

Pages amended to correct Prior Year to Date information.



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

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

## GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	11982	Employer's ID Number	42-1610213
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	04/01/2004		Commenced Business	05/21/2004		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)			
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH 43216-1218 (City or Town, State and Zip Code)			
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)			
	ackermannd@grangeinsurance.com (E-mail Address)		614-542-3017 (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 of ..... Ohio .....

County of ..... Franklin ..... 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
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a. Is this an original filing? Yes [ ] No [X]

b. If no:

1. State the amendment number
2. Date filed
3. Number of pages attached

1
01/18/2012
4

Subscribed and sworn to before me this  
18th day of January, 2012

Teresa J. Burchwell, Notary Public  
April 28, 2012

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 70,358,312 )	66,652,624	62,381,908	84,366,097
1.2 Assumed (written \$ 15,866,826 )	15,786,607	16,891,365	22,432,941
1.3 Ceded (written \$ 70,471,588 )	66,726,330	62,392,736	84,390,414
1.4 Net (written \$ 15,753,550 )	15,712,901	16,880,537	22,408,624
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 9,555,985 ):			
2.1 Direct	56,393,219	50,472,787	66,010,192
2.2 Assumed	9,644,176	10,485,717	13,753,415
2.3 Ceded	56,480,512	50,507,596	66,062,679
2.4 Net	9,556,883	10,450,908	13,700,928
3. Loss adjustment expenses incurred	1,673,920	1,828,218	2,377,236
4. Other underwriting expenses incurred	5,049,099	5,486,549	7,115,408
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	16,279,902	17,765,675	23,193,572
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(567,001)	(885,138)	(784,948)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	978,330	719,309	939,360
10. Net realized capital gains (losses) less capital gains tax of \$ 34,292	63,685	444,866	445,987
11. Net investment gain (loss) (Lines 9 + 10)	1,042,015	1,164,175	1,385,347
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,489 amount charged off \$ 127,264 )	(125,775)	(146,330)	(204,282)
13. Finance and service charges not included in premiums	1,784,521	1,925,424	2,549,696
14. Aggregate write-ins for miscellaneous income	16,125	16,990	21,973
15. Total other income (Lines 12 through 14)	1,674,871	1,796,084	2,367,387
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,149,885	2,075,121	2,967,786
17. Dividends to policyholders	48,164	50,433	64,713
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)	2,101,721	2,024,688	2,903,073
19. Federal and foreign income taxes incurred	535,817	458,917	613,170
20. Net income (Line 18 minus Line 19)(to Line 22)	1,565,904	1,565,771	2,289,903
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	20,629,645	18,549,432	18,549,432
22. Net income (from Line 20)	1,565,904	1,565,771	2,289,903
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (3,566)	(6,622)	(61,093)	(56,667)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	(64,331)	(68,747)	(152,165)
27. Change in nonadmitted assets	(18,105)	(37,501)	(858)
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		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)	1,476,846	1,398,430	2,080,213
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	22,106,491	19,947,862	20,629,645
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		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	16,125	16,990	21,973
1402.		0	0
1403.		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)	16,125	16,990	21,973
3701.		0	0
3702.		0	0
3703.		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

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	15,416,517	17,079,351	22,348,460
2. Net investment income.....	958,050	727,411	1,007,607
3. Miscellaneous income.....	1,674,871	1,796,084	2,367,387
4. Total (Lines 1 to 3).....	18,049,438	19,602,846	25,723,454
5. Benefit and loss related payments.....	9,953,585	10,315,324	13,608,431
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.....	6,981,229	7,390,834	9,441,590
8. Dividends paid to policyholders.....	43,852	51,550	66,613
9. Federal and foreign income taxes paid (recovered) net of \$ 34,292 tax on capital gains (losses).....	853,317	643,259	643,259
10. Total (Lines 5 through 9).....	17,831,983	18,400,967	23,759,893
11. Net cash from operations (Line 4 minus Line 10).....	217,455	1,201,879	1,963,561
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	7,268,145	11,840,827	13,559,082
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.....	2,063	837,751	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	7,270,208	12,678,578	13,559,082
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	7,456,778	10,710,612	15,811,638
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	2,063
13.7 Total investments acquired (Lines 13.1 to 13.6).....	7,456,778	10,710,612	15,813,701
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).....	(186,570)	1,967,966	(2,254,619)
<b>Cash from Financing and Miscellaneous Sources</b>			
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).....	1,204,551	335,028	280,641
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	1,204,551	335,028	280,641
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,235,436	3,504,873	(10,417)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	547,574	557,991	557,991
19.2 End of period (Line 18 plus Line 19.1).....	1,783,010	4,062,864	547,574

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL.	N.	0	0	0	0	0
2. Alaska	AK.	N.	0	0	0	0	0
3. Arizona	AZ.	N.	0	0	0	0	0
4. Arkansas	AR.	N.	0	0	0	0	0
5. California	CA.	N.	0	0	0	0	0
6. Colorado	CO.	N.	0	0	0	0	0
7. Connecticut	CT.	N.	0	0	0	0	0
8. Delaware	DE.	N.	0	0	0	0	0
9. District of Columbia	DC.	N.	0	0	0	0	0
10. Florida	FL.	N.	0	0	0	0	0
11. Georgia	GA.	L.	14,295,728	15,967,349	8,475,981	8,928,309	5,416,550
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	L.	0	0	0	0	0
15. Indiana	IN.	L.	0	0	0	0	0
16. Iowa	IA.	L.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	L.	20,793,078	23,671,766	14,457,531	15,040,291	10,168,889
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	N.	0	0	0	0	0
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. North Carolina	NC.	N.	0	0	0	0	0
35. North Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L.	35,269,506	28,334,124	32,971,014	21,630,200	7,387,895
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. South Carolina	SC.	N.	0	0	0	0	0
42. South Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	L.	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX.	0	0	0	0	0
59. Totals	(a)	7	70,358,312	67,973,239	55,904,526	45,598,800	22,973,334
<b>DETAILS OF WRITE-INS</b>		XXX.	0	0	0	0	0
5801.		XXX.	0	0	0	0	0
5802.		XXX.	0	0	0	0	0
5803.		XXX.	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX.	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	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.

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**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			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	28,276,318	33,792,819	119.5	111.6
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	1,038,720	738,343	71.1	41.2
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	213,083	0	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			0.0	0.0
17.1 Other liability occurrence	851,032	30,707	3.6	7.8
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	23,447,069	14,843,032	63.3	73.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage	12,826,402	6,988,318	54.5	55.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
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
<b>TOTALS</b>	<b>66,652,624</b>	<b>56,393,219</b>	<b>84.6</b>	<b>80.9</b>
<b>DETAILS OF WRITE-INS</b>				
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
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	0		0	
2. Allied lines	0		0	
3. Farmowners multiple peril	0		0	
4. Homeowners multiple peril	11,256,017	31,173,762	26,272,098	
5. Commercial multiple peril	0		0	
6. Mortgage guaranty	0		0	
8. Ocean marine	0		0	
9. Inland marine	403,718	1,166,152	1,048,753	
10. Financial guaranty	0		0	
11.1 Medical professional liability-occurrence	0		0	
11.2 Medical professional liability-claims made	0		0	
12. Earthquake	102,817	252,291	210,569	
13. Group accident and health	0		0	
14. Credit accident and health	0		0	
15. Other accident and health	0		0	
16. Workers' compensation	0		0	
17.1 Other liability occurrence	322,094	904,385	802,703	
17.2 Other liability-claims made	0		0	
17.3 Excess Workers' Compensation	0		0	
18.1 Products liability-occurrence	0		0	
18.2 Products liability-claims made	0		0	
19.1,19.2 Private passenger auto liability	8,430,379	23,809,619	25,707,011	
19.3,19.4 Commercial auto liability	0		0	
21. Auto physical damage	4,672,958	13,052,103	13,932,105	
22. Aircraft (all perils)	0		0	
23. Fidelity	0		0	
24. Surety	0		0	
26. Burglary and theft	0		0	
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	
<b>TOTALS</b>	<b>25,187,983</b>	<b>70,358,312</b>	<b>67,973,239</b>	
<b>DETAILS OF WRITE-INS</b>				
3401.	0		0	
3402.	0		0	
3403.	0		0	
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>	