542	13,150	3,253	7,437	10,690	4,245	2,227	5,956	12,427	890	(1,314)	(425)
8. Prior Year-End Surplus As Regards Policy-holders	28,258										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 13.5	2. (20.1)	3. (3.2)
											Col. 13, Line 7 Line 8		
											4. (1.5)		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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


	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.


Bar Code:

1.




11136201149000002

2.




11136201145500002

3.



11136201136500002

4.



11136201150500002

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	44,695,110	41,316,227
2. Cost of bonds and stocks acquired	7,191,712	15,181,078
3. Accrual of discount	86,448	104,446
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	(134,899)	(328)
6. Deduct consideration for bonds and stocks disposed of	6,797,262	11,531,058
7. Deduct amortization of premium	140,394	225,634
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		149,621
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	44,900,715	44,695,110
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	44,900,715	44,695,110

STATEMENT AS OF JUNE 30, 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	46,747,253	3,319,861	5,315,493	(39,554)	46,747,253	44,712,066	0	41,504,614
2. Class 2 (a).....	3,660,077		3,035	(7,122)	3,660,077	3,649,920	0	3,753,731
3. Class 3 (a).....	334,950		353,600	18,650	334,950	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	50,742,280	3,319,861	5,672,127	(28,027)	50,742,280	48,361,986	0	45,258,345
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	50,742,280	3,319,861	5,672,127	(28,027)	50,742,280	48,361,986	0	45,258,345

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$3,461,272 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	3,461,272	XXX	3,461,272	189	0

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	563,236	684,574
2. Cost of short-term investments acquired	6,858,341	3,704,082
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	3,960,304	3,825,420
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,461,273	563,236
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,461,273	563,236

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

E04

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0 .

STATEMENT AS OF JUNE 30, 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
313370-XX-1...	FHLB Call 1.000%		09/23/25	Call	100.0000	1,000,000	1,000,000	1,000,000	1,000,988		(.988)		(.988)		1,000,000			.0	7,500	09/23/2025	1
313371-ZM-1...	FHLB Call 1.000%		12/28/15	Call	100.0000	500,000	500,000	500,000	500,000				.0		500,000			.0	2,500	12/28/2015	1
313372-R5-5...	FHLB Call 2.000%		02/25/26	Call	100.0000	1,000,000	1,000,000	999,250			.750		.750		1,000,000			.0	5,000	02/25/2026	1
3136FW-G7-3...	FNMA Call 3.000%		06/30/25	Call	100.0000	1,000,000	1,000,000	1,000,000	1,000,056		(.56)		(.56)		1,000,000			.0	15,000	06/30/2025	1
3136FP-N4-5...	FNMA Call 2.000%		12/30/25	Call	100.0000	500,000	500,000	500,000	500,000				.0		500,000			.0	2,500	12/30/2025	1
0599999 - Bonds - U.S. Governments						4,000,000	4,000,000	3,999,250	3,001,045	0	(295)	0	(295)	0	4,000,000	0	0	0	32,500	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
01801R-AR-0...	Allen Park, MI Call 5.000%		05/01/23	Fifth Third Bank		238,000	350,000	355,327	353,752		(152)		(152)		353,600		(115,600)	(115,600)	8,167	05/01/2023	3FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						238,000	350,000	355,327	353,752	0	(152)	0	(152)	0	353,600	0	(115,600)	(115,600)	8,167	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
223777-AW-3...	Cowittiz Cnty, WA Call 5.000%		09/01/23	Stephens Inc		251,995	250,000	254,688	253,172		(144)		(144)		253,028		(1,033)	(1,033)	7,882	09/01/2023	1FE
31292H-NB-6...	FGLMC Pool #C01286 6.000%		01/01/32	Paydown		2,077	2,077	2,048	2,049		.27		.27		2,077			.0	.52	01/01/2032	1
312962-QG-1...	F6 B10455 5.000%		10/01/18	Paydown		66,057	66,057	70,846		(4,789)		(4,789)			66,057			.0	558	10/01/2018	1
3137A5-WW-0...	FHR 3786 WA 4.000%		12/15/28	Paydown		15,123	15,123	15,545		(421)		(421)			15,123			.0	103	08/15/2020	1
31392E-SX-9...	FNR 2002-59 B 5.500%		09/25/17	Paydown		6,588	6,588	6,706	6,615		(26)		(26)		6,588			.0	149	06/25/2017	1
31392W-UQ-1...	FHR 2510 NM 5.000%		03/15/32	Paydown		11,230	11,230	11,498	11,252		(22)		(22)		11,230			.0	224	11/25/2014	1
31393A-GG-6...	FNR 2003-28 GA 4.000%		10/25/32	Paydown		2,464	2,464	2,450	2,456		.8		.8		2,464			.0	.39	10/25/2032	1
31394L-PM-8...	FHR 2698 BA 5.000%		11/15/32	Paydown		2,175	2,175	2,170	2,171		.5		.5		2,175			.0	.43	11/15/2032	1
31395K-HC-0...	FHR 2904 PC 5.500%		05/15/31	Paydown		135,433	135,433	136,787	135,426		.6		.6		135,433			.0	3,037	02/15/2013	1
31397S-ZF-4...	FNR 2011-42 VA 4.500%		06/25/22	Paydown		2,935	2,935	3,107		(172)		(172)			2,935			.0	.17	03/25/2019	1
31403D-GZ-6...	FNMA Pool 745516 5.500%		05/01/36	Paydown		6,442	6,442	6,434	6,434		.9		.9		6,442			.0	144	05/01/2036	1
38377T-2L-4...	GNR 2011-23 GO 4.500%		02/20/26	Paydown		17,988	17,988	18,834		(845)		(845)			17,988			.0	121	03/20/2025	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						520,508	518,513	531,112	419,575	0	(6,365)	0	(6,365)	0	521,541	0	(1,033)	(1,033)	12,370	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
07325N-CB-6...	Bayview Financial 2005-D AF4 5.500%		05/02/2011	Stifel Nicolaus & Co.		200,000	250,000	220,000	226,601		.905		.905		227,506		(27,506)	(27,506)	5,882	12/28/2035	12*
12489W-MB-7...	CBASS 2005-CB4 AF 5.334%		08/25/35	Stifel Nicolaus & Co.		298,500	300,000	282,469	292,031		1,321		1,321		293,353		5,147	.5,147	9,290	08/25/2035	12*
126650-BQ-2...	CVS Corp. PT-NC 6.943%		01/10/30	Redemption	100.0000	3,035	3,035	3,096	3,093		(58)		(58)		3,035			.0	.88	12/10/2029	2FE
256853-AA-0...	Dolphin Energy LTD NC 5.888%		06/15/19	Redemption	100.0000	11,790	11,790	11,819	11,816		(26)		(26)		11,790			.0	.347	06/15/2019	1FE
26854P-AA-4...	EJM Airport LLC NC 6.271%		05/15/20	Redemption	100.0000	24,593	24,593	27,053	26,937		(2,344)		(2,344)		24,593			.0	.771	05/15/2020	1
86359D-KS-5...	Lehman XS Trust 2005-1 3A2B 4.800%		07/...	Maxwell Simon Inc.		210,093	235,233	206,000	206,000				.0		206,000		4,092	.4,092	5,426	07/25/2035	12*

SCHEDULE D - PART 4

[illegible]

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

General Interrogatory:

E09

Schedule E - Part 1

NONE

Schedule E - Part 2

NONE