



ANNUAL STATEMENT
For the Year Ended December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

GRANGE INSURANCE COMPANY OF MICHIGAN

| | | | | | | |
|---------------------------------------|--------------------------------------|----------------|-------------------|--|----------------------|--------------------------------|
| NAIC Group Code | 00267 | 00267 | NAIC Company Code | 11136 | Employer's ID Number | 31-1769414 |
| | (Current Period) | (Prior Period) | | | | |
| 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 | | | 614-449-3757 | | |
| | (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 | | |
|-----------------------------|------------------|--|--|

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 24th day of February, 2012 | | |
| Teresa J. Burchwell, Notary Public April 28, 2012 | | |
| 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 | | |

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | | | |
|---|---------------------------|------------|---|---|-------------------------|------------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| | Amount | Percentage | Amount | Securities Lending Reinvested Collateral Amount | Total (Col. 3+4) Amount | Percentage |
| 1. Bonds: | | | | | | |
| 1.1 U.S. treasury securities | 4,890,309 | 10.844 | 4,890,309 | | 4,890,309 | 10.844 |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities): | | | | | | |
| 1.21 Issued by U.S. government agencies | | 0.000 | | | 0 | 0.000 |
| 1.22 Issued by U.S. government sponsored agencies | 1,359,432 | 3.015 | 1,359,432 | | 1,359,432 | 3.015 |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) | | 0.000 | | | 0 | 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 | 3,511,874 | 7.788 | 3,511,874 | | 3,511,874 | 7.788 |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations | 3,590,803 | 7.963 | 3,590,803 | | 3,590,803 | 7.963 |
| 1.43 Revenue and assessment obligations | 7,251,639 | 16.080 | 7,251,639 | | 7,251,639 | 16.080 |
| 1.44 Industrial development and similar obligations | | 0.000 | | | 0 | 0.000 |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | | | |
| 1.51 Pass-through securities: | | | | | | |
| 1.511 Issued or guaranteed by GNMA | | 0.000 | | | 0 | 0.000 |
| 1.512 Issued or guaranteed by FNMA and FHLMC | 2,905,547 | 6.443 | 2,905,547 | | 2,905,547 | 6.443 |
| 1.513 All other | | 0.000 | | | 0 | 0.000 |
| 1.52 CMOs and REMICs: | | | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | 8,302,482 | 18.411 | 8,302,482 | | 8,302,482 | 18.411 |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | | 0.000 | | | 0 | 0.000 |
| 1.523 All other | | 0.000 | | | 0 | 0.000 |
| 2. Other debt and other fixed income securities (excluding short term): | | | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) | 12,327,309 | 27.336 | 12,327,309 | | 12,327,309 | 27.336 |
| 2.2 Unaffiliated non-U.S. securities (including Canada) | | 0.000 | | | 0 | 0.000 |
| 2.3 Affiliated securities | | 0.000 | | | 0 | 0.000 |
| 3. Equity interests: | | | | | | |
| 3.1 Investments in mutual funds | | 0.000 | | | 0 | 0.000 |
| 3.2 Preferred stocks: | | | | | | |
| 3.21 Affiliated | | 0.000 | | | 0 | 0.000 |
| 3.22 Unaffiliated | | 0.000 | | | 0 | 0.000 |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | | | |
| 3.31 Affiliated | | 0.000 | | | 0 | 0.000 |
| 3.32 Unaffiliated | | 0.000 | | | 0 | 0.000 |
| 3.4 Other equity securities: | | | | | | |
| 3.41 Affiliated | | 0.000 | | | 0 | 0.000 |
| 3.42 Unaffiliated | | 0.000 | | | 0 | 0.000 |
| 3.5 Other equity interests including tangible personal property under lease: | | | | | | |
| 3.51 Affiliated | | 0.000 | | | 0 | 0.000 |
| 3.52 Unaffiliated | | 0.000 | | | 0 | 0.000 |
| 4. Mortgage loans: | | | | | | |
| 4.1 Construction and land development | | 0.000 | | | 0 | 0.000 |
| 4.2 Agricultural | | 0.000 | | | 0 | 0.000 |
| 4.3 Single family residential properties | | 0.000 | | | 0 | 0.000 |
| 4.4 Multifamily residential properties | | 0.000 | | | 0 | 0.000 |
| 4.5 Commercial loans | | 0.000 | | | 0 | 0.000 |
| 4.6 Mezzanine real estate loans | | 0.000 | | | 0 | 0.000 |
| 5. Real estate investments: | | | | | | |
| 5.1 Property occupied by company | | 0.000 | 0 | | 0 | 0.000 |
| 5.2 Property held for the production of income (including \$of property acquired in satisfaction of debt) | | 0.000 | 0 | | 0 | 0.000 |
| 5.3 Property held for sale (including \$ property acquired in satisfaction of debt) | | 0.000 | 0 | | 0 | 0.000 |
| 6. Contract loans | | 0.000 | 0 | | 0 | 0.000 |
| 7. Derivatives | | 0.000 | 0 | | 0 | 0.000 |
| 8. Receivables for securities | | 0.000 | 0 | | 0 | 0.000 |
| 9. Securities Lending (Line 10, Asset Page reinvested collateral) | 0 | 0.000 | 0 | XXX | XXX | XXX |
| 10. Cash, cash equivalents and short-term investments | 956,629 | 2.121 | 956,629 | | 956,629 | 2.121 |
| 11. Other invested assets | | 0.000 | | | 0 | 0.000 |
| 12. Total invested assets | 45,096,024 | 100.000 | 45,096,024 | 0 | 45,096,024 | 100.000 |

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

| | | |
|-----|--|---|
| 1. | Book/adjusted carrying value, December 31 of prior year..... | 0 |
| 2. | Cost of acquired: | |
| 2.1 | Actual cost at time of acquisition (Part 2, Column 6)..... | 0 |
| 2.2 | Additional investment made after acquisition (Part 2, Column 9)..... | 0 |
| 3. | Current year change in encumbrances: | |
| 3.1 | Totals, Part 1, Column 13..... | 0 |
| 3.2 | Totals, Part 3, Column 11..... | 0 |
| 4. | Total gain (loss) on disposals, Part 3, Column 18..... | 0 |
| 5. | Deduct amounts received on disposals, Part 3, Column 15..... | 0 |
| 6. | Total foreign exchange change in book/adjusted carrying value..... | |
| 6.1 | Totals, Part 1, Column 15..... | 0 |
| 6.2 | Totals, Part 3, Column 13..... | 0 |
| 7. | Deduct current year's other than temporary impairment recognized: | |
| 7.1 | Totals, Part 1, Column 12..... | 0 |
| 7.2 | Totals, Part 3, Column 10..... | 0 |
| 8. | Deduct current year's depreciation: | |
| 8.1 | Totals, Part 1, Column 11..... | 0 |
| 8.2 | Totals, Part 3, Column 9..... | 0 |
| 9. | Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)..... | 0 |
| 10. | Deduct total nonadmitted amounts | |
| 11. | Statement value at end of current period (Line 9 minus Line 10)..... | 0 |

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

| | | |
|------|--|---|
| 1. | Book value/recorded investment excluding accrued interest, December 31 of prior year..... | 0 |
| 2. | Cost of acquired: | |
| 2.1 | Actual cost at time of acquisition (Part 2, Column 7)..... | 0 |
| 2.2 | Additional investment made after acquisition (Part 2, Column 8) | 0 |
| 3. | Capitalized deferred interest and other: | |
| 3.1 | Totals, Part 1, Column 12..... | 0 |
| 3.2 | Totals, Part 3, Column 11 | 0 |
| 4. | Accrual of discount..... | |
| 5. | Unrealized valuation increase (decrease): | |
| 5.1 | Totals, Part 1, Column 9 | 0 |
| 5.2 | Totals, Part 3, Column 8 | 0 |
| 6. | Total gain (loss) on disposals, Part 3, Column 18..... | 0 |
| 7. | Deduct amounts received on disposals, Part 3, Column 15..... | 0 |
| 8. | Deduct amortization of premium and mortgage interest points and commitment fees..... | |
| 9. | Total foreign exchange change in book value/recorded investment excluding accrued interest: | |
| 9.1 | Totals, Part 1, Column 13 | 0 |
| 9.2 | Totals, Part 3, Column 13 | 0 |
| 10. | Deduct current year's other than temporary impairment recognized: | |
| 10.1 | Totals, Part 1, Column 11 | 0 |
| 10.2 | Totals, Part 3, Column 10 | 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 |
| 12. | Total valuation allowance..... | |
| 13. | Subtotal (Line 11 plus Line 12)..... | 0 |
| 14. | Deduct total nonadmitted amounts..... | |
| 15. | Statement value of mortgages owned at end of current period (Line 13 minus Line 14)..... | 0 |

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

| | | | |
|------|--|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | | 0 |
| 2. | Cost of acquired: | | |
| 2.1 | Actual cost at time of acquisition (Part 2, Column 8) | 0 | |
| 2.2 | Additional investment made after acquisition (Part 2, Column 9) | 0 | 0 |
| 3. | Capitalized deferred interest and other: | | |
| 3.1 | Totals, Part 1, Column 16 | 0 | |
| 3.2 | Totals, Part 3, Column 12 | 0 | 0 |
| 4. | Accrual of discount | | |
| 5. | Unrealized valuation increase (decrease): | | |
| 5.1 | Totals, Part 1, Column 13 | 0 | |
| 5.2 | Totals, Part 3, Column 9 | 0 | 0 |
| 6. | Total gain (loss) on disposals, Part 3, Column 19 | | 0 |
| 7. | Deduct amounts received on disposals, Part 3, Column 16 | | 0 |
| 8. | Deduct amortization of premium and depreciation | | |
| 9. | Total foreign exchange change in book/adjusted carrying value: | | |
| 9.1 | Totals, Part 1, Column 17 | 0 | |
| 9.2 | Totals, Part 3, Column 14 | 0 | 0 |
| 10. | Deduct current year's other than temporary impairment recognized: | | |
| 10.1 | Totals, Part 1, Column 15 | 0 | |
| 10.2 | Totals, Part 3, Column 11 | 0 | 0 |
| 11. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | 0 |
| 12. | Deduct total nonadmitted amounts | | |
| 13. | Statement value at end of current period (Line 11 minus Line 12) | | 0 |

NONE

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | | | |
|-----|---|---|------------|
| 1. | Book/adjusted carrying value, December 31 of prior year | | 44,695,110 |
| 2. | Cost of bonds and stocks acquired, Part 3, Column 7 | | 13,590,973 |
| 3. | Accrual of discount | | 43,698 |
| 4. | Unrealized valuation increase (decrease): | | |
| 4.1 | Part 1, Column 12 | 0 | |
| 4.2 | Part 2, Section 1, Column 15 | 0 | |
| 4.3 | Part 2, Section 2, Column 13 | 0 | |
| 4.4 | Part 4, Column 11 | 0 | 0 |
| 5. | Total gain (loss) on disposals, Part 4, Column 19 | | (131,372) |
| 6. | Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 | | 13,720,108 |
| 7. | Deduct amortization of premium | | 338,905 |
| 8. | Total foreign exchange change in book/adjusted carrying value: | | |
| 8.1 | Part 1, Column 15 | 0 | |
| 8.2 | Part 2, Section 1, Column 19 | 0 | |
| 8.3 | Part 2, Section 2, Column 16 | 0 | |
| 8.4 | Part 4, Column 15 | 0 | 0 |
| 9. | Deduct current year's other than temporary impairment recognized: | | |
| 9.1 | Part 1, Column 14 | 0 | |
| 9.2 | Part 2, Section 1, Column 17 | 0 | |
| 9.3 | Part 2, Section 2, Column 14 | 0 | |
| 9.4 | Part 4, Column 13 | 0 | 0 |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | | 44,139,396 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | | 44,139,396 |

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 | 3 Actual Cost | 4 Par Value of Bonds |
| BONDS Governments (Including all obligations guaranteed by governments) | 1. United States | 6,249,741 | 7,185,919 | 6,884,187 | 5,750,000 |
| | 2. Canada | | | | |
| | 3. Other Countries | | | | |
| | 4. Totals | 6,249,741 | 7,185,919 | 6,884,187 | 5,750,000 |
| U.S. States, Territories and Possessions (Direct and guaranteed) | 5. Totals | 3,511,941 | 3,817,490 | 3,580,945 | 3,250,000 |
| U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 6. Totals | 3,852,247 | 4,111,747 | 3,907,600 | 3,620,000 |
| U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions | 7. Totals | 18,198,158 | 19,112,368 | 18,332,174 | 17,455,546 |
| Industrial and Miscellaneous and Hybrid Securities (unaffiliated) | 8. United States | 11,826,598 | 12,718,900 | 11,997,022 | 11,585,426 |
| | 9. Canada | | | | |
| | 10. Other Countries | 500,711 | 603,075 | 500,920 | 500,000 |
| | 11. Totals | 12,327,309 | 13,321,975 | 12,497,942 | 12,085,426 |
| Parent, Subsidiaries and Affiliates | 12. Totals | 0 | 0 | 0 | 0 |
| | 13. Total Bonds | 44,139,395 | 47,549,498 | 45,202,848 | 42,160,972 |
| PREFERRED STOCKS Industrial and Miscellaneous (unaffiliated) | 14. United States | | | | |
| | 15. Canada | | | | |
| | 16. Other Countries | | | | |
| | 17. Totals | 0 | 0 | 0 | |
| Parent, Subsidiaries and Affiliates | 18. Totals | 0 | 0 | 0 | |
| | 19. Total Preferred Stocks | 0 | 0 | 0 | |
| COMMON STOCKS Industrial and Miscellaneous (unaffiliated) | 20. United States | | | | |
| | 21. Canada | | | | |
| | 22. Other Countries | | | | |
| | 23. Totals | 0 | 0 | 0 | |
| Parent, Subsidiaries and Affiliates | 24. Totals | 0 | 0 | 0 | |
| | 25. Total Common Stocks | 0 | 0 | 0 | |
| | 26. Total Stocks | 0 | 0 | 0 | |
| | 27. Total Bonds and Stocks | 44,139,395 | 47,549,498 | 45,202,848 | |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| Quality Rating per the NAIC Designation | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 Total Current Year | 7 Col. 6 as a % of Line 9.7 | 8 Total from Col. 6 Prior Year | 9 % From Col. 7 Prior Year | 10 Total Publicly Traded | 11 Total Privately Placed (a) |
|---|---------------------|-------------------------------------|---------------------------------------|--|--------------------|-------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| 1. U.S. Governments | | | | | | | | | | | |
| 1.1 Class 1 | | 5,245,317 | | 1,004,424 | | 6,249,741 | 13.9 | 13,613,130 | 30.1 | 6,249,741 | |
| 1.2 Class 2 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 1.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 1.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 1.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 1.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 1.7 Totals | 0 | 5,245,317 | 0 | 1,004,424 | 0 | 6,249,741 | 13.9 | 13,613,130 | 30.1 | 6,249,741 | 0 |
| 2. All Other Governments | | | | | | | | | | | |
| 2.1 Class 1 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.2 Class 2 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.7 Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 3. U.S. States, Territories and Possessions, etc., Guaranteed | | | | | | | | | | | |
| 3.1 Class 1 | | 772,281 | 2,739,660 | | | 3,511,941 | 7.8 | 2,954,682 | 6.5 | 3,511,941 | |
| 3.2 Class 2 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.7 Totals | 0 | 772,281 | 2,739,660 | 0 | 0 | 3,511,941 | 7.8 | 2,954,682 | 6.5 | 3,511,941 | 0 |
| 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed | | | | | | | | | | | |
| 4.1 Class 1 | | 1,534,356 | 1,357,683 | 960,208 | | 3,852,247 | 8.5 | 3,605,348 | 8.0 | 3,852,247 | |
| 4.2 Class 2 | | | | | | 0 | 0.0 | 353,752 | 0.8 | | |
| 4.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 4.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 4.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 4.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 4.7 Totals | 0 | 1,534,356 | 1,357,683 | 960,208 | 0 | 3,852,247 | 8.5 | 3,959,100 | 8.7 | 3,852,247 | 0 |
| 5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed | | | | | | | | | | | |
| 5.1 Class 1 | 1,531,621 | 6,518,030 | 7,750,661 | 2,204,201 | 193,645 | 18,198,158 | 40.4 | 10,349,153 | 22.9 | 18,198,158 | |
| 5.2 Class 2 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 5.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 5.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 5.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 5.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 5.7 Totals | 1,531,621 | 6,518,030 | 7,750,661 | 2,204,201 | 193,645 | 18,198,158 | 40.4 | 10,349,153 | 22.9 | 18,198,158 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| Quality Rating per the NAIC Designation | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 Total Current Year | 7 Col. 6 as a % of Line 9.7 | 8 Total from Col. 6 Prior Year | 9 % From Col. 7 Prior Year | 10 Total Publicly Traded | 11 Total Privately Placed (a) |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|-------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| 6. Industrial and Miscellaneous (unaffiliated) | | | | | | | | | | | |
| 6.1 Class 1 | 956,629 | 3,930,645 | 3,344,861 | 519,729 | 222,183 | 8,974,048 | 19.9 | 10,982,300 | 24.3 | 6,971,413 | 2,002,635 |
| 6.2 Class 2 | 515,928 | 1,038,545 | 2,477,984 | 277,433 | | 4,309,890 | 9.6 | 3,399,979 | 7.5 | 3,843,392 | 466,498 |
| 6.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 6.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 6.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 6.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 6.7 Totals | 1,472,557 | 4,969,190 | 5,822,846 | 797,162 | 222,183 | 13,283,939 | 29.5 | 14,382,280 | 31.8 | 10,814,805 | 2,469,134 |
| 7. Hybrid Securities | | | | | | | | | | | |
| 7.1 Class 1 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.2 Class 2 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.7 Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 8. Parent, Subsidiaries and Affiliates | | | | | | | | | | | |
| 8.1 Class 1 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.2 Class 2 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.7 Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--|----------------|-----------------------------|-------------------------------|--------------------------------|---------------|--------------------|---------------------------|------------------------------|--------------------------|-----------------------|----------------------------|
| Quality Rating per the NAIC Designation | 1 Year or Less | Over 1 Year Through 5 Years | Over 5 Years Through 10 Years | Over 10 Years Through 20 Years | Over 20 Years | Total Current Year | Col. 6 as a % of Line 9.7 | Total from Col. 6 Prior Year | % From Col. 7 Prior Year | Total Publicly Traded | Total Privately Placed (a) |
| 9. Total Bonds Current Year | | | | | | | | | | | |
| 9.1 Class 1 | (d) 2,488,250 | 18,000,628 | 15,192,864 | 4,688,562 | 415,828 | 40,786,134 | 90.4 | XXX | XXX | 38,783,499 | 2,002,635 |
| 9.2 Class 2 | (d) 515,928 | 1,038,545 | 2,477,984 | 277,433 | .0 | 4,309,890 | 9.6 | XXX | XXX | 3,843,392 | 466,498 |
| 9.3 Class 3 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 9.4 Class 4 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 9.5 Class 5 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 9.6 Class 6 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 9.7 Totals | 3,004,179 | 19,039,174 | 17,670,849 | 4,965,995 | 415,828 | 45,096,024 | 100.0 | XXX | XXX | 42,626,891 | 2,469,134 |
| 9.8 Line 9.7 as a % of Col. 6 | 7.0 | 42.0 | 39.0 | 11.0 | 1.0 | 100.0 | XXX | XXX | XXX | 95.0 | 5.0 |
| 10. Total Bonds Prior Year | | | | | | | | | | | |
| 10.1 Class 1 | 6,068,428 | 6,964,914 | 19,850,603 | 7,871,158 | 749,510 | XXX | XXX | 41,504,614 | 91.7 | 39,974,322 | 1,530,292 |
| 10.2 Class 2 | 12,578 | 993,035 | 2,445,398 | 302,721 | .0 | XXX | XXX | 3,753,731 | 8.3 | 3,531,850 | 221,882 |
| 10.3 Class 3 | 0 | 0 | 0 | 0 | 0 | XXX | XXX | 0 | 0.0 | 0 | 0 |
| 10.4 Class 4 | 0 | 0 | 0 | 0 | 0 | XXX | XXX | 0 | 0.0 | 0 | 0 |
| 10.5 Class 5 | 0 | 0 | 0 | 0 | 0 | XXX | XXX | 0 | 0.0 | 0 | 0 |
| 10.6 Class 6 | 0 | 0 | 0 | 0 | 0 | XXX | XXX | 0 | 0.0 | 0 | 0 |
| 10.7 Totals | 6,081,006 | 7,957,949 | 22,296,001 | 8,173,879 | 749,510 | XXX | XXX | 45,258,345 | 100.0 | 43,506,172 | 1,752,173 |
| 10.8 Line 10.7 as a % of Col. 8 | 13.0 | 18.0 | 49.0 | 18.0 | 2.0 | XXX | XXX | 100.0 | XXX | 96.0 | 0.0 |
| 11. Total Publicly Traded Bonds | | | | | | | | | | | |
| 11.1 Class 1 | 2,488,250 | 17,494,596 | 14,438,174 | 4,168,833 | 193,645 | 38,783,499 | 86.0 | 39,974,322 | 88.3 | 38,783,499 | XXX |
| 11.2 Class 2 | 515,928 | 822,939 | 2,227,092 | 277,433 | | 3,843,392 | 8.5 | 3,531,850 | 7.8 | 3,843,392 | XXX |
| 11.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 11.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 11.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 11.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 11.7 Totals | 3,004,179 | 18,317,535 | 16,665,266 | 4,446,266 | 193,645 | 42,626,891 | 94.5 | 43,506,172 | 96.1 | 42,626,891 | XXX |
| 11.8 Line 11.7 as a % of Col. 6 | 7.0 | 43.0 | 39.0 | 10.0 | 1.0 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9 | 7.0 | 41.0 | 37.0 | 10.0 | 1.0 | 95.0 | XXX | XXX | XXX | 95.0 | XXX |
| 12. Total Privately Placed Bonds | | | | | | | | | | | |
| 12.1 Class 1 | | 506,033 | 754,690 | 519,729 | 222,183 | 2,002,635 | 4.4 | 1,530,292 | 3.4 | XXX | 2,002,635 |
| 12.2 Class 2 | | 215,606 | 250,893 | | | 466,498 | 1.0 | 221,882 | 0.5 | XXX | 466,498 |
| 12.3 Class 3 | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 12.4 Class 4 | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 12.5 Class 5 | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 12.6 Class 6 | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 12.7 Totals | 0 | 721,638 | 1,005,583 | 519,729 | 222,183 | 2,469,134 | 5.5 | 1,752,173 | 3.9 | XXX | 2,469,134 |
| 12.8 Line 12.7 as a % of Col. 6 | 0.0 | 29.0 | 41.0 | 21.0 | 9.0 | 100.0 | XXX | XXX | XXX | XXX | 100.0 |
| 12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9 | 0.0 | 2.0 | 2.0 | 1.0 | 0.5 | 5.0 | XXX | XXX | XXX | XXX | 5.0 |

(a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ current year, \$ prior year of bonds with Z designations and \$ current year, \$ prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ current year, \$ prior year of bonds with 5* designations and \$ current year, \$ prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$956,629 ; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| Distribution by Type | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|----------------|--------------------------------|----------------------------------|-----------------------------------|---------------|-----------------------|------------------------------|--------------------------------|-----------------------------|--------------------------|---------------------------|
| | | 1 Year or Less | Over 1 Year Through 5 Years | Over 5 Years Through 10 Years | Over 10 Years Through 20 Years | Over 20 Years | Total Current Year | Col. 6 as a % of Line 9.5 | Total from Col 6 Prior Year | % From Col. 7 Prior Year | Total Publicly Traded | Total Privately Placed |
| 1. U.S. Governments | | | | | | | | | | | | |
| 1.1 | Issuer Obligations | | 5,245,317 | | 1,004,424 | | 6,249,741 | 13.9 | 13,613,130 | 30.1 | 6,249,741 | |
| 1.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | | | | |
| 1.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | | | | |
| 1.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 1.5 | Totals | 0 | 5,245,317 | 0 | 1,004,424 | 0 | 6,249,741 | 13.9 | 13,613,130 | 30.1 | 6,249,741 | 0 |
| 2. All Other Governments | | | | | | | | | | | | |
| 2.1 | Issuer Obligations | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 2.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 2.5 | Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | | 0 | 0 |
| 3. U.S. States, Territories and Possessions, Guaranteed | | | | | | | | | | | | |
| 3.1 | Issuer Obligations | | 772,281 | 2,739,660 | | | 3,511,941 | 7.8 | 2,954,682 | 6.5 | 3,511,941 | |
| 3.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 3.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 3.5 | Totals | 0 | 772,281 | 2,739,660 | 0 | 0 | 3,511,941 | 7.8 | 2,954,682 | 6.5 | 3,511,941 | 0 |
| 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed | | | | | | | | | | | | |
| 4.1 | Issuer Obligations | | 1,534,356 | 1,357,683 | 960,208 | | 3,852,247 | 8.5 | 3,959,100 | 8.7 | 3,852,247 | |
| 4.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 4.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 4.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 4.5 | Totals | 0 | 1,534,356 | 1,357,683 | 960,208 | 0 | 3,852,247 | 8.5 | 3,959,100 | 8.7 | 3,852,247 | 0 |
| 5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed | | | | | | | | | | | | |
| 5.1 | Issuer Obligations | | 2,057,958 | 3,645,813 | 1,286,357 | | 6,990,129 | 15.5 | 6,911,046 | 15.3 | 6,990,129 | |
| 5.2 | Residential Mortgage-Backed Securities | 1,531,621 | 4,460,071 | 4,104,847 | 917,845 | 193,645 | 11,208,029 | 24.9 | 3,438,108 | 7.6 | 11,208,029 | |
| 5.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 5.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 5.5 | Totals | 1,531,621 | 6,518,030 | 7,750,661 | 2,204,201 | 193,645 | 18,198,158 | 40.4 | 10,349,153 | 22.9 | 18,198,158 | 0 |
| 6. Industrial and Miscellaneous | | | | | | | | | | | | |
| 6.1 | Issuer Obligations | 1,472,557 | 4,969,190 | 5,822,846 | 797,162 | 222,183 | 13,283,939 | 29.5 | 13,362,996 | 29.5 | 10,814,805 | 2,469,134 |
| 6.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 1,019,284 | 2.3 | | |
| 6.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 6.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 6.5 | Totals | 1,472,557 | 4,969,190 | 5,822,846 | 797,162 | 222,183 | 13,283,939 | 29.5 | 14,382,280 | 31.8 | 10,814,805 | 2,469,134 |
| 7. Hybrid Securities | | | | | | | | | | | | |
| 7.1 | Issuer Obligations | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 7.4 | Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | | | | |
| 7.5 | Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | | 0 | 0 |
| 8. Parent, Subsidiaries, and Affiliates | | | | | | | | | | | | |
| 8.1 | Issuer Obligations | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.2 | Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.3 | Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | | |
| 8.4 | Other Loan-Backed Structured Securities | | | | | | 0 | 0.0 | | | | |
| 8.5 | Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1A - SECTION 2 (Continued)

| Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues | | | | | | | | | | | |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|----------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Distribution by Type | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 Total Current Year | 7 Col. 6 as a % of Line 9.5 | 8 Total From Col. 6 Prior Year | 9 % From Col. 7 Prior Year | 10 Total Publicly Traded | 11 Total Privately Placed |
| 9. Total Bonds Current Year | | | | | | | | | | | |
| 9.1 Issuer Obligations | 1,472,557 | 14,579,102 | 13,566,001 | 4,048,151 | 222,183 | 33,887,995 | 75.1 | XXX | XXX | 31,418,862 | 2,469,134 |
| 9.2 Residential Mortgage-Backed Securities | 1,531,621 | 4,460,071 | 4,104,847 | 917,845 | 193,645 | 11,208,029 | 24.9 | XXX | XXX | 11,208,029 | 0 |
| 9.3 Commercial Mortgage-Backed Securities | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 9.4 Other Loan-Backed and Structured Securities | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 9.5 Totals | 3,004,179 | 19,039,174 | 17,670,849 | 4,965,995 | 415,828 | 45,096,024 | 100.0 | XXX | XXX | 42,626,891 | 2,469,134 |
| 9.6 Lines 9.5 as a % Col. 6 | 7.0 | 42.0 | 39.0 | 11.0 | 1.0 | 100.0 | XXX | XXX | XXX | 95.0 | 5.0 |
| 10. Total Bonds Prior Year | | | | | | | | | | | |
| 10.1 Issuer Obligations | 5,326,442 | 5,715,725 | 21,094,201 | 7,915,163 | 749,424 | XXX | XXX | 40,800,954 | 90.2 | 39,048,780 | 1,752,173 |
| 10.2 Residential Mortgage-Backed Securities | 754,565 | 2,242,224 | 1,201,800 | 258,716 | 87 | XXX | XXX | 4,457,392 | 9.8 | 4,457,392 | 0 |
| 10.3 Commercial Mortgage-Backed Securities | | | | | | XXX | XXX | 0 | 0.0 | 0 | 0 |
| 10.4 Other Loan-Backed and Structured Securities | | | | | | XXX | XXX | | | | |
| 10.5 Totals | 6,081,006 | 7,957,949 | 22,296,001 | 8,173,879 | 749,510 | XXX | XXX | 45,258,345 | 100.0 | 43,506,172 | 1,752,173 |
| 10.6 Line 10.5 as a % Col. 8 | 13.0 | 18.0 | 49.0 | 18.0 | 2.0 | XXX | XXX | 100.0 | XXX | 96.0 | 4.0 |
| 11. Total Publicly Traded Bonds | | | | | | | | | | | |
| 11.1 Issuer Obligations | 1,472,557 | 13,857,464 | 12,560,419 | 3,528,421 | | 31,418,862 | 69.7 | 39,048,780 | 86.3 | 31,418,862 | XXX |
| 11.2 Residential Mortgage-Backed Securities | 1,531,621 | 4,460,071 | 4,104,847 | 917,845 | 193,645 | 11,208,029 | 24.9 | 4,457,392 | 9.8 | 11,208,029 | XXX |
| 11.3 Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 11.4 Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | 0 | | 0 | XXX |
| 11.5 Totals | 3,004,179 | 18,317,535 | 16,665,266 | 4,446,266 | 193,645 | 42,626,891 | 94.5 | 43,506,172 | 96.1 | 42,626,891 | XXX |
| 11.6 Line 11.5 as a % of Col. 6 | 7.0 | 43.0 | 39.0 | 10.0 | 1.0 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9 | 7.0 | 41.0 | 37.0 | 10.0 | 1.0 | 95.0 | XXX | XXX | XXX | 95.0 | XXX |
| 12. Total Privately Placed Bonds | | | | | | | | | | | |
| 12.1 Issuer Obligations | | 721,638 | 1,005,583 | 519,729 | 222,183 | 2,469,134 | 5.5 | 1,752,173 | 3.9 | XXX | 2,469,134 |
| 12.2 Residential Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 12.3 Commercial Mortgage-Backed Securities | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 12.4 Other Loan-Backed and Structured Securities | | | | | | 0 | 0.0 | 0 | | XXX | 0 |
| 12.5 Totals | 0 | 721,638 | 1,005,583 | 519,729 | 222,183 | 2,469,134 | 5.5 | 1,752,173 | 3.9 | XXX | 2,469,134 |
| 12.6 Line 12.5 as a % of Col. 6 | 0.0 | 29.0 | 41.0 | 21.0 | 9.0 | 100.0 | XXX | XXX | XXX | XXX | 100.0 |
| 12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9 | 0.0 | 2.0 | 2.0 | 1.0 | 0.5 | 5.0 | XXX | XXX | XXX | XXX | 5.0 |

SCHEDULE DA - VERIFICATION BETWEEN YEARS

| Short-Term Investments | | | | | |
|---|------------|------------|----------------|---------------------------------------|--|
| | 1 | 2 | 3 | 4 | 5 |
| | Total | Bonds | Mortgage Loans | Other Short-term Investment Assets(a) | Investments in Parent, Subsidiaries and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year | 563,235 | 563,235 | 0 | 0 | 0 |
| 2. Cost of short-term investments acquired | 11,517,327 | 11,517,327 | | | |
| 3. Accrual of discount | 0 | | | | |
| 4. Unrealized valuation increase (decrease) | 0 | | | | |
| 5. Total gain (loss) on disposals | 0 | | | | |
| 6. Deduct consideration received on disposals | 11,123,933 | 11,123,933 | | | |
| 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) | 956,629 | 956,629 | 0 | 0 | 0 |
| 11. Deduct total nonadmitted amounts | 0 | | | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 956,629 | 956,629 | 0 | 0 | 0 |

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

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 Between Yrs

NONE

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book / Adjusted Carrying Value | | | | Interest | | | | | Dates | |
|---|--|-------|--------------------------------------|--------------|---------------------|----------------|---|---------------|--------------|--|--|--|---|---|------------------|-------------------------------|--------------------|--|--|------------|------------|
| | | 3 | 4 F o r e i g n | 5 | | | 8 | 9 | | | 12 | 13 | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Foreign Exchange Change In B./A.C.V. | 16 Rate of | 17 Effective Rate of | 18 When Paid | 19 Admitted Amount Due & Accrued | 20 Amount Rec. During Year | 21 | 22 |
| | | | | | | | | | | | | | | | | | | | | | |
| CUSIP | Description | Code | | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | | | | | | | | Acquired | Maturity |
| Bonds - U.S. Governments - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 313371-LA-2 | FHLB Call | | | 1 | 1 | 478,500 | 100.1490 | 500,745 | 500,000 | 484,480 | | 5,980 | | | 3.000 | 4.683 | MN | 1,557 | 15,000 | 03/15/2011 | 11/24/2025 |
| 3136FP-XK-8 | FNMA Call | | | 1 | 1 | 499,500 | 100.0460 | 500,230 | 500,000 | 519,943 | | 18,637 | | | 1.250 | 4.919 | MN | 615 | 6,250 | 11/04/2010 | 11/26/2025 |
| 313771-AA-5 | FHLB NC | | | | 1FE | 357,161 | 113.9580 | 398,853 | 350,000 | 355,008 | | (975) | | | 5.625 | 5.260 | JD | 984 | 19,688 | 09/04/2009 | 06/13/2016 |
| 912810-DW-5 | United States Treasury Bond - OH | M | | | 1 | 526,557 | 128.2890 | 641,445 | 500,000 | 510,566 | | (2,019) | | | 7.250 | 6.684 | MN | 4,681 | 36,250 | 04/27/2001 | 05/15/2016 |
| 912810-DX-3 | United States Treasury Bond | SD | | | 1 | 5,022,469 | 131.9140 | 5,144,646 | 3,900,000 | 4,379,743 | | (85,854) | | | 7.500 | 4.648 | MN | 37,768 | 292,500 | 01/30/2003 | 11/15/2016 |
| 0199999 - Bonds - U.S. Governments - Issuer Obligations | | | | | | 6,884,187 | XXX | 7,185,919 | 5,750,000 | 6,249,741 | 0 | (64,231) | 0 | 0 | XXX | XXX | XXX | 45,605 | 369,688 | XXX | XXX |
| 0599999 - Bonds - U.S. Governments - Subtotals - U.S. Governments | | | | | | 6,884,187 | XXX | 7,185,919 | 5,750,000 | 6,249,741 | 0 | (64,231) | 0 | 0 | XXX | XXX | XXX | 45,605 | 369,688 | XXX | XXX |
| Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 246381-AP-2 | Delaware State Call | | | 1 | 1FE | 583,915 | 118.8460 | 594,230 | 500,000 | 582,868 | | (1,047) | | | 5.000 | 2.795 | JJ | 3,194 | | 11/15/2011 | 07/01/2020 |
| 373384-DS-2 | Georgia State Call | | | 1 | 1FE | 266,435 | 115.5110 | 288,778 | 250,000 | 260,493 | | (1,638) | | | 5.000 | 4.150 | FA | 5,208 | 12,500 | 02/21/2008 | 08/01/2017 |
| 594610-T4-9 | Michigan, State of Call | | | 1 | 1FE | 267,670 | 114.5920 | 286,480 | 250,000 | 261,510 | | (1,742) | | | 5.250 | 4.330 | MS | 3,865 | 13,125 | 04/01/2008 | 09/15/2017 |
| 604129-RJ-7 | Minnesota State Call | | | 1 | 1FE | 560,460 | 121.0110 | 605,055 | 500,000 | 549,184 | | (5,355) | | | 5.000 | 3.550 | MN | 4,167 | 25,000 | 11/04/2009 | 11/01/2019 |
| 658256-VF-6 | Unltd. | | | | 1FE | 296,013 | 121.1190 | 302,798 | 250,000 | 280,559 | | (5,377) | | | 5.000 | 2.500 | AO | 3,125 | 12,500 | 01/20/2009 | 04/01/2017 |
| 68608K-ZD-3 | Oregon State Call | | | 1 | 1FE | 281,870 | 118.5540 | 296,385 | 250,000 | 277,579 | | (2,711) | | | 5.000 | 3.501 | FA | 5,208 | 12,500 | 05/21/2010 | 08/01/2020 |
| 70914P-JG-8 | Pennsylvania State Call | | | 1 | 1FE | 269,990 | 122.2130 | 305,533 | 250,000 | 265,186 | | (1,782) | | | 5.000 | 4.020 | MS | 3,681 | 12,500 | 03/12/2009 | 03/15/2019 |
| 882721-LZ-4 | Texas State Call | | | 1 | 1FE | 260,410 | 114.0990 | 285,248 | 250,000 | 256,923 | | (1,455) | | | 5.000 | 4.280 | AO | 3,125 | 12,500 | 07/06/2009 | 04/01/2016 |
| 93974B-GG-1 | Washington State Call | | | 1 | 1FE | 266,633 | 110.9060 | 277,265 | 250,000 | 259,993 | | (2,623) | | | 5.000 | 3.770 | JJ | 6,250 | 12,500 | 05/18/2009 | 07/01/2015 |
| 93974C-GJ-3 | Washington State Call | | | 1 | 1FE | 266,018 | 116.8120 | 292,030 | 250,000 | 262,280 | | (1,461) | | | 5.000 | 4.191 | FA | 5,208 | 12,500 | 05/06/2009 | 02/01/2019 |
| 97705L-PJ-0 | Wisconsin State Call | | | 1 | 1FE | 261,533 | 113.4760 | 283,690 | 250,000 | 255,364 | | (1,466) | | | 5.000 | 4.302 | MN | 2,083 | 12,500 | 06/12/2007 | 05/01/2015 |
| 1199999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | 3,580,945 | XXX | 3,817,490 | 3,250,000 | 3,511,941 | 0 | (26,656) | 0 | 0 | XXX | XXX | XXX | 45,115 | 138,125 | XXX | XXX |
| 1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed) | | | | | | 3,580,945 | XXX | 3,817,490 | 3,250,000 | 3,511,941 | 0 | (26,656) | 0 | 0 | XXX | XXX | XXX | 45,115 | 138,125 | XXX | XXX |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 041042-KH-4 | Arkansas State Call | | | 1 | 1FE | 269,425 | 116.3900 | 290,975 | 250,000 | 261,444 | | (1,854) | | | 5.000 | 4.050 | JD | 1,042 | 12,500 | 05/04/2007 | 06/01/2017 |
| 161035-BM-1 | Charlotte, NC Call | | | 1 | 1FE | 289,865 | 121.0410 | 302,603 | 250,000 | 285,159 | | (4,195) | | | 5.000 | 2.880 | JD | 1,042 | 12,500 | 11/12/2010 | 06/01/2019 |
| 167610-SS-9 | Chicago, IL Call | | | 1 | 1FE | 252,208 | 103.3840 | 258,460 | 250,000 | 250,506 | | (483) | | | 5.000 | 4.790 | JJ | 6,250 | 12,500 | 03/05/2008 | 01/01/2013 |
| 172252-G6-9 | Cincinnati, OH Call | | | 1 | 1FE | 271,340 | 117.3440 | 293,360 | 250,000 | 269,917 | | (1,423) | | | 5.250 | 4.120 | JD | 1,094 | 13,125 | 04/04/2011 | 06/01/2020 |
| 199491-XS-5 | Columbus, OH GO Unltd Call | | | 1 | 1FE | 266,805 | 113.6880 | 284,220 | 250,000 | 259,883 | | (1,763) | | | 5.000 | 4.110 | JD | 556 | 12,500 | 10/18/2007 | 12/16/2016 |
| 341535-ZD-7 | Florida State Brd Ed, Call | | | 1 | 1FE | 307,710 | 104.5970 | 313,791 | 300,000 | 305,247 | | (1,404) | | | 4.625 | 4.071 | JD | 1,156 | 13,875 | 03/11/2010 | 06/01/2015 |
| 414005-GF-9 | Harris Cnty, TX Call | | | 1 | 1FE | 292,615 | 122.8220 | 307,055 | 250,000 | 289,160 | | (2,994) | | | 5.000 | 3.261 | AO | 3,125 | 12,500 | 11/02/2010 | 10/01/2022 |
| 414018-2F-7 | Harris Cnty, TX Flood Ctrl Dist - Call | | | 1 | 1FE | 208,702 | 109.4660 | 218,932 | 200,000 | 205,954 | | (1,107) | | | 5.000 | 4.300 | AO | 2,500 | 10,000 | 06/02/2009 | 10/01/2016 |
| 442331-RL-0 | Houston, TX Call | | | 1 | 1FE | 182,594 | 112.2970 | 190,905 | 170,000 | 180,279 | | (1,213) | | | 5.000 | 4.020 | MS | 2,833 | 8,500 | 01/19/2010 | 03/01/2019 |
| 591852-FB-9 | Metro Council, MN Call | | | 1 | 1FE | 262,875 | 111.6300 | 279,075 | 250,000 | 256,314 | | (1,730) | | | 5.000 | 4.180 | MN | 2,083 | 12,500 | 12/13/2007 | 05/01/2015 |
| 602409-GN-8 | Milwaukee, WI Call | | | 1 | 1FE | 365,236 | 114.1870 | 399,655 | 350,000 | 360,884 | | (1,353) | | | 5.000 | 4.461 | AO | 4,375 | 17,500 | 08/14/2008 | 10/01/2018 |
| 680616-RM-3 | Olentangy LSD Ohio Call | | | 1 | 1FE | 260,885 | 111.3170 | 278,293 | 250,000 | 256,453 | | (1,152) | | | 5.000 | 4.410 | JD | 1,042 | 12,500 | 11/15/2007 | 12/01/2016 |
| 719780-LV-8 | Pickerington, Ohio Call | | | 1 | 1FE | 368,162 | 108.7620 | 380,667 | 350,000 | 365,704 | | (720) | | | 5.000 | 4.581 | JD | 1,458 | 17,500 | 05/13/2008 | 12/01/2026 |
| 783243-GY-9 | Rutherford Cnty, TN NC | | | | 1FE | 309,180 | 125.5030 | 313,758 | 250,000 | 305,344 | | (3,050) | | | 5.000 | 3.070 | AO | 3,125 | 12,604 | 09/03/2010 | 04/01/2026 |
| 1899999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | 3,907,600 | XXX | 4,111,747 | 3,620,000 | 3,852,247 | 0 | (24,441) | 0 | 0 | XXX | XXX | XXX | 31,681 | 180,604 | XXX | XXX |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) | | | | | | 3,907,600 | XXX | 4,111,747 | 3,620,000 | 3,852,247 | 0 | (24,441) | 0 | 0 | XXX | XXX | XXX | 31,681 | 180,604 | XXX | XXX |
| Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 040688-GL-1 | Arizona Wtr Call | | | 1 | 1FE | 468,401 | 112.9330 | 508,199 | 450,000 | 461,067 | | (2,050) | | | 5.000 | 4.420 | AO | 5,625 | 22,500 | 03/11/2008 | 10/01/2016 |
| 096869-QH-8 | Boca Raton, FL Wtr & Swr Call | | | 1 | 1FE | 369,362 | 112.6120 | 394,142 | 350,000 | 362,521 | | (1,881) | | | 5.000 | 4.291 | AO | 4,375 | 17,500 | 02/19/2008 | 10/01/2017 |
| 20281P-AZ-5 | Commonwealth Fin Auth PA Call | | | 1 | 1FE | 262,498 | 107.6510 | 269,128 | 250,000 | 257,044 | | (1,420) | | | 5.000 | 4.293 | JD | 1,042 | 12,500 | 11/21/2007 | 06/01/2016 |
| 37358M-CN-9 | Georgia St Rd & Twy Auth Call | | | 1 | 1FE | 277,265 | 119.5150 | 298,788 | 250,000 | 271,920 | | (2,531) | | | 5.000 | 3.640 | JD | 1,042 | 12,500 | 11/02/2009 | 06/01/2019 |
| 407288-SC-4 | Hamilton County, Ohio Call | | | 1 | 1FE | 262,688 | 110.3830 | 275,958 | 250,000 | 256,311 | | (1,684) | | | 5.000 | 4.199 | JD | 1,042 | 12,500 | 12/18/2007 | 06/01/2015 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book / Adjusted Carrying Value | | | | Interest | | | | | Dates | |
|---|---|-------|--------------------------------------|--------------|---------------------|----------------|---|---------------|--------------|--|--|--|---|---|------------|-------------------------|--------------|--|--|----------------|----------------|
| | | 3 | 4 F o r e i g n | 5 | | | 8 | 9 | | | 12 | 13 | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Foreign Exchange Change In B./A.C.V. | 16 | 17 | 18 | 19 Admitted Amount Due & Accrued | 20 Amount Rec. During Year | 21 Acquired | 22 Maturity |
| CUSIP Identification | Description | Code | | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | | | Rate of | Effective Rate of | When Paid | | | | |
| 49151E-7W-7. | Kentucky State Ppty & Bldg Call..... | | | 1. | 1FE | 267,125 | 109.6890 | 274,223 | 250,000 | 266,669 | | (456) | | | 5.000 | 4.149 | FA | 6,042 | | 08/25/2011 | 08/01/2021 |
| 491552-UQ-6. | Kentucky St Turnpike Auth Call..... | | | 1. | 1FE | 269,348 | 114.5040 | 286,260 | 250,000 | 265,394 | | (1,725) | | | 5.000 | 4.040 | JJ | 6,250 | 12,500 | 08/18/2009 | 07/01/2019 |
| 546589-PC-0. | Louisville & Jefferson Cnty KY Call..... | | | 1. | 1FE | 105,780 | 114.5310 | 114,531 | 100,000 | 103,979 | | (533) | | | 5.000 | 4.280 | MN | 639 | 5,000 | 05/30/2008 | 05/15/2018 |
| 574204-TW-3. | Maryland Dept of Trans Call..... | | | 1. | 1FE | 266,663 | 118.6110 | 296,528 | 250,000 | 261,037 | | (1,552) | | | 5.000 | 4.175 | FA | 4,722 | 12,500 | 02/26/2008 | 02/15/2018 |
| 64711N-HK-4. | New Mexico Fin Auth Call..... | | | 1. | 1FE | 279,625 | 115.1880 | 287,970 | 250,000 | 274,079 | | (2,768) | | | 5.250 | 3.750 | JD | 1,094 | 13,125 | 12/11/2009 | 06/01/2019 |
| 665444-HM-0. | Northern Muni Power, MN Call..... | | | 1. | 1FE | 265,508 | 115.4520 | 288,630 | 250,000 | 260,362 | | (1,489) | | | 5.000 | 4.211 | JJ | 6,250 | 12,500 | 05/06/2008 | 01/01/2018 |
| 677632-KX-8. | Ohio State Univ Gen Recpts Call..... | | | 1. | 1FE | 260,660 | 114.3240 | 285,810 | 250,000 | 257,936 | | (960) | | | 5.000 | 4.461 | JD | 1,042 | 12,500 | 01/15/2009 | 12/01/2018 |
| 677632-NA-5. | Ohio State Univ Gen Recpts NC..... | | | | 1FE | 298,033 | 120.9290 | 302,323 | 250,000 | 294,974 | | (2,469) | | | 5.000 | 3.370 | JD | 1,042 | 14,410 | 09/15/2010 | 12/01/2025 |
| 67908N-LW-9. | Oklahoma St Capitol Call..... | | | 1. | 1FE | 307,224 | 106.3120 | 318,936 | 300,000 | 303,838 | | (989) | | | 5.000 | 4.600 | JJ | 7,500 | 15,000 | 05/01/2008 | 07/01/2015 |
| 68607D-HG-3. | Oregon State Dept Trans Hwy- Call..... | | | 1. | 1FE | 267,760 | 109.8820 | 274,705 | 250,000 | 263,377 | | (2,487) | | | 4.550 | 3.350 | MN | 1,453 | 11,375 | 03/15/2010 | 11/15/2016 |
| 68607D-HM-0. | Oregon State Call..... | | | 1. | 1FE | 259,850 | 109.3130 | 273,283 | 250,000 | 258,614 | | (1,236) | | | 5.000 | 4.210 | MN | 1,597 | 12,500 | 03/10/2011 | 11/15/2016 |
| 829594-ET-3. | Sioux Falls, SD Call..... | | | 1. | 1FE | 262,850 | 116.2420 | 290,605 | 250,000 | 257,944 | | (1,162) | | | 5.000 | 4.380 | MN | 1,597 | 12,500 | 06/08/2007 | 11/15/2017 |
| 880557-6U-2. | Tennessee St Sch Brd Auth Call..... | | | 1. | 1FE | 278,623 | 110.9410 | 277,353 | 250,000 | 274,260 | | (3,374) | | | 5.000 | 3.290 | MN | 2,083 | 14,097 | 09/03/2010 | 05/01/2018 |
| 915137-ZX-4. | University Texas Call..... | | | 1. | 1FE | 528,325 | 110.3100 | 551,550 | 500,000 | 526,810 | | (829) | | | 5.000 | 4.583 | FA | 9,444 | 25,000 | 02/16/2010 | 08/15/2031 |
| 917565-HJ-5. | Utah Tran Auth Call..... | | | 1. | 1FE | 262,295 | 112.0050 | 280,013 | 250,000 | 261,129 | | (1,166) | | | 5.000 | 4.205 | JD | 556 | 12,500 | 03/09/2011 | 06/15/2018 |
| 927793-PC-7. | Virginia Commonwealth Call..... | | | 1. | 1FE | 263,978 | 113.4710 | 283,678 | 250,000 | 257,708 | | (1,574) | | | 5.000 | 4.220 | MN | 1,597 | 12,500 | 09/21/2010 | 05/15/2016 |
| 928172-WG-6. | Virginia St Pub Bldg BAB..... | | | 2. | 1FE | 258,630 | 120.3870 | 300,968 | 250,000 | 258,404 | | (187) | | | 5.900 | 5.606 | FA | 6,146 | 10,161 | 11/12/2010 | 08/01/2030 |
| 92817L-KM-4. | Virginia State Res Auth Call..... | | | 1. | 1FE | 536,060 | 119.6180 | 598,090 | 500,000 | 528,582 | | (3,068) | | | 5.000 | 4.130 | AO | 6,250 | 25,000 | 06/24/2009 | 10/01/2019 |
| 98972L-EC-1. | Zionsville, IN Cmnty Sch Bldg Call..... | | | 1. | 1FE | 207,234 | 106.4810 | 212,962 | 200,000 | 206,169 | | (320) | | | 5.000 | 4.690 | JJ | 4,611 | 10,000 | 06/09/2008 | 07/15/2025 |
| 2599999 - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | 7,085,781 | XXX | 7,544,627 | 6,650,000 | 6,990,129 | 0 | (37,909) | 0 | 0 | XXX | XXX | XXX | 83,040 | 320,668 | XXX | XXX |
| Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| 31292H-NB-6. | FGLMC Pool #C01286..... | | | 2. | 1. | 24,638 | 111.3940 | 27,833 | 24,986 | 24,657 | | 1 | | | 6.000 | 6.487 | MON | 125 | 1,499 | 01/29/2002 | 01/01/2032 |
| 312962-QG-1. | FG B10455..... | | | 2. | 1. | 1,837,177 | 107.6970 | 1,844,828 | 1,712,985 | 1,825,770 | | (11,407) | | | 5.000 | 2.521 | MON | 7,137 | 64,237 | 02/25/2011 | 10/01/2018 |
| 3136A1-BL-8. | FNR 2011-103 JB..... | | | 2. | 1. | 1,024,531 | 103.3130 | 1,033,130 | 1,000,000 | 1,023,696 | | (835) | | | 3.500 | 3.099 | MON | 2,917 | 5,833 | 09/29/2011 | 07/25/2019 |
| 3137AO-EU-5. | FHR 3687 B..... | | | 2. | 1. | 1,043,379 | 107.3900 | 1,073,902 | 1,000,000 | 1,041,810 | | (1,569) | | | 4.000 | 3.093 | MON | 3,333 | 6,667 | 10/24/2011 | 05/15/2030 |
| 3137A5-WW-0. | FHR 3786 WA..... | | | 2. | 1. | 925,718 | 104.6450 | 942,472 | 900,634 | 917,694 | | (8,024) | | | 4.000 | 2.872 | MON | 3,002 | 27,019 | 02/25/2011 | 02/15/2017 |
| 31392E-SX-9. | FNR 2002-59 B..... | | | 2. | 1. | 59,749 | 107.0490 | 62,841 | 58,703 | 58,858 | | (80) | | | 5.500 | 5.239 | MON | 269 | 3,229 | 09/22/2005 | 06/25/2017 |
| 31392W-UQ-1. | FHR 2510 NM..... | | | 2. | 1. | 90,240 | 103.6640 | 91,366 | 88,137 | 88,230 | | (79) | | | 5.000 | 4.798 | MON | 367 | 4,407 | 12/09/2002 | 09/25/2014 |
| 31393A-GG-6. | FNR 2003-28 GA..... | | | 2. | 1. | 20,237 | 104.6030 | 21,288 | 20,351 | 20,286 | | 3 | | | 4.000 | 4.069 | MON | 68 | 814 | 03/19/2003 | 10/25/2016 |
| 31394L-FM-8. | FHR 2698 BA..... | | | 2. | 1. | 19,655 | 104.0690 | 20,506 | 19,704 | 19,664 | | | | | 5.000 | 5.061 | MON | 82 | 985 | 04/18/2005 | 03/25/2015 |
| 31395B-D7-5. | FNR 2006-22 CE..... | | | 2. | 1. | 256,709 | 110.0420 | 275,105 | 250,000 | 254,900 | | (1,101) | | | 4.500 | 4.020 | MON | 938 | 11,250 | 03/15/2010 | 12/25/2022 |
| 31395K-HC-0. | FHR 2904 PC..... | | | 2. | 1. | 331,647 | 101.0130 | 331,690 | 328,363 | 327,919 | | (428) | | | 5.500 | 5.354 | MON | 1,505 | 18,060 | 03/23/2005 | 09/15/2012 |
| 313970-WZ-7. | FNR 2011-15 VB..... | | | 2. | 1. | 233,457 | 105.7730 | 264,433 | 250,000 | 234,890 | | 1,433 | | | 4.000 | 5.160 | MON | 833 | 6,667 | 04/06/2011 | 07/25/2018 |
| 31397S-ZF-4. | FNR 2011-42 VA..... | | | 2. | 1. | 252,079 | 107.1490 | 255,150 | 238,126 | 247,093 | | (4,986) | | | 4.500 | 1.320 | MON | 893 | 7,144 | 04/21/2011 | 09/25/2015 |
| 31398N-U8-5. | FNR 2010-123 BP..... | | | 2. | 1. | 1,630,469 | 110.3670 | 1,655,505 | 1,500,000 | 1,627,588 | | (2,881) | | | 4.500 | 3.425 | MON | 5,625 | 11,250 | 09/30/2011 | 07/25/2033 |
| 31398P-DU-0. | FNR 2010-38 B..... | | | 2. | 1. | 260,664 | 108.2450 | 270,613 | 250,000 | 259,132 | | (1,213) | | | 4.000 | 3.402 | MON | 833 | 10,000 | 09/15/2010 | 09/25/2023 |
| 31398S-SG-9. | FNR 2010-136 BA..... | | | 2. | 1. | 235,487 | 104.5090 | 237,729 | 227,472 | 234,938 | | (549) | | | 3.500 | 2.670 | MON | 663 | 2,654 | 08/26/2011 | 10/25/2030 |
| 31403D-GZ-6. | FNMA Pool 745516..... | | | 2. | 1. | 78,432 | 109.1910 | 85,748 | 78,530 | 78,425 | | (1) | | | 5.500 | 5.479 | MON | 360 | 4,319 | 12/01/2006 | 05/01/2036 |
| 31419F-EB-8. | FN AE4629..... | | | 2. | 1. | 977,036 | 105.1430 | 979,534 | 931,620 | 976,696 | | (340) | | | 4.000 | 3.448 | MON | 3,105 | 6,211 | 09/29/2011 | 10/01/2040 |
| 38374F-W6-7. | GNR 2004-21 PC..... | | | 2. | 1. | 493,281 | 108.1220 | 540,612 | 500,000 | 496,394 | | 890 | | | 5.000 | 5.287 | MON | 2,083 | 25,000 | 09/04/2008 | 12/20/2016 |
| 38374L-VV-0. | GNR 2005-54 AW..... | | | 2. | 1. | 491,563 | 109.9110 | 549,556 | 500,000 | 496,472 | | 880 | | | 5.000 | 5.261 | MON | 2,083 | 25,000 | 08/03/2005 | 04/20/2014 |
| 38376W-AM-7. | GNR 2010-14 DC..... | | | 2. | 1. | 514,297 | 109.6540 | 548,272 | 500,000 | 510,681 | | (2,105) | | | 4.500 | 4.025 | MON | 1,875 | 22,500 | 03/03/2010 | 08/20/2018 |
| 38377T-2L-4. | GNR 2011-23 GQ..... | | | 2. | 1. | 445,949 | 106.9720 | 455,627 | 425,933 | 442,237 | | (3,712) | | | 4.500 | 3.303 | MON | 1,597 | 14,375 | 03/03/2011 | 02/20/2025 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book / Adjusted Carrying Value | | | | Interest | | | | | | Dates | |
|--|---|-------|--------------------------------------|--------------|---------------------|----------------|---|---------------|--------------|--|--|--|---|---|------------------|-------------------------------|--------------------|--|--|----------------|----------------|--|
| | | 3 | 4 F o r e i g n | 5 | | | 8 | 9 | | | 12 | 13 | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Foreign Exchange Change In B./A.C.V. | 16 Rate of | 17 Effective Rate of | 18 When Paid | 19 Admitted Amount Due & Accrued | 20 Amount Rec. During Year | 21 Acquired | 22 Maturity | |
| CUSIP Identification | Description | Code | | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | | | | | | | | | | |
| 2699999 | - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities | | | | | 11,246,394 | XXX | 11,567,741 | 10,805,546 | 11,208,029 | 0 | (36,103) | 0 | 0 | XXX | XXX | XXX | 39,696 | 279,119 | XXX | XXX | |
| 3199999 | - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies of Governments and Their Political Subdivisions | | | | | 18,332,174 | XXX | 19,112,368 | 17,455,546 | 18,198,158 | 0 | (74,013) | 0 | 0 | XXX | XXX | XXX | 122,736 | 599,787 | XXX | XXX | |
| Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | | |
| 0258M0-DA-4. | American Express Credit Co NC | | | | 1FE | 497,080 | 101.0380 | 505,190 | 500,000 | 497,801 | | 555 | | 2,750 | 2,876 | MS | 4,049 | 13,826 | 09/08/2010 | 09/15/2015 | | |
| 03076C-AB-2. | Ameriprise Financial Inc NC | | | | 1FE | 250,000 | 112.6850 | 281,713 | 250,000 | 250,000 | | | | 5,650 | 5,650 | MN | 1,805 | 14,125 | 11/18/2005 | 11/15/2015 | | |
| 034863-AA-8. | Anglo American Capital NC | | | | 2FE | 230,000 | 114.6440 | 229,288 | 200,000 | 215,606 | | (6,276) | | 9,375 | 5,658 | AO | 4,323 | 18,750 | 08/11/2009 | 04/08/2014 | | |
| 055630-AA-8. | Bank of New York 144A - Callable | | | 1 | 1FE | 525,000 | 102.6040 | 513,020 | 500,000 | 519,729 | | (711) | | 7,780 | 7,340 | JD | 3,242 | 38,900 | 11/14/2001 | 12/01/2026 | | |
| 12626P-AD-5. | CRH America Inc NC | | | | 2FE | 272,350 | 101.2510 | 253,128 | 250,000 | 250,836 | | (4,013) | | 6,950 | 5,261 | MS | 5,116 | 17,375 | 11/23/2005 | 03/15/2012 | | |
| 126650-BQ-2. | CVS Corp. PT-NC | | | 2 | 2FE | 465,850 | 109.1670 | 498,583 | 456,716 | 465,063 | | (353) | | 6,943 | 6,785 | MON | 1,850 | 31,710 | 09/22/2009 | 12/10/2029 | | |
| 13342B-AC-9. | Cameron International Corp NC | | | | 2FE | 300,453 | 116.9650 | 350,895 | 300,000 | 300,364 | | (44) | | 6,375 | 6,352 | JJ | 8,819 | 19,125 | 08/13/2008 | 07/15/2018 | | |
| 191216-AV-2. | Coca Cola Company NC | | | | 1FE | 93,621 | 105.1180 | 105,118 | 100,000 | 93,815 | | 194 | | 3,300 | 4,081 | MS | 1,293 | | 08/16/2011 | 09/01/2021 | | |
| 205363-AL-8. | Computer Sciences Corp NC | | | | 2FE | 269,725 | 98.2160 | 245,540 | 250,000 | 267,696 | | (2,029) | | 6,500 | 5,152 | MS | 4,785 | 16,250 | 02/17/2011 | 03/15/2018 | | |
| 22541L-BK-8. | Credit Suisse First Boston NC | | | | 1FE | 502,905 | 105.7450 | 528,725 | 500,000 | 501,227 | | (302) | | 5,125 | 5,050 | FA | 9,681 | 25,625 | 08/22/2005 | 08/15/2015 | | |
| 22822R-AX-8. | NC | | | | 1FE | 501,480 | 101.2960 | 506,480 | 500,000 | 501,315 | | (165) | | 4,174 | 4,157 | MON | 928 | 17,392 | 03/07/2011 | 08/15/2017 | | |
| 24702R-AJ-0. | Dell Inc NC | | | | 1FE | 205,642 | 117.3690 | 234,738 | 200,000 | 204,535 | | (480) | | 5,875 | 5,500 | JD | 522 | 11,750 | 07/24/2009 | 06/15/2019 | | |
| 25271C-AK-8. | Diamond Offshore NC | | | | 2FE | 200,548 | 116.2620 | 232,524 | 200,000 | 200,436 | | (46) | | 5,875 | 5,838 | MN | 1,958 | 11,750 | 05/13/2009 | 05/01/2019 | | |
| 256853-AA-0. | Dolphin Energy LTD NC | | | 2 | 1FE | 253,502 | 108.4790 | 274,311 | 252,870 | 253,375 | | (53) | | 5,888 | 5,855 | JD | 662 | 14,889 | 08/19/2009 | 06/15/2019 | | |
| 26854P-AA-4. | EJM Airport LLC NC | | | | 1 | 633,424 | 114.8430 | 661,312 | 575,840 | 626,000 | | (4,722) | | 6,271 | 4,985 | MN | 4,614 | 36,111 | 05/24/2010 | 05/15/2020 | | |
| 291011-BC-7. | Emerson Electric NC | | | | 1FE | 497,350 | 110.7010 | 553,505 | 500,000 | 497,770 | | 202 | | 4,250 | 4,311 | MN | 2,715 | 21,250 | 11/10/2009 | 11/15/2020 | | |
| 337158-AE-9. | First Tennessee Bank NC | | | | 2FE | 249,338 | 106.5680 | 266,420 | 250,000 | 249,674 | | 66 | | 5,650 | 5,685 | AO | 3,531 | 14,125 | 03/23/2006 | 04/01/2016 | | |
| 369626-3U-6. | General Electric Capital Corp NC | | | | 1FE | 446,005 | 112.2490 | 561,245 | 500,000 | 460,518 | | 4,769 | | 5,625 | 7,200 | MN | 4,688 | 28,125 | 09/17/2008 | 05/01/2018 | | |
| 375558-AQ-6. | Gilead Sciences Inc NC | | | | 2FE | 257,283 | 107.3050 | 268,263 | 250,000 | 257,253 | | (30) | | 4,500 | 4,119 | AO | 2,813 | | 12/09/2011 | 04/01/2021 | | |
| 40429C-CR-1. | HSBC Finance Corp NC | | | | 1FE | 508,290 | 101.6980 | 508,490 | 500,000 | 503,292 | | (899) | | 5,250 | 5,030 | AO | 5,542 | 26,250 | 08/19/2005 | 04/15/2015 | | |
| 540424-AN-8. | Loews Corp. NC | | | | 1FE | 273,118 | 108.6020 | 271,505 | 250,000 | 267,635 | | (3,832) | | 5,250 | 3,433 | MS | 3,865 | 13,125 | 07/20/2010 | 03/15/2016 | | |
| 581557-AW-5. | McKesson Corp. NC | | | | 1FE | 267,343 | 111.0970 | 277,743 | 250,000 | 258,317 | | (3,638) | | 6,500 | 4,831 | FA | 6,139 | 16,250 | 05/28/2009 | 02/15/2014 | | |
| 629568-AW-6. | Nabors Industries Inc 144A-NC | | | | 2FE | 250,893 | 99.4150 | 248,538 | 250,000 | 250,893 | | | | 4,625 | 4,578 | MS | 4,111 | | 12/13/2011 | 09/15/2021 | | |
| 655844-AE-8. | Norfolk Southern Corp. NC | | | | 2FE | 314,788 | 125.9690 | 314,923 | 250,000 | 283,129 | | (5,276) | | 7,700 | 4,866 | MN | 2,460 | 19,250 | 02/09/2005 | 05/15/2017 | | |
| 677400-AC-0. | Ohio National Financial Servc 144A-NC | | | | 1FE | 531,280 | 102.9410 | 514,705 | 500,000 | 506,033 | | (4,553) | | 6,350 | 5,337 | AO | 7,938 | 31,750 | 08/19/2005 | 04/01/2013 | | |
| 693476-BB-8. | PNC Funding Corp NC | | | | 2FE | 251,555 | 109.8920 | 274,730 | 250,000 | 250,898 | | (149) | | 5,625 | 5,543 | FA | 5,859 | 14,063 | 02/08/2007 | 02/01/2017 | | |
| 69362B-AS-1. | PSEG Power NC | | | | 2FE | 309,435 | 111.0160 | 333,048 | 300,000 | 306,701 | | (1,241) | | 5,320 | 4,784 | MS | 4,699 | 15,960 | 09/22/2009 | 09/15/2016 | | |
| 731020-AA-4. | Polar Tankers Inc NC | | | | 1FE | 221,068 | 115.9510 | 289,878 | 250,000 | 222,183 | | 399 | | 5,951 | 6,885 | MN | 2,108 | 14,878 | 02/05/2009 | 05/10/2037 | | |
| 740189-AF-2. | Precision Castparts Corp NC | | | | 1FE | 298,875 | 108.7650 | 326,295 | 300,000 | 299,477 | | 246 | | 5,600 | 5,696 | JD | 747 | 16,800 | 06/10/2009 | 12/15/2013 | | |
| 740816-AB-9. | President & Fellows of Harvard Call | | | 1 | 1FE | 348,900 | 112.3370 | 337,011 | 300,000 | 337,995 | | (8,236) | | 6,300 | 3,095 | AO | 4,725 | 18,900 | 08/31/2010 | 04/01/2016 | | |
| 78387G-AL-7. | SBC Communications Inc. NC | | | | 1FE | 519,500 | 115.5730 | 577,865 | 500,000 | 508,867 | | (1,728) | | 5,625 | 5,174 | JD | 1,250 | 28,125 | 11/01/2004 | 06/15/2016 | | |
| 806605-AJ-0. | Schering Plough NC | | | | 1FE | 209,332 | 122.6540 | 245,308 | 200,000 | 206,822 | | (999) | | 6,000 | 5,299 | MS | 3,533 | 12,000 | 05/11/2009 | 09/15/2017 | | |
| 89346D-AD-9. | Transalta Corp NC | | | | 2FE | 203,672 | 108.3370 | 216,674 | 200,000 | 202,299 | | (694) | | 4,750 | 4,342 | JJ | 4,381 | 9,500 | 12/01/2009 | 01/15/2015 | | |
| 92931B-AB-2. | WPS Resources Corp NC | | | | 2FE | 262,375 | 103.8850 | 259,713 | 250,000 | 251,619 | | (1,693) | | 5,375 | 4,644 | JD | 1,120 | 13,438 | 09/01/2004 | 12/01/2012 | | |
| 95709T-AG-5. | Westar Energy Inc NC | | | | 2FE | 575,045 | 130.4960 | 652,480 | 500,000 | 557,424 | | (6,385) | | 8,625 | 6,534 | JD | 3,594 | 43,125 | 01/15/2009 | 12/01/2018 | | |
| 767201-AC-0. | Rio Tinto Fin USA NC | | R | | 1FE | 500,920 | 120.6150 | 603,075 | 500,000 | 500,711 | | (85) | | 6,500 | 6,473 | JJ | 14,986 | 32,500 | 07/22/2008 | 07/15/2018 | | |
| 3299999 | - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | 12,497,942 | XXX | 13,321,975 | 12,085,426 | 12,327,309 | 0 | (52,201) | 0 | 0 | XXX | XXX | XXX | 144,446 | 676,990 | XXX | XXX | |
| 3899999 | - Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated) | | | | | 12,497,942 | XXX | 13,321,975 | 12,085,426 | 12,327,309 | 0 | (52,201) | 0 | 0 | XXX | XXX | XXX | 144,446 | 676,990 | XXX | XXX | |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 1

Showing All Long-Term **BONDS** Owned December 31 of Current Year

[illegible]

E10.3

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|--------------------------------------|---------|---------------|----------------------------|---------------------------|-------------|------------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| Bonds - U.S. Governments | | | | | | | | |
| 313371-LA-2 | FHLB Call 3.000% 11/24/25 | | 03/15/2011 | Huntington Investment Co. | XXX | 478,500 | 500,000 | 4,667 |
| 0599999 - Bonds - U.S. Governments | | | | | | 478,500 | 500,000 | 4,667 |
| Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) | | | | | | | | |
| 246381-AP-2 | Delaware State Call 5.000% 07/01/25 | | 11/15/2011 | Berghoff & Company | XXX | 583,915 | 500,000 | 208 |
| 1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) | | | | | | 583,915 | 500,000 | 208 |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) | | | | | | | | |
| 172252-G6-9 | Cincinnati, OH Call 5.250% 06/01/24 | | 04/04/2011 | Piper Jaffray | XXX | 271,340 | 250,000 | 4,594 |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) | | | | | | 271,340 | 250,000 | 4,594 |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | | |
| 312962-Q6-1 | FG B10455 5.000% 10/01/18 | | 02/25/2011 | Maxwell Simon Inc. | XXX | 1,837,177 | 1,712,985 | 3,569 |
| 3136A1-BL-8 | FNR 2011-103 JB 3.500% 10/25/37 | | 09/29/2011 | FTN Financial | XXX | 1,024,531 | 1,000,000 | 194 |
| 3137A0-EU-5 | FHR 3687 B 4.000% 07/15/30 | | 10/24/2011 | Stifel Nicolaus & Co. | XXX | 1,043,379 | 1,000,000 | 2,111 |
| 3137A5-WW-0 | FHR 3786 WA 4.000% 12/15/28 | | 02/25/2011 | Stifel Nicolaus & Co. | XXX | 925,718 | 900,634 | 100 |
| 31397Q-WZ-7 | FNR 2011-15 VB 4.000% 09/25/29 | | 04/06/2011 | Stifel Nicolaus & Co. | XXX | 233,457 | 250,000 | 278 |
| 31397S-ZF-4 | FNR 2011-42 VA 4.500% 06/25/22 | | 04/21/2011 | Stifel Nicolaus & Co. | XXX | 252,079 | 238,126 | 833 |
| 31398N-U8-5 | FNR 2010-123 BP 4.500% 11/25/40 | | 09/30/2011 | Stifel Nicolaus & Co. | XXX | 1,630,469 | 1,500,000 | 625 |
| 31398S-S6-9 | FNR 2010-136 BA 3.500% 12/25/30 | | 08/26/2011 | Stifel Nicolaus & Co. | XXX | 235,487 | 227,472 | 663 |
| 31419F-EB-8 | FN AE4629 4.000% 10/01/40 | | 09/29/2011 | Maxwell Simon Inc. | XXX | 977,036 | 931,620 | 1,242 |
| 38377T-2L-4 | GNR 2011-23 GO 4.500% 02/20/26 | | 03/03/2011 | Stifel Nicolaus & Co. | XXX | 445,949 | 425,933 | 373 |
| 49151E-7W-7 | Kentucky State Ppty & Bldg Call | | 08/25/2011 | Stephens Inc. | XXX | 267,125 | 250,000 | 1,840 |
| 68607D-HM-0 | Oregon State Call 5.000% 11/15/28 | | 03/10/2011 | Stephens Inc. | XXX | 259,850 | 250,000 | 4,167 |
| 917565-HJ-5 | Utah Tran Auth Call 5.000% 06/15/27 | | 03/09/2011 | Stephens Inc. | XXX | 262,295 | 250,000 | 3,090 |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 9,394,552 | 8,936,771 | 19,086 |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | |
| 191216-AV-2 | Coca Cola Company NC 3.300% 09/01/21 | | 08/16/2011 | Taxable Exchange | XXX | 93,621 | 100,000 | 83 |
| 205363-AL-8 | Computer Sciences Corp NC | | 02/17/2011 | Mesirow Financial | XXX | 269,725 | 250,000 | 7,132 |
| 22822R-AX-8 | Crown Castle Towers LLC 144A-NC | | 03/07/2011 | Raymond James & Associates | XXX | 501,480 | 500,000 | 1,449 |
| 375558-AQ-6 | Gilead Sciences Inc NC | | 12/09/2011 | Stifel Nicolaus & Co. | XXX | 257,283 | 250,000 | 2,281 |
| 629568-AW-6 | Nabors Industries Inc 144A-NC | | 12/13/2011 | Raymond James & Associates | XXX | 250,893 | 250,000 | 3,629 |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 1,373,001 | 1,350,000 | 14,574 |
| 8399997 - Bonds - Subtotals - Bonds - Part 3 | | | | | | 12,101,308 | 11,536,771 | 43,129 |
| 8399998 - Bonds - Summary item from Part 5 for Bonds | | | | | | 1,489,665 | 1,463,685 | 720 |
| 8399999 - Bonds - Subtotals - Bonds | | | | | | 13,590,973 | 13,000,456 | 43,849 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 9999999 Totals | | | | | | 13,590,973 | XXX | 43,849 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED OF** During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|--|--|---------|----------------|---------------------------|---------------------------|----------------|----------------|----------------|---|---|--|---|--------------------------------------|--|--|--|----------------------------------|-------------------------------|--|----------------|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | |
| CUSIP Identification | Description | Foreign | 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 (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 |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | | | |
| 313370-XX-1.. | FHLB Call 2.000% 09/23/25..... | | ..06/23/2011.. | 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.. |
| 313371-ZM-1.. | FHLB Call 2.000% 12/28/15..... | | ..06/28/2011.. | Call | 100.0000..... |500,000 |500,000 |500,000 |500,000 | ..... | ..... | ..... | .....0 | ..... | .....500,000 | ..... | ..... | .....0 |2,500 | ..12/28/2015.. |
| 313461-LG-7.. | FHLMC Call 2.000% 07/21/25..... | | ..07/21/2011.. | Call | 100.0000..... |500,000 |500,000 |500,000 |506,820 | ..... | .....(6,820) | ..... | .....(6,820) | ..... | .....500,000 | ..... | ..... | .....0 |5,000 | ..07/21/2025.. |
| 3136FM-G0-2.. | FNMA Call 2.000% 08/05/20..... | | ..08/05/2011.. | Call | 100.0000..... |250,000 |250,000 |250,000 |250,000 | ..... | ..... | ..... | .....0 | ..... | .....250,000 | ..... | ..... | .....0 |2,500 | ..08/05/2020.. |
| 3136FM-G7-3.. | FNMA Call 3.000% 06/30/25..... | | ..06/30/2011.. | 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.. |
| 3136FM-K7-8.. | FNMA Call 2.250% 06/30/22..... | | ..09/30/2011.. | Call | 100.0000..... |1,000,000 |1,000,000 |998,000 |1,010,415 | ..... | .....(10,415) | ..... | .....(10,415) | ..... | .....1,000,000 | ..... | ..... | .....0 |16,875 | ..06/30/2022.. |
| 3136FP-BX-4.. | FNMA Call 1.000% 08/25/20..... | | ..08/25/2011.. | Call | 100.0000..... |1,000,000 |1,000,000 |1,000,000 |1,000,000 | ..... | ..... | ..... | .....0 | ..... | .....1,000,000 | ..... | ..... | .....0 |10,000 | ..08/25/2020.. |
| 3136FP-MA-2.. | FNMA Call 2.500% 03/29/21..... | | ..09/29/2011.. | Call | 100.0000..... |1,000,000 |1,000,000 |1,000,000 |1,009,380 | ..... | .....(9,380) | ..... | .....(9,380) | ..... | .....1,000,000 | ..... | ..... | .....0 |10,000 | ..03/29/2021.. |
| 3136FP-MJ-3.. | FNMA Call 2.000% 09/30/25..... | | ..09/30/2011.. | Call | 100.0000..... |500,000 |500,000 |500,000 |500,000 | ..... | ..... | ..... | .....0 | ..... | .....500,000 | ..... | ..... | .....0 |10,000 | ..09/30/2025.. |
| 3136FP-N4-5.. | FNMA Call 3.000% 12/30/25..... | | ..06/30/2011.. | Call | 100.0000..... |500,000 |500,000 |500,000 |500,000 | ..... | ..... | ..... | .....0 | ..... | .....500,000 | ..... | ..... | .....0 |2,500 | ..12/30/2025.. |
| 3136FP-PB-7.. | FNMA Call 1.250% 10/15/25..... | | ..10/15/2011.. | Call | 100.0000..... |500,000 |500,000 |500,000 |500,000 | ..... | ..... | ..... | .....0 | ..... | .....500,000 | ..... | ..... | .....0 |6,250 | ..10/15/2025.. |
| 0599999 - Bonds - U.S. Governments | | | | | | 7,750,000 | 7,750,000 | 7,746,000 | 7,777,659 | 0 | (27,659) | 0 | (27,659) | 0 | 7,750,000 | 0 | 0 | 0 | 88,125 | XXX |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) | | | | | | | | | | | | | | | | | | | | |
| 01801R-AR-0.. | Allen Park, MI Call 5.000% 05/01/23..... | | ..04/14/2011.. | Fifth Third Bank..... | |238,000 |350,000 |355,327 |353,752 | ..... | .....(152) | ..... | .....(152) | ..... | .....353,600 | ..... | .....(115,600) |(115,600) |8,167 | ..05/01/2017.. |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) | | | | | | 238,000 | 350,000 | 355,327 | 353,752 | 0 | (152) | 0 | (152) | 0 | 353,600 | 0 | (115,600) | (115,600) | 8,167 | XXX |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | | | | | | | | | | | | | | |
| 091089-KB-7.. | Birmingham, AL Wtrwks & Swr Call..... | | ..12/06/2011.. | Stephens Inc..... | |213,062 |200,000 |212,530 |210,562 | ..... | .....(641) | ..... | .....(641) | ..... | .....209,922 | ..... | .....3,140 |3,140 |14,389 | ..01/01/2023.. |
| 223777-AW-3.. | Cowlitz Cnty, WA Call 5.000% 09/01/23..... | | ..04/13/2011.. | Stephens Inc..... | |251,995 |250,000 |254,688 |253,172 | ..... | .....(144) | ..... | .....(144) | ..... | .....253,028 | ..... | .....(1,033) |(1,033) |7,882 | ..09/01/2016.. |
| 31292H-NB-6.. | FGLMC Pool #001286 6.000% 01/01/32..... | | ..12/01/2011.. | Paydown..... | |8,106 |8,106 |7,993 |7,999 | ..... | .....107 | ..... | .....107 | ..... | .....8,106 | ..... | ..... | .....0 |240 | ..01/01/2032.. |
| 31392E-SX-9.. | FNR 2002-59 B 5.500% 09/25/17..... | | ..12/01/2011.. | Paydown..... | |25,887 |25,887 |26,348 |25,991 | ..... | .....(104) | ..... | .....(104) | ..... | .....25,887 | ..... | ..... | .....0 |694 | ..06/25/2017.. |
| 31392W-U0-1.. | FHR 2510 NM 5.000% 03/15/32..... | | ..12/01/2011.. | Paydown..... | |46,181 |46,181 |47,283 |46,271 | ..... | .....(90) | ..... | .....(90) | ..... | .....46,181 | ..... | ..... | .....0 |1,182 | ..09/25/2014.. |
| 31393A-GG-6.. | FNR 2003-28 GA 4.000% 10/25/32..... | | ..12/01/2011.. | Paydown..... | |10,486 |10,486 |10,427 |10,450 | ..... | .....35 | ..... | .....35 | ..... | .....10,486 | ..... | ..... | .....0 |207 | ..10/25/2016.. |
| 31394L-PM-8.. | FHR 2698 BA 5.000% 11/15/32..... | | ..12/01/2011.. | Paydown..... | |10,030 |10,030 |10,005 |10,009 | ..... | .....21 | ..... | .....21 | ..... | .....10,030 | ..... | ..... | .....0 |242 | ..03/25/2015.. |
| 31395K-HC-0.. | FHR 2904 PC 5.500% 05/15/31..... | | ..12/01/2011.. | Paydown..... | |671,637 |671,637 |678,353 |671,606 | ..... | .....31 | ..... | .....31 | ..... | .....671,637 | ..... | ..... | .....0 |19,738 | ..09/15/2012.. |
| 31403D-GZ-6.. | FNMA Pool 745516 5.500% 05/01/36..... | | ..12/01/2011.. | Paydown..... | |26,967 |26,967 |26,933 |26,931 | ..... | .....36 | ..... | .....36 | ..... | .....26,967 | ..... | ..... | .....0 |747 | ..05/01/2036.. |
| 574486-DR-4.. | Marysville, OH Call 5.000% 12/01/23..... | | ..07/25/2011.. | Stephens Inc..... | |210,250 |200,000 |211,718 |208,543 | ..... | .....(615) | ..... | .....(615) | ..... | .....207,929 | ..... | .....2,321 |2,321 |6,583 | ..12/01/2017.. |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 1,474,601 | 1,449,294 | 1,486,278 | 1,471,535 | 0 | (1,363) | 0 | (1,363) | 0 | 1,470,172 | 0 | 4,429 | 4,429 | 51,904 | XXX |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | |
| 026609-AM-9.. | American Home Products Corp. NC..... | | ..03/15/2011.. | Maturity..... | |500,000 |500,000 |516,475 |500,470 | ..... | .....(470) | ..... | .....(470) | ..... | .....500,000 | ..... | ..... | .....0 |17,375 | ..03/15/2011.. |
| 07325N-CB-6.. | Bayview Financial 2005-D AF4..... | | ..05/02/2011.. | Stifel Nicolaus & Co..... | |200,000 |250,000 |220,000 |226,601 | ..... | .....905 | ..... | .....905 | ..... | .....227,506 | ..... | .....(27,506) |(27,506) |5,882 | ..09/28/2018.. |
| 097014-AD-6.. | Boeing Capital Corp NC..... | | ..03/01/2011.. | Redemption 100.0000..... | |500,000 |500,000 |495,215 |499,890 | ..... | .....110 | ..... | .....110 | ..... | .....500,000 | ..... | ..... | .....0 |15,250 | ..03/01/2011.. |
| 12489W-MB-7.. | CBASS 2005-CB4 AF 5.334% 08/25/35..... | | ..06/27/2011.. | Stifel Nicolaus & Co..... | |298,500 |300,000 |282,469 |292,031 | ..... | .....1,321 | ..... | .....1,321 | ..... | .....293,353 | ..... | .....5,147 |5,147 |9,290 | ..08/25/2014.. |
| 126650-B0-2.. | CVS Corp. PT-NC 6.943% 01/10/30..... | | ..12/10/2011.. | Redemption 100.0000..... | |12,247 |12,247 |12,492 |12,480 | ..... | .....(233) | ..... | .....(233) | ..... | .....12,247 | ..... | ..... | .....0 |465 | ..12/10/2029.. |
| 17306U-BX-5.. | Citifinancial Mortgage Sec 2003-4 AF5..... | | ..09/02/2011.. | Maxwell Simon Inc..... | |230,000 |250,000 |251,500 |251,477 | ..... | .....(32) | ..... | .....(32) | ..... | .....251,445 | ..... | .....(21,445) |(21,445) |10,245 | ..03/25/2031.. |
| 191219-AP-9.. | Coca Cola Enterprises NC..... | | ..08/16/2011.. | Taxable Exchange..... | |141,150 |100,000 |127,046 |122,978 | ..... | .....(964) | ..... | .....(964) | ..... | .....122,015 | ..... | .....19,135 |19,135 |8,925 | ..02/01/2022.. |
| 256853-AA-0.. | Dolphin Energy LTD NC 5.888% 06/15/19..... | | ..12/15/2011.. | Redemption 100.0000..... | |24,000 |24,000 |24,060 |24,053 | ..... | .....(53) | ..... | .....(53) | ..... | .....24,000 | ..... | ..... | .....0 |1,066 | ..06/15/2019.. |
| 26854P-AA-4.. | EJM Airport LLC NC 6.271% 05/15/20..... | | ..11/15/2011.. | Redemption 100.0000..... | |49,958 |49,958 |54,953 |54,719 | ..... | .....(4,761) | ..... | .....(4,761) | ..... | .....49,958 | ..... | ..... | .....0 |2,362 | ..05/15/2020.. |
| 86359D-KS-5.. | Lehman XS Trust 2005-1 3A2B..... | | ..05/19/2011.. | Maxwell Simon Inc..... | |210,093 |235,233 |206,000 |206,000 | ..... | .....0 | ..... | .....0 | ..... | .....206,000 | ..... | .....4,092 |4,092 |5,426 | ..10/25/2014.. |
| 86359D-KS-5.. | Lehman XS Trust 2005-1 3A2B..... | | ..05/01/2011.. | Paydown..... | |49,300 |49,300 |43,173 |43,173 | ..... | .....6,127 | ..... | .....6,127 | ..... | .....49,300 | ..... | ..... | .....0 |5,72 | ..10/25/2014.. |
| 86787G-AD-4.. | Suntrust Bank NC 5.200% 01/17/17..... | | ..12/09/2011.. | Stifel Nicolaus & Co..... | |78,575 |77,000 |79,315 |78,393 | ..... | .....(193) | ..... | .....(193) | ..... | .....78,200 | ..... | .....376 |376 |5,639 | ..01/17/2017.. |
| 976843-BB-7.. | Wisconsin Public Service NC..... | | ..08/01/2011.. | Maturity..... | |500,000 |500,000 |503,385 |500,268 | ..... | .....(268) | ..... | .....(268) | ..... | .....500,000 | ..... | ..... | .....0 |30,625 | ..08/01/2011.. |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 2,793,822 | 2,847,737 | 2,816,084 | 2,812,536 | 0 | 1,488 | 0 | 1,488 | 0 | 2,814,023 | 0 | (20,201) | (20,201) | 113,122 | XXX |
| 8399997 - Bonds - Subtotals - Bonds - Part 4 | | | | | | 12,256,422 | 12,397,031 | 12,403,689 | 12,415,482 | 0 | (27,687) | 0 | (27,687) | 0 | 12,387,795 | 0 | (131,372) | (131,372) | 261,318 | XXX |
| 8399998 - Bonds - Summary Item from Part 5 for Bonds | | | | | | 1,463,685 | 1,463,685 | 1,489,665 | 1,463,685 | 0 | (25,979) | 0 | (25,979) | 0 | 1,463,685 | 0 | 0 | 0 | 14,521 | XXX |
| 8399999 - Bonds - Subtotals - Bonds | | | | | | 13,720,108 | 13,860,716 | 13,893,354 | 12,415,482 | 0 | (53,666) | 0 | (53,666) | 0 | 13,851,480 | 0 | (131,372) | (131,372) | 275,839 | XXX |
| 9999999 Totals | | | | | | 13,720,108 | XXX | 13,893,354 | 12,415,482 | 0 | (53,666) | 0 | (53,666) | 0 | 13,851,480 | 0 | (131,372) | (131,372) | 275,839 | XXX |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year[illegible]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE DA - PART 1

Showing all **SHORT-TERM INVESTMENTS** Owned December 31 of Current Year

[illegible]

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Schedule E - Part 1

NONE

Schedule E - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE E PART 3 - SPECIAL DEPOSITS

| States, etc. | 1 Type of Deposits | 2 Purpose of Deposits | Deposits For the Benefit of All Policyholders | | All Other Special Deposits | |
|---|--------------------------|----------------------------------|--|--------------------|--------------------------------------|--------------------|
| | | | 3 Book/Adjusted Carrying Value | 4 Fair Value | 5 Book/Adjusted Carrying Value | 6 Fair Value |
| 1. Alabama | AL | | | | | |
| 2. Alaska | AK | | | | | |
| 3. Arizona | AZ | | | | | |
| 4. Arkansas | AR | | | | | |
| 5. California | CA | | | | | |
| 6. Colorado | CO | | | | | |
| 7. Connecticut | CT | | | | | |
| 8. Delaware | DE | | | | | |
| 9. District of Columbia | DC | | | | | |
| 10. Florida | FL | | | | | |
| 11. Georgia | GA | | | | | |
| 12. Hawaii | HI | | | | | |
| 13. Idaho | ID | | | | | |
| 14. Illinois | IL | | | | | |
| 15. Indiana | IN | | | | | |
| 16. Iowa | IA | | | | | |
| 17. Kansas | KS | | | | | |
| 18. Kentucky | KY | | | | | |
| 19. Louisiana | LA | | | | | |
| 20. Maine | ME | | | | | |
| 21. Maryland | MD | | | | | |
| 22. Massachusetts | MA | | | | | |
| 23. Michigan | MI | | | | | |
| 24. Minnesota | MN | | | | | |
| 25. Mississippi | MS | | | | | |
| 26. Missouri | MO | | | | | |
| 27. Montana | MT | | | | | |
| 28. Nebraska | NE | | | | | |
| 29. Nevada | NV | | | | | |
| 30. New Hampshire | NH | | | | | |
| 31. New Jersey | NJ | | | | | |
| 32. New Mexico | NM | | | | | |
| 33. New York | NY | | | | | |
| 34. North Carolina | NC | | | | | |
| 35. North Dakota | ND | | | | | |
| 36. Ohio | OH | B Ohio - All Policyholders | 791,319 | 971,230 | | |
| 37. Oklahoma | OK | | | | | |
| 38. Oregon | OR | | | | | |
| 39. Pennsylvania | PA | | | | | |
| 40. Rhode Island | RI | | | | | |
| 41. South Carolina | SC | | | | | |
| 42. South Dakota | SD | | | | | |
| 43. Tennessee | TN | | | | | |
| 44. Texas | TX | | | | | |
| 45. Utah | UT | | | | | |
| 46. Vermont | VT | | | | | |
| 47. Virginia | VA | | | | | |
| 48. Washington | WA | | | | | |
| 49. West Virginia | WV | | | | | |
| 50. Wisconsin | WI | | | | | |
| 51. Wyoming | WY | | | | | |
| 52. American Samoa | AS | | | | | |
| 53. Guam | GU | | | | | |
| 54. Puerto Rico | PR | | | | | |
| 55. US Virgin Islands | VI | | | | | |
| 56. Northern Mariana Islands | MP | | | | | |
| 57. Canada | CN | | | | | |
| 58. Aggregate Other Alien | OT | | | | | |
| 59. Total | XXX XXX | XXX XXX | 791,319 0 | 971,230 0 | 0 0 | 0 0 |
| DETAILS OF WRITE-INS | | | | | | |
| 5801. | | | | | | |
| 5802. | | | | | | |
| 5803. | | | | | | |
| 5898. Sum of remaining write-ins for Line 58 from overflow page | XXX | XXX | 0 | 0 | 0 | 0 |
| 5899. Totals (Lines 5801 - 5803 + 5898) (Line 58 above) | XXX | XXX | 0 | 0 | 0 | 0 |

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