



ANNUAL STATEMENT  
For the Year Ended December 31, 2011  
OF THE CONDITION AND AFFAIRS OF THE  
GRANGE LIFE INSURANCE COMPANY

|                                       |                                 |                  |       |                |                                            |            |                                |            |
|---------------------------------------|---------------------------------|------------------|-------|----------------|--------------------------------------------|------------|--------------------------------|------------|
| NAIC Group Code                       | 00267                           | (Current Period) | 00267 | (Prior Period) | NAIC Company Code                          | 71218      | Employer's ID Number           | 31-0739286 |
| Organized under the Laws of           | Ohio                            |                  |       |                | State of Domicile or Port of Entry         | Ohio       |                                |            |
| Country of Domicile                   | United States                   |                  |       |                |                                            |            |                                |            |
| Incorporated/Organized                | 03/05/1968                      |                  |       |                | Commenced Business                         | 07/01/1968 |                                |            |
| Statutory Home Office                 | 671 South High Street           |                  |       |                | Columbus, OH 43206-1066                    |            |                                |            |
|                                       | (Street and Number)             |                  |       |                | (City or Town, State and Zip Code)         |            |                                |            |
| Main Administrative Office            | 671 South High Street           |                  |       |                | Columbus, OH 43206-1066                    |            | 614-445-2900                   |            |
|                                       | (Street and Number)             |                  |       |                | (City or Town, State and Zip Code)         |            | (Area Code) (Telephone Number) |            |
| Mail Address                          | P.O. Box 1218                   |                  |       |                | Columbus, OH 43216-1212                    |            |                                |            |
|                                       | (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 43206-1066                    |            | 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           | Theresa Marie Mason             |                  |       |                | 614-449-5945                               |            |                                |            |
|                                       | (Name)                          |                  |       |                | (Area Code) (Telephone Number) (Extension) |            |                                |            |
|                                       | masont@grangeinsurance.com      |                  |       |                | 888-637-2861                               |            |                                |            |
|                                       | (E-Mail Address)                |                  |       |                | (FAX Number)                               |            |                                |            |

OFFICERS

| Name                | Title     | Name                           | Title     |
|---------------------|-----------|--------------------------------|-----------|
| Michelle Renee Benz | President | John Paul McCaffrey #          | Treasurer |
| David Trufant Roark | Secretary | Actuarial Management Resources | Actuary   |

OTHER OFFICERS

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |

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 ss  
County of FRANKLIN

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.

|                                                                    |                                  |                                                                                            |
|--------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------|
| Michelle Renee Benz<br>President                                   | John Paul McCaffrey<br>Treasurer | David Trufant Roark<br>Secretary                                                           |
| Subscribed and sworn to before me this<br>24 day of February, 2012 |                                  | a. Is this an original filing? Yes [ X ] No [ ]                                            |
| Sherry Thatcher, Notary Public<br>10/17/2015                       |                                  | b. If no:<br>1. State the amendment number<br>2. Date filed<br>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 .....                                                                                                                      | 2,543,925                 | 0.939      | 2,543,925                                           |                                                 | 2,543,925               | 0.939      |
| 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 .....                                                                                                 | 8,742,925                 | 3.227      | 8,742,925                                           |                                                 | 8,742,925               | 3.227      |
| 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 .....                                                                                      | 6,452,648                 | 2.382      | 6,452,648                                           |                                                 | 6,452,648               | 2.382      |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....                                 | 27,043,347                | 9.981      | 27,043,347                                          |                                                 | 27,043,347              | 9.981      |
| 1.43 Revenue and assessment obligations .....                                                                                                           | 20,144,717                | 7.435      | 20,144,717                                          |                                                 | 20,144,717              | 7.435      |
| 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 .....                                                                                                                | 1,967,092                 | 0.726      | 1,967,092                                           |                                                 | 1,967,092               | 0.726      |
| 1.512 Issued or guaranteed by FNMA and FHLMC .....                                                                                                      | 26,891,391                | 9.925      | 26,891,391                                          |                                                 | 26,891,391              | 9.925      |
| 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 .....                                                                                             | 64,892,240                | 23.951     | 64,892,240                                          |                                                 | 64,892,240              | 23.951     |
| 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 .....                                                                                                                                   | 999,993                   | 0.369      | 999,993                                             |                                                 | 999,993                 | 0.369      |
| 2. Other debt and other fixed income securities (excluding short term):                                                                                 |                           |            |                                                     |                                                 |                         |            |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....                                                         | 79,120,393                | 29.203     | 79,120,393                                          | 10,716,522                                      | 89,836,915              | 33.158     |
| 2.2 Unaffiliated non-U.S. securities (including Canada) .....                                                                                           | 27,272                    | 0.010      | 27,272                                              |                                                 | 27,272                  | 0.010      |
| 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 .....                                                                                                                                   | 781                       | 0.000      | 781                                                 |                                                 | 781                     | 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 .....                                                                                                                                 | 9,511,277                 | 3.511      | 9,511,277                                           |                                                 | 9,511,277               | 3.511      |
| 7. Derivatives .....                                                                                                                                    |                           | 0.000      | 0                                                   |                                                 | 0                       | 0.000      |
| 8. Receivables for securities .....                                                                                                                     | 1,813                     | 0.001      | 1,813                                               |                                                 | 1,813                   | 0.001      |
| 9. Securities Lending (Line 10, Asset Page reinvested collateral) .....                                                                                 | 10,716,522                | 3.955      | 10,716,522                                          | XXX                                             | XXX                     | XXX        |
| 10. Cash, cash equivalents and short-term investments .....                                                                                             | 11,880,393                | 4.385      | 11,880,393                                          |                                                 | 11,880,393              | 4.385      |
| 11. Other invested assets .....                                                                                                                         | 0                         | 0.000      | 0                                                   |                                                 | 0                       | 0.000      |
| 12. Total invested assets                                                                                                                               | 270,936,729               | 100.000    | 270,936,729                                         | 10,716,522                                      | 270,936,729             | 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.....                         |         | 228,501,933 |
| 2.  | Cost of bonds and stocks acquired, Part 3, Column 7.....                             |         | 55,051,663  |
| 3.  | Accrual of discount.....                                                             |         | 313,906     |
| 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.....                               |         | 109,069     |
| 6.  | Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....      |         | 44,261,076  |
| 7.  | Deduct amortization of premium.....                                                  |         | 784,325     |
| 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.....                                                               | 104,446 | 104,446     |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... |         | 238,826,724 |
| 11. | Deduct total nonadmitted amounts.....                                                |         |             |
| 12. | Statement value at end of current period (Line 10 minus Line 11)                     |         | 238,826,724 |

SCHEDULE D - SUMMARY BY COUNTRY

| Long-Term Bonds and Stocks OWNED December 31 of Current Year                                                                                                                    |                            |                                      |                 |                  |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|-----------------|------------------|-------------------------|
| Description                                                                                                                                                                     |                            | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Fair Value | 3<br>Actual Cost | 4<br>Par Value of Bonds |
| BONDS<br>Governments<br>(Including all obligations guaranteed<br>by governments)                                                                                                | 1. United States .....     | 13,253,941                           | 14,362,581      | 13,279,742       | 13,203,433              |
|                                                                                                                                                                                 | 2. Canada .....            |                                      |                 |                  |                         |
|                                                                                                                                                                                 | 3. Other Countries         |                                      |                 |                  |                         |
|                                                                                                                                                                                 | 4. Totals                  | 13,253,941                           | 14,362,581      | 13,279,742       | 13,203,433              |
| U.S. States, Territories and Possessions<br>(Direct and guaranteed)                                                                                                             | 5. Totals                  | 5,481,747                            | 6,155,205       | 5,479,825        | 5,500,000               |
| U.S. Political Subdivisions of States, Territories<br>and Possessions (Direct and guaranteed)                                                                                   | 6. Totals                  | 28,014,250                           | 30,527,372      | 28,033,316       | 27,805,000              |
| U.S. Special revenue and special assessment<br>obligations and all non-guaranteed<br>obligations of agencies and authorities of<br>governments and their political subdivisions | 7. Totals                  | 111,359,522                          | 118,539,599     | 111,506,915      | 109,865,614             |
| Industrial and Miscellaneous and<br>Hybrid Securities (unaffiliated)                                                                                                            | 8. United States .....     | 79,084,525                           | 87,390,051      | 79,673,280       | 77,703,033              |
|                                                                                                                                                                                 | 9. Canada .....            | 1,065,727                            | 1,276,979       | 1,060,678        | 1,077,000               |
|                                                                                                                                                                                 | 10. Other Countries        | 566,231                              | 670,369         | 566,443          | 565,000                 |
|                                                                                                                                                                                 | 11. Totals                 | 80,716,483                           | 89,337,399      | 81,300,400       | 79,345,033              |
| Parent, Subsidiaries and Affiliates                                                                                                                                             | 12. Totals                 | 0                                    | 0               | 0                | 0                       |
|                                                                                                                                                                                 | 13. Total Bonds            | 238,825,943                          | 258,922,155     | 239,600,197      | 235,719,079             |
| PREFERRED STOCKS<br>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<br>Industrial and Miscellaneous (unaffiliated)                                                                                                                    | 20. United States .....    |                                      |                 |                  |                         |
|                                                                                                                                                                                 | 21. Canada .....           |                                      |                 |                  |                         |
|                                                                                                                                                                                 | 22. Other Countries        |                                      |                 |                  |                         |
|                                                                                                                                                                                 | 23. Totals                 | 0                                    | 0               | 0                |                         |
| Parent, Subsidiaries and Affiliates                                                                                                                                             | 24. Totals                 | 781                                  | 781             | 781              |                         |
|                                                                                                                                                                                 | 25. Total Common Stocks    | 781                                  | 781             | 781              |                         |
|                                                                                                                                                                                 | 26. Total Stocks           | 781                                  | 781             | 781              |                         |
|                                                                                                                                                                                 | 27. Total Bonds and Stocks | 238,826,724                          | 258,922,936     | 239,600,978      |                         |

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

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<br>1 Year or Less | 2<br>Over 1 Year Through 5<br>Years | 3<br>Over 5 Years Through<br>10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a<br>% of Line 9.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately Placed<br>(a) |
|-----------------------------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| 1. U.S. Governments                                                               |                     |                                     |                                       |                                        |                    |                         |                                   |                                      |                                  |                                |                                     |
| 1.1 Class 1 .....                                                                 | 2,796,738           | 7,602,376                           | 1,508,367                             | 1,322,979                              | 23,482             | 13,253,941              | 5.5                               | 16,069,014                           | 6.9                              | 13,253,941                     |                                     |
| 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                                                                        | 2,796,738           | 7,602,376                           | 1,508,367                             | 1,322,979                              | 23,482             | 13,253,941              | 5.5                               | 16,069,014                           | 6.9                              | 13,253,941                     | 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 .....                                                                 |                     |                                     | 990,400                               | 4,491,347                              |                    | 5,481,747               | 2.3                               | 5,480,243                            | 2.4                              | 5,481,747                      |                                     |
| 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                   | 0                                   | 990,400                               | 4,491,347                              | 0                  | 5,481,747               | 2.3                               | 5,480,243                            | 2.4                              | 5,481,747                      | 0                                   |
| 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed |                     |                                     |                                       |                                        |                    |                         |                                   |                                      |                                  |                                |                                     |
| 4.1 Class 1 .....                                                                 |                     |                                     | 13,897,151                            | 13,116,789                             | 1,000,310          | 28,014,250              | 11.6                              | 24,977,312                           | 10.8                             | 28,014,250                     |                                     |
| 4.2 Class 2 .....                                                                 |                     |                                     |                                       |                                        |                    | 0                       | 0.0                               | 0                                    | 0.0                              |                                |                                     |
| 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                   | 0                                   | 13,897,151                            | 13,116,789                             | 1,000,310          | 28,014,250              | 11.6                              | 24,977,312                           | 10.8                             | 28,014,250                     | 0                                   |
| 5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed    |                     |                                     |                                       |                                        |                    |                         |                                   |                                      |                                  |                                |                                     |
| 5.1 Class 1 .....                                                                 | 17,002,052          | 42,920,354                          | 33,245,273                            | 15,756,897                             | 2,434,945          | 111,359,522             | 46.2                              | 94,274,175                           | 40.7                             | 111,359,522                    |                                     |
| 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                                                                        | 17,002,052          | 42,920,354                          | 33,245,273                            | 15,756,897                             | 2,434,945          | 111,359,522             | 46.2                              | 94,274,175                           | 40.7                             | 111,359,522                    | 0                                   |

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

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<br>1 Year or Less | 2<br>Over 1 Year Through 5<br>Years | 3<br>Over 5 Years Through<br>10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total Current Year | 7<br>Col. 6 as a<br>% of Line 9.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately Placed<br>(a) |
|------------------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------------------------|--------------------|-------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| 6. Industrial and Miscellaneous (unaffiliated) |                     |                                     |                                       |                                        |                    |                         |                                   |                                      |                                  |                                |                                     |
| 6.1 Class 1 .....                              | 2,161,257           | 16,265,923                          | 10,890,249                            | 12,766,480                             | 9,023,645          | 51,107,554              | 21.2                              | 63,513,618                           | 27.4                             | 40,517,896                     | 10,589,658                          |
| 6.2 Class 2 .....                              | 13,473              | 5,120,016                           | 11,941,364                            | 3,172,116                              | 4,143,392          | 24,390,360              | 10.1                              | 20,932,652                           | 9.0                              | 23,823,029                     | 567,331                             |
| 6.3 Class 3 .....                              |                     | 692,143                             | 2,290,543                             | 77,516                                 | 78,832             | 3,139,035               | 1.3                               | 2,560,338                            | 1.1                              | 2,180,087                      | 958,948                             |
| 6.4 Class 4 .....                              |                     | 711,614                             | 2,281,329                             | 44,927                                 |                    | 3,037,869               | 1.3                               | 2,899,720                            | 1.3                              | 1,712,961                      | 1,324,909                           |
| 6.5 Class 5 .....                              |                     | 32,520                              | 39,728                                |                                        |                    | 72,248                  | 0.0                               | 90,818                               | 0.0                              | 72,248                         |                                     |
| 6.6 Class 6 .....                              |                     |                                     |                                       |                                        |                    | 0                       | 0.0                               | 0                                    | 0.0                              |                                |                                     |
| 6.7 Totals                                     | 2,174,730           | 22,822,216                          | 27,443,213                            | 16,061,039                             | 13,245,869         | 81,747,066              | 33.9                              | 89,997,145                           | 38.8                             | 68,306,221                     | 13,440,845                          |
| 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 .....                              |                     |                                     |                                       | 1,000,000                              |                    | 1,000,000               | 0.4                               | 1,000,000                            | 0.4                              | 1,000,000                      |                                     |
| 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                                     | 1,000,000                              | 0                  | 1,000,000               | 0.4                               | 1,000,000                            | 0.4                              | 1,000,000                      | 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 LIFE INSURANCE COMPANY

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) 21,960,047 | 66,788,653                  | 60,531,440                    | 47,454,491                     | 12,482,382    | 209,217,013        | 86.9                      | XXX                          | XXX                      | 198,627,355           | 10,589,658                 |
| 9.2 Class 2                                          | (d) 13,473     | 5,120,016                   | 11,941,364                    | 3,172,116                      | 4,143,392     | 24,390,360         | 10.1                      | XXX                          | XXX                      | 23,823,029            | 567,331                    |
| 9.3 Class 3                                          | (d) 0          | 692,143                     | 2,290,543                     | 1,077,516                      | 78,832        | 4,139,035          | 1.7                       | XXX                          | XXX                      | 3,180,087             | 958,948                    |
| 9.4 Class 4                                          | (d) 0          | 711,614                     | 2,281,329                     | 44,927                         | 0             | 3,037,869          | 1.3                       | XXX                          | XXX                      | 1,712,961             | 1,324,909                  |
| 9.5 Class 5                                          | (d) 0          | 32,520                      | 39,728                        | 0                              | 0             | 72,248             | 0.0                       | XXX                          | XXX                      | 72,248                | 0                          |
| 9.6 Class 6                                          | (d) 0          | 0                           | 0                             | 0                              | 0             | 0                  | 0.0                       | XXX                          | XXX                      | 0                     | 0                          |
| 9.7 Totals                                           | 21,973,520     | 73,344,946                  | 77,084,404                    | 51,749,050                     | 16,704,606    | 240,856,525        | 100.0                     | XXX                          | XXX                      | 227,415,681           | 13,440,845                 |
| 9.8 Line 9.7 as a % of Col. 6                        | 9.0            | 30.0                        | 32.0                          | 21.0                           | 7.0           | 100.0              | XXX                       | XXX                          | XXX                      | 94.0                  | 6.0                        |
| 10. Total Bonds Prior Year                           |                |                             |                               |                                |               |                    |                           |                              |                          |                       |                            |
| 10.1 Class 1                                         | 24,195,339     | 63,408,940                  | 56,772,725                    | 45,706,381                     | 14,230,977    | XXX                | XXX                       | 204,314,361                  | 88.1                     | 194,302,066           | 10,012,295                 |
| 10.2 Class 2                                         | 12,578         | 5,102,651                   | 10,712,307                    | 2,197,115                      | 2,908,001     | XXX                | XXX                       | 20,932,652                   | 9.0                      | 20,862,488            | 70,164                     |
| 10.3 Class 3                                         | 52,238         | 543,422                     | 1,530,004                     | 1,201,609                      | 233,065       | XXX                | XXX                       | 3,560,338                    | 1.5                      | 3,367,136             | 193,202                    |
| 10.4 Class 4                                         | 62,411         | 824,649                     | 1,916,225                     | 53,291                         | 43,143        | XXX                | XXX                       | 2,899,720                    | 1.3                      | 2,456,493             | 443,227                    |
| 10.5 Class 5                                         | 0              | 90,818                      | 0                             | 0                              | 0             | XXX                | XXX                       | (c) 90,818                   | 0.0                      | 90,818                | 0                          |
| 10.6 Class 6                                         | 0              | 0                           | 0                             | 0                              | 0             | XXX                | XXX                       | (c) 0                        | 0.0                      | 0                     | 0                          |
| 10.7 Totals                                          | 24,322,567     | 69,970,481                  | 70,931,261                    | 49,158,395                     | 17,415,185    | XXX                | XXX                       | (b) 231,797,889              | 100.0                    | 221,079,001           | 10,718,888                 |
| 10.8 Line 10.7 as a % of Col. 8                      | 10.0           | 30.0                        | 31.0                          | 21.0                           | 8.0           | XXX                | XXX                       | 100.0                        | XXX                      | 95.0                  | 0.0                        |
| 11. Total Publicly Traded Bonds                      |                |                             |                               |                                |               |                    |                           |                              |                          |                       |                            |
| 11.1 Class 1                                         | 21,960,047     | 64,267,847                  | 58,007,937                    | 44,201,407                     | 10,190,116    | 198,627,355        | 82.5                      | 194,302,066                  | 83.8                     | 198,627,355           | XXX                        |
| 11.2 Class 2                                         | 13,473         | 5,120,016                   | 11,374,033                    | 3,172,116                      | 4,143,392     | 23,823,029         | 9.9                       | 20,862,488                   | 9.0                      | 23,823,029            | XXX                        |
| 11.3 Class 3                                         |                | 586,698                     | 1,467,089                     | 1,047,468                      | 78,832        | 3,180,087          | 1.3                       | 3,367,136                    | 1.5                      | 3,180,087             | XXX                        |
| 11.4 Class 4                                         |                | 492,875                     | 1,205,086                     | 15,000                         |               | 1,712,961          | 0.7                       | 2,456,493                    | 1.1                      | 1,712,961             | XXX                        |
| 11.5 Class 5                                         |                | 32,520                      | 39,728                        |                                |               | 72,248             | 0.0                       | 90,818                       | 0.0                      | 72,248                | XXX                        |
| 11.6 Class 6                                         |                |                             |                               |                                |               | 0                  | 0.0                       | 0                            | 0.0                      | 0                     | XXX                        |
| 11.7 Totals                                          | 21,973,520     | 70,499,955                  | 72,093,874                    | 48,435,991                     | 14,412,340    | 227,415,681        | 94.4                      | 221,079,001                  | 95.4                     | 227,415,681           | XXX                        |
| 11.8 Line 11.7 as a % of Col. 6                      | 10.0           | 31.0                        | 32.0                          | 21.0                           | 6.0           | 100.0              | XXX                       | XXX                          | XXX                      | 100.0                 | XXX                        |
| 11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9 | 9.0            | 29.0                        | 30.0                          | 20.0                           | 6.0           | 94.0               | XXX                       | XXX                          | XXX                      | 94.0                  | XXX                        |
| 12. Total Privately Placed Bonds                     |                |                             |                               |                                |               |                    |                           |                              |                          |                       |                            |
| 12.1 Class 1                                         |                | 2,520,806                   | 2,523,502                     | 3,253,084                      | 2,292,266     | 10,589,658         | 4.4                       | 10,012,295                   | 4.3                      | XXX                   | 10,589,658                 |
| 12.2 Class 2                                         |                |                             | 567,331                       |                                |               | 567,331            | 0.2                       | 70,164                       | 0.0                      | XXX                   | 567,331                    |
| 12.3 Class 3                                         |                | 105,446                     | 823,454                       | 30,048                         |               | 958,948            | 0.4                       | 193,202                      | 0.1                      | XXX                   | 958,948                    |
| 12.4 Class 4                                         |                | 218,739                     | 1,076,242                     | 29,927                         |               | 1,324,909          | 0.6                       | 443,227                      | 0.2                      | XXX                   | 1,324,909                  |
| 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              | 2,844,991                   | 4,990,529                     | 3,313,059                      | 2,292,266     | 13,440,845         | 5.6                       | 10,718,888                   | 4.6                      | XXX                   | 13,440,845                 |
| 12.8 Line 12.7 as a % of Col. 6                      | 0.0            | 21.0                        | 37.0                          | 25.0                           | 17.0          | 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            | 1.0                         | 2.0                           | 1.0                            | 1.0           | 6.0                | XXX                       | XXX                          | XXX                      | XXX                   | 6.0                        |

(a) Includes \$ 13,440,845 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 \$ 2,030,582 ; NAIC 2 \$ ; NAIC 3 \$ ; NAIC 4 \$ ; NAIC 5 \$ ; NAIC 6 \$ .

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

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<br>Through 5 Years | Over 5 Years<br>Through 10 Years | Over 10 Years<br>Through 20 Years | Over 20 Years | Total Current<br>Year | Col. 6 as a %<br>of Line 9.5 | Total from Col 6<br>Prior Year | % From Col.<br>7 Prior Year | Total Publicly<br>Traded | Total Privately<br>Placed |
| 1. U.S. Governments                                                               |                                                   |                |                                |                                  |                                   |               |                       |                              |                                |                             |                          |                           |
| 1.1                                                                               | Issuer Obligations .....                          | 2,500,369      | 6,787,766                      | 1,000,000                        | 998,715                           |               | 11,286,849            | 4.7                          | 13,796,048                     | 5.5                         | 11,286,849               |                           |
| 1.2                                                                               | Residential Mortgage-Backed Securities .....      | 296,369        | 814,610                        | 508,367                          | 324,264                           | 23,482        | 1,967,092             | 0.8                          | 2,272,966                      | 1.0                         | 1,967,092                |                           |
| 1.3                                                                               | Commercial Mortgage-Backed Securities .....       |                |                                |                                  |                                   |               | 0                     | 0.0                          |                                |                             |                          |                           |
| 1.4                                                                               | Other Loan-Backed and Structured Securities ..... |                |                                |                                  |                                   |               | 0                     | 0.0                          |                                |                             |                          |                           |
| 1.5                                                                               | Totals                                            | 2,796,738      | 7,602,376                      | 1,508,367                        | 1,322,979                         | 23,482        | 13,253,941            | 5.5                          | 16,069,014                     | 6.5                         | 13,253,941               | 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                          | 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 .....                          |                |                                | 990,400                          | 4,491,347                         |               | 5,481,747             | 2.3                          | 5,480,243                      | 2.4                         | 5,481,747                |                           |
| 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              | 0                              | 990,400                          | 4,491,347                         | 0             | 5,481,747             | 2.3                          | 5,480,243                      | 2.4                         | 5,481,747                | 0                         |
| 4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed |                                                   |                |                                |                                  |                                   |               |                       |                              |                                |                             |                          |                           |
| 4.1                                                                               | Issuer Obligations .....                          |                |                                | 13,897,151                       | 13,116,789                        | 1,000,310     | 28,014,250            | 11.6                         | 24,977,312                     | 10.8                        | 28,014,250               |                           |
| 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              | 0                              | 13,897,151                       | 13,116,789                        | 1,000,310     | 28,014,250            | 11.6                         | 24,977,312                     | 10.8                        | 28,014,250               | 0                         |
| 5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed    |                                                   |                |                                |                                  |                                   |               |                       |                              |                                |                             |                          |                           |
| 5.1                                                                               | Issuer Obligations .....                          | 734,012        | 1,810,187                      | 8,467,313                        | 10,525,930                        | 2,407,495     | 23,944,937            | 9.9                          | 22,207,147                     | 10.0                        | 23,944,937               |                           |
| 5.2                                                                               | Residential Mortgage-Backed Securities .....      | 16,268,040     | 41,110,168                     | 24,777,960                       | 5,230,967                         | 27,451        | 87,414,585            | 36.3                         | 72,067,028                     | 31.1                        | 87,414,585               |                           |
| 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                                            | 17,002,052     | 42,920,354                     | 33,245,273                       | 15,756,897                        | 2,434,945     | 111,359,522           | 46.2                         | 94,274,175                     | 40.7                        | 111,359,522              | 0                         |
| 6. Industrial and Miscellaneous                                                   |                                                   |                |                                |                                  |                                   |               |                       |                              |                                |                             |                          |                           |
| 6.1                                                                               | Issuer Obligations .....                          | 2,174,730      | 21,822,223                     | 25,988,484                       | 16,061,039                        | 13,245,869    | 79,292,345            | 32.9                         | 77,277,170                     | 34.0                        | 65,851,500               | 13,440,845                |
| 6.2                                                                               | Residential Mortgage-Backed Securities .....      |                |                                |                                  |                                   |               | 0                     | 0.0                          | 10,174,956                     | 4.4                         |                          |                           |
| 6.3                                                                               | Commercial Mortgage-Backed Securities .....       |                |                                |                                  |                                   |               | 0                     | 0.0                          | 0                              | 0.0                         |                          |                           |
| 6.4                                                                               | Other Loan-Backed and Structured Securities ..... |                | 999,993                        | 1,454,728                        |                                   |               | 2,454,721             | 1.0                          | 2,545,020                      | 1.1                         | 2,454,721                |                           |
| 6.5                                                                               | Totals                                            | 2,174,730      | 22,822,216                     | 27,443,213                       | 16,061,039                        | 13,245,869    | 81,747,066            | 33.9                         | 89,997,146                     | 38.8                        | 68,306,221               | 13,440,845                |
| 7. Hybrid Securities                                                              |                                                   |                |                                |                                  |                                   |               |                       |                              |                                |                             |                          |                           |
| 7.1                                                                               | Issuer Obligations .....                          |                |                                |                                  | 1,000,000                         |               | 1,000,000             | 0.4                          | 1,000,000                      | 0.4                         | 1,000,000                |                           |
| 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                                | 1,000,000                         | 0             | 1,000,000             | 0.4                          | 1,000,000                      | 0.4                         | 1,000,000                | 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 LIFE INSURANCE COMPANY

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<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>Total<br>Current Year | 7<br>Col. 6 as a %<br>of Line 9.5 | 8<br>Total From Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed |
| 9. Total Bonds Current Year                                                                                                |                     |                                     |                                       |                                        |                    |                            |                                   |                                      |                                  |                                |                                 |
| 9.1 Issuer Obligations                                                                                                     | 5,409,111           | 30,420,175                          | 50,343,348                            | 46,193,819                             | 16,653,674         | 149,020,127                | 61.9                              | XXX                                  | XXX                              | 135,579,282                    | 13,440,845                      |
| 9.2 Residential Mortgage-Backed Securities                                                                                 | 16,564,409          | 41,924,778                          | 25,286,327                            | 5,555,231                              | 50,932             | 89,381,677                 | 37.1                              | XXX                                  | XXX                              | 89,381,677                     | 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                   | 999,993                             | 1,454,728                             | 0                                      | 0                  | 2,454,721                  | 1.0                               | XXX                                  | XXX                              | 2,454,721                      | 0                               |
| 9.5 Totals                                                                                                                 | 21,973,520          | 73,344,946                          | 77,084,404                            | 51,749,050                             | 16,704,606         | 240,856,525                | 100.0                             | XXX                                  | XXX                              | 227,415,681                    | 13,440,845                      |
| 9.6 Lines 9.5 as a % Col. 6                                                                                                | 9.0                 | 30.0                                | 32.0                                  | 21.0                                   | 7.0                | 100.0                      | XXX                               | XXX                                  | XXX                              | 94.0                           | 6.0                             |
| 10. Total Bonds Prior Year                                                                                                 |                     |                                     |                                       |                                        |                    |                            |                                   |                                      |                                  |                                |                                 |
| 10.1 Issuer Obligations                                                                                                    | 9,184,212           | 24,814,008                          | 51,271,119                            | 42,613,947                             | 16,854,633         | XXX                        | XXX                               | 144,737,920                          | 63.1                             | 134,019,032                    | 10,718,888                      |
| 10.2 Residential Mortgage-Backed Securities                                                                                | 15,138,354          | 44,156,480                          | 18,115,115                            | 6,544,448                              | 560,552            | XXX                        | XXX                               | 84,514,949                           | 36.5                             | 84,514,949                     | 0                               |
| 10.3 Commercial Mortgage-Backed Securities                                                                                 |                     |                                     |                                       |                                        |                    | XXX                        | XXX                               | 0                                    | 0.0                              | 0                              | 0                               |
| 10.4 Other Loan-Backed and Structured Securities                                                                           |                     | 999,992                             | 1,545,027                             |                                        |                    | XXX                        | XXX                               | 2,545,020                            | 1.1                              | 2,545,020                      | 0                               |
| 10.5 Totals                                                                                                                | 24,322,567          | 69,970,481                          | 70,931,261                            | 49,158,395                             | 17,415,185         | XXX                        | XXX                               | 231,797,889                          | 100.0                            | 221,079,001                    | 10,718,888                      |
| 10.6 Line 10.5 as a % Col. 8                                                                                               | 10.0                | 30.0                                | 31.0                                  | 21.0                                   | 8.0                | XXX                        | XXX                               | 100.0                                | XXX                              | 95.0                           | 5.0                             |
| 11. Total Publicly Traded Bonds                                                                                            |                     |                                     |                                       |                                        |                    |                            |                                   |                                      |                                  |                                |                                 |
| 11.1 Issuer Obligations                                                                                                    | 5,409,111           | 27,575,185                          | 45,352,819                            | 42,880,760                             | 14,361,408         | 135,579,282                | 56.3                              | 134,019,032                          | 57.8                             | 135,579,282                    | XXX                             |
| 11.2 Residential Mortgage-Backed Securities                                                                                | 16,564,409          | 41,924,778                          | 25,286,327                            | 5,555,231                              | 50,932             | 89,381,677                 | 37.1                              | 84,514,949                           | 36.5                             | 89,381,677                     | XXX                             |
| 11.3 Commercial Mortgage-Backed Securities                                                                                 |                     |                                     |                                       |                                        |                    | 0                          | 0.0                               | 0                                    | 0.0                              | 0                              | XXX                             |
| 11.4 Other Loan-Backed and Structured Securities                                                                           |                     | 999,993                             | 1,454,728                             |                                        |                    | 2,454,721                  | 1.0                               | 2,545,020                            | 1.1                              | 2,454,721                      | XXX                             |
| 11.5 Totals                                                                                                                | 21,973,520          | 70,499,955                          | 72,093,874                            | 48,435,991                             | 14,412,340         | 227,415,681                | 94.4                              | 221,079,001                          | 95.4                             | 227,415,681                    | XXX                             |
| 11.6 Line 11.5 as a % of Col. 6                                                                                            | 10.0                | 31.0                                | 32.0                                  | 21.0                                   | 6.0                | 100.0                      | XXX                               | XXX                                  | XXX                              | 100.0                          | XXX                             |
| 11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9                                                                       | 9.0                 | 29.0                                | 30.0                                  | 20.0                                   | 6.0                | 94.0                       | XXX                               | XXX                                  | XXX                              | 94.0                           | XXX                             |
| 12. Total Privately Placed Bonds                                                                                           |                     |                                     |                                       |                                        |                    |                            |                                   |                                      |                                  |                                |                                 |
| 12.1 Issuer Obligations                                                                                                    |                     | 2,844,991                           | 4,990,529                             | 3,313,059                              | 2,292,266          | 13,440,845                 | 5.6                               | 10,718,888                           | 4.6                              | XXX                            | 13,440,845                      |
| 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                                    | 0.0                              | XXX                            | 0                               |
| 12.5 Totals                                                                                                                | 0                   | 2,844,991                           | 4,990,529                             | 3,313,059                              | 2,292,266          | 13,440,845                 | 5.6                               | 10,718,888                           | 4.6                              | XXX                            | 13,440,845                      |
| 12.6 Line 12.5 as a % of Col. 6                                                                                            | 0.0                 | 21.0                                | 37.0                                  | 25.0                                   | 17.0               | 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                 | 1.0                                 | 2.0                                   | 1.0                                    | 1.0                | 6.0                        | XXX                               | XXX                                  | XXX                              | XXX                            | 6.0                             |

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 .....                          | 3,296,736  | 3,296,736  | 0              | 0                                     | 0                                                  |
| 2. Cost of short-term investments acquired .....                                          | 9,748,672  | 9,748,672  |                |                                       |                                                    |
| 3. Accrual of discount .....                                                              | 0          |            |                |                                       |                                                    |
| 4. Unrealized valuation increase (decrease) .....                                         | 0          |            |                |                                       |                                                    |
| 5. Total gain (loss) on disposals .....                                                   | 0          |            |                |                                       |                                                    |
| 6. Deduct consideration received on disposals .....                                       | 11,014,825 | 11,014,825 |                |                                       |                                                    |
| 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) ..... | 2,030,582  | 2,030,582  | 0              | 0                                     | 0                                                  |
| 11. Deduct total nonadmitted amounts .....                                                | 0          |            |                |                                       |                                                    |
| 12. Statement value at end of current period (Line 10 minus Line 11)                      | 2,030,582  | 2,030,582  | 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 LIFE INSURANCE COMPANY

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<br>F<br>o<br>r<br>e<br>i<br>g<br>n | 5            |                     |                | 8                                       | 9             |              |                                        | 12                                                 | 13                                             | 14<br>Current<br>Year's<br>Other<br>Than<br>Temporary<br>Impairment<br>Recognized | 15<br>Total<br>Foreign<br>Exchange<br>Change<br>In<br>B./A.C.V. | 16         | 17<br>Effective<br>Rate<br>of | 18<br>When<br>Paid | 19<br>Admitted<br>Amount<br>Due &<br>Accrued | 20<br>Amount<br>Rec.<br>During<br>Year | 21<br>Acquired | 22<br>Maturity |
| CUSIP<br>Identification                                                                                                                                                 | Description                          | Code  |                                      | Bond<br>CHAR | NAIC<br>Designation | Actual<br>Cost | Rate Used<br>to Obtain<br>Fair<br>Value | Fair<br>Value | Par<br>Value | Book/<br>Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current Year's<br>(Amortization)/<br>Accretion |                                                                                   |                                                                 | Rate<br>of |                               |                    |                                              |                                        |                |                |
| Bonds - U.S. Governments - Issuer Obligations                                                                                                                           |                                      |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                               |                    |                                              |                                        |                |                |
| 31359M-L8-4                                                                                                                                                             | FNMA Call                            |       |                                      |              | 1                   | 2,062,550      | 116.1160                                | 2,322,320     | 2,000,000    | 2,037,356                              |                                                    | (7,511)                                        |                                                                                   |                                                                 | 6.000      | 5.506                         | A0                 | 24,333                                       | 120,000                                | 05/22/2008     | 04/18/2016     |
| 3136F3-5P-7                                                                                                                                                             | FNMA 15NC10 1X - Call                |       |                                      | 1            | 1                   | 2,211,703      | 107.1560                                | 2,362,790     | 2,205,000    | 2,206,485                              |                                                    | (869)                                          |                                                                                   |                                                                 | 5.240      | 5.196                         | FA                 | 46,217                                       | 115,542                                | 10/06/2004     | 08/07/2013     |
| 3136FR-M7-5                                                                                                                                                             | FNMA Call                            |       |                                      | 1            | 1                   | 1,000,000      | 100.0720                                | 1,000,720     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                                   |                                                                 | 2.000      | 2.000                         | FA                 | 7,056                                        |                                        | 08/08/2011     | 08/24/2026     |
| 31398A-AT-9                                                                                                                                                             | FNMA 30NC5 1X - Call                 |       |                                      | 1            | 1                   | 1,504,950      | 101.5270                                | 1,522,905     | 1,500,000    | 1,500,369                              |                                                    | (1,087)                                        |                                                                                   |                                                                 | 6.000      | 5.923                         | A0                 | 15,250                                       | 90,000                                 | 04/25/2007     | 04/30/2012     |
| 31398A-JC-7                                                                                                                                                             | FNMA Call                            |       |                                      | 1            | 1                   | 1,000,000      | 117.0000                                | 1,170,000     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                                   |                                                                 | 5.800      | 5.800                         | A0                 | 10,956                                       | 58,000                                 | 07/23/2009     | 10/23/2037     |
| 31398A-QY-1                                                                                                                                                             | FNMA Call                            |       |                                      | 1            | 1                   | 998,500        | 110.4730                                | 1,104,730     | 1,000,000    | 998,715                                |                                                    | 46                                             |                                                                                   |                                                                 | 5.380      | 5.392                         | MN                 | 7,173                                        | 53,800                                 | 02/09/2009     | 11/13/2028     |
| 912828-BA-7                                                                                                                                                             | United States Treasury Note<br>OH/GA | SD    |                                      |              | 1                   | 1,115,813      | 104.6410                                | 1,151,051     | 1,100,000    | 1,102,529                              |                                                    | (1,771)                                        |                                                                                   |                                                                 | 3.625      | 3.452                         | MN                 | 5,149                                        | 39,875                                 | 06/26/2003     | 05/15/2013     |
| 912828-CA-6                                                                                                                                                             | United States Treasury Note -<br>OH  | SD    |                                      |              | 1                   | 1,169,406      | 107.8750                                | 1,294,500     | 1,200,000    | 1,192,288                              |                                                    | 3,400                                          |                                                                                   |                                                                 | 4.000      | 4.320                         | FA                 | 18,130                                       | 48,000                                 | 04/15/2004     | 02/15/2014     |
| 912828-EE-6                                                                                                                                                             | United States Treasury Note -<br>VA  | SD    |                                      |              | 1                   | 247,852        | 113.3200                                | 283,300       | 250,000      | 249,108                                |                                                    | 223                                            |                                                                                   |                                                                 | 4.250      | 4.358                         | FA                 | 4,013                                        | 10,625                                 | 10/06/2005     | 08/15/2015     |
| 0199999 - Bonds - U.S. Governments - Issuer Obligations                                                                                                                 |                                      |       |                                      |              |                     | 11,310,774     | XXX                                     | 12,212,316    | 11,255,000   | 11,286,849                             | 0                                                  | (7,569)                                        | 0                                                                                 | 0                                                               | XXX        | XXX                           | XXX                | 138,277                                      | 535,842                                | XXX            | XXX            |
| Bonds - U.S. Governments - Residential Mortgage-Backed Securities                                                                                                       |                                      |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                               |                    |                                              |                                        |                |                |
| 36202D-5P-2                                                                                                                                                             | GNMA II 3554                         |       |                                      | 2            | 1                   | 1,566,298      | 109.7620                                | 1,706,410     | 1,554,639    | 1,565,969                              |                                                    | (256)                                          |                                                                                   |                                                                 | 4.500      | 4.340                         | MON                | 5,830                                        | 69,959                                 | 07/28/2009     | 05/20/2034     |
| 36204D-5J-4                                                                                                                                                             | GNMA Pool 367249                     |       |                                      | 2            | 1                   | 189,315        | 114.2470                                | 206,602       | 180,839      | 187,831                                |                                                    | 793                                            |                                                                                   |                                                                 | 6.500      | 5.116                         | MON                | 980                                          | 11,754                                 | 10/16/2002     | 12/15/2023     |
| 36205G-AD-3                                                                                                                                                             | GNMA Pool 389804                     |       |                                      | 2            | 1                   | 213,355        | 111.4090                                | 237,252       | 212,956      | 213,292                                |                                                    | (11)                                           |                                                                                   |                                                                 | 5.000      | 4.960                         | MON                | 887                                          | 10,648                                 | 01/27/2003     | 01/15/2033     |
| 0299999 - Bonds - U.S. Governments - Residential Mortgage-Backed<br>Securities                                                                                          |                                      |       |                                      |              |                     | 1,968,969      | XXX                                     | 2,150,265     | 1,948,433    | 1,967,092                              | 0                                                  | 526                                            | 0                                                                                 | 0                                                               | XXX        | XXX                           | XXX                | 7,697                                        | 92,361                                 | XXX            | XXX            |
| 0599999 - Bonds - U.S. Governments - Subtotals - U.S. Governments                                                                                                       |                                      |       |                                      |              |                     | 13,279,742     | XXX                                     | 14,362,581    | 13,203,433   | 13,253,941                             | 0                                                  | (7,043)                                        | 0                                                                                 | 0                                                               | XXX        | XXX                           | XXX                | 145,974                                      | 628,203                                | XXX            | XXX            |
| Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations                                                                           |                                      |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                               |                    |                                              |                                        |                |                |
| 207726-4Z-8                                                                                                                                                             | Connecticut State BAB NC             |       |                                      | 2            | 1FE                 | 1,015,730      | 117.1390                                | 1,171,390     | 1,000,000    | 1,014,861                              |                                                    | (477)                                          |                                                                                   |                                                                 | 5.632      | 5.501                         | JD                 | 4,693                                        | 56,320                                 | 01/28/2010     | 12/01/2029     |
| 419791-YS-1                                                                                                                                                             | Hawaii State BAB NC                  |       |                                      |              | 1FE                 | 502,355        | 114.1890                                | 570,945       | 500,000      | 502,137                                |                                                    | (112)                                          |                                                                                   |                                                                 | 5.230      | 5.185                         | FA                 | 10,896                                       | 26,150                                 | 02/11/2010     | 02/01/2025     |
| 574192-5E-6                                                                                                                                                             | Maryland State BAB GO                |       |                                      |              | 1FE                 | 999,980        | 113.9860                                | 1,139,860     | 1,000,000    | 999,980                                |                                                    |                                                |                                                                                   |                                                                 | 4.500      | 4.500                         | MS                 | 15,000                                       | 45,000                                 | 03/03/2010     | 03/01/2024     |
| 57582P-WK-2                                                                                                                                                             | Massachusetts State BAB              |       |                                      | 2            | 1FE                 | 989,590        | 111.0440                                | 1,110,440     | 1,000,000    | 990,400                                |                                                    | 777                                            |                                                                                   |                                                                 | 4.200      | 4.320                         | JD                 | 3,500                                        | 42,000                                 | 12/14/2010     | 12/01/2021     |
| 70914P-MZ-2                                                                                                                                                             | Pennsylvania State BAB-Call          |       |                                      | 1            | 1FE                 | 972,920        | 106.6780                                | 1,066,780     | 1,000,000    | 974,897                                |                                                    | 1,291                                          |                                                                                   |                                                                 | 4.800      | 5.061                         | MN                 | 8,000                                        | 48,000                                 | 06/03/2010     | 05/01/2025     |
| 97705L-WN-3                                                                                                                                                             | Wisconsin State BAB-Call             |       |                                      | 1            | 1FE                 | 999,250        | 109.5790                                | 1,095,790     | 1,000,000    | 999,472                                |                                                    | 24                                             |                                                                                   |                                                                 | 5.200      | 5.205                         | MN                 | 8,667                                        | 52,000                                 | 09/16/2009     | 05/01/2026     |
| 1199999 - Bonds - U.S. States, Territories and Possessions (Direct and<br>Guaranteed) - Issuer Obligations                                                              |                                      |       |                                      |              |                     | 5,479,825      | XXX                                     | 6,155,205     | 5,500,000    | 5,481,747                              | 0                                                  | 1,504                                          | 0                                                                                 | 0                                                               | XXX        | XXX                           | XXX                | 50,756                                       | 269,470                                | XXX            | XXX            |
| 1799999 - Bonds - U.S. States, Territories and Possessions (Direct and<br>Guaranteed) - Subtotals - U.S. States, Territories and<br>Possessions (Direct and Guaranteed) |                                      |       |                                      |              |                     | 5,479,825      | XXX                                     | 6,155,205     | 5,500,000    | 5,481,747                              | 0                                                  | 1,504                                          | 0                                                                                 | 0                                                               | XXX        | XXX                           | XXX                | 50,756                                       | 269,470                                | XXX            | XXX            |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations                                                 |                                      |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                               |                    |                                              |                                        |                |                |
| 033161-ZN-3                                                                                                                                                             | Anchorage, AL BAB Call               |       |                                      | 1            | 1FE                 | 1,016,090      | 110.5240                                | 1,105,240     | 1,000,000    | 1,013,848                              |                                                    | (1,315)                                        |                                                                                   |                                                                 | 5.368      | 5.160                         | A0                 | 13,420                                       | 82,458                                 | 03/23/2010     | 04/01/2020     |
| Anne Arundel Cnty, Md BAB                                                                                                                                               |                                      |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                               |                    |                                              |                                        |                |                |
| 03588E-4Q-3                                                                                                                                                             | Call                                 |       |                                      | 1            | 1FE                 | 1,024,970      | 112.2410                                | 1,122,410     | 1,000,000    | 1,022,435                              |                                                    | (2,167)                                        |                                                                                   |                                                                 | 5.350      | 5.012                         | A0                 | 13,375                                       | 53,500                                 | 10/28/2010     | 04/01/2020     |
| 074347-VA-0                                                                                                                                                             | Beaufort County, SC BAB-Call         |       |                                      | 1            | 1FE                 | 940,630        | 109.9330                                | 1,022,377     | 930,000      | 939,081                                |                                                    | (863)                                          |                                                                                   |                                                                 | 5.550      | 5.401                         | MS                 | 17,205                                       | 51,615                                 | 02/26/2010     | 03/01/2020     |
| 172720-FX-7                                                                                                                                                             | Circleville, OH CSD BAB-Tax          |       |                                      | 1            | 1FE                 | 512,085        | 110.0110                                | 550,055       | 500,000      | 510,859                                |                                                    | (891)                                          |                                                                                   |                                                                 | 6.050      | 5.719                         | MN                 | 5,042                                        | 35,712                                 | 08/20/2010     | 05/01/2020     |
| 180848-DV-2                                                                                                                                                             | Clark Cnty, NV BAB-Call              |       |                                      | 1            | 1FE                 | 999,420        | 111.7390                                | 1,117,390     | 1,000,000    | 999,423                                |                                                    | 3                                              |                                                                                   |                                                                 | 6.260      | 6.267                         | MN                 | 10,433                                       | 62,600                                 | 06/25/2009     | 11/01/2023     |
| 213633-GD-6                                                                                                                                                             | Cook Cnty, IL BAB-Call               |       |                                      | 1            | 1FE                 | 1,008,540      | 106.8660                                | 1,068,660     | 1,000,000    | 1,007,201                              |                                                    | (716)                                          |                                                                                   |                                                                 | 5.391      | 5.279                         | JD                 | 4,493                                        | 53,910                                 | 10/21/2009     | 12/01/2019     |
| 236091-F3-3                                                                                                                                                             | Dane Cnty, WI BAB Call               |       |                                      | 1            | 1FE                 | 713,928        | 107.1030                                | 765,786       | 715,000      | 714,139                                |                                                    | 49                                             |                                                                                   |                                                                 | 5.050      | 5.063                         | JD                 | 3,009                                        | 36,108                                 | 09/22/2009     | 06/01/2024     |
| 263713-WV-7                                                                                                                                                             | Dublin, OH BAB Call                  |       |                                      | 1            | 1FE                 | 1,000,000      | 109.5220                                | 1,095,220     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                                   |                                                                 | 5.200      | 5.200                         | JD                 | 4,333                                        | 52,000                                 | 10/29/2009     | 12/01/2024     |
| 266778-EJ-4                                                                                                                                                             | Durham, NC BAB                       |       |                                      | 1            | 1FE                 | 495,750        | 106.7850                                | 533,925       | 500,000      | 495,892                                |                                                    | 123                                            |                                                                                   |                                                                 | 4.945      | 5.013                         | A0                 | 6,181                                        | 23,420                                 | 10/19/2010     | 10/01/2030     |
| 304639-WY-0                                                                                                                                                             | Fairfield, OH BAB-Call               |       |                                      | 1            | 1FE                 | 750,000        | 109.7230                                | 822,923       | 750,000      | 750,000                                |                                                    |                                                |                                                                                   |                                                                 | 5.540      | 5.540                         | JD                 | 3,463                                        | 41,550                                 | 06/16/2010     | 12/01/2026     |
| 360046-09-0                                                                                                                                                             | Fulton Cnty, GA BAB                  |       |                                      | 2            | 1FE                 | 1,000,310      | 108.4000                                | 1,084,000     | 1,000,000    | 1,000,310                              |                                                    | 87                                             |                                                                                   |                                                                 | 5.148      | 5.144                         | JJ                 | 25,740                                       | 38,896                                 | 09/17/2010     | 07/01/2039     |
| 407594-FP-0                                                                                                                                                             | Hamilton, Michigan BAB Call          |       |                                      | 1            | 1FE                 | 250,000        | 109.2920                                | 273,230       | 250,000      | 250,000                                |                                                    |                                                |                                                                                   |                                                                 | 6.000      | 6.000                         | MN                 | 2,500                                        | 15,000                                 | 01/18/2010     | 05/01/2026     |
| 412486-5B-4                                                                                                                                                             | Harford Cnty, MD BAB-Call            |       |                                      | 1            | 1FE                 | 1,021,370      | 113.3720                                | 1,133,720     | 1,000,000    | 1,018,775                              |                                                    | (1,726)                                        |                                                                                   |                                                                 | 5.375      | 5.100                         | JJ                 | 26,875                                       | 55,990                                 | 06/02/2010     | 07/01/2020     |
| 497476-WY-3                                                                                                                                                             | Kirkland, WA BAB                     |       |                                      | 1            | 1FE                 | 1,156,263      | 109.6550                                | 1,277,481     | 1,165,000    | 1,156,564                              |                                                    | 294                                            |                                                                                   |                                                                 | 5.250      | 5.318                         | JD                 | 5,097                                        | 57,765                                 | 12/08/2010     | 12/01/2027     |
| 548253-V2-6                                                                                                                                                             | Lower Merion Twp, PA BAB             |       |                                      | 1            | 1FE                 | 505,835        | 110.9090                                | 554,545       | 500,000      | 505,557                                |                                                    | (278)                                          |                                                                                   |                                                                 | 5.450      | 5.294                         | JJ                 | 12,565                                       | 13,625                                 | 04/20/2011     | 01/15/2021     |
| 562333-FV-1                                                                                                                                                             | Manchester, NH BAB                   |       |                                      | 1            | 1FE                 | 499,500        | 111.1120                                | 555,560       | 500,000      | 499,534                                |                                                    | 34                                             |                                                                                   |                                                                 | 5.150      | 5.159                         | JJ                 | 12,875                                       | 13,948                                 | 12/02/2010     | 07/01/2027     |
| 587609-CT-7                                                                                                                                                             | Mariemont, OH CSD BAB-Call           |       |                                      | 1            | 1FE                 | 506,410        | 106.9670                                | 529,487       | 495,000      | 506,150                                |                                                    | (144)                                          |                                                                                   |                                                                 | 5.900      | 5.704                         | JD                 | 2,434                                        | 36,912                                 | 08/19/2010     | 12/01/2030     |
| 591852-NH-7                                                                                                                                                             | Metro Council, MN BAB Call           |       |                                      | 1            | 1FE                 | 300,000        | 109.9890                                | 329,967       | 300,000      | 300,000                                |                                                    |                                                |                                                                                   |                                                                 | 5.200      | 5.200                         | FA                 | 6,500                                        | 15,600                                 | 02/10/2010     | 02/01/2026     |
| 591852-QH-4                                                                                                                                                             | Metro Council, MN BAB                |       |                                      | 1            | 1FE                 | 970,000        | 107.6890                                | 1,076,890     | 1,000,000    | 970,901                                |                                                    | 901                                            |                                                                                   |                                                                 | 5.200      | 5.447                         | FA                 | 21,667                                       | 31,633                                 | 02/16/2011     | 02/01/2031     |
| 609558-7C-9                                                                                                                                                             | Monmouth Cnty, NJ BAB                |       |                                      |              | 1FE                 | 500,000        | 108.5120                                | 542,560       | 500,000      | 500,000                                |                                                    |                                                |                                                                                   |                                                                 | 4.200      | 4.200                         | JD                 | 1,750                                        | 20,125                                 | 12/02/2010     | 12/01/2020     |
| 64966H-TY-6                                                                                                                                                             | New York, NY BAB-NC                  |       |                                      | 2            | 1FE                 | 994,760        | 113.7840                                | 1,137,840     | 1,000,000    | 995,231                                |                                                    | 249                                            |                                                                                   |                                                                 | 5.399      | 5.451                         | JD                 | 4,499                                        | 53,990                                 | 12/16/2009     | 12/01/2024     |
| 64966H-YL-8                                                                                                                                                             | New York, NY BAB-NC                  |       |                                      |              | 1FE                 | 504,865        | 117.0820                                | 585,410       | 500,000      | 504,549                                |                                                    | (167)                                          |                                                                                   |                                                                 | 5.798      | 5.711                         | MS                 | 9,663                                        | 28,990                                 | 03/23/2010     | 03/01/2028     |

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

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<br>F<br>o<br>r<br>e<br>i<br>g<br>n | 5            |                     |                | 8                                       | 9             |              |                                        | 12                                                 | 13                                             | 14                                                                          | 15                                                        | 16         | 17                      | 18           | 19                                     | 20                               | 21         | 22         |
| CUSIP<br>Identification                                                                                                                                                                                               | Description                                | Code  |                                      | Bond<br>CHAR | NAIC<br>Designation | Actual<br>Cost | Rate Used<br>to Obtain<br>Fair<br>Value | Fair<br>Value | Par<br>Value | Book/<br>Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current Year's<br>(Amortization)/<br>Accretion | Current<br>Year's<br>Other<br>Than<br>Temporary<br>Impairment<br>Recognized | Total<br>Foreign<br>Exchange<br>Change<br>In<br>B./A.C.V. | Rate<br>of | Effective<br>Rate<br>of | When<br>Paid | Admitted<br>Amount<br>Due &<br>Accrued | Amount<br>Rec.<br>During<br>Year | Acquired   | Maturity   |
| 668180-DK-5.                                                                                                                                                                                                          | Northwestern OH LSD BAB                    |       |                                      | 1.           | 1FE                 | 1,023,450      | 112.1310                                | 1,121,310     | 1,000,000    | 1,021,716                              |                                                    | (1,667)                                        |                                                                             |                                                           | 6.875      | 6.550                   | JD           | 5,729                                  | 70,278                           | 12/13/2010 | 12/01/2020 |
| 725277-CD-7.                                                                                                                                                                                                          | Pittsburgh, PA BAB Sch Dist -<br>Call      |       |                                      | 1.           | 1FE                 | 1,005,000      | 105.4580                                | 1,054,580     | 1,000,000    | 1,004,064                              |                                                    | (422)                                          |                                                                             |                                                           | 5.202      | 5.137                   | MS           | 17,340                                 | 52,020                           | 10/06/2009 | 09/01/2019 |
| 741701-YH-3.                                                                                                                                                                                                          | Prince Georges Cnty, MD BAB<br>Call        |       |                                      | 1.           | 1FE                 | 953,890        | 104.9730                                | 1,049,730     | 1,000,000    | 956,962                                |                                                    | 1,425                                          |                                                                             |                                                           | 5.000      | 5.380                   | MS           | 14,722                                 | 50,000                           | 10/26/2009 | 09/15/2029 |
| 796269-UD-8.                                                                                                                                                                                                          | San Antonio, TX ISD BAB                    |       |                                      | 1.           | 1FE                 | 1,579,601      | 115.5170                                | 1,674,997     | 1,450,000    | 1,577,703                              |                                                    | (1,898)                                        |                                                                             |                                                           | 6.097      | 5.366                   | FA           | 33,398                                 | 55,500                           | 05/24/2011 | 08/15/2031 |
| 852634-BS-2.                                                                                                                                                                                                          | Stamford, CT BAB-Call                      |       |                                      | 1.           | 1FE                 | 1,018,410      | 107.2510                                | 1,072,510     | 1,000,000    | 1,014,986                              |                                                    | (1,589)                                        |                                                                             |                                                           | 5.250      | 5.010                   | FA           | 21,875                                 | 52,500                           | 09/22/2009 | 08/01/2019 |
| 879709-N6-6.                                                                                                                                                                                                          | Tempe, AZ BAB-Call                         |       |                                      | 1.           | 1FE                 | 1,027,920      | 109.1760                                | 1,091,760     | 1,000,000    | 1,024,656                              |                                                    | (2,238)                                        |                                                                             |                                                           | 5.719      | 5.354                   | JJ           | 28,595                                 | 60,844                           | 06/22/2010 | 07/01/2020 |
| 930353-HK-6.                                                                                                                                                                                                          | Wadsworth, OH CSD BAB-Call                 |       |                                      | 1.           | 1FE                 | 750,000        | 108.7080                                | 815,310       | 750,000      | 750,000                                |                                                    |                                                |                                                                             |                                                           | 5.410      | 5.410                   | JD           | 3,381                                  | 40,575                           | 08/26/2009 | 12/01/2021 |
| 930353-JD-0.                                                                                                                                                                                                          | Wadsworth, OH CSD BAB                      |       |                                      | 1.           | 1FE                 | 1,000,000      | 106.4160                                | 1,064,160     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                             |                                                           | 5.060      | 5.060                   | JD           | 4,217                                  | 50,600                           | 09/16/2010 | 12/01/2025 |
| 930863-S3-0.                                                                                                                                                                                                          | Wake County, NC BAB-Call                   |       |                                      | 1.           | 1FE                 | 992,030        | 108.7950                                | 1,087,950     | 1,000,000    | 992,479                                |                                                    | 260                                            |                                                                             |                                                           | 5.300      | 5.367                   | AO           | 13,250                                 | 53,000                           | 03/24/2010 | 04/01/2029 |
| 940157-RF-9.                                                                                                                                                                                                          | Washington, MD BAB Subn San<br>Dist, Call  |       |                                      | 1.           | 1FE                 | 997,040        | 111.3330                                | 1,113,330     | 1,000,000    | 997,260                                |                                                    | 115                                            |                                                                             |                                                           | 5.000      | 5.026                   | JD           | 4,167                                  | 50,000                           | 10/15/2009 | 06/01/2027 |
| 960470-JD-5.                                                                                                                                                                                                          | Westlake, OH CSD BAB-Call                  |       |                                      | 1.           | 1FE                 | 1,015,250      | 109.7060                                | 1,097,060     | 1,000,000    | 1,013,973                              |                                                    | (840)                                          |                                                                             |                                                           | 5.728      | 5.527                   | JD           | 4,773                                  | 72,714                           | 08/12/2010 | 12/01/2020 |
| 1899999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations                                                                                     |                                            |       |                                      |              |                     | 28,033,316     | XXX                                     | 30,527,372    | 27,805,000   | 28,014,250                             | 0                                                  | (13,384)                                       | 0                                                                           | 0                                                         | XXX        | XXX                     | XXX          | 364,566                                | 1,483,376                        | 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) |                                            |       |                                      |              |                     | 28,033,316     | XXX                                     | 30,527,372    | 27,805,000   | 28,014,250                             | 0                                                  | (13,384)                                       | 0                                                                           | 0                                                         | XXX        | XXX                     | XXX          | 364,566                                | 1,483,376                        | 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                   |                                            |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                             |                                                           |            |                         |              |                                        |                                  |            |            |
| 10901R-AV-1.                                                                                                                                                                                                          | Brier Creek, IN Sch Bldg Corp<br>BAB-Call  |       |                                      | 1.           | 1FE                 | 1,000,000      | 115.2700                                | 1,152,700     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                             |                                                           | 6.080      | 6.080                   | JJ           | 28,036                                 | 60,800                           | 05/13/2009 | 07/15/2024 |
| 155675-BX-8.                                                                                                                                                                                                          | Central Utah Wtr BAB-Call                  |       |                                      | 1.           | 1FE                 | 501,480        | 109.1280                                | 545,640       | 500,000      | 501,259                                |                                                    | (119)                                          |                                                                             |                                                           | 5.300      | 5.262                   | AO           | 6,625                                  | 26,500                           | 06/01/2010 | 04/01/2020 |
| 155888-AT-7.                                                                                                                                                                                                          | Central Weber, UT BAB Sewer<br>Impt - Call |       |                                      | 1.           | 1FE                 | 991,250        | 114.5970                                | 1,145,970     | 1,000,000    | 991,779                                |                                                    | 262                                            |                                                                             |                                                           | 6.150      | 6.229                   | MS           | 20,500                                 | 61,500                           | 05/27/2009 | 03/01/2029 |
| 3138A8-XA-9.                                                                                                                                                                                                          | FN AH6972                                  |       |                                      | 2.           | 1.                  | 1,864,355      | 104.6670                                | 1,903,195     | 1,818,328    | 1,863,000                              |                                                    | (1,355)                                        |                                                                             |                                                           | 3.500      | 3.122                   | MON          | 5,303                                  | 31,821                           | 06/08/2011 | 02/01/2026 |
| 31417Y-2J-5.                                                                                                                                                                                                          | FN MA0776                                  |       |                                      | 2.           | 1.                  | 1,938,179      | 106.9510                                | 1,967,169     | 1,839,316    | 1,937,220                              |                                                    | (959)                                          |                                                                             |                                                           | 4.500      | 3.898                   | MON          | 6,897                                  | 41,385                           | 06/22/2011 | 06/01/2031 |
| 407288-XY-0.                                                                                                                                                                                                          | Hamilton County, Ohio BAB                  |       |                                      | 2.           | 1FE                 | 1,007,610      | 106.3300                                | 1,063,300     | 1,000,000    | 1,007,495                              |                                                    | (63)                                           |                                                                             |                                                           | 5.370      | 5.314                   | JD           | 4,475                                  | 57,877                           | 10/19/2010 | 12/01/2035 |
| 48542K-H2-8.                                                                                                                                                                                                          | Kansas State Dev BAB-Call                  |       |                                      | 1.           | 1FE                 | 979,203        | 115.3730                                | 1,096,044     | 950,000      | 973,763                                |                                                    | (2,367)                                        |                                                                             |                                                           | 5.910      | 5.512                   | MN           | 9,358                                  | 56,145                           | 08/25/2009 | 11/01/2019 |
| 49151E-4L-4.                                                                                                                                                                                                          | Kentucky State Ppty & Bldg<br>BAB NC       |       |                                      | 2.           | 1FE                 | 1,000,000      | 112.1510                                | 1,121,510     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                             |                                                           | 5.561      | 5.561                   | MN           | 9,268                                  | 55,610                           | 10/28/2009 | 11/01/2022 |
| 491552-UY-9.                                                                                                                                                                                                          | Kentucky St Turnpike Auth BAB<br>Sink      |       |                                      | 2.           | 1FE                 | 500,000        | 109.7970                                | 548,985       | 500,000      | 500,000                                |                                                    |                                                |                                                                             |                                                           | 5.244      | 5.244                   | JJ           | 13,110                                 | 26,657                           | 06/17/2010 | 07/01/2025 |
| 590545-SD-2.                                                                                                                                                                                                          | Mesa, AZ BAB Call                          |       |                                      | 1.           | 1FE                 | 1,022,720      | 110.6860                                | 1,106,860     | 1,000,000    | 1,018,122                              |                                                    | (1,889)                                        |                                                                             |                                                           | 6.000      | 5.700                   | JJ           | 30,000                                 | 60,000                           | 05/07/2009 | 07/01/2019 |
| 60636W-NR-2.                                                                                                                                                                                                          | Missouri St Hwy BAB-NC                     |       |                                      | 1.           | 1FE                 | 350,000        | 114.7170                                | 401,510       | 350,000      | 350,000                                |                                                    |                                                |                                                                             |                                                           | 5.002      | 5.002                   | MN           | 2,918                                  | 17,507                           | 09/16/2009 | 05/01/2024 |
| 61336P-DR-9.                                                                                                                                                                                                          | Montgomery Cnty, MD Tax/Call               |       |                                      | 1.           | 1FE                 | 980,129        | 102.9780                                | 1,004,036     | 975,000      | 979,939                                |                                                    | (190)                                          |                                                                             |                                                           | 5.000      | 4.932                   | MN           | 8,125                                  | 8,260                            | 08/31/2011 | 05/01/2021 |
| 616640-CF-3.                                                                                                                                                                                                          | Morehead St Univ, KY BAB Call              |       |                                      | 1.           | 1FE                 | 993,520        | 106.0340                                | 1,060,340     | 1,000,000    | 993,981                                |                                                    | 245                                            |                                                                             |                                                           | 6.060      | 6.062                   | MN           | 10,000                                 | 60,000                           | 07/27/2009 | 11/01/2026 |
| 64469N-AG-4.                                                                                                                                                                                                          | New Hampshire St BAB                       |       |                                      | 1.           | 1FE                 | 984,920        | 109.5710                                | 1,095,710     | 1,000,000    | 985,639                                |                                                    | 667                                            |                                                                             |                                                           | 4.984      | 5.132                   | MS           | 16,613                                 | 39,180                           | 11/12/2010 | 09/01/2025 |
| 65830T-AF-2.                                                                                                                                                                                                          | North Carolina Turnpike Auth<br>BAB-Call   |       |                                      | 1.           | 1FE                 | 1,008,750      | 114.2150                                | 1,142,150     | 1,000,000    | 1,006,890                              |                                                    | (776)                                          |                                                                             |                                                           | 6.000      | 5.879                   | JJ           | 30,000                                 | 60,000                           | 07/17/2009 | 01/01/2019 |
| 662903-LB-7.                                                                                                                                                                                                          | North Texas Muni Wtr BAB-<br>Direct pay    |       |                                      | 1.           | 1FE                 | 1,068,300      | 112.1290                                | 1,121,290     | 1,000,000    | 1,060,202                              |                                                    | (6,273)                                        |                                                                             |                                                           | 6.003      | 5.046                   | MS           | 20,010                                 | 60,030                           | 09/09/2010 | 09/01/2019 |
| 67755W-AT-2.                                                                                                                                                                                                          | Ohio St Dev Assist BAB Call                |       |                                      | 1.           | 1FE                 | 1,000,000      | 118.5670                                | 1,185,670     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                             |                                                           | 6.220      | 6.220                   | AO           | 15,550                                 | 62,200                           | 06/12/2009 | 01/01/2022 |
| 677632-MV-0.                                                                                                                                                                                                          | Ohio State Univ Gen Recpts<br>BAB          |       |                                      | 1.           | 1FE                 | 1,000,000      | 115.2530                                | 1,152,530     | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                             |                                                           | 4.910      | 4.910                   | JD           | 4,092                                  | 56,601                           | 09/15/2010 | 06/01/2040 |
| 795681-GM-1.                                                                                                                                                                                                          | Salt Lake Cnty, UT BAB                     |       |                                      | 2.           | 1FE                 | 1,022,680      | 114.0860                                | 1,140,860     | 1,000,000    | 1,021,407                              |                                                    | (678)                                          |                                                                             |                                                           | 5.820      | 5.629                   | JD           | 4,850                                  | 58,200                           | 01/25/2010 | 12/01/2029 |
| 79642B-LS-0.                                                                                                                                                                                                          | San Antonio, TX BAB                        |       |                                      | 1.           | 1FE                 | 400,000        | 111.0550                                | 444,220       | 400,000      | 400,000                                |                                                    |                                                |                                                                             |                                                           | 6.170      | 6.170                   | MN           | 3,154                                  | 24,132                           | 11/12/2010 | 05/15/2032 |
| 812631-HB-8.                                                                                                                                                                                                          | Seattle, WA BAB NC                         |       |                                      | 1.           | 1FE                 | 496,345        | 114.9500                                | 574,750       | 500,000      | 496,677                                |                                                    | 180                                            |                                                                             |                                                           | 5.000      | 5.071                   | MN           | 4,167                                  | 25,000                           | 12/21/2009 | 11/01/2024 |
| 916277-KV-7.                                                                                                                                                                                                          | Upper Occoquan, VA BAB                     |       |                                      | 1.           | 1FE                 | 750,000        | 119.7980                                | 898,485       | 750,000      | 750,000                                |                                                    |                                                |                                                                             |                                                           | 5.300      | 5.300                   | JJ           | 19,875                                 | 20,758                           | 12/20/2010 | 07/01/2027 |
| 927793-RQ-4.                                                                                                                                                                                                          | Virginia Commonwealth BAB<br>Call          |       |                                      | 1.           | 1FE                 | 1,002,170      | 114.2560                                | 1,142,560     | 1,000,000    | 1,001,989                              |                                                    | (98)                                           |                                                                             |                                                           | 5.600      | 5.579                   | MN           | 7,156                                  | 56,000                           | 10/26/2009 | 05/15/2025 |
| 928172-WG-6.                                                                                                                                                                                                          | Virginia St Pub Bldg BAB                   |       |                                      | 2.           | 1FE                 | 1,034,520      | 120.3870                                | 1,203,870     | 1,000,000    | 1,033,615                              |                                                    | (747)                                          |                                                                             |                                                           | 5.900      | 5.606                   | FA           | 24,583                                 | 40,644                           | 11/12/2010 | 08/01/2030 |
| 938240-CN-6.                                                                                                                                                                                                          | Washington Cnty, OR BAB-NC                 |       |                                      | 2.           | 1FE                 | 1,075,060      | 117.2060                                | 1,172,060     | 1,000,000    | 1,071,960                              |                                                    | (2,247)                                        |                                                                             |                                                           | 5.701      | 5.100                   | AO           | 14,253                                 | 57,010                           | 07/30/2010 | 10/01/2030 |

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

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         | 5                |   |             | 8                              | 9          |            |                               | 12                                        | 13                                       | 14                                                        | 15                                         | 16       | 17                | 18        | 19                            | 20                      | 21         | 22         |
|                                                                                                                                                                                                                         |                                                                                                                                                                                                     | F o r e i g n | Bond CHAR | NAIC Designation |   |             | Rate Used to Obtain Fair Value | Fair Value |            |                               | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change In B./A.C.V. | Rate of  | Effective Rate of | When Paid | Admitted Amount Due & Accrued | Amount Rec. During Year | Acquired   | Maturity   |
| CUSIP Identification                                                                                                                                                                                                    | Description                                                                                                                                                                                         | Code          |           |                  |   | Actual Cost |                                |            | Par Value  | Book/ Adjusted Carrying Value |                                           |                                          |                                                           |                                            |          |                   |           |                               |                         |            |            |
| 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 |               |           |                  |   | 23,971,191  | XXX                            | 26,391,412 | 23,582,644 | 23,944,937                    | 0                                         | (16,408)                                 | 0                                                         | 0                                          | XXX      | XXX               | XXX       | 318,917                       | 1,123,817               | 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 |                                                                                                                                                                                                     |               |           |                  |   |             |                                |            |            |                               |                                           |                                          |                                                           |                                            |          |                   |           |                               |                         |            |            |
| 31281B-MU-1                                                                                                                                                                                                             | FG N31271                                                                                                                                                                                           |               | 2         | 1                |   | 297,700     |                                | 105,2430   | 294,297    | 297,587                       | (22)                                      |                                          |                                                           |                                            | 4,500    | 3,828             | MON       | 1,104                         | 13,243                  | 01/13/2009 | 01/01/2036 |
| 31281B-TW-0                                                                                                                                                                                                             | FG N31465                                                                                                                                                                                           |               | 2         | 1                |   | 511,681     |                                | 106,7540   | 499,430    | 511,566                       | (30)                                      |                                          |                                                           |                                            | 5,000    | 3,437             | MON       | 2,081                         | 24,972                  | 05/21/2009 | 11/01/2037 |
| 31288M-BV-0                                                                                                                                                                                                             | FHLMC Pool 60052                                                                                                                                                                                    |               | 2         | 1                |   | 23,896      |                                | 100,0000   | 23,087     | 23,256                        | (79)                                      |                                          |                                                           |                                            | 6,500    | 5,689             | MON       | 125                           | 1,501                   | 04/26/2004 | 04/01/2014 |
| 3128K9-QY-3                                                                                                                                                                                                             | FGLMC Pool A48571                                                                                                                                                                                   |               | 2         | 1                |   | 427,996     |                                | 110,4570   | 428,264    | 427,972                       | (12)                                      |                                          |                                                           |                                            | 6,000    | 6,026             | MON       | 2,141                         | 25,696                  | 04/25/2006 | 05/01/2036 |
| 3128KJ-CZ-3                                                                                                                                                                                                             | FGLMC Pool A55488                                                                                                                                                                                   |               | 2         | 1                |   | 656,592     |                                | 108,7540   | 659,270    | 656,633                       | 10                                        |                                          |                                                           |                                            | 5,500    | 5,622             | MON       | 3,022                         | 36,260                  | 12/13/2006 | 12/01/2036 |
| 3128KJ-WA-6                                                                                                                                                                                                             | FGLMC Pool A56041                                                                                                                                                                                   |               | 2         | 1                |   | 225,597     |                                | 108,7540   | 227,052    | 225,616                       | 3                                         |                                          |                                                           |                                            | 5,500    | 5,760             | MON       | 1,041                         | 12,488                  | 12/20/2006 | 01/01/2037 |
| 3128MJ-BW-9                                                                                                                                                                                                             | FGLMC Pool G08052                                                                                                                                                                                   |               | 2         | 1                |   | 709,093     |                                | 108,8630   | 712,545    | 709,157                       | 13                                        |                                          |                                                           |                                            | 5,500    | 5,650             | MON       | 3,266                         | 39,190                  | 11/20/2006 | 04/01/2035 |
| 3128MM-KX-0                                                                                                                                                                                                             | FG G18309                                                                                                                                                                                           |               | 2         | 1                |   | 1,057,005   |                                | 106,0290   | 999,827    | 1,054,808                     | (1,239)                                   |                                          |                                                           |                                            | 4,500    | 1,960             | MON       | 3,749                         | 44,992                  | 09/14/2010 | 05/01/2024 |
| 31292H-NB-6                                                                                                                                                                                                             | FGLMC Pool #C01286                                                                                                                                                                                  |               | 2         | 1                |   | 73,915      |                                | 111,3940   | 74,957     | 73,970                        | 4                                         |                                          |                                                           |                                            | 6,000    | 6,487             | MON       | 375                           | 4,497                   | 01/29/2002 | 01/01/2032 |
| 31294W-A7-6                                                                                                                                                                                                             | FG E02730                                                                                                                                                                                           |               | 2         | 1                |   | 1,224,412   |                                | 104,9820   | 1,176,966  | 1,222,805                     | (1,382)                                   |                                          |                                                           |                                            | 4,000    | 2,066             | MON       | 3,923                         | 47,079                  | 11/24/2010 | 10/01/2025 |
| 31335H-Q2-2                                                                                                                                                                                                             | FHLMC Pool #C90473                                                                                                                                                                                  |               | 2         | 1                |   | 33,125      |                                | 111,5820   | 32,656     | 32,971                        | (42)                                      |                                          |                                                           |                                            | 6,500    | 6,168             | MON       | 177                           | 2,123                   | 08/28/2001 | 08/01/2021 |
| 3133TK-G7-9                                                                                                                                                                                                             | FHR 2141 E NAS FGLMC 7.0                                                                                                                                                                            |               | 2         | 1                |   | 81,316      |                                | 106,5540   | 80,015     | 80,354                        | 3                                         |                                          |                                                           |                                            | 6,600    | 6,504             | MON       | 440                           | 5,281                   | 04/12/1999 | 04/15/2029 |
| 3136A2-PP-2                                                                                                                                                                                                             | FNR 2011-123 DB                                                                                                                                                                                     |               | 2         | 1                |   | 1,982,500   |                                | 99,9360    | 1,998,720  | 1,982,577                     | 77                                        |                                          |                                                           |                                            | 3,000    | 3,085             | MON       | 5,000                         | 5,000                   | 11/15/2011 | 10/25/2026 |
| 3136A3-KN-0                                                                                                                                                                                                             | FNR 2011-146 LX                                                                                                                                                                                     |               | 2         | 1                |   | 2,046,250   |                                | 100,0000   | 2,000,000  | 2,046,231                     | (19)                                      |                                          |                                                           |                                            | 3,500    | 3,102             | MON       | 5,833                         |                         | 12/21/2011 | 09/25/2019 |
| 31371J-Q7-2                                                                                                                                                                                                             | FNMA Pool 253478                                                                                                                                                                                    |               | 2         | 1                |   | 12,291      |                                | 115,3360   | 12,139     | 12,240                        | (1)                                       |                                          |                                                           |                                            | 8,000    | 7,510             | MON       | 81                            | 971                     | 08/31/2000 | 09/01/2020 |
| 31371J-S8-8                                                                                                                                                                                                             | FNMA Pool 253543                                                                                                                                                                                    |               | 2         | 1                |   | 17,098      |                                | 113,9230   | 17,265     | 17,119                        | (16)                                      |                                          |                                                           |                                            | 7,000    | 7,264             | MON       | 101                           | 1,209                   | 10/30/2000 | 01/01/2020 |
| 31371K-UA-7                                                                                                                                                                                                             | FNMA Pool 254477                                                                                                                                                                                    |               | 2         | 1                |   | 456,005     |                                | 109,3160   | 461,230    | 456,110                       | 23                                        |                                          |                                                           |                                            | 5,500    | 5,852             | MON       | 2,114                         | 25,368                  | 01/24/2007 | 10/01/2032 |
| 31371L-DU-0                                                                                                                                                                                                             | FNMA Pool 254915                                                                                                                                                                                    |               | 2         | 1                |   | 253,839     |                                | 108,6390   | 261,016    | 254,748                       | (17)                                      |                                          |                                                           |                                            | 4,500    | 5,401             | MON       | 979                           | 11,746                  | 11/12/2003 | 09/01/2023 |
| 31371L-HE-2                                                                                                                                                                                                             | FNMA Pool 255029                                                                                                                                                                                    |               | 2         | 1                |   | 221,997     |                                | 109,5820   | 222,414    | 221,952                       | 1                                         |                                          |                                                           |                                            | 5,000    | 5,000             | MON       | 927                           | 11,121                  | 11/10/2003 | 12/01/2023 |
| 31371L-HT-9                                                                                                                                                                                                             | FNMA Pool 255042                                                                                                                                                                                    |               | 2         | 1                |   | 272,114     |                                | 108,6390   | 279,629    | 273,052                       | (9)                                       |                                          |                                                           |                                            | 4,500    | 5,371             | MON       | 1,049                         | 12,583                  | 11/10/2003 | 11/01/2023 |
| 31371N-CM-5                                                                                                                                                                                                             | FN 256676                                                                                                                                                                                           |               | 2         | 1                |   | 1,643,036   |                                | 109,0350   | 1,672,815  | 1,641,073                     | (1,519)                                   |                                          |                                                           |                                            | 5,500    | 2,440             | MON       | 7,032                         | 84,381                  | 09/28/2010 | 04/01/2027 |
| 31371N-SQ-9                                                                                                                                                                                                             | FN 257126                                                                                                                                                                                           |               | 2         | 1                |   | 1,106,869   |                                | 108,5820   | 1,109,620  | 1,103,089                     | (3,290)                                   |                                          |                                                           |                                            | 5,500    | 1,905             | MON       | 4,684                         | 56,206                  | 12/14/2010 | 02/01/2023 |
| 3137A0-EU-5                                                                                                                                                                                                             | FHR 3687 B                                                                                                                                                                                          |               | 2         | 1                |   | 1,049,766   |                                | 107,3900   | 1,073,902  | 1,047,787                     | (1,978)                                   |                                          |                                                           |                                            | 4,000    | 2,968             | MON       | 3,333                         | 6,667                   | 10/06/2011 | 05/15/2030 |
| 3137A3-JW-0                                                                                                                                                                                                             | FHR 3753 AS                                                                                                                                                                                         |               | 2         | 1                |   | 1,728,068   |                                | 105,0010   | 1,758,707  | 1,720,977                     | (7,091)                                   |                                          |                                                           |                                            | 3,500    | 2,372             | MON       | 4,885                         | 19,541                  | 08/03/2011 | 09/15/2025 |
| 3137A3-KG-3                                                                                                                                                                                                             | FHR 3753 DC                                                                                                                                                                                         |               | 2         | 1                |   | 2,047,813   |                                | 102,1980   | 2,043,959  | 2,046,256                     | (1,557)                                   |                                          |                                                           |                                            | 3,500    | 3,147             | MON       | 5,833                         | 17,500                  | 09/21/2011 | 01/15/2021 |
| 3137A3-PN-3                                                                                                                                                                                                             | FHR 3762 GM                                                                                                                                                                                         |               | 2         | 1                |   | 887,138     |                                | 103,5260   | 860,288    | 876,175                       | (10,393)                                  |                                          |                                                           |                                            | 3,500    | 2,277             | MON       | 2,509                         | 30,110                  | 11/16/2010 | 10/15/2016 |
| 3137A4-2T-3                                                                                                                                                                                                             | FHR 3777 EM                                                                                                                                                                                         |               | 2         | 1                |   | 2,000,000   |                                | 109,4880   | 2,189,756  | 2,000,000                     |                                           |                                          |                                                           |                                            | 4,500    | 4,502             | MON       | 7,500                         | 82,500                  | 01/20/2011 | 04/15/2016 |
| 3137A5-WW-0                                                                                                                                                                                                             | FHR 3786 WA                                                                                                                                                                                         |               | 2         | 1                |   | 925,718     |                                | 104,6450   | 942,472    | 917,694                       | (8,024)                                   |                                          |                                                           |                                            | 4,000    | 2,872             | MON       | 3,002                         | 27,019                  | 02/25/2011 | 02/15/2017 |
| 3137A7-JZ-4                                                                                                                                                                                                             | FHR 3810 NB                                                                                                                                                                                         |               | 2         | 1                |   | 935,469     |                                | 106,1060   | 1,061,056  | 940,772                       | 5,303                                     |                                          |                                                           |                                            | 4,000    | 5,122             | MON       | 3,333                         | 26,667                  | 04/15/2011 | 07/15/2018 |
| 3137A8-XZ-6                                                                                                                                                                                                             | FHR 3844 DA                                                                                                                                                                                         |               | 2         | 1                |   | 1,974,837   |                                | 106,3080   | 1,968,096  | 1,851,319                     | (26,306)                                  |                                          |                                                           |                                            | 4,500    | 2,143             | MON       | 6,942                         | 48,597                  | 05/09/2011 | 09/15/2017 |
| 3137AD-ZD-2                                                                                                                                                                                                             | FHR 3911 B                                                                                                                                                                                          |               | 2         | 1                |   | 1,030,000   |                                | 104,4130   | 1,044,127  | 1,029,488                     | (512)                                     |                                          |                                                           |                                            | 3,500    | 3,163             | MON       | 2,917                         | 5,833                   | 10/17/2011 | 06/15/2026 |
| 31392E-SX-9                                                                                                                                                                                                             | FNR 2002-59 B                                                                                                                                                                                       |               | 2         | 1                |   | 119,497     |                                | 107,0490   | 125,682    | 117,717                       | (159)                                     |                                          |                                                           |                                            | 5,500    | 5,239             | MON       | 538                           | 6,457                   | 09/22/2005 | 06/25/2017 |
| 31392W-UQ-1                                                                                                                                                                                                             | FHR 2510 NM                                                                                                                                                                                         |               | 2         | 1                |   | 419,126     |                                | 103,6640   | 422,992    | 408,041                       | (411)                                     |                                          |                                                           |                                            | 5,000    | 4,767             | MON       | 1,700                         | 20,402                  | 12/09/2002 | 09/25/2014 |
| 31393A-CF-2                                                                                                                                                                                                             | FNR 2003-29 WG                                                                                                                                                                                      |               | 2         | 1                |   | 382,706     |                                | 106,1630   | 402,711    | 379,333                       | (558)                                     |                                          |                                                           |                                            | 4,000    | 3,846             | MON       | 1,264                         | 15,173                  | 09/11/2010 | 03/25/2033 |
| 31393A-GG-6                                                                                                                                                                                                             | FNR 2003-28 GA                                                                                                                                                                                      |               | 2         | 1                |   | 280,392     |                                | 104,6030   | 298,035    | 284,920                       | 199                                       |                                          |                                                           |                                            | 4,000    | 4,213             | MON       | 950                           | 11,397                  | 09/27/2004 | 10/25/2016 |
| 31393B-OC-2                                                                                                                                                                                                             | FNR 2003-37 QD                                                                                                                                                                                      |               | 2         | 1                |   | 666,356     |                                | 103,4290   | 693,758    | 668,160                       | 217                                       |                                          |                                                           |                                            | 5,000    | 5,105             | MON       | 2,795                         | 33,538                  | 07/06/2005 | 11/25/2014 |
| 31393J-HC-5                                                                                                                                                                                                             | FHR 2553 GB                                                                                                                                                                                         |               | 2         | 1                |   | 1,707,908   |                                | 107,0460   | 1,835,487  | 1,714,673                     | 329                                       |                                          |                                                           |                                            | 5,000    | 5,077             | MON       | 7,144                         | 85,734                  | 01/29/2003 | 08/15/2017 |
| 31393W-W9-8                                                                                                                                                                                                             | FHR 2586 WG                                                                                                                                                                                         |               | 2         | 1                |   | 1,026,563   |                                | 107,0410   | 1,070,410  | 1,021,653                     | (3,503)                                   |                                          |                                                           |                                            | 4,000    | 3,580             | MON       | 3,333                         | 40,000                  | 08/08/2010 | 06/15/2032 |
| 31393N-M8-9                                                                                                                                                                                                             | FHR 2590 TU                                                                                                                                                                                         |               | 2         | 1                |   | 99,551      |                                | 100,7110   | 101,392    | 100,676                       | 160                                       |                                          |                                                           |                                            | 5,000    | 5,315             | MON       | 419                           | 5,034                   | 05/20/2008 | 08/25/2012 |
| 31393Q-JL-7                                                                                                                                                                                                             | FHR 2619 PE                                                                                                                                                                                         |               | 2         | 1                |   | 1,000,000   |                                | 104,0050   | 1,040,048  | 1,000,000                     |                                           |                                          |                                                           |                                            | 5,500    | 5,531             | MON       | 4,583                         | 55,000                  | 12/01/2004 | 04/15/2014 |
| 31393V-MQ-1                                                                                                                                                                                                             | FHR 2628 AB                                                                                                                                                                                         |               | 2         | 1                |   | 460,856     |                                | 106,2880   | 503,365    | 473,584                       | 844                                       |                                          |                                                           |                                            | 4,500    | 4,897             | MON       | 1,776                         | 21,311                  | 11/08/2004 | 07/15/2017 |
| 31394B-UA-0                                                                                                                                                                                                             | FNR 2004-90 YB                                                                                                                                                                                      |               | 2         | 1                |   | 338,636     |                                | 101,3160   | 354,961    | 348,417                       | 809                                       |                                          |                                                           |                                            | 4,000    | 4,540             | MON       | 1,168                         | 14,014                  | 04/20/2005 | 01/25/2013 |
| 31394B-W4-2                                                                                                                                                                                                             | FNR 2004-95 EA                                                                                                                                                                                      |               | 2         | 1                |   | 2,354,882   |                                | 106,5280   | 2,268,399  | 2,309,657                     | (31,033)                                  |                                          |                                                           |                                            | 4,500    | 3,107             | MON       | 8,507                         | 102,078                 | 06/22/2010 | 12/25/2015 |
| 31394C-V7-4                                                                                                                                                                                                             | FNR 2005-35 VG                                                                                                                                                                                      |               | 2         | 1                |   | 559,108     |                                | 103,4420   | 583,090    | 561,463                       | 281                                       |                                          |                                                           |                                            | 5,000    | 5,138             | MON       | 2,349                         | 28,184                  | 11/29/2005 | 08/25/2013 |
| 31394H-AY-7                                                                                                                                                                                                             | FHR 2669 DG                                                                                                                                                                                         |               | 2         | 1                |   | 737,443     |                                | 103,9250   | 843,341    | 811,492                       | 2,996                                     |                                          |                                                           |                                            | 4,500    | 5,773             | MON       | 3,043                         | 36,517                  | 09/08/2003 | 06/25/2015 |
| 31394P-RU-9                                                                                                                                                                                                             | FHR 2744 TU                                                                                                                                                                                         |               | 2         | 1                |   | 711,819     |                                | 105,2780   | 770,827    | 725,241                       | 963                                       |                                          |                                                           |                                            | 5,500    | 6,002             | MON       | 3,356                         | 40,270                  | 05/18/2006 | 01/15/2016 |
| 31394X-WZ-5                                                                                                                                                                                                             | FHR 2799 ME                                                                                                                                                                                         |               | 2         | 1                |   | 918,917     |                                | 103,7410   | 959,740    | 925,132                       | 1,063                                     |                                          |                                                           |                                            | 5,000    | 5,177             | MON       | 3,855                         | 46,257                  | 12/08/2008 | 06/15/2015 |
| 31395A-C8-6                                                                                                                                                                                                             | FHR 2806 AC                                                                                                                                                                                         |               | 2         | 1                |   | 180,097     |                                | 103,0240   | 186,211    | 180,348                       | 12                                        |                                          |                                                           |                                            | 5,000    | 5,079             | MON       | 753                           | 9,037                   | 07/12/2005 | 01/15/2014 |
| 31395B-D7-5                                                                                                                                                                                                             | FNR 2006-22 CE                                                                                                                                                                                      |               | 2         | 1                |   | 1,026,836   |                                | 110,0420   | 1,100,420  | 1,019,601                     | (4,404)                                   |                                          |                                                           |                                            | 4,500    | 4,020             | MON       | 3,750                         | 45,000                  | 03/15/2010 | 12/25/2022 |
| 31395E-YP-6                                                                                                                                                                                                             | FHR 2835 PB                                                                                                                                                                                         |               | 2         | 1                |   | 1,107,520   |                                | 109,4060   | 1,165,787  | 1,086,909                     | (5,458)                                   |                                          |                                                           |                                            | 5,500    | 4,724             | MON       | 4,884                         | 58,606                  | 02/10/2009 | 01/15/2024 |
| 31395K-HC-0                                                                                                                                                                                                             | FHR 2904 HC                                                                                                                                                                                         |               | 2         | 1                |   | 663,293     |                                | 101,0130   | 656,726    | 655,839                       | (857)                                     |                                          |                                                           |                                            | 5,500    | 5,354             | MON       | 3,010                         | 36,120                  | 03/23/2005 | 09/15/2012 |
| 31396F-LE-1                                                                                                                                                                                                             | FHR 3072 VG                                                                                                                                                                                         |               | 2         | 1FE              |   | 749,694     |                                | 100,4490   | 754,884    | 753,223                       | 376                                       |                                          |                                                           |                                            | 5,000    | 5,146             | MON       | 3,145                         | 37,744                  | 12/08/2005 | 06/15/2012 |
| 31396G-ZD-2                                                                                                                                                                                                             | FHR 3083 UA                                                                                                                                                                                         |               | 2         | 1                |   | 2,007,969   |                                | 105,3160   | 2,000,000  | 2,003,243                     | (2,435)                                   |                                          |                                                           |                                            | 4,500    | 4,413             | MON       | 7,500                         | 90,000                  | 08/26/2009 | 07/15/2015 |

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

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         | 5                |           |             | 8                              | 9           |             |             | 12                                        | 13                                       | 14                                                        | 15                                         | 16       | 17                | 18        | 19                            | 20                      | 21         | 22          |
|                                                                                                                                                                                                                                                                                                                                                               |                                | F o r e i g n | Bond CHAR | NAIC Designation |           |             | Rate Used to Obtain Fair Value | Fair Value  |             |             | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change In B./A.C.V. | Rate of  | Effective Rate of | When Paid | Admitted Amount Due & Accrued | Amount Rec. During Year | Acquired   | Maturity    |
| 31396J-2L-8.                                                                                                                                                                                                                                                                                                                                                  | FHR 3127 CY                    |               | 2.        | 1.               | 1,040,000 | 110.0050    | 1,100,045                      | 1,000,000   | 1,020,173   | (7,179)     |                                           |                                          |                                                           |                                            | 5.500    | 4.697             | MON       | 4,583                         | 55,000                  | 02/23/2009 | 09/15/2025. |
| 31396P-ZR-5.                                                                                                                                                                                                                                                                                                                                                  | FNR 2007-14 VB                 |               | 2.        | 1.               | 2,882,250 | 106.4470    | 2,874,069                      | 2,700,000   | 2,821,910   | (49,644)    |                                           |                                          |                                                           |                                            | 4.500    | 2.606             | MON       | 10,125                        | 121,500                 | 09/15/2010 | 10/25/2015. |
| 31397G-J7-6.                                                                                                                                                                                                                                                                                                                                                  | FHR 3306 PD                    |               | 2.        | 1.               | 973,867   | 108.2110    | 1,082,106                      | 1,000,000   | 987,358     | 4,536       |                                           |                                          |                                                           |                                            | 5.500    | 6.086             | MON       | 4,583                         | 55,000                  | 08/26/2008 | 02/15/2015. |
| 31397L-DQ-9.                                                                                                                                                                                                                                                                                                                                                  | FNR 2008-24 AV                 |               | 2.        | 1.               | 1,427,708 | 107.4690    | 1,534,343                      | 1,427,708   | 1,427,708   |             |                                           |                                          |                                                           |                                            | 5.000    | 4.976             | MON       | 5,949                         | 71,385                  | 04/25/2008 | 04/25/2015. |
| 31397O-WZ-7.                                                                                                                                                                                                                                                                                                                                                  | FNR 2011-15 VB                 |               | 2.        | 1.               | 1,867,656 | 105.7730    | 2,115,460                      | 2,000,000   | 1,879,118   | 11,462      |                                           |                                          |                                                           |                                            | 4.000    | 5.160             | MON       | 6,667                         | 53,333                  | 04/06/2011 | 07/25/2018. |
| 31397S-H4-9.                                                                                                                                                                                                                                                                                                                                                  | FNR 2011-46 MB                 |               | 2.        | 1.               | 1,061,719 | 106.8460    | 1,068,460                      | 1,000,000   | 1,059,170   | (2,549)     |                                           |                                          |                                                           |                                            | 4.000    | 2.560             | MON       | 3,333                         | 6,667                   | 10/17/2011 | 03/25/2017. |
| 31397S-ZF-4.                                                                                                                                                                                                                                                                                                                                                  | FNR 2011-42 VA                 |               | 2.        | 1.               | 504,158   | 107.1490    | 510,300                        | 476,253     | 494,187     | (9,972)     |                                           |                                          |                                                           |                                            | 4.500    | 1.320             | MON       | 1,786                         | 14,288                  | 04/21/2011 | 09/25/2015. |
| 31397U-GT-0.                                                                                                                                                                                                                                                                                                                                                  | FNR 2011-49 CA                 |               | 2.        | 1.               | 465,773   | 103.4330    | 473,186                        | 457,481     | 464,551     | (1,221)     |                                           |                                          |                                                           |                                            | 3.500    | 3.012             | MON       | 1,334                         | 9,340                   | 05/11/2011 | 01/25/2019. |
| 31398C-XG-8.                                                                                                                                                                                                                                                                                                                                                  | FHR 3534 MB                    |               | 2.        | 1.               | 2,489,844 | 108.7320    | 2,718,296                      | 2,500,000   | 2,490,690   | 564         |                                           |                                          |                                                           |                                            | 4.000    | 4.066             | MON       | 8,333                         | 100,000                 | 06/13/2010 | 04/15/2024. |
| 31398N-U8-5.                                                                                                                                                                                                                                                                                                                                                  | FNR 2010-123 BP                |               | 2.        | 1.               | 1,632,500 | 110.3670    | 1,655,505                      | 1,500,000   | 1,629,585   | (2,915)     |                                           |                                          |                                                           |                                            | 4.500    | 3.409             | MON       | 5,625                         | 11,250                  | 09/30/2011 | 07/25/2033. |
| 31398T-4D-0.                                                                                                                                                                                                                                                                                                                                                  | FNR 2010-99 GL                 |               | 2.        | 1.               | 437,508   | 108.3890    | 465,768                        | 429,719     | 436,569     | (749)       |                                           |                                          |                                                           |                                            | 4.000    | 3.786             | MON       | 1,432                         | 17,189                  | 09/14/2010 | 10/25/2023. |
| 31402A-D6-0.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 722925.              |               | 2.        | 1.               | 275,592   | 109.5820    | 298,086                        | 272,022     | 275,248     | 146         |                                           |                                          |                                                           |                                            | 5.000    | 4.133             | MON       | 1,133                         | 13,601                  | 12/22/2003 | 07/01/2023. |
| 31402R-JV-2.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 735676.              |               | 2.        | 1.               | 1,002,268 | 108.1440    | 1,046,608                      | 1,046,608   | 1,001,137   | (244)       |                                           |                                          |                                                           |                                            | 5.000    | 3.797             | MON       | 4,032                         | 48,390                  | 04/22/2009 | 01/01/2035. |
| 31403D-BW-8.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 745353.              |               | 2.        | 1.               | 1,010,302 | 109.1910    | 1,133,989                      | 1,038,537   | 1,010,982   | 165         |                                           |                                          |                                                           |                                            | 5.500    | 6.352             | MON       | 4,760                         | 57,120                  | 04/25/2006 | 03/01/2036. |
| 31403D-GZ-6.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 745516.              |               | 2.        | 1.               | 627,458   | 109.1910    | 685,985                        | 628,243     | 627,398     | (8)         |                                           |                                          |                                                           |                                            | 5.500    | 5.479             | MON       | 2,879                         | 34,553                  | 12/01/2006 | 05/01/2036. |
| 31403D-TG-4.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 745851.              |               | 2.        | 1.               | 487,743   | 110.3160    | 533,226                        | 483,363     | 487,605     | (39)        |                                           |                                          |                                                           |                                            | 6.000    | 5.582             | MON       | 2,417                         | 29,002                  | 09/25/2006 | 09/01/2036. |
| 31404A-GX-6.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 762614.              |               | 2.        | 1.               | 712,394   | 109.5820    | 770,540                        | 703,165     | 709,593     | (1,754)     |                                           |                                          |                                                           |                                            | 5.000    | 4.734             | MON       | 2,930                         | 35,158                  | 12/22/2003 | 12/01/2023. |
| 31404S-GD-1.                                                                                                                                                                                                                                                                                                                                                  | FN 76996.                      |               | 2.        | 1.               | 839,996   | 108.1440    | 874,782                        | 808,904     | 839,051     | (241)       |                                           |                                          |                                                           |                                            | 5.000    | 3.592             | MON       | 3,370                         | 40,445                  | 09/28/2009 | 04/01/2034. |
| 31407U-EQ-6.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 840843.              |               | 2.        | 1.               | 666,145   | 109.1910    | 740,326                        | 678,010     | 666,348     | (19)        |                                           |                                          |                                                           |                                            | 5.500    | 6.128             | MON       | 3,108                         | 37,290                  | 08/24/2006 | 12/01/2035. |
| 31409X-GG-8.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 881399.              |               | 2.        | 1.               | 455,730   | 110.3160    | 505,190                        | 457,948     | 455,737     | 1           |                                           |                                          |                                                           |                                            | 6.000    | 6.118             | MON       | 2,290                         | 27,477                  | 05/22/2006 | 05/01/2036. |
| 31411B-GM-9.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 903004.              |               | 2.        | 1.               | 225,404   | 109.0970    | 247,339                        | 226,714     | 225,413     | 2           |                                           |                                          |                                                           |                                            | 5.500    | 5.666             | MON       | 1,039                         | 12,469                  | 12/20/2006 | 12/01/2036. |
| 31411J-3H-7.                                                                                                                                                                                                                                                                                                                                                  | FNMA Pool 909900.              |               | 2.        | 1.               | 562,841   | 108.9720    | 619,438                        | 568,436     | 562,914     | 21          |                                           |                                          |                                                           |                                            | 5.500    | 5.811             | MON       | 2,605                         | 31,264                  | 02/21/2007 | 03/01/2037. |
| 31416B-4A-3.                                                                                                                                                                                                                                                                                                                                                  | FN 995517                      |               | 2.        | 1.               | 789,164   | 108.5820    | 792,611                        | 729,968     | 787,634     | (1,467)     |                                           |                                          |                                                           |                                            | 5.500    | 1.849             | MON       | 3,346                         | 40,148                  | 12/22/2010 | 01/01/2024. |
| 31417U-XS-9.                                                                                                                                                                                                                                                                                                                                                  | FN AC7888                      |               | 2.        | 1.               | 599,299   | 105.4970    | 601,600                        | 570,252     | 597,908     | (796)       |                                           |                                          |                                                           |                                            | 4.000    | 2.499             | MON       | 1,901                         | 22,810                  | 09/14/2010 | 03/01/2025. |
| 31417Y-3N-5.                                                                                                                                                                                                                                                                                                                                                  | FN MA0804                      |               | 2.        | 1.               | 953,403   | 105.6740    | 978,455                        | 925,915     | 952,772     | (631)       |                                           |                                          |                                                           |                                            | 4.000    | 2.862             | MON       | 3,086                         | 18,518                  | 06/06/2011 | 07/01/2031. |
| 31417Y-TV-9.                                                                                                                                                                                                                                                                                                                                                  | FN MA0563                      |               | 2.        | 1.               | 1,303,887 | 105.6740    | 1,336,121                      | 1,264,376   | 1,302,524   | (1,198)     |                                           |                                          |                                                           |                                            | 4.000    | 3.391             | MON       | 4,215                         | 50,575                  | 11/15/2010 | 11/01/2030. |
| 31417Y-W5-2.                                                                                                                                                                                                                                                                                                                                                  | FN MA0667                      |               | 2.        | 1.               | 2,804,453 | 105.6740    | 2,968,226                      | 2,808,841   | 2,804,354   | (98)        |                                           |                                          |                                                           |                                            | 4.000    | 4.011             | MON       | 9,363                         | 93,628                  | 02/08/2011 | 10/01/2030. |
| 38373T-Z2-4.                                                                                                                                                                                                                                                                                                                                                  | GNR 2002-15 PC                 |               | 2.        | 1.               | 184,890   | 106.1680    | 204,756                        | 192,860     | 191,403     | 166         |                                           |                                          |                                                           |                                            | 5.500    | 5.933             | MON       | 884                           | 10,607                  | 05/20/2002 | 11/20/2014. |
| 38374E-DF-1.                                                                                                                                                                                                                                                                                                                                                  | GNR 2003-102 MU                |               | 2.        | 1.               | 163,525   | 103.5030    | 169,412                        | 163,678     | 163,351     | (4)         |                                           |                                          |                                                           |                                            | 4.250    | 4.270             | MON       | 580                           | 6,956                   | 03/16/2004 | 05/20/2015. |
| 38374E-ZM-2.                                                                                                                                                                                                                                                                                                                                                  | GNR 2003-116 JD                |               | 2.        | 1.               | 3,948,125 | 107.8510    | 4,314,056                      | 4,000,000   | 3,972,423   | 6,833       |                                           |                                          |                                                           |                                            | 5.000    | 5.280             | MON       | 16,667                        | 200,000                 | 09/09/2008 | 05/20/2016. |
| 38374F-W6-7.                                                                                                                                                                                                                                                                                                                                                  | GNR 2004-21 PC                 |               | 2.        | 1.               | 1,479,844 | 108.1220    | 1,621,836                      | 1,500,000   | 1,489,182   | 2,671       |                                           |                                          |                                                           |                                            | 5.000    | 5.287             | MON       | 6,250                         | 75,000                  | 09/04/2008 | 12/20/2016. |
| 38375P-CJ-8.                                                                                                                                                                                                                                                                                                                                                  | GNR 2008-1 PB                  |               | 2.        | 1.               | 1,966,563 | 115.6980    | 2,313,966                      | 2,000,000   | 1,975,394   | 750         |                                           |                                          |                                                           |                                            | 5.250    | 5.493             | MON       | 8,750                         | 105,000                 | 03/10/2008 | 07/20/2037. |
| 38376P-D6-4.                                                                                                                                                                                                                                                                                                                                                  | GNR 2009-116 VE                |               | 2.        | 1.               | 1,749,208 | 110.5120    | 1,864,344                      | 1,687,000   | 1,735,945   | (9,513)     |                                           |                                          |                                                           |                                            | 4.500    | 3.873             | MON       | 6,326                         | 75,915                  | 06/21/2010 | 10/20/2017. |
| 38376V-SB-4.                                                                                                                                                                                                                                                                                                                                                  | GNR 2010-21 NB                 |               | 2.        | 1.               | 511,250   | 109.5790    | 547,894                        | 500,000     | 508,067     | (1,921)     |                                           |                                          |                                                           |                                            | 4.500    | 4.098             | MON       | 1,875                         | 22,500                  | 02/26/2010 | 10/20/2017. |
| 38376W-AM-7.                                                                                                                                                                                                                                                                                                                                                  | GNR 2010-14 DC                 |               | 2.        | 1.               | 1,028,594 | 109.6540    | 1,096,545                      | 1,000,000   | 1,021,362   | (4,210)     |                                           |                                          |                                                           |                                            | 4.500    | 4.025             | MON       | 3,750                         | 45,000                  | 03/03/2010 | 08/20/2018. |
| 38376Y-TG-6.                                                                                                                                                                                                                                                                                                                                                  | GNR 2010-43 QX                 |               | 2.        | 1.               | 1,969,531 | 103.9200    | 2,078,397                      | 2,000,000   | 1,970,577   | 1,046       |                                           |                                          |                                                           |                                            | 3.000    | 3.213             | MON       | 5,000                         | 20,000                  | 08/19/2011 | 05/20/2021. |
| 38377K-MK-3.                                                                                                                                                                                                                                                                                                                                                  | GNR 2010-120 BP                |               | 2.        | 1.               | 2,110,938 | 109.5320    | 2,190,631                      | 2,000,000   | 2,106,839   | (4,099)     |                                           |                                          |                                                           |                                            | 4.000    | 3.234             | MON       | 6,667                         | 26,667                  | 08/24/2011 | 10/20/2021. |
| 38377T-2L-4.                                                                                                                                                                                                                                                                                                                                                  | GNR 2011-23 GQ                 |               | 2.        | 1.               | 891,897   | 106.9720    | 911,255                        | 851,866     | 884,473     | (7,424)     |                                           |                                          |                                                           |                                            | 4.500    | 3.303             | MON       | 3,195                         | 28,750                  | 03/03/2011 | 02/20/2025. |
| 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                                                                                                                             |                                |               |           |                  |           | 87,535,724  | XXX                            | 92,148,186  | 86,282,969  | 87,414,585  | 0                                         | (178,204)                                | 0                                                         | 0                                          | XXX      | XXX               | XXX       | 325,489                       | 3,292,009               | 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 |                                |               |           |                  |           | 111,506,915 | XXX                            | 118,539,599 | 109,865,614 | 111,359,522 | 0                                         | (194,612)                                | 0                                                         | 0                                          | XXX      | XXX               | XXX       | 644,406                       | 4,415,826               | XXX        | XXX         |
| Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations                                                                                                                                                                                                                                                                                      |                                |               |           |                  |           |             |                                |             |             |             |                                           |                                          |                                                           |                                            |          |                   |           |                               |                         |            |             |
| 00130H-BH-7.                                                                                                                                                                                                                                                                                                                                                  | AES Corporation NC             |               |           | 3FE              | 65,900    | 110.3530    | 71,729                         | 65,000      | 65,612      | (81)        |                                           |                                          |                                                           |                                            | 8.000    | 7.795             | AO        | 1,098                         | 5,200                   | 04/08/2008 | 10/15/2017. |
| 00130H-BN-4.                                                                                                                                                                                                                                                                                                                                                  | AES Corporation NC             |               |           | 3FE              | 52,800    | 111.2030    | 61,162                         | 55,000      | 53,130      | 147         |                                           |                                          |                                                           |                                            | 8.000    | 8.576             | JD        | 367                           | 4,400                   | 09/14/2009 | 06/01/2020. |
| 00130H-BR-5.                                                                                                                                                                                                                                                                                                                                                  | AES Corporation 144A-NC        | LS            |           | 3FE              | 85,756    | 107.9710    | 91,775                         | 85,000      | 85,737      | (19)        |                                           |                                          |                                                           |                                            | 7.375    | 7.246             | JJ        | 3,413                         |                         | 07/21/2011 | 07/01/2021. |
| 00165A-AB-4.                                                                                                                                                                                                                                                                                                                                                  | AMC Entertainment Inc Call     | LS            |           | 4FE              | 37,275    | 104.0000    | 36,400                         | 35,000      | 37,168      | (107)       |                                           |                                          |                                                           |                                            | 8.750    | 7.579             | JD        | 255                           | 1,531                   | 07/07/2011 | 06/01/2014. |
|                                                                                                                                                                                                                                                                                                                                                               | Awas Aviation Capital Lt       |               |           |                  |           |             |                                |             |             |             |                                           |                                          |                                                           |                                            |          |                   |           |                               |                         |            |             |
| 002447-AA-8.                                                                                                                                                                                                                                                                                                                                                  | 144A-Call                      |               | 1.        | 3FE              | 67,973    | 101.6490    | 68,918                         | 67,800      | 67,946      | (23)        |                                           |                                          |                                                           |                                            | 7.000    | 6.946             | AO        | 1,002                         | 4,569                   | 04/13/2011 | 10/15/2016. |
| 00850L-AA-2.                                                                                                                                                                                                                                                                                                                                                  | Agribank FCB NC                |               |           | 1FE              | 1,147,940 | 125.1130    | 1,251,130                      | 1,000,000   | 1,125,646   | (12,316)    |                                           |                                          |                                                           |                                            | 9.125    | 6.955             | JJ        | 42,076                        | 91,250                  | 02/11/2010 | 07/15/2019. |
| 010392-EC-8.                                                                                                                                                                                                                                                                                                                                                  | Alabama Power NC               |               |           | 1FE              | 1,005,300 | 125.4970    | 1,254,970                      | 1,000,000   | 1,004,525   | (109)       |                                           |                                          |                                                           |                                            | 5.700    | 5.663             | FA        | 21,533                        | 57,000                  | 02/24/2003 | 02/15/2033. |
| 016745-AL-5.                                                                                                                                                                                                                                                                                                                                                  | Allbritton Communication Conv. |               |           | 4FE              | 9,425     | 99.0000     | 9,900                          | 10,000      | 9,511       | 55          |                                           |                                          |                                                           |                                            | 8.000    | 9.026             | MN        | 102                           | 800                     | 06/03/2010 | 05/15/2018. |

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

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 | 5         |                  |             | 8                              | 9          |           |                               | 12                                        | 13                                       | 14                                                        | 15                                         | 16       | 17                | 18        | 19                            | 20                      | 21         | 22         |
|                      |                                         | F     | o | r         |                  |             | R                              | F          |           |                               | U                                         | C                                        | C                                                         | T                                          | R        | E                 | W         | A                             | A                       | A          | A          |
| CUSIP Identification | Description                             | Code  | g | 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 | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change In B./A.C.V. | Rate of  | Effective Rate of | When Paid | Admitted Amount Due & Accrued | Amount Rec. During Year | Acquired   | Maturity   |
| 02005N-AF-7.         | Ally Financial Inc NC                   |       |   |           | 4FE              | 55,344      | 97.1630                        | 53,440     | 55,000    | 55,264                        |                                           | (79)                                     |                                                           |                                            | 4.500    | 4.259             | FA        | 963                           | 1,238                   | 04/15/2011 | 02/11/2014 |
| 02005N-AJ-9.         | Ally Financial Inc NC                   | LS    |   |           | 4FE              | 29,588      | 101.2880                       | 30,386     | 30,000    | 29,574                        |                                           | (14)                                     |                                                           |                                            | 7.500    | 7.702             | MS        | 663                           | 563                     | 10/14/2011 | 09/15/2020 |
| 02076X-AC-6.         | Alpha Natural Resources Call            | LS    |   | 1         | 3FE              | 64,638      | 96.9520                        | 63,019     | 65,000    | 64,653                        |                                           | 16                                       |                                                           |                                            | 6.250    | 6.326             | JD        | 339                           | 2,031                   | 08/30/2011 | 06/01/2021 |
| 022249-BA-3.         | Aluminum Company of America NC          | LS    |   |           | 2FE              | 1,365,304   | 109.4840                       | 1,363,076  | 1,245,000 | 1,307,871                     |                                           | (7,900)                                  |                                                           |                                            | 6.500    | 5.558             | JD        | 3,597                         | 80,925                  | 01/10/2003 | 06/15/2018 |
| 02406P-AG-5.         | American Axle & Manufacturing 144A-Call | LS    |   | 1         | 3FE              | 68,425      | 109.0000                       | 70,850     | 65,000    | 67,851                        |                                           | (438)                                    |                                                           |                                            | 9.250    | 8.176             | JJ        | 2,772                         | 6,013                   | 09/22/2010 | 01/15/2014 |
| 02406P-AK-6.         | American Axle & Manufacturing NC        | LS    |   |           | 4FE              | 24,425      | 98.5000                        | 24,625     | 25,000    | 24,428                        |                                           | 3                                        |                                                           |                                            | 7.750    | 8.146             | MN        | 312                           |                         | 12/15/2011 | 11/15/2019 |
| 030700-AN-1.         | Ameristar Casinos Inc Call              | LS    |   | 1         | 4FE              | 35,875      | 103.0000                       | 36,050     | 35,000    | 35,866                        |                                           | (9)                                      |                                                           |                                            | 7.500    | 7.130             | AO        | 554                           |                         | 11/03/2011 | 04/15/2021 |
| 031162-BA-7.         | Amgen Inc. NC                           |       |   |           | 2FE              | 1,055,290   | 117.9110                       | 1,179,110  | 1,000,000 | 1,053,218                     |                                           | (772)                                    |                                                           |                                            | 6.400    | 6.000             | FA        | 26,667                        | 64,000                  | 01/21/2009 | 02/01/2039 |
| 032511-AY-3.         | Anadarko Petroleum Corp NC              | LS    |   |           | 2FE              | 45,594      | 115.3510                       | 57,676     | 50,000    | 45,683                        |                                           | 58                                       |                                                           |                                            | 6.450    | 7.192             | MS        | 950                           | 3,225                   | 10/25/2010 | 09/15/2036 |
| 037933-AE-8.         | Apria Healthcare Group Call             |       |   | 1         | 3FE              | 45,893      | 103.5950                       | 46,618     | 45,000    | 45,595                        |                                           | (176)                                    |                                                           |                                            | 11.250   | 10.690            | MN        | 844                           | 5,063                   | 02/10/2010 | 11/01/2014 |
| 039380-AD-2.         | Arch Coal Inc. 144A-Call                |       |   | 1         | 4FE              | 55,088      | 102.5640                       | 56,410     | 55,000    | 55,084                        |                                           | (4)                                      |                                                           |                                            | 7.000    | 6.974             | JD        | 171                           | 1,936                   | 06/16/2011 | 06/15/2019 |
| 039380-AF-7.         | Arch Coal Inc. 144A-Call                |       |   | 1         | 4FE              | 90,363      | 103.0050                       | 92,705     | 90,000    | 90,356                        |                                           | (7)                                      |                                                           |                                            | 7.250    | 7.192             | JD        | 290                           | 3,281                   | 12/02/2011 | 06/15/2021 |
| 039483-AY-8.         | Archer Daniels Midland Co. NC           |       |   |           | 1FE              | 960,670     | 118.9200                       | 1,189,200  | 1,000,000 | 971,862                       |                                           | 3,642                                    |                                                           |                                            | 5.450    | 6.000             | MS        | 16,047                        | 54,500                  | 09/22/2008 | 03/15/2018 |
| 04939W-AE-9.         | Atlas Pipeline Partners Call            |       |   | 1         | 4FE              | 15,000      | 105.8590                       | 15,879     | 15,000    | 15,000                        |                                           |                                          |                                                           |                                            | 8.750    | 8.750             | JD        | 58                            | 1,313                   | 06/25/2008 | 06/15/2018 |
| 049560-AH-8.         | Atmos Energy Corp NC                    |       |   |           | 2FE              | 475,930     | 118.4950                       | 592,475    | 500,000   | 482,849                       |                                           | 2,494                                    |                                                           |                                            | 6.350    | 7.120             | JD        | 1,411                         | 31,750                  | 01/16/2009 | 06/15/2017 |
| 05329W-AJ-1.         | Auto Nation Inc NC                      |       |   |           | 3FE              | 59,548      | 105.7120                       | 63,427     | 60,000    | 59,625                        |                                           | 46                                       |                                                           |                                            | 6.750    | 6.874             | AO        | 855                           | 4,050                   | 04/05/2010 | 04/15/2018 |
| 053773-AL-1.         | Avis Budget Car Rental Call             | LS    |   | 1         | 4FE              | 65,832      | 104.5000                       | 67,925     | 65,000    | 65,708                        |                                           | (81)                                     |                                                           |                                            | 9.625    | 9.389             | MS        | 1,842                         | 6,256                   | 07/13/2010 | 03/15/2018 |
| 05379B-AM-9.         | Avista Corp NC                          |       |   |           | 1FE              | 854,020     | 116.8330                       | 1,168,330  | 1,000,000 | 860,756                       |                                           | 1,980                                    |                                                           |                                            | 5.700    | 6.864             | JJ        | 28,500                        | 57,000                  | 04/30/2008 | 07/01/2037 |
| 054303-AR-3.         | Avon Products Inc. NC                   |       |   |           | 2FE              | 1,338,000   | 100.1520                       | 1,502,280  | 1,500,000 | 1,413,628                     |                                           | 10,816                                   |                                                           |                                            | 4.200    | 5.252             | JJ        | 29,050                        | 63,000                  | 08/07/2003 | 07/15/2018 |
| 055630-AA-8.         | Bank of New York 144A - Callable        |       |   | 1         | 1FE              | 1,066,700   | 102.6040                       | 1,026,040  | 1,000,000 | 1,052,429                     |                                           | (1,912)                                  |                                                           |                                            | 7.780    | 7.201             | JD        | 6,483                         | 77,800                  | 11/08/2001 | 12/01/2026 |
| 05568Y-AA-6.         | BNSF Railway NC                         |       |   |           | 1FE              | 740,480     | 114.8780                       | 850,652    | 740,480   | 740,480                       |                                           |                                          |                                                           |                                            | 5.996    | 5.996             | AO        | 11,100                        | 44,399                  | 06/11/2007 | 04/01/2024 |
| 058498-AL-0.         | Ball Corp. Call                         |       |   | 1         | 3FE              | 9,825       | 104.0000                       | 10,400     | 10,000    | 9,862                         |                                           | 17                                       |                                                           |                                            | 6.625    | 6.903             | MS        | 195                           | 663                     | 11/16/2009 | 03/15/2018 |
| 067383-AA-7.         | C.R. Bard, Inc. Put                     |       |   |           | 1FE              | 1,015,370   | 133.4030                       | 1,334,030  | 1,000,000 | 1,013,666                     |                                           | (528)                                    |                                                           |                                            | 6.700    | 6.555             | JD        | 5,583                         | 67,000                  | 04/24/2008 | 12/01/2026 |
| 06740P-O5-8.         | Barclays Bank Call                      | LS    |   | 1         | 1FE              | 492,500     | 90.3640                        | 451,820    | 500,000   | 494,810                       |                                           | 2,310                                    |                                                           |                                            | 5.000    | 5.574             | JJ        | 10,694                        | 12,500                  | 01/21/2011 | 01/27/2026 |
| 07385T-AJ-5.         | Bear Stearns Co Inc NC                  | LS    |   |           | 1FE              | 1,542,420   | 109.0100                       | 1,635,150  | 1,500,000 | 1,514,614                     |                                           | (4,622)                                  |                                                           |                                            | 5.700    | 5.328             | MN        | 10,925                        | 85,500                  | 07/12/2005 | 11/15/2014 |
| 07985T-AC-2.         | Bellsouth Capital Funding Put           |       |   |           | 1FE              | 1,115,000   | 112.2950                       | 1,122,950  | 1,000,000 | 1,087,560                     |                                           | (3,827)                                  |                                                           |                                            | 6.040    | 5.188             | MN        | 7,718                         | 60,400                  | 05/02/2003 | 11/15/2026 |
| 09062X-AA-1.         | Biogen Idec Inc NC                      |       |   |           | 2FE              | 503,310     | 105.4170                       | 527,085    | 500,000   | 501,132                       |                                           | (913)                                    |                                                           |                                            | 6.000    | 5.796             | MS        | 10,000                        | 30,000                  | 06/11/2009 | 03/01/2013 |
| 09256B-AB-3.         | Blackstone Holdings NC                  |       |   |           | 1FE              | 494,180     | 103.3650                       | 516,825    | 500,000   | 494,623                       |                                           | 443                                      |                                                           |                                            | 5.875    | 6.029             | MS        | 8,649                         | 28,967                  | 01/19/2011 | 03/15/2021 |
| 097023-AQ-8.         | Boeing Co. NC                           |       |   |           | 1FE              | 1,157,340   | 151.5380                       | 1,515,380  | 1,000,000 | 1,146,753                     |                                           | (1,523)                                  |                                                           |                                            | 7.500    | 6.401             | FA        | 28,333                        | 75,000                  | 02/26/2003 | 08/15/2042 |
| 12489L-AG-3.         | CB Richard Ellis Service 144A-Call      | LS    |   | 1         | 4FE              | 60,608      | 101.5000                       | 60,900     | 60,000    | 60,554                        |                                           | (44)                                     |                                                           |                                            | 6.625    | 6.485             | AO        | 839                           | 4,052                   | 10/13/2010 | 10/15/2020 |
| 1248EP-AS-2.         | CCO Holdings Call                       |       |   |           | 3FE              | 49,928      | 105.0000                       | 52,500     | 50,000    | 49,932                        |                                           | 4                                        |                                                           |                                            | 7.000    | 7.025             | JJ        | 1,614                         | 894                     | 08/17/2011 | 01/15/2019 |
| 1248EP-AU-7.         | CCO Holdings Call                       | LS    |   | 1         | 3FE              | 74,944      | 102.0000                       | 76,500     | 75,000    | 74,946                        |                                           | 2                                        |                                                           |                                            | 6.500    | 6.510             | AO        | 826                           | 2,302                   | 05/11/2011 | 04/30/2021 |
| 12527G-AB-9.         | CF Industries Inc NC                    |       |   |           | 3FE              | 96,063      | 120.3140                       | 102,267    | 85,000    | 95,501                        |                                           | (517)                                    |                                                           |                                            | 7.125    | 5.260             | MN        | 1,009                         | 4,097                   | 08/02/2011 | 05/01/2020 |
| 126307-AD-9.         | CSC Holdings LLC                        |       |   |           | 3FE              | 5,000       | 105.9760                       | 5,299      | 5,000     | 5,000                         |                                           |                                          |                                                           |                                            | 6.750    | 6.750             | MN        | 43                            |                         | 10/31/2011 | 11/15/2021 |
| 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 |
| 136385-AK-7.         | Canadian National Resources NC          |       |   |           | 2FE              | 987,110     | 118.2360                       | 1,182,360  | 1,000,000 | 991,500                       |                                           | 1,310                                    |                                                           |                                            | 5.700    | 5.887             | MN        | 7,283                         | 57,000                  | 06/05/2008 | 05/15/2017 |
| 141784-AM-0.         | Cargill Inc. NC                         |       |   |           | 1FE              | 661,650     | 129.2270                       | 646,135    | 500,000   | 660,853                       |                                           | (797)                                    |                                                           |                                            | 7.410    | 4.500             | MN        | 4,734                         |                         | 11/17/2011 | 06/18/2027 |
| 14987B-AA-1.         | CC Holdings 144A-Call                   |       |   | 1         | 3FE              | 9,709       | 107.7500                       | 10,775     | 10,000    | 9,786                         |                                           | 31                                       |                                                           |                                            | 7.750    | 8.335             | FMAN      | 129                           | 775                     | 04/15/2009 | 05/01/2017 |
| 165167-CF-2.         | Chesapeake Energy NC                    |       |   |           | 3FE              | 60,474      | 105.5000                       | 64,355     | 61,000    | 60,527                        |                                           | 39                                       |                                                           |                                            | 6.625    | 6.745             | FA        | 1,527                         | 4,019                   | 08/12/2010 | 08/15/2020 |
| 165258-AA-2.         | Chesapeake Oil 144A-Call                |       |   | 1         | 3FE              | 64,800      | 105.0070                       | 68,255     | 65,000    | 64,800                        |                                           |                                          |                                                           |                                            | 6.625    | 6.674             | MN        | 754                           |                         | 11/30/2011 | 11/15/2019 |
| 17296T-AR-2.         | Citigroup Inc NC                        |       |   |           | 1FE              | 1,078,650   | 106.3330                       | 1,063,330  | 1,000,000 | 1,076,684                     |                                           | (1,966)                                  |                                                           |                                            | 6.625    | 5.880             | JJ        | 30,549                        | 33,125                  | 04/04/2011 | 01/15/2028 |
| 17453B-AJ-0.         | Citizens Communications Co NC           |       |   |           | 3FE              | 24,463      | 91.7500                        | 22,938     | 25,000    | 24,487                        |                                           | 9                                        |                                                           |                                            | 9.000    | 9.228             | FA        | 850                           | 2,250                   | 12/04/2009 | 08/15/2031 |
| 189054-AF-6.         | Clorox Co. California NC                | LS    |   |           | 2FE              | 1,019,860   | 108.1780                       | 1,081,780  | 1,000,000 | 1,007,108                     |                                           | (2,127)                                  |                                                           |                                            | 5.000    | 4.746             | JJ        | 23,056                        | 50,000                  | 01/19/2005 | 01/15/2015 |
| 191216-AV-2.         | Coca Cola Company NC                    |       |   |           | 1FE              | 936,210     | 105.1180                       | 1,051,180  | 1,000,000 | 938,146                       |                                           | 1,936                                    |                                                           |                                            | 3.300    | 4.081             | MS        | 12,925                        |                         | 08/16/2011 | 09/01/2021 |
| 20030N-AE-1.         | Comcast Corp - Class A NC               | LS    |   |           | 2FE              | 505,065     | 107.9590                       | 539,795    | 500,000   | 501,211                       |                                           | (550)                                    |                                                           |                                            | 5.300    | 5.173             | JJ        | 12,219                        | 26,500                  | 05/14/2003 | 01/15/2014 |
| 200339-CG-2.         | Comerica Bank NC                        |       |   |           | 1FE              | 1,006,310   | 110.0080                       | 1,100,080  | 1,000,000 | 1,003,666                     |                                           | (634)                                    |                                                           |                                            | 5.750    | 5.663             | MN        | 6,389                         | 57,500                  | 03/26/2007 | 11/21/2016 |
| 20854P-AD-1.         | CONSOL Energy Inc. Call                 |       |   | 1         | 4FE              | 20,000      | 109.8330                       | 21,967     | 20,000    | 20,000                        |                                           |                                          |                                                           |                                            | 8.000    | 8.000             | AO        | 400                           | 1,700                   | 03/25/2010 | 04/01/2017 |
| 20854P-AF-6.         | CONSOL Energy Inc. 144A-Call            |       |   | 1         | 4FE              | 93,819      | 109.5930                       | 98,634     | 90,000    | 93,371                        |                                           | (366)                                    |                                                           |                                            | 8.250    | 7.535             | AO        | 1,856                         | 7,875                   | 12/02/2010 | 04/01/2015 |
| 20854P-AG-4.         | CONSOL Energy Inc. 144A-Call            |       |   | 1         | 4FE              | 35,000      | 100.9560                       | 35,335     | 35,000    | 35,000                        |                                           |                                          |                                                           |                                            | 6.375    | 6.375             | MS        | 744                           | 1,241                   | 03/02/2011 | 03/01/2021 |
| 22541L-BK-8.         | Credit Suisse First Boston NC           | LS    |   |           | 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 |
| 226566-AK-3.         | Crickit Communications 144A-Call        |       |   | 1         | 4FE              | 77,725      | 104.0000                       | 83,200     | 80,000    | 78,398                        |                                           | 293                                      |                                                           |                                            | 7.750    | 8.306             | MN        | 792                           | 6,200                   | 09/02/2009 | 05/15/2016 |

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

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                               | 5         |                  |             | 8                              | 9          |           |                               | 12                                        | 13                                       | 14                                                        | 15                                         | 16       | 17                | 18        | 19                            | 20                      | 21         | 22         |
| CUSIP Identification | Description                    | Code  | F<br>o<br>r<br>e<br>i<br>g<br>n | 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 | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change In B./A.C.V. | Rate of  | Effective Rate of | When Paid | Admitted Amount Due & Accrued | Amount Rec. During Year | Acquired   | Maturity   |
| 247025-AE-9.         | Dell Inc NC                    |       |                                 |           | 1FE              | 613,630     | 124.9360                       | 624,680    | 500,000   | 612,496                       |                                           | (1,134)                                  |                                                           |                                            | 7.100    | 5.056             | A0        | 7,494                         | 17,750                  | 09/26/2011 | 04/15/2028 |
| 24702R-AD-3.         | Dell Inc NC                    |       |                                 |           | 1FE              | 764,280     | 104.6930                       | 785,198    | 750,000   | 755,056                       |                                           | (3,748)                                  |                                                           |                                            | 4.700    | 4.156             | A0        | 7,442                         | 35,250                  | 06/10/2009 | 04/15/2013 |
| 25271C-AK-8.         | Diamond Offshore NC            |       |                                 |           | 2FE              | 501,370     | 116.2620                       | 581,310    | 500,000   | 501,091                       |                                           | (116)                                    |                                                           |                                            | 5.875    | 5.838             | MN        | 4,896                         | 29,375                  | 05/13/2009 | 05/01/2019 |
| 256853-AA-0.         | Dolphin Energy LTD NC          |       |                                 | 2         | 1FE              | 422,504     | 108.4790                       | 457,185    | 421,450   | 422,292                       |                                           | (88)                                     |                                                           |                                            | 5.888    | 5.855             | JD        | 1,103                         | 24,815                  | 08/19/2009 | 06/15/2019 |
|                      | Dolphin Subsidiary II 144A-Cal |       |                                 | 1         | 3FE              | 50,150      | 108.6050                       | 54,303     | 50,000    | 50,147                        |                                           | (3)                                      |                                                           |                                            | 7.250    | 7.207             | A0        | 886                           |                         | 09/28/2011 | 07/15/2021 |
| 257469-AJ-5.         | Dominion Resources Inc Put     |       |                                 |           | 2FE              | 990,000     | 109.7490                       | 1,097,490  | 1,000,000 | 991,481                       |                                           | 207                                      |                                                           |                                            | 5.250    | 5.317             | FA        | 21,875                        | 52,500                  | 12/02/2003 | 08/01/2033 |
| 26779Y-AA-7.         | Dynacast Intl 144A-Cal         |       |                                 | 1         | 4FE              | 40,813      | 94.7500                        | 37,900     | 40,000    | 40,780                        |                                           | (33)                                     |                                                           |                                            | 9.250    | 8.889             | JJ        | 1,665                         |                         | 07/20/2011 | 07/15/2019 |
| 26875P-AH-4.         | EOG Resources Inc. NC          |       |                                 |           | 1FE              | 997,360     | 103.5250                       | 1,035,250  | 1,000,000 | 997,879                       |                                           | 478                                      |                                                           |                                            | 2.500    | 2.555             | FA        | 10,417                        | 17,222                  | 11/18/2010 | 02/01/2016 |
| 277432-AB-6.         | Eastman Chemical Company NC    |       |                                 |           | 2FE              | 941,456     | 124.7650                       | 998,120    | 800,000   | 937,369                       |                                           | (4,087)                                  |                                                           |                                            | 7.250    | 5.302             | JJ        | 26,744                        | 29,000                  | 06/23/2011 | 01/15/2024 |
| 27876S-BE-7.         | Echostar DBS Corp NC           |       |                                 |           | 3FE              | 56,650      | 108.5000                       | 59,675     | 55,000    | 56,582                        |                                           | (68)                                     |                                                           |                                            | 7.125    | 6.314             | FA        | 7,633                         |                         | 10/11/2011 | 02/01/2016 |
| 28336L-BR-9.         | EI Paso Corporation NC         |       |                                 |           | 3FE              | 24,184      | 110.4730                       | 27,618     | 25,000    | 24,348                        |                                           | 75                                       |                                                           |                                            | 7.250    | 7.769             | JD        | 151                           | 1,813                   | 08/28/2009 | 06/01/2018 |
| 28660G-AG-1.         | Elizabeth Arden Inc 144A-Cal   | LS    |                                 | 1         | 4FE              | 15,281      | 105.5000                       | 15,825     | 15,000    | 15,266                        |                                           | (15)                                     |                                                           |                                            | 7.375    | 7.109             | MS        | 326                           | 719                     | 01/14/2011 | 03/15/2021 |
| 29250N-AB-1.         | Enbridge Inc NC                |       |                                 |           | 1FE              | 488,320     | 113.2970                       | 566,485    | 500,000   | 492,366                       |                                           | 1,206                                    |                                                           |                                            | 5.600    | 5.943             | A0        | 7,000                         | 28,000                  | 06/04/2008 | 04/01/2017 |
| 292757-AB-7.         | Energysolutions Inc Call       |       |                                 | 1         | 5FE              | 72,479      | 94.1270                        | 65,889     | 70,000    | 72,248                        |                                           | (233)                                    |                                                           |                                            | 10.750   | 10.020            | FA        | 2,843                         | 7,114                   | 05/05/2011 | 08/15/2014 |
| 29364D-AJ-9.         | Entergy Arkansas Inc Call      |       |                                 | 1         | 1FE              | 1,020,000   | 101.0430                       | 1,010,430  | 1,000,000 | 1,004,242                     |                                           | (2,805)                                  |                                                           |                                            | 5.900    | 5.584             | JD        | 4,917                         | 59,000                  | 06/21/2005 | 06/01/2013 |
|                      | Entravision Communication Cal  |       |                                 | 1         | 4FE              | 15,113      | 98.5000                        | 14,775     | 15,000    | 15,097                        |                                           | (13)                                     |                                                           |                                            | 8.750    | 8.602             | FA        | 547                           | 1,327                   | 08/13/2010 | 08/01/2017 |
| 30161M-AE-3.         | Exelon Generation Co NC        |       |                                 |           | 2FE              | 573,147     | 116.7580                       | 659,683    | 565,000   | 570,397                       |                                           | (765)                                    |                                                           |                                            | 6.200    | 6.001             | A0        | 8,758                         | 35,030                  | 12/20/2007 | 10/01/2017 |
| 30251G-AA-5.         | FMG Resources 144A-Cal         |       |                                 | 1         | 4FE              | 34,738      | 101.1650                       | 35,408     | 35,000    | 34,747                        |                                           | 10                                       |                                                           |                                            | 7.000    | 7.219             | MN        | 408                           | 1,225                   | 10/26/2011 | 11/01/2015 |
| 30251G-AH-0.         | FMG Resources 144A-Cal         |       |                                 | 1         | 4FE              | 35,000      | 101.7500                       | 35,613     | 35,000    | 35,000                        |                                           |                                          |                                                           |                                            | 8.250    | 8.250             | MN        | 505                           |                         | 12/02/2011 | 11/01/2019 |
| 31409J-SF-8.         | FNMA Pool 872718               |       |                                 | 2         | 1                | 568,770     | 110.3160                       | 631,788    | 572,707   | 568,827                       |                                           | 9                                        |                                                           |                                            | 6.000    | 6.103             | MON       | 2,864                         | 34,362                  | 05/30/2006 | 06/01/2036 |
| 31427S-AC-2.         | Federated/Macy's NC            | LS    |                                 |           | 2FE              | 5,500       | 117.7960                       | 11,780     | 10,000    | 5,569                         |                                           | 27                                       |                                                           |                                            | 6.375    | 11.984            | MS        | 188                           | 638                     | 04/03/2009 | 03/15/2037 |
| 31430Q-BA-4.         | Felcor Lodging LP NC           | LS    |                                 |           | 4FE              | 30,600      | 110.0780                       | 33,023     | 30,000    | 30,409                        |                                           | (125)                                    |                                                           |                                            | 10.000   | 9.425             | A0        | 750                           | 3,000                   | 05/12/2010 | 10/01/2014 |
| 319963-BC-7.         | First Data Corp. 144A-Cal      | LS    |                                 | 1         | 4FE              | 35,306      | 94.4870                        | 33,070     | 35,000    | 35,290                        |                                           | (16)                                     |                                                           |                                            | 7.375    | 7.100             | JD        | 115                           | 1,735                   | 07/20/2011 | 06/15/2015 |
| 341081-EP-8.         | Florida Power & Light NC       |       |                                 |           | 1FE              | 1,089,980   | 125.9420                       | 1,259,420  | 1,000,000 | 1,078,231                     |                                           | (1,998)                                  |                                                           |                                            | 5.850    | 5.233             | FA        | 24,375                        | 58,500                  | 02/24/2005 | 02/01/2033 |
| 345397-VM-2.         | Ford Motor Credit Company NC   |       |                                 |           | 3FE              | 51,125      | 118.1200                       | 59,060     | 50,000    | 50,992                        |                                           | (86)                                     |                                                           |                                            | 8.125    | 7.788             | JJ        | 1,873                         | 4,063                   | 03/09/2010 | 01/15/2020 |
| 345397-VT-7.         | Ford Motor Credit Company NC   |       |                                 |           | 3FE              | 20,000      | 100.3460                       | 20,069     | 20,000    | 20,000                        |                                           |                                          |                                                           |                                            | 5.000    | 5.000             | MN        | 128                           | 533                     | 04/28/2011 | 05/15/2018 |
| 35802X-AA-1.         | Fresenius Med Care 144A-NC     |       |                                 |           | 3FE              | 44,945      | 106.7430                       | 48,034     | 45,000    | 44,947                        |                                           | 2                                        |                                                           |                                            | 6.500    | 6.522             | MS        | 869                           |                         | 09/08/2011 | 09/15/2018 |
| 36155W-AF-3.         | GCI Inc Call                   |       |                                 | 1         | 4FE              | 24,826      | 106.5000                       | 26,625     | 25,000    | 24,853                        |                                           | 13                                       |                                                           |                                            | 8.625    | 8.730             | MN        | 276                           | 2,156                   | 11/04/2009 | 11/15/2019 |
| 36158F-AA-8.         | GE Global Insurance Hldg NC    |       |                                 |           | 1FE              | 899,562     | 115.7290                       | 983,697    | 850,000   | 889,504                       |                                           | (1,670)                                  |                                                           |                                            | 7.000    | 6.492             | FA        | 22,478                        | 59,500                  | 05/17/2005 | 02/15/2026 |
| 36159R-AE-3.         | Geo Group Inc Call             |       |                                 | 1         | 4FE              | 39,425      | 101.7290                       | 40,692     | 40,000    | 39,440                        |                                           | 15                                       |                                                           |                                            | 6.625    | 6.833             | FA        | 1,001                         |                         | 09/29/2011 | 02/15/2021 |
| 362338-AQ-8.         | GTE Southwest NC               |       |                                 |           | 1FE              | 1,369,170   | 141.1260                       | 1,411,260  | 1,000,000 | 1,367,365                     |                                           | (1,805)                                  |                                                           |                                            | 8.500    | 5.450             | MN        | 10,861                        | 42,500                  | 10/24/2011 | 11/15/2031 |
|                      | General Motors Finl Co         |       |                                 |           | 3FE              | 30,300      | 101.5760                       | 30,473     | 30,000    | 30,281                        |                                           | (19)                                     |                                                           |                                            | 6.750    | 6.569             | JD        | 169                           | 1,013                   | 06/07/2011 | 06/01/2018 |
| 37045X-AA-4.         | Callable                       |       |                                 |           | 2FE              | 59,488      | 128.6330                       | 77,180     | 60,000    | 59,586                        |                                           | (21)                                     |                                                           |                                            | 8.000    | 8.025             | JJ        | 2,213                         | 4,800                   | 04/28/2010 | 01/15/2024 |
| 373298-CF-3.         | Georgia-Pac NC                 |       |                                 |           | 1FE              | 696,556     | 112.8090                       | 789,663    | 700,000   | 697,302                       |                                           | 54                                       |                                                           |                                            | 5.800    | 5.830             | A0        | 8,571                         | 40,600                  | 04/12/2005 | 04/15/2035 |
| 373334-FZ-9.         | Goldman Sachs NC               | LS    |                                 |           | 1FE              | 1,011,470   | 101.9030                       | 1,019,030  | 1,000,000 | 1,003,178                     |                                           | (1,447)                                  |                                                           |                                            | 5.150    | 4.984             | JJ        | 23,747                        | 51,500                  | 05/20/2005 | 01/15/2014 |
| 38143U-AB-7.         | Great River Energy Sink Fund   |       |                                 | 2         | 1FE              | 930,000     | 120.2790                       | 1,202,790  | 1,000,000 | 932,895                       |                                           | 888                                      |                                                           |                                            | 6.254    | 6.804             | JJ        | 31,270                        | 62,540                  | 06/20/2008 | 07/01/2038 |
| 39121J-AE-0.         | HCA-The Healthcare Company Cal | LS    |                                 | 1         | 3FE              | 47,540      | 109.7740                       | 49,398     | 45,000    | 46,954                        |                                           | (295)                                    |                                                           |                                            | 9.875    | 8.798             | FA        | 1,679                         | 4,444                   | 11/16/2009 | 02/15/2013 |
| 404119-BD-0.         | HCA Inc NC                     |       |                                 |           | 3FE              | 225,824     | 105.1960                       | 236,691    | 225,000   | 225,797                       |                                           | (27)                                     |                                                           |                                            | 6.500    | 6.443             | FA        | 6,094                         |                         | 08/02/2011 | 02/15/2020 |
| 40429C-CR-1.         | HSBC Finance Corp NC           | LS    |                                 |           | 1FE              | 254,145     | 101.6980                       | 254,245    | 250,000   | 251,646                       |                                           | (449)                                    |                                                           |                                            | 5.250    | 5.030             | A0        | 2,771                         | 13,125                  | 08/19/2005 | 04/15/2015 |
|                      | Hanger Orthopedic Group Inc    |       |                                 | 1         | 4FE              | 35,219      | 102.3820                       | 35,834     | 35,000    | 35,195                        |                                           | (20)                                     |                                                           |                                            | 7.125    | 7.021             | MN        | 319                           | 2,584                   | 10/20/2010 | 11/15/2018 |
| 41043F-AJ-8.         | Call                           |       |                                 |           | 2FE              | 1,018,640   | 101.8160                       | 1,018,160  | 1,000,000 | 1,017,712                     |                                           | (928)                                    |                                                           |                                            | 4.400    | 4.161             | JD        | 1,956                         | 45,467                  | 05/26/2011 | 12/15/2020 |
| 41387S-AM-7.         | Harris Corp. NC                |       |                                 |           | 4FE              | 13,638      | 100.5000                       | 17,085     | 17,000    | 15,397                        |                                           | 639                                      |                                                           |                                            | 8.875    | 14.439            | JJ        | 754                           | 1,509                   | 10/09/2008 | 01/01/2014 |
| 428040-BZ-1.         | Hertz Corp. Cal                | LS    |                                 | 1         | 3FE              | 60,288      | 103.6690                       | 62,201     | 60,000    | 60,279                        |                                           | (9)                                      |                                                           |                                            | 6.000    | 5.931             | FA        | 1,500                         |                         | 08/17/2011 | 11/01/2020 |
| 44107T-AK-2.         | Host Hotels & Resorts Cal      |       |                                 |           | 3FE              | 95,062      | 102.2500                       | 97,138     | 95,000    | 95,076                        |                                           | 14                                       |                                                           |                                            | 5.875    | 5.861             | JD        | 248                           | 3,318                   | 07/05/2011 | 06/15/2019 |
| 44107T-AL-0.         | Call                           |       |                                 | 1         | 4FE              | 19,230      | 101.2090                       | 19,230     | 19,000    | 17,831                        |                                           | 19                                       |                                                           |                                            | 6.875    | 7.798             | FA        | 544                           |                         | 10/14/2011 | 08/01/2021 |
| 45661T-AL-5.         | Inergy LP/Inergy Fin Cal       | LS    |                                 |           |                  |             |                                |            |           |                               |                                           |                                          |                                                           |                                            |          |                   |           |                               |                         |            |            |
|                      | Inergy LP/Inergy Fin 144A-Cal  |       |                                 | 1         | 4FE              | 10,000      | 102.3780                       | 10,238     | 10,000    | 10,000                        |                                           |                                          |                                                           |                                            | 7.000    | 7.000             | A0        | 175                           | 708                     | 09/13/2010 | 10/01/2018 |
| 45661T-AM-3.         | Ingles Markets Inc Call        |       |                                 | 1         | 4FE              | 59,951      | 108.5340                       | 65,120     | 60,000    | 59,986                        |                                           | (1)                                      |                                                           |                                            | 8.875    | 8.877             | MN        | 680                           | 5,325                   | 11/16/2009 | 05/15/2017 |
| 457030-AG-9.         | Intelsat Jackson Hldg 144A-Cal | LS    |                                 | 1         | 4FE              | 210,000     | 101.7500                       | 213,675    | 210,000   | 210,000                       |                                           |                                          |                                                           |                                            | 7.250    | 7.250             | A0        | 3,806                         | 7,443                   | 03/22/2011 | 04/01/2019 |

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

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<br>F<br>o<br>r<br>e<br>i<br>g<br>n | 5<br><br>Bond<br>CHAR |             |            | 8<br><br>Rate Used to Obtain<br>Fair Value | 9<br><br>Fair Value |                                  |    | 12<br><br>Unrealized Valuation Increase/<br>(Decrease) | 13<br><br>Current Year's (Amortization)/<br>Accretion | 14<br><br>Current Year's Other Than<br>Temporary Impairment Recognized | 15<br><br>Total Foreign Exchange Change<br>In B./A.C.V. | 16<br><br>Rate of | 17<br><br>Effective Rate of | 18<br><br>When Paid | 19<br><br>Admitted Amount Due &<br>Accrued | 20<br><br>Amount Rec. During Year | 21<br><br>Acquired | 22<br><br>Maturity |  |
| CUSIP<br>Identification | Description                    | Code  |                                      | NAIC Designation      | Actual Cost | Fair Value | Fair Value                                 | Par Value           | Book/<br>Adjusted Carrying Value |    |                                                        |                                                       |                                                                        |                                                         |                   |                             |                     |                                            |                                   |                    |                    |  |
| 459745-GF-6             | International Lease Finance NC | LS    |                                      | 3FE                   | 15,300      | 101.5000   | 15,225                                     | 15,000              | 15,279                           |    | (20)                                                   |                                                       |                                                                        |                                                         | 8.250             | 7.956                       | JD                  | 55                                         | 1,265                             | 12/07/2010         | 12/15/2020         |  |
| 459745-GH-2             | International Lease Finance NC |       |                                      | 3FE                   | 85,688      | 93.1590    | 83,843                                     | 90,000              | 85,801                           |    | 114                                                    |                                                       |                                                                        |                                                         | 6.250             | 7.062                       | MN                  | 719                                        | 2,672                             | 10/27/2011         | 05/15/2019         |  |
| 45974V-B7-2             | Intl Lease Finance Corp NC     |       |                                      | 3FE                   | 15,236      | 99.8110    | 16,968                                     | 17,000              | 16,226                           |    | 562                                                    |                                                       |                                                                        |                                                         | 6.375             | 10.424                      | MS                  | 289                                        | 1,084                             | 03/02/2010         | 03/25/2013         |  |
| 45974V-B8-0             | Intl Lease Finance Corp NC     | LS    |                                      | 3FE                   | 57,225      | 100.5510   | 65,358                                     | 65,000              | 60,710                           |    | 1,955                                                  |                                                       |                                                                        |                                                         | 6.625             | 10.594                      | MN                  | 550                                        | 4,306                             | 07/21/2010         | 11/15/2013         |  |
| 466112-AF-6             | JBS USA LLC 144A-Call          | LS    | 1                                    | 3FE                   | 71,413      | 93.5000    | 70,125                                     | 75,000              | 71,515                           |    | 102                                                    |                                                       |                                                                        |                                                         | 7.250             | 7.958                       | JD                  | 453                                        | 2,594                             | 12/05/2011         | 06/01/2021         |  |
| 471109-AD-0             | Jarden Crop Call               | LS    | 1                                    | 4FE                   | 20,400      | 106.8750   | 21,375                                     | 20,000              | 20,395                           |    | (5)                                                    |                                                       |                                                                        |                                                         | 7.500             | 7.172                       | JJ                  | 692                                        |                                   | 10/07/2011         | 01/15/2020         |  |
| 485134-BL-3             | Kansas City Power NC           |       |                                      | 2FE                   | 504,385     | 125.3430   | 626,715                                    | 500,000             | 503,473                          |    | (356)                                                  |                                                       |                                                                        |                                                         | 7.150             | 7.026                       | AO                  | 8,938                                      | 35,750                            | 03/24/2009         | 04/01/2019         |  |
| 489399-AB-1             | Kennedy Wilson Inc 144A-Call   |       | 1                                    | 4FE                   | 40,905      | 97.5000    | 39,000                                     | 40,000              | 40,843                           |    | (62)                                                   |                                                       |                                                                        |                                                         | 8.750             | 8.355                       | AO                  | 875                                        | 1,711                             | 04/05/2011         | 04/01/2019         |  |
| 492914-AS-5             | Key Energy Services Inc Call   |       | 1                                    | 4FE                   | 60,900      | 100.5000   | 60,300                                     | 60,000              | 60,846                           |    | (54)                                                   |                                                       |                                                                        |                                                         | 6.750             | 6.543                       | MS                  | 1,350                                      | 1,991                             | 03/03/2011         | 03/01/2021         |  |
| 49306C-AH-4             | Key Bank, NA NC                |       |                                      | 2FE                   | 1,065,090   | 106.7680   | 1,067,680                                  | 1,000,000           | 1,019,999                        |    | (7,341)                                                |                                                       |                                                                        |                                                         | 5.800             | 4.940                       | JJ                  | 29,000                                     | 58,000                            | 11/17/2004         | 07/01/2014         |  |
| 49456A-AA-1             | Kinder Morgan Fin Co 144A-NC   |       |                                      | 3FE                   | 49,999      | 102.6070   | 51,304                                     | 50,000              | 50,000                           |    | 1                                                      |                                                       |                                                                        |                                                         | 6.000             | 6.000                       | JJ                  | 1,383                                      | 513                               | 08/31/2011         | 01/15/2018         |  |
| 50075N-AV-6             | Kraft Foods Inc NC             |       |                                      | 2FE                   | 496,565     | 118.6680   | 593,340                                    | 500,000             | 497,662                          |    | 277                                                    |                                                       |                                                                        |                                                         | 6.125             | 6.212                       | FA                  | 10,889                                     | 30,625                            | 05/20/2008         | 08/23/2018         |  |
| 517834-AB-3             | Las Vegas Sands Corp Call      | LS    | 1                                    | 3FE                   | 35,438      | 102.0000   | 35,700                                     | 35,000              | 35,383                           |    | (54)                                                   |                                                       |                                                                        |                                                         | 6.375             | 5.985                       | FA                  | 843                                        | 1,116                             | 06/21/2011         | 02/15/2015         |  |
| 52736R-BB-7             | Levi Strauss & Co. Call        | LS    | 1                                    | 4FE                   | 25,188      | 103.3770   | 25,844                                     | 25,000              | 25,184                           |    | (4)                                                    |                                                       |                                                                        |                                                         | 7.625             | 7.505                       | MN                  | 244                                        | 953                               | 07/07/2011         | 05/15/2020         |  |
| 53219L-AK-5             | Lifepoint Hospitals Inc Call   |       | 1                                    | 3FE                   | 19,800      | 104.8310   | 20,966                                     | 20,000              | 19,805                           |    | 5                                                      |                                                       |                                                                        |                                                         | 6.625             | 6.774                       | AO                  | 331                                        | 663                               | 09/14/2011         | 10/01/2020         |  |
| 532716-AK-3             | Limited Inc. NC                | LS    |                                      | 3FE                   | 39,525      | 93.6300    | 42,134                                     | 45,000              | 39,608                           |    | 46                                                     |                                                       |                                                                        |                                                         | 6.950             | 8.140                       | MS                  | 1,043                                      | 695                               | 10/18/2011         | 03/01/2033         |  |
| 532716-AN-7             | Limited Inc. NC                |       |                                      | 3FE                   | 10,675      | 99.5000    | 14,925                                     | 15,000              | 10,751                           |    | 30                                                     |                                                       |                                                                        |                                                         | 7.600             | 10.910                      | JJ                  | 526                                        | 1,140                             | 06/18/2009         | 07/15/2037         |  |
| 538034-AC-3             | Live Nation 144A-Call          |       | 1                                    | 4FE                   | 44,850      | 100.8750   | 45,394                                     | 45,000              | 44,871                           |    | 13                                                     |                                                       |                                                                        |                                                         | 8.125             | 8.180                       | MN                  | 467                                        | 3,656                             | 06/16/2010         | 05/15/2018         |  |
| 54866N-BP-3             | Lowe's Companies Inc NC        |       |                                      | 1FE                   | 1,199,260   | 127.1740   | 1,271,740                                  | 1,000,000           | 1,160,851                        |    | (6,251)                                                |                                                       |                                                                        |                                                         | 7.200             | 5.640                       | MS                  | 24,000                                     | 72,000                            | 09/22/2004         | 09/01/2027         |  |
| 55263B-AA-9             | MBNA Capital Call              |       | 1                                    | 3FE                   | 22,851      | 92.7500    | 23,188                                     | 25,000              | 22,982                           |    | 57                                                     |                                                       |                                                                        |                                                         | 8.278             | 9.274                       | JD                  | 172                                        | 2,132                             | 12/04/2009         | 12/01/2026         |  |
| 552704-AA-6             | Meg Energy Corp 144A-Call      |       | 1                                    | 4FE                   | 36,006      | 103.5420   | 36,240                                     | 35,000              | 35,953                           |    | (53)                                                   |                                                       |                                                                        |                                                         | 6.500             | 6.109                       | MS                  | 670                                        | 1,119                             | 04/06/2011         | 03/15/2021         |  |
| 552953-BE-0             | MGM Grand Inc NC               |       |                                      | 3FE                   | 44,338      | 119.0000   | 47,600                                     | 40,000              | 42,165                           |    | (1,011)                                                |                                                       |                                                                        |                                                         | 13.000            | 9.759                       | MN                  | 664                                        | 5,200                             | 11/19/2009         | 11/15/2013         |  |
| 55608J-AC-2             | Macquarie Group Ltd NC         | LS    |                                      | 2FE                   | 496,840     | 96.2700    | 481,350                                    | 500,000             | 497,331                          |    | 251                                                    |                                                       |                                                                        |                                                         | 6.000             | 6.085                       | JJ                  | 13,917                                     | 30,000                            | 03/10/2010         | 01/14/2020         |  |
| 577778-CE-1             | May Department Stores NC       |       |                                      | 2FE                   | 23,759      | 109.7500   | 43,900                                     | 40,000              | 24,105                           |    | 137                                                    |                                                       |                                                                        |                                                         | 6.700             | 11.739                      | JJ                  | 1,236                                      | 2,680                             | 05/19/2009         | 07/15/2034         |  |
| 581557-AW-5             | McKesson Corp. NC              |       |                                      | 1FE                   | 802,028     | 111.0970   | 833,228                                    | 750,000             | 774,952                          |    | (10,915)                                               |                                                       |                                                                        |                                                         | 6.500             | 4.831                       | FA                  | 18,417                                     | 48,750                            | 05/28/2009         | 02/15/2014         |  |
| 59001A-AN-2             | Meritage Homes Corp NC         |       |                                      | 4FE                   | 34,148      | 94.8460    | 33,196                                     | 35,000              | 34,254                           |    | 63                                                     |                                                       |                                                                        |                                                         | 7.150             | 7.500                       | AO                  | 528                                        | 2,503                             | 04/06/2010         | 04/15/2020         |  |
| 591894-BU-3             | Metropolitan Edison NC         |       |                                      | 2FE                   | 1,007,990   | 103.7710   | 1,037,710                                  | 1,000,000           | 1,001,269                        |    | (1,000)                                                |                                                       |                                                                        |                                                         | 4.950             | 4.840                       | MS                  | 14,575                                     | 49,500                            | 01/20/2004         | 03/15/2013         |  |
| 617446-HR-3             | Morgan Stanley NC              | LS    |                                      | 1FE                   | 1,011,600   | 101.2240   | 1,012,240                                  | 1,000,000           | 1,001,673                        |    | (1,358)                                                |                                                       |                                                                        |                                                         | 5.300             | 5.150                       | MS                  | 17,667                                     | 53,000                            | 02/25/2003         | 03/01/2013         |  |
| 628530-AL-1             | Mylan Laboratories 144A-Call   | LS    | 1                                    | 3FE                   | 39,922      | 110.8640   | 44,346                                     | 40,000              | 39,942                           |    | 6                                                      |                                                       |                                                                        |                                                         | 7.875             | 7.899                       | JJ                  | 1,453                                      | 3,640                             | 05/24/2010         | 07/15/2020         |  |
| 629377-BN-1             | NRG Energy Inc. NC             |       |                                      | 4FE                   | 25,000      | 100.0000   | 25,000                                     | 25,000              | 25,000                           |    |                                                        |                                                       |                                                                        |                                                         | 7.625             | 7.625                       | JJ                  | 879                                        | 895                               | 01/11/2011         | 01/15/2018         |  |
| 629377-BP-6             | NRG Energy Inc. 144A-Call      | LS    | 1                                    | 3FE                   | 64,125      | 98.8810    | 64,273                                     | 65,000              | 64,141                           |    | 16                                                     |                                                       |                                                                        |                                                         | 7.625             | 7.862                       | MN                  | 633                                        | 2,354                             | 10/14/2011         | 05/15/2019         |  |
| 629855-AQ-0             | Nalco Company 144A-Call        |       | 1                                    | 2FE                   | 70,000      | 112.4810   | 78,737                                     | 70,000              | 70,000                           |    |                                                        |                                                       |                                                                        |                                                         | 6.625             | 6.625                       | JJ                  | 2,138                                      | 2,628                             | 12/09/2010         | 01/15/2019         |  |
| 637004-AC-6             | National Money Mart Co Call    |       | 1                                    | 4FE                   | 31,875      | 107.0100   | 32,103                                     | 30,000              | 31,766                           |    | (93)                                                   |                                                       |                                                                        |                                                         | 10.375            | 9.482                       | JD                  | 138                                        | 3,113                             | 10/05/2010         | 12/15/2013         |  |
| 655042-AD-1             | Noble Drilling Corp NC         |       |                                      | 2FE                   | 572,090     | 124.5240   | 622,620                                    | 500,000             | 550,882                          |    | (5,552)                                                |                                                       |                                                                        |                                                         | 7.500             | 5.754                       | MS                  | 11,042                                     | 37,500                            | 10/25/2007         | 03/15/2019         |  |
| 665789-AV-5             | Northern States Power NC       |       |                                      | 1FE                   | 1,474,800   | 119.3500   | 1,790,250                                  | 1,500,000           | 1,482,172                        |    | 2,130                                                  |                                                       |                                                                        |                                                         | 5.250             | 5.463                       | AO                  | 19,688                                     | 78,750                            | 04/25/2008         | 10/01/2018         |  |
| 67021B-AC-3             | NII Capital Corp Call          |       | 1                                    | 4FE                   | 74,675      | 104.7930   | 78,595                                     | 75,000              | 74,731                           |    | 22                                                     |                                                       |                                                                        |                                                         | 8.875             | 8.938                       | JD                  | 296                                        | 6,656                             | 07/13/2010         | 12/15/2019         |  |
| 67073Y-AA-4             | NV Energy Inc NC               |       |                                      | 3FE                   | 35,000      | 103.5000   | 36,225                                     | 35,000              | 35,000                           |    |                                                        |                                                       |                                                                        |                                                         | 6.250             | 6.250                       | MN                  | 280                                        | 2,145                             | 11/17/2010         | 11/15/2020         |  |
| 677400-AC-0             | Ohio National Financial Serv   |       |                                      | 1FE                   | 1,593,840   | 102.9410   | 1,544,115                                  | 1,500,000           | 1,518,098                        |    | (13,660)                                               |                                                       |                                                                        |                                                         | 6.350             | 5.337                       | AO                  | 23,813                                     | 95,250                            | 08/19/2005         | 04/01/2013         |  |
| 681904-AM-0             | Omnicare Inc Call              |       | 1                                    | 3FE                   | 31,163      | 107.7500   | 32,325                                     | 30,000              | 31,106                           |    | (51)                                                   |                                                       |                                                                        |                                                         | 7.750             | 7.300                       | JD                  | 194                                        | 2,325                             | 10/28/2010         | 06/01/2015         |  |
| 69073T-AP-8             | Owens-Brockway Glass NC        | LS    |                                      | 3FE                   | 78,631      | 110.1660   | 88,133                                     | 80,000              | 79,060                           |    | 177                                                    |                                                       |                                                                        |                                                         | 7.375             | 7.699                       | FA                  | 2,458                                      | 5,900                             | 09/01/2009         | 05/15/2016         |  |
| 690768-BF-2             | Owens Illinois Inc NC          | LS    |                                      | 3FE                   | 69,225      | 110.5000   | 71,825                                     | 65,000              | 68,783                           |    | (442)                                                  |                                                       |                                                                        |                                                         | 7.800             | 6.664                       | MN                  | 648                                        | 5,070                             | 01/07/2011         | 05/15/2018         |  |
| 701081-AT-8             | Parker Drilling Co 144A-Call   |       | 1                                    | 4FE                   | 51,078      | 105.8470   | 52,924                                     | 50,000              | 50,924                           |    | (106)                                                  |                                                       |                                                                        |                                                         | 9.125             | 8.734                       | AO                  | 1,141                                      | 4,563                             | 12/23/2010         | 04/01/2018         |  |
| 704549-AJ-3             | Peabody Energy Corp 144A-NC    |       |                                      | 3FE                   | 10,000      | 103.2410   | 10,324                                     | 10,000              | 10,000                           |    |                                                        |                                                       |                                                                        |                                                         | 6.000             | 6.000                       | MN                  | 77                                         |                                   | 11/07/2011         | 11/15/2018         |  |
| 704549-AL-8             | Peabody Energy Corp 144A-NC    |       |                                      | 3FE                   | 10,000      | 103.3490   | 10,335                                     | 10,000              | 10,000                           |    |                                                        |                                                       |                                                                        |                                                         | 6.250             | 6.250                       | MN                  | 80                                         |                                   | 11/07/2011         | 11/15/2021         |  |
| 708160-BS-4             | J.C. Penney & Co. Put          |       |                                      | 3FE                   | 28,450      | 93.5090    | 28,053                                     | 30,000              | 28,473                           |    | 20                                                     |                                                       |                                                                        |                                                         | 7.400             | 7.866                       | AO                  | 555                                        | 1,850                             | 08/02/2011         | 04/01/2037         |  |
| 720186-AE-5             | Piedmont Natural Gas Co NC     | LS    |                                      | 1FE                   | 995,260     | 120.5670   | 1,205,670                                  | 1,000,000           | 995,534                          |    | 96                                                     |                                                       |                                                                        |                                                         | 6.000             | 6.037                       | JJ                  | 30,000                                     | 60,000                            | 04/01/2010         | 12/19/2033         |  |
| 723787-AJ-6             | Pioneer Natural Resource NC    |       |                                      | 3FE                   | 34,700      | 117.7520   | 41,213                                     | 35,000              | 34,741                           |    | 23                                                     |                                                       |                                                                        |                                                         | 7.500             | 7.625                       | JJ                  | 1,210                                      | 2,625                             | 11/09/2009         | 01/15/2020         |  |
| 72447X-AB-3             | Pitney Bowes Inc NC            |       |                                      | 2FE                   | 1,047,900   | 102.8950   | 1,028,950                                  | 1,000,000           | 1,046,878                        |    | (922                                                   |                                                       |                                                                        |                                                         |                   |                             |                     |                                            |                                   |                    |                    |  |

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

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                               | 5         |                  |             | 8                              | 9          |           |                               | 12                                        | 13                                       | 14                                                        | 15                                         | 16       | 17                | 18        | 19                            | 20                      | 21         | 22         |
| CUSIP Identification | Description                                  | Code  | F<br>o<br>r<br>e<br>i<br>g<br>n | 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 | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change In B./A.C.V. | Rate of  | Effective Rate of | When Paid | Admitted Amount Due & Accrued | Amount Rec. During Year | Acquired   | Maturity   |
| 73755L-AF-4.         | Potash Corp -Saskatchewan NC.....            | LS.   |                                 |           | 2FE              | 521,280     | 124.8360                       | 624,180    | 500,000   | 516,846                       |                                           | (1,775)                                  |                                                           |                                            | 6.500    | 5.929             | MN        | 4,153                         | 32,500                  | 05/08/2009 | 05/15/2019 |
| 740189-AF-2.         | Precision Castparts Corp NC.....             |       |                                 |           | 1FE              | 747,188     | 108.7650                       | 815,738    | 750,000   | 748,692                       |                                           | 616                                      |                                                           |                                            | 5.600    | 5.696             | JD        | 1,867                         | 42,000                  | 06/10/2009 | 12/15/2013 |
| 740212-AD-7.         | Precision Drilling Corp 144A-Call.....       |       |                                 | 1         | 3FE              | 96,519      | 101.8120                       | 96,721     | 95,000    | 96,481                        |                                           | (38)                                     |                                                           |                                            | 6.500    | 6.287             | JD        | 274                           | 2,333                   | 12/02/2011 | 12/15/2021 |
| 740816-AB-9.         | President & Fellows of Harvard Call.....     |       |                                 | 1         | 1FE              | 1,134,125   | 112.3370                       | 1,207,623  | 1,075,000 | 1,106,941                     |                                           | (6,500)                                  |                                                           |                                            | 6.300    | 5.506             | AO        | 16,931                        | 67,725                  | 05/17/2007 | 04/01/2016 |
| 7425AO-A5-9.         | Principal Life Global 144A-NC.....           |       |                                 |           | 1FE              | 1,019,890   | 103.6860                       | 1,036,860  | 1,000,000 | 1,002,708                     |                                           | (2,482)                                  |                                                           |                                            | 5.250    | 4.979             | JJ        | 24,208                        | 52,500                  | 09/24/2003 | 01/15/2013 |
| 743917-AH-9.         | Prudential Insurance Co NC.....              |       |                                 |           | 1FE              | 469,865     | 129.0270                       | 645,135    | 500,000   | 472,257                       |                                           | 1,023                                    |                                                           |                                            | 8.300    | 9.019             | JJ        | 20,750                        | 41,500                  | 07/22/2009 | 07/01/2025 |
| 749121-BV-0.         | Qwest Communications Inc Call.....           |       |                                 | 1         | 2FE              | 25,031      | 100.7500                       | 25,188     | 25,000    | 25,030                        |                                           | (1)                                      |                                                           |                                            | 7.500    | 7.435             | FA        | 708                           |                         | 10/04/2011 | 02/15/2014 |
| 758766-AE-9.         | Regal Entertainment Call.....                | LS.   |                                 | 1         | 4FE              | 26,125      | 107.5000                       | 26,875     | 25,000    | 26,019                        |                                           | (106)                                    |                                                           |                                            | 9.125    | 8.312             | FA        | 862                           | 2,275                   | 01/04/2011 | 08/15/2018 |
| 75886A-AD-0.         | Regency Energy Partners 144A-Call.....       |       |                                 | 1         | 4FE              | 26,713      | 111.1300                       | 27,783     | 25,000    | 26,294                        |                                           | (235)                                    |                                                           |                                            | 9.375    | 7.965             | JD        | 195                           | 2,344                   | 05/27/2010 | 06/01/2016 |
| 75886A-AE-8.         | Regency Energy Partners Call.....            |       |                                 | 1         | 4FE              | 50,250      | 106.0080                       | 53,004     | 50,000    | 50,223                        |                                           | (21)                                     |                                                           |                                            | 6.875    | 6.793             | JD        | 286                           | 3,762                   | 10/13/2010 | 12/01/2018 |
| 75886A-AF-5.         | Regency Energy Partners Call.....            |       |                                 | 1         | 4FE              | 20,150      | 104.6680                       | 20,934     | 20,000    | 20,144                        |                                           | (6)                                      |                                                           |                                            | 6.500    | 6.378             | JJ        | 776                           |                         | 05/24/2011 | 07/18/2019 |
| 76009N-AH-3.         | Rent-A-Center Inc Call.....                  |       |                                 | 1         | 3FE              | 9,700       | 102.0930                       | 10,209     | 10,000    | 9,707                         |                                           | 7                                        |                                                           |                                            | 6.625    | 7.075             | MN        | 85                            | 333                     | 09/27/2011 | 11/15/2020 |
| 780153-AJ-1.         | Royal Caribbean NC.....                      |       |                                 |           | 3FE              | 37,625      | 105.8690                       | 37,054     | 35,000    | 37,474                        |                                           | (151)                                    |                                                           |                                            | 7.250    | 5.873             | MS        | 747                           | 1,269                   | 07/07/2011 | 03/15/2018 |
| 78108A-AA-2.         | RSC Equipment Rental Inc 144A-Call.....      |       |                                 | 1         | 4FE              | 41,657      | 109.9160                       | 43,966     | 40,000    | 41,507                        |                                           | (98)                                     |                                                           |                                            | 10.000   | 9.386             | JJ        | 1,844                         | 4,000                   | 03/18/2010 | 07/15/2013 |
| 78401F-AD-9.         | SBA Telecommunications Call.....             |       |                                 | 1         | 4FE              | 47,006      | 109.7500                       | 49,388     | 45,000    | 46,867                        |                                           | (71)                                     |                                                           |                                            | 8.250    | 7.761             | FA        | 1,403                         | 3,713                   | 10/06/2009 | 08/15/2014 |
| 78442F-AX-6.         | SLM Corp Call.....                           |       |                                 | 1         | 2FE              | 31,225      | 86.5720                        | 30,300     | 35,000    | 31,626                        |                                           | 390                                      |                                                           |                                            | 5.000    | 6.874             | JD        | 78                            | 1,750                   | 01/13/2011 | 06/15/2018 |
| 78442F-CT-3.         | SLM Corp NC.....                             |       |                                 |           | 2FE              | 1,000,000   | 92.8260                        | 928,260    | 1,000,000 | 1,000,000                     |                                           |                                          |                                                           |                                            | 4.000    | 4.000             | MON       | 667                           | 40,000                  | 07/06/2004 | 07/25/2014 |
| 785583-AF-2.         | Sabine Pass Lng NC.....                      |       |                                 |           | 4FE              | 28,588      | 100.9490                       | 30,285     | 30,000    | 28,965                        |                                           | 161                                      |                                                           |                                            | 7.500    | 8.363             | MN        | 194                           | 2,250                   | 04/06/2010 | 11/30/2016 |
| 806605-AJ-0.         | Schering Plough NC.....                      |       |                                 |           | 1FE              | 523,330     | 122.6540                       | 613,270    | 500,000   | 517,055                       |                                           | (2,497)                                  |                                                           |                                            | 6.000    | 5.299             | MS        | 8,833                         | 30,000                  | 05/11/2009 | 09/15/2017 |
| 80874Y-AG-5.         | Scientific Games Intl Call.....              | LS.   |                                 | 1         | 4FE              | 61,691      | 106.2500                       | 63,750     | 60,000    | 61,471                        |                                           | (182)                                    |                                                           |                                            | 9.250    | 8.715             | JD        | 247                           | 5,550                   | 11/05/2010 | 06/15/2014 |
| 81211K-AQ-3.         | Sealed Air Corp 144A-Call.....               | LS.   |                                 | 1         | 4FE              | 5,000       | 108.1410                       | 5,407      | 5,000     | 5,000                         |                                           |                                          |                                                           |                                            | 8.125    | 8.125             | MS        | 99                            |                         | 09/16/2011 | 09/15/2019 |
| 81211K-AR-1.         | Sealed Air Corp 144A-Call.....               | LS.   |                                 | 1         | 4FE              | 112,825     | 108.0550                       | 118,861    | 110,000   | 112,777                       |                                           | (48)                                     |                                                           |                                            | 8.375    | 7.996             | MS        | 2,252                         |                         | 10/11/2011 | 09/15/2021 |
| 817565-BJ-2.         | Service Corp International NC.....           |       |                                 |           | 3FE              | 33,075      | 109.4800                       | 32,844     | 30,000    | 32,542                        |                                           | (533)                                    |                                                           |                                            | 7.375    | 4.083             | AO        | 553                           | 1,106                   | 05/16/2011 | 10/01/2014 |
| 817565-BU-7.         | Service Corp International NC.....           |       |                                 |           | 3FE              | 70,385      | 111.4780                       | 78,035     | 70,000    | 70,413                        |                                           | (27)                                     |                                                           |                                            | 8.000    | 7.906             | MN        | 716                           | 5,600                   | 01/06/2011 | 11/15/2021 |
| 826200-AD-9.         | Siemens Financierings NC.....                | LS.   |                                 |           | 1FE              | 1,072,960   | 121.3930                       | 1,213,930  | 1,000,000 | 1,067,546                     |                                           | (2,958)                                  |                                                           |                                            | 6.125    | 5.449             | FA        | 22,799                        | 61,250                  | 02/11/2010 | 08/17/2026 |
| 828807-BT-3.         | Simon Property Group Call.....               | LS.   |                                 |           | 1FE              | 992,400     | 113.0460                       | 1,130,460  | 1,000,000 | 995,466                       |                                           | 886                                      |                                                           |                                            | 6.100    | 6.221             | MN        | 10,167                        | 61,000                  | 04/14/2008 | 05/01/2016 |
| 829259-AA-8.         | Sinclair Television Group 144A-Call.....     |       |                                 | 1         | 4FE              | 93,500      | 109.5000                       | 98,550     | 90,000    | 92,909                        |                                           | (347)                                    |                                                           |                                            | 9.250    | 8.563             | MN        | 1,388                         | 8,325                   | 05/27/2010 | 11/01/2017 |
| 85205T-AD-2.         | Spirit Aerosystems Inc Call.....             | LS.   |                                 | 1         | 3FE              | 25,250      | 105.1260                       | 26,282     | 25,000    | 25,247                        |                                           | (3)                                      |                                                           |                                            | 6.750    | 6.602             | JD        | 75                            | 844                     | 09/01/2011 | 12/15/2020 |
| 852061-AF-7.         | Sprint Corp. NC.....                         |       |                                 |           | 4FE              | 32,288      | 90.2500                        | 31,588     | 35,000    | 32,343                        |                                           | 56                                       |                                                           |                                            | 8.375    | 10.179            | FA        | 1,107                         |                         | 11/04/2011 | 08/15/2017 |
| 852061-AH-3.         | Sprint Corp. 144A-NC.....                    |       |                                 |           | 4FE              | 19,800      | 99.0000                        | 19,800     | 20,000    | 19,802                        |                                           | 2                                        |                                                           |                                            | 11.500   | 11.668            | MN        | 332                           |                         | 12/02/2011 | 11/15/2021 |
| 852061-AK-6.         | Sprint Corp. 144A-NC.....                    |       |                                 |           | 3FE              | 25,000      | 105.0000                       | 26,250     | 25,000    | 25,000                        |                                           |                                          |                                                           |                                            | 9.000    | 9.000             | MN        | 325                           |                         | 11/04/2011 | 11/15/2018 |
| 857449-AB-8.         | State Street Bank & Trust NC.....            | LS.   |                                 |           | 1FE              | 498,535     | 111.2870                       | 556,435    | 500,000   | 499,210                       |                                           | 94                                       |                                                           |                                            | 5.250    | 5.278             | AO        | 5,542                         | 26,250                  | 09/23/2003 | 10/15/2018 |
| 857555-AR-7.         | Stater Brothers Holdings Call.....           | LS.   |                                 | 1         | 4FE              | 30,600      | 106.5170                       | 31,955     | 30,000    | 30,554                        |                                           | (46)                                     |                                                           |                                            | 7.375    | 7.031             | MN        | 283                           | 1,786                   | 06/13/2011 | 11/15/2018 |
| 858495-AC-8.         | Steinway Musical Instruments 144A-Call.....  |       |                                 | 1         | 4FE              | 16,040      | 99.6880                        | 15,950     | 16,000    | 16,039                        |                                           | (1)                                      |                                                           |                                            | 7.000    | 6.873             | MS        | 373                           |                         | 11/11/2011 | 03/01/2014 |
| 86183P-AE-2.         | Stoneridge Inc 144A-Call.....                |       |                                 | 1         | 4FE              | 26,813      | 103.1350                       | 25,784     | 25,000    | 26,664                        |                                           | (141)                                    |                                                           |                                            | 9.500    | 8.324             | AO        | 501                           | 2,448                   | 12/03/2010 | 10/15/2014 |
| 867229-AE-6.         | Suncor Energy Inc NC.....                    | LS.   |                                 |           | 2FE              | 975,340     | 125.9460                       | 1,259,460  | 1,000,000 | 976,459                       |                                           | 319                                      |                                                           |                                            | 6.500    | 6.691             | JD        | 2,889                         | 65,000                  | 05/19/2008 | 06/15/2038 |
| 867914-AH-6.         | Suntrust Banks Inc NC.....                   |       |                                 |           | 2FE              | 838,500     | 101.1990                       | 1,011,990  | 1,000,000 | 857,397                       |                                           | 5,457                                    |                                                           |                                            | 6.000    | 7.671             | FA        | 22,667                        | 70,000                  | 02/27/2008 | 02/15/2026 |
| 87612B-AB-8.         | Targa Resources Partners Call.....           |       |                                 | 1         | 4FE              | 15,000      | 105.2610                       | 15,789     | 15,000    | 15,000                        |                                           |                                          |                                                           |                                            | 8.250    | 8.250             | JJ        | 619                           | 1,238                   | 06/12/2008 | 07/01/2016 |
| 87612B-AG-7.         | Targa Resources Partners 144A-Call.....      |       |                                 | 1         | 4FE              | 39,806      | 101.7020                       | 40,681     | 40,000    | 39,820                        |                                           | 13                                       |                                                           |                                            | 6.875    | 6.943             | FA        | 1,146                         | 1,367                   | 02/16/2011 | 02/01/2021 |
| 87612E-AP-1.         | Target Corp NC.....                          |       |                                 |           | 1FE              | 615,882     | 118.0810                       | 767,527    | 650,000   | 629,000                       |                                           | 3,241                                    |                                                           |                                            | 5.375    | 6.094             | MN        | 5,823                         | 34,938                  | 07/17/2007 | 05/01/2017 |
| 880336-BJ-8.         | Tenet Healthcare Corporation Call.....       |       |                                 | 1         | 3FE              | 37,713      | 112.8420                       | 39,495     | 35,000    | 37,277                        |                                           | (254)                                    |                                                           |                                            | 8.875    | 7.613             | JJ        | 1,553                         | 3,113                   | 03/10/2010 | 07/01/2014 |
| 893526-8Y-2.         | Trans-Canada Pipelines NC.....               | LS.   |                                 |           | 1FE              | 773,258     | 127.6250                       | 957,188    | 750,000   | 767,909                       |                                           | (1,936)                                  |                                                           |                                            | 7.125    | 6.694             | JJ        | 24,641                        | 53,438                  | 01/13/2009 | 01/15/2019 |
| 896818-AD-3.         | Triumph Group Call.....                      |       |                                 | 1         | 4FE              | 14,784      | 107.5000                       | 16,125     | 15,000    | 14,828                        |                                           | 22                                       |                                                           |                                            | 8.000    | 8.250             | MN        | 153                           | 1,200                   | 11/10/2009 | 11/15/2017 |
| 896818-AF-8.         | Triumph Group Call.....                      |       |                                 | 1         | 4FE              | 44,965      | 110.6060                       | 49,773     | 45,000    | 44,974                        |                                           | 3                                        |                                                           |                                            | 8.625    | 8.637             | JJ        | 1,790                         | 4,194                   | 06/17/2010 | 07/15/2018 |
| 907818-DA-3.         | Union Pacific Corp. NC.....                  | LS.   |                                 |           | 2FE              | 991,000     | 118.5690                       | 1,185,690  | 1,000,000 | 993,270                       |                                           | 812                                      |                                                           |                                            | 5.700    | 5.824             | FA        | 21,533                        | 57,000                  | 01/28/2009 | 08/15/2018 |
| 911365-AV-6.         | United Rentals Call.....                     | LS.   |                                 | 1         | 4FE              | 15,900      | 111.4410                       | 16,716     | 15,000    | 15,858                        |                                           | (26)                                     |                                                           |                                            | 10.875   | 10.110            | JD        | 73                            | 1,631                   | 02/19/2010 | 06/15/2013 |
| 91412N-AF-7.         | University of Chicago NC.....                |       |                                 | 2         | 1FE              | 1,034,910   | 116.5180                       | 1,165,180  | 1,000,000 | 1,033,272                     |                                           | (1,034)                                  |                                                           |                                            | 5.420    | 5.141             | AO        | 13,550                        | 54,200                  | 06/02/2010 | 10/01/2030 |
| 914906-AH-5.         | Univision Communications Inc. 144A-Call..... | LS.   |                                 | 1         | 4FE              | 74,225      | 102.0000                       | 71,400     | 70,000    | 73,914                        |                                           | (292)                                    |                                                           |                                            | 7.875    | 7.009             | MN        | 919                           | 5,589                   | 01/27/2011 | 11/01/2015 |

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

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<br>F<br>o<br>r<br>e<br>i<br>g<br>n | 5            |                     |                | 8                                       | 9             |              |                                        | 12                                                 | 13                                             | 14<br>Current<br>Year's<br>Other<br>Than<br>Temporary<br>Impairment<br>Recognized | 15<br>Total<br>Foreign<br>Exchange<br>Change<br>In<br>B./A.C.V. | 16         | 17                      | 18           | 19<br>Admitted<br>Amount<br>Due &<br>Accrued | 20<br>Amount<br>Rec.<br>During<br>Year | 21<br>Acquired | 22<br>Maturity |
| CUSIP<br>Identification                                                                                                    | Description                                 | Code  |                                      | Bond<br>CHAR | NAIC<br>Designation | Actual<br>Cost | Rate Used<br>to Obtain<br>Fair<br>Value | Fair<br>Value | Par<br>Value | Book/<br>Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current Year's<br>(Amortization)/<br>Accretion |                                                                                   |                                                                 | Rate<br>of | Effective<br>Rate<br>of | When<br>Paid |                                              |                                        |                |                |
| 914906-AM-4.                                                                                                               | Univision Communications Inc.<br>144A-Call  |       |                                      | 1.           | 4FE                 | 69,031         |                                         | 96,7500       | 70,000       | 69,060                                 |                                                    | 28                                             |                                                                                   |                                                                 | 6.875      | 7.104                   | MN           | 561                                          | 2,486                                  | 08/25/2011     | 05/19/2019     |
| 918866-AU-8.                                                                                                               | Valassis Communications Inc<br>Call         |       |                                      | 1.           | 3FE                 | 40,000         |                                         | 92,5000       | 40,000       | 40,000                                 |                                                    |                                                |                                                                                   |                                                                 | 6.625      | 6.625                   | FA           | 1,104                                        | 1,347                                  | 01/13/2011     | 02/01/2021     |
| 91911X-AL-8.                                                                                                               | Valeant Pharmaceuticals 144A-<br>Call       |       |                                      | 1.           | 4FE                 | 64,675         |                                         | 99,8750       | 65,000       | 64,723                                 |                                                    | 39                                             |                                                                                   |                                                                 | 6.750      | 6.841                   | A0           | 1,097                                        | 4,424                                  | 09/21/2010     | 10/01/2017     |
| 91911X-AM-6.                                                                                                               | Valeant Pharmaceuticals 144A-<br>Call       | LS    |                                      | 1.           | 4FE                 | 30,163         |                                         | 98,7500       | 30,000       | 30,148                                 |                                                    | (12)                                           |                                                                                   |                                                                 | 7.000      | 6.924                   | A0           | 525                                          | 2,118                                  | 09/22/2010     | 10/01/2020     |
| 91911X-AN-4.                                                                                                               | Valeant Pharmaceuticals 144A-<br>Call       | LS    |                                      | 1.           | 4FE                 | 44,660         |                                         | 100,4530      | 45,000       | 44,697                                 |                                                    | 35                                             |                                                                                   |                                                                 | 6.875      | 6.999                   | JD           | 258                                          | 3,163                                  | 11/19/2010     | 12/01/2018     |
| 91911X-AS-3.                                                                                                               | Call                                        |       |                                      | 1.           | 4FE                 | 29,925         |                                         | 98,5930       | 30,000       | 29,927                                 |                                                    | 2                                              |                                                                                   |                                                                 | 7.250      | 7.283                   | JJ           | 1,003                                        | 767                                    | 03/29/2011     | 07/15/2022     |
| 92552V-AC-4.                                                                                                               | Viasat Inc Call                             |       |                                      | 1.           | 4FE                 | 50,775         |                                         | 103,1540      | 50,000       | 50,574                                 |                                                    | (96)                                           |                                                                                   |                                                                 | 8.875      | 8.573                   | MS           | 1,307                                        | 4,438                                  | 11/16/2009     | 09/15/2016     |
| 92769V-AA-7.                                                                                                               | Virgin Media Finance PLC Call               | LS    |                                      | 1.           | 3FE                 | 74,025         |                                         | 113,4750      | 70,000       | 73,671                                 |                                                    | (191)                                          |                                                                                   |                                                                 | 9.500      | 8.751                   | FA           | 2,512                                        | 6,650                                  | 09/22/2009     | 08/15/2013     |
| 929160-AR-0.                                                                                                               | Vulcan Materials Co NC                      |       |                                      |              | 3FE                 | 4,975          |                                         | 109,1250      | 5,000        | 4,976                                  |                                                    | 1                                              |                                                                                   |                                                                 | 7.500      | 7.571                   | JD           | 17                                           | 189                                    | 09/01/2011     | 06/15/2021     |
| 929280-AB-4.                                                                                                               | WEA Financial Call                          |       |                                      | 1.           | 1FE                 | 480,825        |                                         | 98,6500       | 500,000      | 480,942                                |                                                    | 117                                            |                                                                                   |                                                                 | 4.625      | 5.143                   | MN           | 3,276                                        |                                        | 12/01/2011     | 05/10/2021     |
| 931142-CB-7.                                                                                                               | Wal-Mart Stores Inc NC                      |       |                                      |              | 1FE                 | 942,320        |                                         | 1,196,190     | 1,000,000    | 946,895                                |                                                    | 1,048                                          |                                                                                   |                                                                 | 5.250      | 5.660                   | MS           | 17,500                                       | 52,500                                 | 02/26/2007     | 09/01/2035     |
| 93114K-AD-5.                                                                                                               | Walmart Stores Sinking Fund                 |       |                                      | 2.           | 1FE                 | 909,958        |                                         | 110,4260      | 758,052      | 799,420                                |                                                    | (12,031)                                       |                                                                                   |                                                                 | 8.850      | 6.810                   | JJ           | 33,357                                       | 67,088                                 | 06/25/1998     | 01/02/2015     |
| 93443T-AB-2.                                                                                                               | Warner Chilcott Co Call                     |       |                                      | 1.           | 4FE                 | 15,075         |                                         | 102,3680      | 15,000       | 15,071                                 |                                                    | (4)                                            |                                                                                   |                                                                 | 7.750      | 7.658                   | MS           | 342                                          | 1,243                                  | 12/13/2010     | 09/15/2018     |
| 95709T-AG-5.                                                                                                               | Westar Energy Inc NC                        |       |                                      |              | 2FE                 | 920,072        |                                         | 130,4960      | 800,000      | 891,879                                |                                                    | (10,216)                                       |                                                                                   |                                                                 | 8.625      | 6.534                   | JD           | 5,750                                        | 69,000                                 | 01/15/2009     | 12/01/2018     |
| 957576-AA-9.                                                                                                               | Western & Southern Financial<br>NC          |       |                                      |              | 1FE                 | 359,100        |                                         | 99,8260       | 500,000      | 365,168                                |                                                    | 2,151                                          |                                                                                   |                                                                 | 5.750      | 8.500                   | JJ           | 13,257                                       | 28,750                                 | 12/11/2008     | 07/15/2033     |
| 960402-AS-4.                                                                                                               | Westinghouse Electric NC                    |       |                                      |              | 2FE                 | 1,055,690      |                                         | 123,6200      | 1,000,000    | 1,040,331                              |                                                    | (2,122)                                        |                                                                                   |                                                                 | 7.875      | 7.354                   | MS           | 26,250                                       | 78,750                                 | 03/21/2002     | 09/01/2023     |
| 98212B-AB-9.                                                                                                               | WPX Energy Inc 144A-Call                    |       |                                      | 1.           | 3FE                 | 30,050         |                                         | 101,1000      | 30,330       | 30,048                                 |                                                    | (2)                                            |                                                                                   |                                                                 | 6.000      | 5.976                   | JJ           | 235                                          |                                        | 11/08/2011     | 01/15/2022     |
| 983130-AN-5.                                                                                                               | Wynn Las Vegas 144A-Call                    | LS    |                                      | 1.           | 3FE                 | 53,816         |                                         | 110,7500      | 60,913       | 55,000                                 |                                                    | 120                                            |                                                                                   |                                                                 | 7.875      | 8.246                   | MN           | 722                                          | 4,331                                  | 10/13/2009     | 11/01/2017     |
| 49455W-AD-8.                                                                                                               | Kinder Morgan Finance 144A-NC               |       |                                      |              | 3FE                 | 26,100         |                                         | 103,7550      | 30,000       | 27,471                                 |                                                    | 478                                            |                                                                                   |                                                                 | 5.700      | 8.109                   | JJ           | 836                                          | 1,710                                  | 12/08/2008     | 01/05/2016     |
| 74819R-AK-2.                                                                                                               | Quebecor Media NC                           |       |                                      |              | 4FE                 | 16,400         |                                         | 102,7500      | 20,550       | 17,529                                 |                                                    | 436                                            |                                                                                   |                                                                 | 7.750      | 11.548                  | JD           | 69                                           | 1,550                                  | 02/24/2009     | 03/15/2016     |
| 884903-BB-0.                                                                                                               | Thomson Corporation NC                      | A     |                                      |              | 2FE                 | 990,840        |                                         | 119,8100      | 1,000,000    | 993,455                                |                                                    | 777                                            |                                                                                   |                                                                 | 6.500      | 6.625                   | JJ           | 29,972                                       | 65,000                                 | 06/17/2008     | 07/15/2018     |
| 92658T-AG-3.                                                                                                               | Videotron Call                              |       |                                      | 1.           | 3FE                 | 27,338         |                                         | 100,7500      | 27,203       | 27,272                                 |                                                    | (66)                                           |                                                                                   |                                                                 | 6.875      | 6.341                   | JJ           | 856                                          | 928                                    | 06/08/2011     | 01/15/2014     |
| 767201-AC-0.                                                                                                               | Rio Tinto Fin USA NC                        | R     |                                      |              | 1FE                 | 500,920        |                                         | 120,6150      | 500,000      | 500,711                                |                                                    | (85)                                           |                                                                                   |                                                                 | 6.500      | 6.473                   | JJ           | 14,986                                       | 32,500                                 | 07/22/2008     | 07/15/2018     |
| 81180W-AB-7.                                                                                                               | Seagate Hdd Cayman 144A-Call                | F     |                                      | 1.           | 3FE                 | 25,273         |                                         | 104,4290      | 25,000       | 25,270                                 |                                                    | (2)                                            |                                                                                   |                                                                 | 7.750      | 7.547                   | JD           | 86                                           | 969                                    | 10/21/2011     | 12/15/2018     |
| 81180W-AC-5.                                                                                                               | Seagate Hdd Cayman 144A-Call                | F     |                                      | 1.           | 3FE                 | 40,250         |                                         | 102,9660      | 40,000       | 40,250                                 |                                                    |                                                |                                                                                   |                                                                 | 7.000      | 6.911                   | JJ           | 1,734                                        |                                        | 11/07/2011     | 11/01/2021     |
| 3299999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer<br>Obligations                                      |                                             |       |                                      |              |                     | 77,781,697     | XXX                                     | 85,863,881    | 75,894,206   | 77,261,762                             | 0                                                  | (107,221)                                      | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 1,335,051                                    | 4,276,051                              | XXX            | XXX            |
| Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities                          |                                             |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                         |              |                                              |                                        |                |                |
| 17305E-BU-8.                                                                                                               | Citibank Credit Card Issuance<br>2003-A7 A7 |       |                                      | 2.           | 1FE                 | 999,990        |                                         | 110,2350      | 1,000,000    | 999,993                                |                                                    |                                                |                                                                                   |                                                                 | 4.150      | 4.150                   | JJ           | 20,058                                       | 41,500                                 | 06/24/2003     | 07/07/2015     |
| 31331F-AU-5.                                                                                                               | Federal Express 1997-1 A PT<br>Certificates |       |                                      | 2.           | 1FE                 | 1,458,712      |                                         | 101,4020      | 1,450,827    | 1,454,728                              |                                                    | (496)                                          |                                                                                   |                                                                 | 7.500      | 7.444                   | JJ           | 50,174                                       | 108,812                                | 12/06/1999     | 01/15/2018     |
| 3599999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Other<br>Loan-Backed and Structured Securities             |                                             |       |                                      |              |                     | 2,458,702      | XXX                                     | 2,573,518     | 2,450,827    | 2,454,721                              | 0                                                  | (496)                                          | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 70,233                                       | 150,312                                | XXX            | XXX            |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals<br>- Industrial and Miscellaneous (Unaffiliated) |                                             |       |                                      |              |                     | 80,240,400     | XXX                                     | 88,437,399    | 78,345,033   | 79,716,483                             | 0                                                  | (107,717)                                      | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 1,405,284                                    | 4,426,363                              | XXX            | XXX            |
| Bonds - Hybrid Securities - Issuer Obligations                                                                             |                                             |       |                                      |              |                     |                |                                         |               |              |                                        |                                                    |                                                |                                                                                   |                                                                 |            |                         |              |                                              |                                        |                |                |
| 066048-AA-7.                                                                                                               | BankAmerica Capital II Call                 |       |                                      | 1.           | 3FE                 | 1,060,000      |                                         | 90,0000       | 1,000,000    | 1,000,000                              |                                                    |                                                |                                                                                   |                                                                 | 8.000      | 6.512                   | JD           | 3,556                                        | 80,000                                 | 03/05/2002     | 12/15/2026     |
| 4299999 - Bonds - Hybrid Securities - Issuer Obligations                                                                   |                                             |       |                                      |              |                     | 1,060,000      | XXX                                     | 900,000       | 1,000,000    | 1,000,000                              | 0                                                  | 0                                              | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 3,556                                        | 80,000                                 | XXX            | XXX            |
| 4899999 - Bonds - Hybrid Securities - Subtotals - Hybrid Securities                                                        |                                             |       |                                      |              |                     | 1,060,000      | XXX                                     | 900,000       | 1,000,000    | 1,000,000                              | 0                                                  | 0                                              | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 3,556                                        | 80,000                                 | XXX            | XXX            |
| 7799999 - Bonds - Total Bonds - Subtotals - Issuer Obligations                                                             |                                             |       |                                      |              |                     | 147,636,802    | XXX                                     | 162,050,186   | 145,036,850  | 146,989,545                            | 0                                                  | (143,079)                                      | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 2,211,122                                    | 7,768,556                              | XXX            | XXX            |
| 7899999 - Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed<br>Securities                                      |                                             |       |                                      |              |                     | 89,504,693     | XXX                                     | 94,298,451    | 88,231,402   | 89,381,677                             | 0                                                  | (177,677)                                      | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 333,186                                      | 3,384,370                              | XXX            | XXX            |
| 8099999 - Bonds - Total Bonds - Subtotals - Other Loan-Backed and<br>Structured Securities                                 |                                             |       |                                      |              |                     | 2,458,702      | XXX                                     | 2,573,518     | 2,450,827    | 2,454,721                              | 0                                                  | (496)                                          | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 70,233                                       | 150,312                                | XXX            | XXX            |
| 8399999 Subtotals - Total Bonds                                                                                            |                                             |       |                                      |              |                     | 239,600,197    | XXX                                     | 258,922,155   | 235,719,079  | 238,825,943                            | 0                                                  | (321,253)                                      | 0                                                                                 | 0                                                               | XXX        | XXX                     | XXX          | 2,614,541                                    | 11,303,238                             | XXX            | XXX            |

# ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY

## SCHEDULE D - PART 2 - SECTION 1

Showing All **PREFERRED STOCKS** Owned December 31 of Current Year[illegible]

E11

## SCHEDULE D - PART 2 - SECTION 2

[illegible]

E12

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

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                                                                                                                                                     |                                       |         |               |                             |                           |             |            |                                         |
| 3136FR-M7-5                                                                                                                                                                  | FNMA Call 2.000% 08/24/26             |         | 08/08/2011    | FTN Financial               | XXX                       | 1,000,000   | 1,000,000  |                                         |
| 0599999 - Bonds - U.S. Governments                                                                                                                                           |                                       |         |               |                             |                           | 1,000,000   | 1,000,000  | 0                                       |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)                                                                           |                                       |         |               |                             |                           |             |            |                                         |
| 548253-V2-6                                                                                                                                                                  | Lower Merion Twp, PA BAB              |         | 04/20/2011    | Huntington Investment Co.   | XXX                       | 505,835     | 500,000    | 7,645                                   |
| 591852-QH-4                                                                                                                                                                  | Metro Council, MN BAB 5.200% 02/01/31 |         | 02/16/2011    | Piper Jaffray               | XXX                       | 970,000     | 1,000,000  | 8,667                                   |
| 796269-UD-8                                                                                                                                                                  | San Antonio, TX ISD BAB               |         | 05/24/2011    | Huntington Investment Co.   | XXX                       | 1,579,601   | 1,450,000  | 36,345                                  |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)                                                                 |                                       |         |               |                             |                           | 3,055,436   | 2,950,000  | 52,657                                  |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions           |                                       |         |               |                             |                           |             |            |                                         |
| 3136A2-PP-2                                                                                                                                                                  | FNR 2011-123 DB 3.000% 12/25/26       |         | 11/15/2011    | Sterne, Agee & Leach        | XXX                       | 1,982,500   | 2,000,000  | 4,833                                   |
| 3136A3-KN-0                                                                                                                                                                  | FNR 2011-146 LX 3.500% 10/25/40       |         | 12/21/2011    | Stifel Nicolaus & Co.       | XXX                       | 2,046,250   | 2,000,000  | 5,639                                   |
| 3137A0-EU-5                                                                                                                                                                  | FHR 3687 B 4.000% 07/15/30            |         | 10/06/2011    | Stifel Nicolaus & Co.       | XXX                       | 1,049,766   | 1,000,000  | 1,222                                   |
| 3137A3-JW-0                                                                                                                                                                  | FHR 3753 AS 3.500% 11/15/25           |         | 08/03/2011    | Stifel Nicolaus & Co.       | XXX                       | 1,728,068   | 1,674,941  | 1,140                                   |
| 3137A3-KG-3                                                                                                                                                                  | FHR 3753 DC 3.500% 09/15/39           |         | 09/21/2011    | Stifel Nicolaus & Co.       | XXX                       | 2,047,813   | 2,000,000  | 4,861                                   |
| 3137A4-2T-3                                                                                                                                                                  | FHR 3777 EM 4.500% 01/15/29           |         | 01/20/2011    | Stifel Nicolaus & Co.       | XXX                       | 2,000,000   | 2,000,000  | 6,000                                   |
| 3137A5-WW-0                                                                                                                                                                  | FHR 3786 WA 4.000% 12/15/28           |         | 02/25/2011    | Stifel Nicolaus & Co.       | XXX                       | 925,718     | 900,634    | 100                                     |
| 3137A7-JZ-4                                                                                                                                                                  | FHR 3810 NB 4.000% 12/15/28           |         | 04/15/2011    | UBS Securities              | XXX                       | 935,469     | 1,000,000  | 2,111                                   |
| 3137A8-XZ-6                                                                                                                                                                  | FHR 3844 DA 4.500% 10/15/39           |         | 05/09/2011    | FICP                        | XXX                       | 1,974,837   | 1,851,319  | 2,546                                   |
| 3137AD-ZD-2                                                                                                                                                                  | FHR 3911 B 3.500% 08/15/26            |         | 10/17/2011    | Baird, Robert W. & Company  | XXX                       | 1,030,000   | 1,000,000  | 1,847                                   |
| 3138A8-XA-9                                                                                                                                                                  | FN AH6972 3.500% 02/01/26             |         | 06/08/2011    | Maxwell Simon Inc.          | XXX                       | 1,864,355   | 1,818,328  | 2,652                                   |
| 31397Q-WZ-7                                                                                                                                                                  | FNR 2011-15 VB 4.000% 09/25/29        |         | 04/06/2011    | Stifel Nicolaus & Co.       | XXX                       | 1,867,656   | 2,000,000  | 2,222                                   |
| 31397S-H4-9                                                                                                                                                                  | FNR 2011-46 MB 4.000% 06/25/37        |         | 10/17/2011    | Sterne, Agee & Leach        | XXX                       | 1,061,719   | 1,000,000  | 2,111                                   |
| 31397S-ZF-4                                                                                                                                                                  | FNR 2011-42 VA 4.500% 06/25/22        |         | 04/21/2011    | Stifel Nicolaus & Co.       | XXX                       | 504,158     | 476,253    | 1,667                                   |
| 31397U-GT-0                                                                                                                                                                  | FNR 2011-49 CA 3.500% 12/25/28        |         | 05/11/2011    | FTN Financial               | XXX                       | 465,773     | 457,481    | 1,156                                   |
| 31398N-U8-5                                                                                                                                                                  | FNR 2010-123 BP 4.500% 11/25/40       |         | 09/30/2011    | Stifel Nicolaus & Co.       | XXX                       | 1,632,500   | 1,500,000  | 688                                     |
| 31417Y-2J-5                                                                                                                                                                  | FN MA0776 4.500% 06/01/31             |         | 06/22/2011    | Stifel Nicolaus & Co.       | XXX                       | 1,938,179   | 1,839,316  | 5,978                                   |
| 31417Y-3N-5                                                                                                                                                                  | FN MA0804 4.000% 07/01/31             |         | 06/06/2011    | Stifel Nicolaus & Co.       | XXX                       | 953,403     | 925,915    | 1,235                                   |
| 31417Y-W5-2                                                                                                                                                                  | FN MA0667 4.000% 10/01/30             |         | 02/08/2011    | UBS Securities              | XXX                       | 2,804,453   | 2,808,841  | 3,121                                   |
| 38376Y-TG-6                                                                                                                                                                  | GNR 2010-43 QX 3.000% 02/20/39        |         | 08/19/2011    | Stifel Nicolaus & Co.       | XXX                       | 1,969,531   | 2,000,000  | 3,833                                   |
| 38377K-MK-3                                                                                                                                                                  | GNR 2010-120 BP 4.000% 07/20/39       |         | 08/24/2011    | FTN Financial               | XXX                       | 2,110,938   | 2,000,000  | 6,222                                   |
| 38377T-2L-4                                                                                                                                                                  | GNR 2011-23 GO 4.500% 02/20/26        |         | 03/03/2011    | Stifel Nicolaus & Co.       | XXX                       | 891,897     | 851,866    | 745                                     |
| 61336P-DR-9                                                                                                                                                                  | Montgomery Cnty, MD Tax/Call          |         | 08/31/2011    | Huntington Investment Co.   | XXX                       | 980,129     | 975,000    | 813                                     |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions |                                       |         |               |                             |                           | 34,765,110  | 34,079,894 | 62,742                                  |
| Bonds - Industrial and Miscellaneous (Unaffiliated)                                                                                                                          |                                       |         |               |                             |                           |             |            |                                         |
| 00130H-BR-5                                                                                                                                                                  | AES Corporation 144A-Call             |         | 07/21/2011    | Various                     | XXX                       | 85,756      | 85,000     | 150                                     |
| 00165A-AB-4                                                                                                                                                                  | AMC Entertainment Inc Call            |         | 07/07/2011    | Barclays Capital            | XXX                       | 37,275      | 35,000     | 349                                     |
| 002447-AA-8                                                                                                                                                                  | Awas Aviation Capital Lt 144A-Call    |         | 04/13/2011    | Citigroup Global Markets    | XXX                       | 4,808       | 4,760      | 3                                       |
| 02005N-AF-7                                                                                                                                                                  | Ally Financial Inc NC 4.500% 02/11/14 |         | 04/15/2011    | Barclays Capital            | XXX                       | 55,344      | 55,000     | 474                                     |
| 02005N-AJ-9                                                                                                                                                                  | Ally Financial Inc NC 7.500% 09/15/20 |         | 10/14/2011    | Various                     | XXX                       | 29,588      | 30,000     | 372                                     |
| 02076X-AC-6                                                                                                                                                                  | Alpha Natural Resources Call          |         | 08/30/2011    | Various                     | XXX                       | 64,638      | 65,000     | 772                                     |
| 02406P-AK-6                                                                                                                                                                  | American Axle & Manufacturing NC      |         | 12/15/2011    | Various                     | XXX                       | 24,425      | 25,000     | 219                                     |
| 030700-AN-1                                                                                                                                                                  | Ameristar Casinos Inc Call            |         | 11/03/2011    | Wells Fargo Bk              | XXX                       | 35,875      | 35,000     | 168                                     |
| 039380-AD-2                                                                                                                                                                  | Arch Coal Inc. 144A-Call              |         | 06/16/2011    | Morgan Stanley              | XXX                       | 55,088      | 55,000     | 27                                      |
| 039380-AF-7                                                                                                                                                                  | Arch Coal Inc. 144A-Call              |         | 12/02/2011    | Various                     | XXX                       | 90,363      | 90,000     | 777                                     |
| 06740P-Q5-8                                                                                                                                                                  | Barclays Bank Call 5.000% 01/27/26    |         | 01/21/2011    | Stifel Nicolaus & Co.       | XXX                       | 492,500     | 500,000    |                                         |
| 09256B-AB-3                                                                                                                                                                  | Blackstone Holdings NC                |         | 01/19/2011    | National Financial Services | XXX                       | 494,180     | 500,000    | 10,118                                  |
| 1248EP-AS-2                                                                                                                                                                  | CCO Holdings Call 7.000% 01/15/19     |         | 08/17/2011    | Various                     | XXX                       | 49,928      | 50,000     | 180                                     |
| 1248EP-AU-7                                                                                                                                                                  | CCO Holdings Call 6.500% 04/30/21     |         | 05/11/2011    | Various                     | XXX                       | 74,944      | 75,000     | 38                                      |
| 12527G-AB-9                                                                                                                                                                  | CF Industries Inc NC 7.125% 05/01/20  |         | 08/02/2011    | Various                     | XXX                       | 64,338      | 55,000     | 881                                     |
| 126307-AD-9                                                                                                                                                                  | CSC Holdings LLC NC 6.750% 11/15/21   |         | 10/31/2011    | J P Morgan Securities       | XXX                       | 5,000       | 5,000      |                                         |
| 141784-AM-0                                                                                                                                                                  | Cargill Inc. NC 7.410% 06/18/27       |         | 11/17/2011    | Sterne, Agee & Leach        | XXX                       | 661,650     | 500,000    | 720                                     |
| 165258-AA-2                                                                                                                                                                  | Chesapeake Oil 144A-Call              |         | 11/30/2011    | Credit Agricole Securities  | XXX                       | 64,800      | 65,000     | 286                                     |
| 172967-AR-2                                                                                                                                                                  | Citigroup Inc NC 6.625% 01/15/28      |         | 04/04/2011    | Citadel Securities          | XXX                       | 1,078,650   | 1,000,000  | 15,090                                  |
| 191216-AV-2                                                                                                                                                                  | Coca Cola Company NC 3.300% 09/01/21  |         | 08/16/2011    | Taxable Exchange            | XXX                       | 936,210     | 1,000,000  | 825                                     |
| 20854P-AG-4                                                                                                                                                                  | CONSOL Energy Inc. 144A-Call          |         | 03/02/2011    | Merrill Lynch               | XXX                       | 35,000      | 35,000     |                                         |
| 247025-AE-9                                                                                                                                                                  | Dell Inc NC 7.100% 04/15/28           |         | 09/26/2011    | Raymond James & Associates  | XXX                       | 613,630     | 500,000    | 16,172                                  |
| 256882-AC-5                                                                                                                                                                  | Dolphin Subsidiary II 144A-Call       |         | 09/28/2011    | Various                     | XXX                       | 50,150      | 50,000     |                                         |
| 26779Y-AA-7                                                                                                                                                                  | Dynacast Intl 144A-Call               |         | 07/20/2011    | Various                     | XXX                       | 40,813      | 40,000     | 15                                      |
| 277432-AB-6                                                                                                                                                                  | Eastman Chemical Company NC           |         | 06/23/2011    | Stifel Nicolaus & Co.       | XXX                       | 941,456     | 800,000    | 26,261                                  |
| 27876G-BE-7                                                                                                                                                                  | EchoStar DBS Corp NC 7.125% 02/01/16  |         | 10/11/2011    | Various                     | XXX                       | 56,650      | 55,000     | 791                                     |
| 28660G-AG-1                                                                                                                                                                  | Elizabeth Arden Inc 144A-Call         |         | 01/14/2011    | Cantor Fitz                 | XXX                       | 15,281      | 15,000     |                                         |

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

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 |
| 292757-AB-7          | EnergySolutions Inc Call                |         | 05/05/2011    | J P Morgan Securities      | XXX                       | 10,838      | 10,000    | 254                                     |
| 30251G-AA-5          | FMG Resources 144A-Call                 |         | 10/26/2011    | Wells Fargo Bk             | XXX                       | 34,738      | 35,000    | 1,225                                   |
| 30251G-AH-0          | FMG Resources 144A-Call                 |         | 12/02/2011    | RBS Securities             | XXX                       | 35,000      | 35,000    | 313                                     |
| 319963-BC-7          | First Data Corp. 144A-Call              |         | 07/20/2011    | Barclays Capital           | XXX                       | 35,306      | 35,000    | 731                                     |
| 345397-VT-7          | Ford Motor Credit Company NC            |         | 04/28/2011    | Citigroup Global Markets   | XXX                       | 20,000      | 20,000    |                                         |
| 35802X-AA-1          | Fresenius Med Care 144A-NC              |         | 09/08/2011    | Various                    | XXX                       | 44,945      | 45,000    |                                         |
| 36159R-AE-3          | Geo Group Inc Call 6.625% 02/15/21      |         | 09/29/2011    | Barclays Capital           | XXX                       | 39,425      | 40,000    | 249                                     |
| 362338-AQ-8          | GTE Southwest NC 8.500% 11/15/31        |         | 10/24/2011    | Raymond James & Associates | XXX                       | 1,369,170   | 1,000,000 | 38,250                                  |
| 37045X-AA-4          | General Motors Finl Co Callable         |         | 06/07/2011    | J P Morgan Securities      | XXX                       | 30,300      | 30,000    | 51                                      |
| 404121-AC-9          | HCA Inc NC 6.500% 02/15/20              |         | 08/02/2011    | Various                    | XXX                       | 225,824     | 225,000   | 42                                      |
| 413875-AM-7          | Harris Corp. NC 4.400% 12/15/20         |         | 05/26/2011    | Citadel Securities         | XXX                       | 1,018,640   | 1,000,000 | 21,756                                  |
| 44107T-AK-2          | Host Hotels & Resorts Call              |         | 08/17/2011    | Various                    | XXX                       | 60,288      | 60,000    | 146                                     |
| 44107T-AL-0          | Host Hotels & Resorts 144A-Call         |         | 07/05/2011    | Various                    | XXX                       | 95,062      | 95,000    | 651                                     |
| 45661T-AL-5          | Inergy LP/Inergy Fin Call               |         | 10/14/2011    | Merrill Lynch              | XXX                       | 17,813      | 19,000    | 283                                     |
| 45824T-AD-7          | Intelsat Jackson Hldg 144A-Call         |         | 03/22/2011    | Barclays Capital           | XXX                       | 210,000     | 210,000   |                                         |
| 459745-GH-2          | International Lease Finance NC          |         | 10/27/2011    | Various                    | XXX                       | 85,688      | 90,000    | 1,285                                   |
| 466112-AF-6          | JBS USA LLC 144A-Call 7.250% 06/01/21   |         | 12/05/2011    | Various                    | XXX                       | 71,413      | 75,000    | 771                                     |
| 471109-AD-0          | Jarden Crop Call 7.500% 01/15/20        |         | 10/07/2011    | Barclays Capital           | XXX                       | 20,400      | 20,000    | 367                                     |
| 489399-AB-1          | Kennedy Wilson Inc 144A-Call            |         | 04/05/2011    | Merrill Lynch              | XXX                       | 40,905      | 40,000    | 22                                      |
| 492914-AS-5          | Key Energy Services Inc Call            |         | 03/03/2011    | J P Morgan Securities      | XXX                       | 60,900      | 60,000    | 45                                      |
| 49456A-AA-1          | Kinder Morgan Fin Co 144A-NC            |         | 08/31/2011    | RBC Capital Markets        | XXX                       | 35,000      | 35,000    | 298                                     |
| 517834-AB-3          | Las Vegas Sands Corp Call               |         | 06/21/2011    | Bank of New York           | XXX                       | 35,438      | 35,000    | 800                                     |
| 52736R-BB-7          | Levi Strauss & Co. Call                 |         | 07/07/2011    | Barclays Capital           | XXX                       | 25,188      | 25,000    | 302                                     |
| 53219L-AK-5          | Lifepoint Hospitals Inc Call            |         | 09/14/2011    | Jefferies                  | XXX                       | 19,800      | 20,000    | 618                                     |
| 532716-AK-3          | Limited Inc. NC 6.950% 03/01/33         |         | 10/18/2011    | Merrill Lynch              | XXX                       | 31,675      | 35,000    | 338                                     |
| 552704-AA-6          | Meg Energy Corp 144A-Call               |         | 04/06/2011    | Barclays Capital           | XXX                       | 36,006      | 35,000    | 145                                     |
| 629377-BN-1          | NRG Energy Inc. NC 7.625% 01/15/18      |         | 01/11/2011    | J P Morgan Securities      | XXX                       | 25,000      | 25,000    |                                         |
| 629377-BP-6          | NRG Energy Inc. 144A-Call               |         | 10/14/2011    | Various                    | XXX                       | 64,125      | 65,000    | 1,059                                   |
| 690768-BF-2          | Owens Illinois Inc NC 7.800% 05/15/18   |         | 01/07/2011    | Credit Suisse First Boston | XXX                       | 69,225      | 65,000    | 803                                     |
| 704549-AJ-3          | Peabody Energy Corp 144A-NC             |         | 11/07/2011    | Merrill Lynch              | XXX                       | 10,000      | 10,000    |                                         |
| 704549-AL-8          | Peabody Energy Corp 144A-NC             |         | 11/07/2011    | Merrill Lynch              | XXX                       | 10,000      | 10,000    |                                         |
| 708160-BS-4          | J.C. Penney & Co. Put 7.400% 04/01/37   |         | 08/02/2011    | Bank of New York           | XXX                       | 9,750       | 10,000    | 255                                     |
| 726505-AK-6          | Plains Exploration & Prod Call          |         | 04/06/2011    | Various                    | XXX                       | 70,088      | 70,000    | 77                                      |
| 726505-AL-4          | Plains Exploration & Prod Call          |         | 11/16/2011    | J P Morgan Securities      | XXX                       | 15,000      | 15,000    |                                         |
| 740212-AD-7          | Precision Drilling Corp 144A-Call       |         | 12/02/2011    | Various                    | XXX                       | 96,519      | 95,000    | 847                                     |
| 749121-BV-0          | Qwest Communications Inc Call           |         | 10/04/2011    | Broadpoint Capital         | XXX                       | 25,031      | 25,000    | 271                                     |
| 758766-AE-9          | Regal Entertainment Call                |         | 01/04/2011    | Credit Suisse First Boston | XXX                       | 26,125      | 25,000    | 893                                     |
| 75886A-AF-5          | Regency Energy Partners Call            |         | 05/24/2011    | Morgan Stanley             | XXX                       | 20,150      | 20,000    | 4                                       |
| 76009N-AH-3          | Rent-A-Center Inc Call                  |         | 09/27/2011    | Barclays Capital           | XXX                       | 9,700       | 10,000    | 248                                     |
| 780153-AJ-1          | Royal Caribbean NC 7.250% 03/15/18      |         | 07/07/2011    | Wells Fargo Bk             | XXX                       | 37,625      | 35,000    | 825                                     |
| 78442F-AX-6          | SLM Corp Call 5.000% 06/15/18           |         | 01/13/2011    | Bank of New York           | XXX                       | 26,850      | 30,000    | 142                                     |
| 81211K-AQ-3          | Sealed Air Corp 144A-Call               |         | 09/16/2011    | Citigroup Global Markets   | XXX                       | 5,000       | 5,000     |                                         |
| 81211K-AR-1          | Sealed Air Corp 144A-Call               |         | 10/11/2011    | Various                    | XXX                       | 112,825     | 110,000   | 90                                      |
| 817565-BJ-2          | Service Corp International NC           |         | 05/16/2011    | Jefferies                  | XXX                       | 33,075      | 30,000    | 295                                     |
| 817565-BU-7          | Service Corp International NC           |         | 01/06/2011    | Merrill Lynch              | XXX                       | 21,300      | 20,000    | 249                                     |
| 85205T-AD-2          | Spirit Aerosystems Inc Call             |         | 09/01/2011    | First Union Capital        | XXX                       | 25,250      | 25,000    | 384                                     |
| 852061-AF-7          | Sprint Corp. NC 8.375% 08/15/17         |         | 11/04/2011    | J P Morgan Securities      | XXX                       | 32,288      | 35,000    | 684                                     |
| 852061-AH-3          | Sprint Corp. 144A-NC 11.500% 11/15/21   |         | 12/02/2011    | Credit Suisse First Boston | XXX                       | 19,800      | 20,000    | 179                                     |
| 852061-AK-6          | Sprint Corp. 144A-NC 9.000% 11/15/18    |         | 11/04/2011    | J P Morgan Securities      | XXX                       | 25,000      | 25,000    |                                         |
| 857555-AR-7          | Stater Brothers Holdings Call           |         | 06/13/2011    | Jefferies                  | XXX                       | 10,300      | 10,000    | 64                                      |
| 858495-AC-8          | Steinway Musical Instruments 144A-Call  |         | 11/11/2011    | Jefferies                  | XXX                       | 16,040      | 16,000    | 233                                     |
| 87612B-AG-7          | Targa Resources Partners 144A-Call      |         | 02/16/2011    | Various                    | XXX                       | 29,850      | 30,000    | 76                                      |
| 87612B-AG-7          | Targa Resources Partners 144A-Call      |         | 02/04/2011    | Taxable Exchange           | XXX                       | 9,956       | 10,000    | 4                                       |
| 914906-AH-5          | Univision Communications Inc. 144A-Call |         | 01/27/2011    | Wells Fargo Bk             | XXX                       | 37,406      | 35,000    | 727                                     |
| 914906-AM-4          | Univision Communications Inc. 144A-Call |         | 08/25/2011    | Various                    | XXX                       | 69,031      | 70,000    | 318                                     |
| 918866-AU-8          | Valassis Communications Inc Call        |         | 01/13/2011    | Merrill Lynch              | XXX                       | 40,000      | 40,000    |                                         |
| 91911X-AS-3          | Valeant Pharmaceuticals 144A-Call       |         | 03/29/2011    | Various                    | XXX                       | 29,925      | 30,000    | 89                                      |
| 929160-AR-0          | Vulcan Materials Co NC                  |         | 09/01/2011    | Jefferies                  | XXX                       | 4,975       | 5,000     | 86                                      |
| 92928Q-AB-4          | WEA Financial Call 4.625% 05/10/21      |         | 12/01/2011    | Sterne, Agee & Leach       | XXX                       | 480,825     | 500,000   | 1,670                                   |
| 98212B-AB-9          | WPX Energy Inc 144A-Call                |         | 11/08/2011    | Various                    | XXX                       | 30,050      | 30,000    |                                         |
| 92658T-AG-3          | Videotron Call 6.875% 01/15/14          | I       | 06/08/2011    | Barclays Capital           | XXX                       | 27,338      | 27,000    | 763                                     |
| 81180W-AB-7          | Seagate Hdd Cayman 144A-Call            | F       | 10/21/2011    | Various                    | XXX                       | 25,273      | 25,000    | 705                                     |

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY**

**SCHEDULE D - PART 3**

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

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

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<br>Identi-<br>fication                                                                                                                                       | Description                                  | F<br>o<br>r<br>e<br>i<br>g<br>n | Disposal<br>Date | Name of Purchaser               | Number of<br>Shares of<br>Stock | Consideration | Par Value | Actual Cost | Prior Year<br>Book/Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current Year<br>(Amortization)/<br>Accretion | Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | Total Change in<br>B/A. C.V.<br>(11+12-13) | Total Foreign<br>Exchange<br>Change in<br>B/A. C.V. | Book/<br>Adjusted<br>Carrying Value<br>at<br>Disposal Date | Foreign<br>Exchange Gain<br>(Loss) on<br>Disposal | Realized Gain<br>(Loss) on<br>Disposal | Total Gain<br>(Loss) on<br>Disposal | Bond<br>Interest/Stock<br>Dividends<br>Received<br>During Year | Maturity<br>Date |
| Bonds - U.S. Governments                                                                                                                                           |                                              |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 3133XL-KY-8..                                                                                                                                                      | FHLB 10NC4 1X - Call 6.000%<br>07/19/17..... |                                 | 07/19/2011..     | Call                            | 100.0000.....                   | 1,000,000     | 1,000,000 | 1,000,000   | 1,000,000                                        |                                                    |                                              |                                                                       | 0                                          |                                                     | 1,000,000                                                  |                                                   |                                        | 0                                   | 60,000                                                         | 07/19/2017..     |
| 31359M-G7-2..                                                                                                                                                      | FNMA 20NC5 1X - Call 5.800%<br>02/09/26..... |                                 | 02/09/2011..     | Call                            | 100.0000.....                   | 1,500,000     | 1,500,000 | 1,500,000   | 1,500,000                                        |                                                    |                                              |                                                                       | 0                                          |                                                     | 1,500,000                                                  |                                                   |                                        | 0                                   | 43,500                                                         | 02/09/2026..     |
| 3136FM-VM-3..                                                                                                                                                      | FNMA Call 5.000% 06/16/25.....               |                                 | 06/16/2011..     | Call                            | 100.0000.....                   | 1,000,000     | 1,000,000 | 1,000,000   | 1,001,630                                        |                                                    | (1,630)                                      |                                                                       | (1,630)                                    |                                                     | 1,000,000                                                  |                                                   |                                        | 0                                   | 10,000                                                         | 06/16/2025..     |
| 36202D-5P-2..                                                                                                                                                      | GNMA 1I 3554 4.500% 05/20/34.....            |                                 | 12/01/2011..     | Paydown..                       |                                 | 201,383       | 201,383   | 202,893     | 202,884                                          |                                                    | (1,501)                                      |                                                                       | (1,501)                                    |                                                     | 201,383                                                    |                                                   |                                        | 0                                   | 4,803                                                          | 05/20/2034..     |
| 36204D-5J-4..                                                                                                                                                      | GNMA Pool 367249 6.500% 12/15/23.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 56,107        | 56,107    | 58,737      | 58,031                                           |                                                    | (1,923)                                      |                                                                       | (1,923)                                    |                                                     | 56,107                                                     |                                                   |                                        | 0                                   | 1,992                                                          | 12/15/2023..     |
| 36205G-AD-3..                                                                                                                                                      | GNMA Pool 389804 5.000% 01/15/33.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 45,412        | 45,412    | 45,497      | 45,486                                           |                                                    | (74)                                         |                                                                       | (74)                                       |                                                     | 45,412                                                     |                                                   |                                        | 0                                   | 1,246                                                          | 01/15/2033..     |
| 0599999 - Bonds - U.S. Governments                                                                                                                                 |                                              |                                 |                  |                                 |                                 | 3,802,902     | 3,802,902 | 3,807,127   | 3,808,030                                        | 0                                                  | (5,128)                                      | 0                                                                     | (5,128)                                    | 0                                                   | 3,802,902                                                  | 0                                                 | 0                                      | 0                                   | 121,542                                                        | XXX              |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)                                                                 |                                              |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 567609-CI-7..                                                                                                                                                      | Marionmont, OH CSD BAB-Call.....             |                                 | 12/01/2011..     | Call                            | 100.0000.....                   | 5,000         | 5,000     | 5,115       | 5,114                                            |                                                    | (114)                                        |                                                                       | (114)                                      |                                                     | 5,000                                                      |                                                   |                                        | 0                                   | 373                                                            | 12/01/2030..     |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)                                                       |                                              |                                 |                  |                                 |                                 | 5,000         | 5,000     | 5,115       | 5,114                                            | 0                                                  | (114)                                        | 0                                                                     | (114)                                      | 0                                                   | 5,000                                                      | 0                                                 | 0                                      | 0                                   | 373                                                            | XXX              |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions |                                              |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 196632-LC-5..                                                                                                                                                      | Colorado Springs, CO BAB.....                |                                 | 12/07/2011..     | Raymond James & Associates..... |                                 | 1,042,150     | 1,000,000 | 1,028,640   | 1,028,465                                        |                                                    | (717)                                        |                                                                       | (717)                                      |                                                     | 1,027,747                                                  |                                                   | 14,403                                 | 14,403                              | 62,277                                                         | 11/15/2030..     |
| 31281B-MU-1..                                                                                                                                                      | FG N31271 4.500% 01/01/36.....               |                                 | 12/01/2011..     | Paydown..                       |                                 | 183,597       | 183,597   | 185,720     | 185,663                                          |                                                    | (2,066)                                      |                                                                       | (2,066)                                    |                                                     | 183,597                                                    |                                                   |                                        | 0                                   | 4,835                                                          | 01/01/2036..     |
| 31281B-TW-0..                                                                                                                                                      | FG N31465 5.000% 11/01/37.....               |                                 | 12/01/2011..     | Paydown..                       |                                 | 373,886       | 373,886   | 383,058     | 382,995                                          |                                                    | (9,108)                                      |                                                                       | (9,108)                                    |                                                     | 373,886                                                    |                                                   |                                        | 0                                   | 9,175                                                          | 11/01/2037..     |
| 31288M-BV-0..                                                                                                                                                      | FHLMC Pool 60052 6.500% 04/01/14.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 18,165        | 18,165    | 18,800      | 18,360                                           |                                                    | (195)                                        |                                                                       | (195)                                      |                                                     | 18,165                                                     |                                                   |                                        | 0                                   | 647                                                            | 04/01/2014..     |
|                                                                                                                                                                    | FGLMC Pool A48571 6.000%.....                |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 3128K9-OY-3..                                                                                                                                                      | 05/01/36.....                                |                                 | 12/01/2011..     | Paydown..                       |                                 | 107,861       | 107,861   | 107,794     | 107,791                                          |                                                    | 70                                           |                                                                       | 70                                         |                                                     | 107,861                                                    |                                                   |                                        | 0                                   | 3,397                                                          | 05/01/2036..     |
|                                                                                                                                                                    | FGLMC Pool A55488 5.500%.....                |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 3128KJ-CZ-3..                                                                                                                                                      | 12/01/36.....                                |                                 | 12/01/2011..     | Paydown..                       |                                 | 215,438       | 215,438   | 214,562     | 214,573                                          |                                                    | 865                                          |                                                                       | 865                                        |                                                     | 215,438                                                    |                                                   |                                        | 0                                   | 6,478                                                          | 12/01/2036..     |
|                                                                                                                                                                    | FGLMC Pool A56041 5.500%.....                |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 3128KJ-WA-6..                                                                                                                                                      | 01/01/37.....                                |                                 | 12/01/2011..     | Paydown..                       |                                 | 102,322       | 102,322   | 101,667     | 101,674                                          |                                                    | 648                                          |                                                                       | 648                                        |                                                     | 102,322                                                    |                                                   |                                        | 0                                   | 2,851                                                          | 01/01/2037..     |
|                                                                                                                                                                    | FGLMC Pool G08052 5.500%.....                |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 3128MJ-BW-9..                                                                                                                                                      | 04/01/35.....                                |                                 | 12/01/2011..     | Paydown..                       |                                 | 203,871       | 203,871   | 202,884     | 202,898                                          |                                                    | 973                                          |                                                                       | 973                                        |                                                     | 203,871                                                    |                                                   |                                        | 0                                   | 5,583                                                          | 04/01/2035..     |
| 3128MM-KX-0..                                                                                                                                                      | FG 618309 4.500% 05/01/24.....               |                                 | 12/01/2011..     | Paydown..                       |                                 | 489,860       | 489,860   | 517,874     | 517,405                                          |                                                    | (27,544)                                     |                                                                       | (27,544)                                   |                                                     | 489,860                                                    |                                                   |                                        | 0                                   | 12,152                                                         | 05/01/2024..     |
|                                                                                                                                                                    | FGLMC Pool #C01286 6.000%.....               |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 31292H-NB-6..                                                                                                                                                      | 01/01/32.....                                |                                 | 12/01/2011..     | Paydown..                       |                                 | 24,318        | 24,318    | 23,980      | 23,997                                           |                                                    | 321                                          |                                                                       | 321                                        |                                                     | 24,318                                                     |                                                   |                                        | 0                                   | 720                                                            | 01/01/2032..     |
| 31294M-A7-6..                                                                                                                                                      | FG E02730 4.000% 10/01/25.....               |                                 | 12/01/2011..     | Paydown..                       |                                 | 626,902       | 626,902   | 652,173     | 652,053                                          |                                                    | (25,152)                                     |                                                                       | (25,152)                                   |                                                     | 626,902                                                    |                                                   |                                        | 0                                   | 14,084                                                         | 10/01/2025..     |
|                                                                                                                                                                    | FHLMC Pool #C90473 6.500%.....               |                                 |                  |                                 |                                 |               |           |             |                                                  |                                                    |                                              |                                                                       |                                            |                                                     |                                                            |                                                   |                                        |                                     |                                                                |                  |
| 31335H-O2-2..                                                                                                                                                      | 08/01/21.....                                |                                 | 12/01/2011..     | Paydown..                       |                                 | 8,904         | 8,904     | 9,032       | 9,002                                            |                                                    | (98)                                         |                                                                       | (98)                                       |                                                     | 8,904                                                      |                                                   |                                        | 0                                   | 345                                                            | 08/01/2021..     |
| 3133TK-G7-9..                                                                                                                                                      | FHR 2141 E NAS FGLMC 7.0.....                |                                 | 12/01/2011..     | Paydown..                       |                                 | 16,991        | 16,991    | 17,267      | 17,062                                           |                                                    | (71)                                         |                                                                       | (71)                                       |                                                     | 16,991                                                     |                                                   |                                        | 0                                   | 633                                                            | 04/15/2029..     |
| 3133XP-4B-7..                                                                                                                                                      | FHLB Call 5.130% 01/24/23.....               |                                 | 01/24/2011..     | Call                            | 100.0000.....                   | 2,000,000     | 2,000,000 | 2,000,000   | 2,000,000                                        |                                                    | 0                                            |                                                                       | 0                                          |                                                     | 2,000,000                                                  |                                                   |                                        | 0                                   | 51,300                                                         | 01/24/2023..     |
| 31371J-O7-2..                                                                                                                                                      | FNMA Pool 253478 8.000% 09/01/20.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 4,892         | 4,892     | 4,953       | 4,933                                            |                                                    | (41)                                         |                                                                       | (41)                                       |                                                     | 4,892                                                      |                                                   |                                        | 0                                   | 269                                                            | 09/01/2020..     |
| 31371J-S8-8..                                                                                                                                                      | FNMA Pool 253543 7.000% 11/01/20.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 5,921         | 5,921     | 5,863       | 5,876                                            |                                                    | 45                                           |                                                                       | 45                                         |                                                     | 5,921                                                      |                                                   |                                        | 0                                   | 139                                                            | 11/01/2020..     |
| 31371K-UA-7..                                                                                                                                                      | FNMA Pool 254477 5.500% 10/01/32.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 156,913       | 156,913   | 155,135     | 155,163                                          |                                                    | 1,750                                        |                                                                       | 1,750                                      |                                                     | 156,913                                                    |                                                   |                                        | 0                                   | 4,201                                                          | 10/01/2032..     |
| 31371L-DU-0..                                                                                                                                                      | FNMA Pool 254915 4.500% 09/01/23.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 98,659        | 98,659    | 95,946      | 96,296                                           |                                                    | 2,363                                        |                                                                       | 2,363                                      |                                                     | 98,659                                                     |                                                   |                                        | 0                                   | 2,336                                                          | 09/01/2023..     |
| 31371L-HE-2..                                                                                                                                                      | FNMA Pool 255029 5.000% 12/01/23.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 87,385        | 87,385    | 87,222      | 87,204                                           |                                                    | 182                                          |                                                                       | 182                                        |                                                     | 87,385                                                     |                                                   |                                        | 0                                   | 2,212                                                          | 12/01/2023..     |
| 31371L-HT-9..                                                                                                                                                      | FNMA Pool 255042 4.500% 11/01/23.....        |                                 | 12/01/2011..     | Paydown..                       |                                 | 97,031        | 97,031    | 94,423      | 94,752                                           |                                                    | 2,279                                        |                                                                       | 2,279                                      |                                                     | 97,031                                                     |                                                   |                                        | 0                                   | 2,262                                                          | 11/01/2023..     |
| 31371N-CM-5..                                                                                                                                                      | FN 256676 5.500% 04/01/27.....               |                                 | 12/01/2011..     | Paydown..                       |                                 | 675,370       | 675,370   | 723,279     | 723,084                                          |                                                    | (47,714)                                     |                                                                       | (47,714)                                   |                                                     | 675,370                                                    |                                                   |                                        | 0                                   | 18,107                                                         | 04/01/2027..     |
| 31371N-SQ-9..                                                                                                                                                      | FN 257126 5.500% 02/01/23.....               |                                 | 12/01/2011..     | Paydown..                       |                                 | 523,257       | 523,257   | 566,753     | 566,502                                          |                                                    | (43,245)                                     |                                                                       | (43,245)                                   |                                                     | 523,257                                                    |                                                   |                                        | 0                                   | 16,280                                                         | 02/01/2023..     |
| 3137A3-PN-3..                                                                                                                                                      | FHR 3762 GM 3.500% 08/15/28.....             |                                 | 12/01/2011..     | Paydown..                       |                                 | 135,560       | 135,560   | 139,791     | 139,701                                          |                                                    | (4,141)                                      |                                                                       | (4,141)                                    |                                                     | 135,560                                                    |                                                   |                                        | 0                                   | 3,466                                                          | 10/15/2016..     |
| 31392E-SX-9..                                                                                                                                                      | FNR 2002-59 B 5.500% 09/25/17.....           |                                 | 12/01/2011..     | Paydown..                       |                                 | 51,774        | 51,774    | 52,697      | 51,982                                           |                                                    | (207)                                        |                                                                       | (207)                                      |                                                     | 51,774                                                     |                                                   |                                        | 0                                   | 1,389                                                          | 06/25/2017..     |
| 31392W-UQ-1..                                                                                                                                                      | FHR 2510 NM 5.000% 03/15/32.....             |                                 | 12/01/2011..     | Paydown..                       |                                 | 213,799       | 213,799   | 219,607     | 214,318                                          |                                                    | (519)                                        |                                                                       | (519)                                      |                                                     | 213,799                                                    |                                                   |                                        | 0                                   | 5,471                                                          | 09/25/2014..     |
| 31393A-G6-6..                                                                                                                                                      | FNR 2003-28 GA 4.000% 10/25/32.....          |                                 | 12/01/2011..     | Paydown..                       |                                 | 146,798       | 146,798   | 144,465     | 145,887                                          |                                                    | 911                                          |                                                                       | 911                                        |                                                     | 146,798                                                    |                                                   |                                        | 0                                   | 2,894                                                          | 10/25/2016..     |
| 31393B-OC-2..                                                                                                                                                      | FNR 2003-37 QD 5.000% 05/25/32.....          |                                 | 12/01/2011..     | Paydown..                       |                                 | 733,184       | 733,184   | 728,373     | 730,107                                          |                                                    | 3,078                                        |                                                                       | 3,078                                      |                                                     | 733,184                                                    |                                                   |                                        | 0                                   | 17,206                                                         | 11/25/2014..     |
| 31393E-NZ-8..                                                                                                                                                      | FNR 2003-91 HA 4.500% 11/25/16.....          |                                 | 10/01/2011..     | Paydown..                       |                                 | 183,055       | 183,055   | 182,998     | 182,540                                          |                                                    | 515                                          |                                                                       | 515                                        |                                                     | 183,055                                                    |                                                   |                                        | 0                                   | 3,354                                                          | 10/25/2011..     |
| 31393J-HC-5..                                                                                                                                                      | FHR 2553 GB 5.000% 01/15/18.....             |                                 | 12/01/2011..     | Paydown..                       |                                 | 126,195       | 126,195   | 125,697     | 125,868                                          |                                                    | 327                                          |                                                                       | 327                                        |                                                     | 126,195                                                    |                                                   |                                        | 0                                   | 6,079                                                          | 08/15/2017..     |
| 31393N-M8-9..                                                                                                                                                      | FHR 2590 TU 5.000% 08/15/31.....             |                                 | 12/01/2011..     | Paydown..                       |                                 | 441,847       | 441,847   | 436,911     | 439,857                                          |                                                    | 1,991                                        |                                                                       | 1,991                                      |                                                     | 441,847                                                    |                                                   |                                        | 0                                   | 10,669                                                         | 08/25/2012..     |
| 31393V-MQ-1..                                                                                                                                                      | FHR 2628 AB 4.500% 06/15/18.....             |                                 | 12/01/2011..     | Paydown..                       |                                 | 310,874       | 310,874   | 302,519     | 307,964                                          |                                                    | 2,910                                        |                                                                       | 2,910                                      |                                                     | 310,874                                                    |                                                   |                                        | 0                                   | 6,950                                                          | 07/15/2017..     |
| 31394B-UA-0..                                                                                                                                                      | FNR 2004-90 YB 4.000% 07/25/32.....          |                                 | 12/01/2011..     | Paydown..                       |                                 | 486,844       | 486,844   | 470,565     | 483,034                                          |                                                    | 3,810                                        |                                                                       | 3,810                                      |                                                     | 486,844                                                    |                                                   |                                        | 0                                   | 10,051                                                         | 01/25/2013..     |
| 31394B-W4-2..                                                                                                                                                      | FNR 2004-95 EA 4.500% 08/25/33.....          |                                 | 12/01/2011..     | Paydown..                       |                                 | 9,134         | 9,134     | 9,482       | 9,425                                            |                                                    | (291)                                        |                                                                       | (291)                                      |                                                     | 9,134                                                      |                                                   |                                        | 0                                   | 245                                                            | 12/25/2015..     |

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

SCHEDULE D - PART 4

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

| CUSIP Identification                                                                                                                                                         | Description                                                | F<br>o<br>r<br>e<br>i<br>g<br>n | Disposal Date | Name of Purchaser             | Number of Shares of Stock | Consideration | Par Value  | Actual Cost | Prior Year Book/Adjusted Carrying Value | Change in Book/Adjusted Carrying Value       |                                           |                                                              |                                         |                                               | 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 |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------|---------------|-------------------------------|---------------------------|---------------|------------|-------------|-----------------------------------------|----------------------------------------------|-------------------------------------------|--------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|------------------------------------------------|------------------------------------------|----------------------------------|-------------------------------|----------------------------------------------------|---------------|--------------|
|                                                                                                                                                                              |                                                            |                                 |               |                               |                           |               |            |             |                                         | 11 Unrealized Valuation Increase/ (Decrease) | 12 Current Year (Amortization)/ Accretion | 13 Current Year's Other Than Temporary Impairment Recognized | 14 Total Change in B/A. C.V. (11+12-13) | 15 Total Foreign Exchange Change in B/A. C.V. |                                                |                                          |                                  |                               |                                                    |               |              |
| 31402R-JV-2..                                                                                                                                                                | FNMA Pool 735676 5.000% 07/01/35                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 312,211       | 312,211    | 323,333     | 323,047                                 |                                              | (10,837)                                  |                                                              | (10,837)                                | 312,211                                       |                                                |                                          | .0                               | 8,050                         | 07/01/2035..                                       |               |              |
| 31403D-BW-8..                                                                                                                                                                | FNMA Pool 745353 5.500% 03/01/36                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 326,347       | 326,347    | 317,474     | 317,636                                 |                                              | 8,711                                     |                                                              | 8,711                                   | 326,347                                       |                                                |                                          | .0                               | 9,145                         | 03/01/2036..                                       |               |              |
| 31403D-GZ-6..                                                                                                                                                                | FNMA Pool 745516 5.500% 05/01/36                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 215,737       | 215,737    | 215,467     | 215,449                                 |                                              | 288                                       |                                                              | 288                                     | 215,737                                       |                                                |                                          | .0                               | 5,978                         | 05/01/2036..                                       |               |              |
| 31403D-TG-4..                                                                                                                                                                | FNMA Pool 745851 6.000% 09/01/36                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 179,993       | 179,993    | 181,625     | 181,588                                 |                                              | (1,595)                                   |                                                              | (1,595)                                 | 179,993                                       |                                                |                                          | .0                               | 5,478                         | 09/01/2036..                                       |               |              |
| 31404A-6X-6..                                                                                                                                                                | FNMA Pool 762614 5.000% 12/01/23                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 126,229       | 126,229    | 127,886     | 127,698                                 |                                              | (1,469)                                   |                                                              | (1,469)                                 | 126,229                                       |                                                |                                          | .0                               | 3,742                         | 12/01/2023..                                       |               |              |
| 31404S-GD-1..                                                                                                                                                                | FN 76996 5.000% 04/01/34                                   |                                 | 12/01/2011..  | Paydown.....                  |                           | 277,243       | 277,243    | 287,899     | 287,658                                 |                                              | (10,415)                                  |                                                              | (10,415)                                | 277,243                                       |                                                |                                          | .0                               | 6,311                         | 04/01/2034..                                       |               |              |
| 31407U-EQ-6..                                                                                                                                                                | FNMA Pool 840843 5.500% 12/01/35                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 316,906       | 316,906    | 311,360     | 311,464                                 |                                              | 5,442                                     |                                                              | 5,442                                   | 316,906                                       |                                                |                                          | .0                               | 9,614                         | 12/01/2035..                                       |               |              |
| 31409X-GG-8..                                                                                                                                                                | FNMA Pool 881399 6.000% 05/01/36                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 261,748       | 261,748    | 260,480     | 260,484                                 |                                              | 1,264                                     |                                                              | 1,264                                   | 261,748                                       |                                                |                                          | .0                               | 8,012                         | 05/01/2036..                                       |               |              |
| 31411B-GM-9..                                                                                                                                                                | FNMA Pool 903004 5.500% 12/01/36                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 90,432        | 90,432     | 89,909      | 89,912                                  |                                              | 520                                       |                                                              | 520                                     | 90,432                                        |                                                |                                          | .0                               | 2,748                         | 12/01/2036..                                       |               |              |
| 31411J-3H-7..                                                                                                                                                                | FNMA Pool 909900 5.500% 03/01/37                           |                                 | 12/01/2011..  | Paydown.....                  |                           | 218,414       | 218,414    | 216,264     | 216,284                                 |                                              | 2,130                                     |                                                              | 2,130                                   | 218,414                                       |                                                |                                          | .0                               | 5,551                         | 03/01/2037..                                       |               |              |
| 31416B-4A-3..                                                                                                                                                                | FN 995517 5.500% 01/01/24                                  |                                 | 12/01/2011..  | Paydown.....                  |                           | 353,412       | 353,412    | 382,072     | 382,041                                 |                                              | (28,629)                                  |                                                              | (28,629)                                | 353,412                                       |                                                |                                          | .0                               | 9,328                         | 01/01/2024..                                       |               |              |
| 31417U-XS-9..                                                                                                                                                                | FN AC7888 4.000% 03/01/25                                  |                                 | 12/01/2011..  | Paydown.....                  |                           | 192,403       | 192,403    | 202,203     | 202,003                                 |                                              | (9,600)                                   |                                                              | (9,600)                                 | 192,403                                       |                                                |                                          | .0                               | 5,307                         | 03/01/2025..                                       |               |              |
| 31417Y-TV-9..                                                                                                                                                                | FN MA0563 4.000% 11/01/30                                  |                                 | 12/01/2011..  | Paydown.....                  |                           | 224,330       | 224,330    | 231,340     | 231,311                                 |                                              | (6,981)                                   |                                                              | (6,981)                                 | 224,330                                       |                                                |                                          | .0                               | 6,714                         | 11/01/2030..                                       |               |              |
| 38373T-ZZ-4..                                                                                                                                                                | GNR 2002-15 PC 5.500% 11/20/31                             |                                 | 12/01/2011..  | Paydown.....                  |                           | 79,618        | 79,618     | 76,328      | 78,948                                  |                                              | 670                                       |                                                              | 670                                     | 79,618                                        |                                                |                                          | .0                               | 2,180                         | 11/20/2014..                                       |               |              |
| 38374E-DF-1..                                                                                                                                                                | GNR 2003-102 MU 4.250% 01/20/33                            |                                 | 12/01/2011..  | Paydown.....                  |                           | 67,226        | 67,226     | 67,163      | 67,094                                  |                                              | 133                                       |                                                              | 133                                     | 67,226                                        |                                                |                                          | .0                               | 1,491                         | 05/20/2015..                                       |               |              |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions |                                                            |                                 |               |                               |                           | 17,318,821    | 17,276,671 | 17,444,557  | 17,485,150                              | 0                                            | (180,732)                                 | 0                                                            | (180,732)                               | 0                                             | 17,304,418                                     | 0                                        | 14,403                           | 14,403                        | 492,953                                            | XXX           |              |
| Bonds - Industrial and Miscellaneous (Unaffiliated)                                                                                                                          |                                                            |                                 |               |                               |                           |               |            |             |                                         |                                              |                                           |                                                              |                                         |                                               |                                                |                                          |                                  |                               |                                                    |               |              |
| 000759-CF-5..                                                                                                                                                                | American Business Fin Services 2002-1 A5.....              |                                 | 09/21/2011..  | Guggenheim Securities.....    |                           | 98,014        | 221,500    | 149,047     | 149,047                                 |                                              |                                           |                                                              | .0                                      | 149,047                                       |                                                |                                          | (51,034)                         | (51,034)                      | 10,657                                             | 12/16/2022..  |              |
| 000759-CF-5..                                                                                                                                                                | American Business Fin Services 2002-1 A5.....              |                                 | 08/01/2011..  | Paydown.....                  |                           |               | (24,432)   | (16,440)    | (16,440)                                |                                              | 16,440                                    |                                                              | 16,440                                  |                                               |                                                |                                          |                                  |                               | .0                                                 | 2,125         | 12/16/2022.. |
| 002447-AA-8..                                                                                                                                                                | Awac Aviation Capital Lt 144A-Call..                       |                                 | 10/15/2011..  | Redemption 100.0000.....      |                           | 6,960         | 6,960      | 7,004       | 7,002                                   |                                              | (42)                                      |                                                              | (42)                                    | 6,960                                         |                                                |                                          |                                  |                               | .0                                                 | 367           | 10/15/2016.. |
| 013104-AF-1..                                                                                                                                                                | Albertson's Inc NC 7.450% 08/01/29.....                    |                                 | 12/08/2011..  | Citigroup Global Markets..... |                           | 3,950         | 5,000      | 4,125       | 4,151                                   |                                              | 17                                        |                                                              | 17                                      | 4,168                                         |                                                |                                          | (218)                            | (218)                         | 509                                                | 08/01/2029..  |              |
| 02406P-AG-5..                                                                                                                                                                | American Axle & Manufacturing 144A-Call.....               |                                 | 04/06/2011..  | Merrill Lynch.....            |                           | 33,375        | 30,000     | 30,173      | 30,158                                  |                                              | (6)                                       |                                                              | (6)                                     | 30,153                                        |                                                |                                          | 3,222                            | 3,222                         | 2,050                                              | 01/15/2017..  |              |
| 026375-AL-9..                                                                                                                                                                | American Greetings Call.....                               |                                 | 11/30/2011..  | Redemption 100.9380.....      |                           | 20,188        | 20,000     | 19,250      | 19,362                                  |                                              | 826                                       |                                                              | 826                                     | 20,188                                        |                                                |                                          |                                  |                               | .0                                                 | 2,071         | 06/01/2016.. |
| 02660T-FM-0..                                                                                                                                                                | American Home Mortgage 2005-2 5A40..                       |                                 | 05/10/2011..  | Maxwell Simon Inc.....        |                           | 680,050       | 1,000,000  | 702,840     | 702,840                                 |                                              | .0                                        |                                                              | .0                                      | 702,840                                       |                                                |                                          | (22,790)                         | (22,790)                      | 23,976                                             | 09/25/2025..  |              |
| 030700-AL-5..                                                                                                                                                                | Ameristar Casinos Inc Call.....                            |                                 | 04/14/2011..  | Redemption 107.0140.....      |                           | 21,403        | 20,000     | 20,700      | 20,578                                  |                                              | 825                                       |                                                              | 825                                     | 21,403                                        |                                                |                                          |                                  |                               | .0                                                 | 1,283         | 06/01/2014.. |
| 032511-AY-3..                                                                                                                                                                | Anadarko Petroleum Corp NC.....                            |                                 | 05/18/2011..  | Various.....                  |                           | 46,889        | 45,000     | 36,125      | 36,186                                  |                                              | 37                                        |                                                              | 37                                      | 36,223                                        |                                                |                                          | 10,665                           | 10,665                        | 1,919                                              | 09/15/2036..  |              |
| 037933-AE-8..                                                                                                                                                                | Apria Healthcare Group Call.....                           |                                 | 06/28/2011..  | Nomura Securities.....        |                           | 10,275        | 10,000     | 9,705       | 9,772                                   |                                              | 24                                        |                                                              | 24                                      | 9,796                                         |                                                |                                          | 479                              | 479                           | 750                                                | 11/01/2014..  |              |
| 039380-AC-4..                                                                                                                                                                | Arch Coal Inc. Call 7.250% 10/01/20.....                   |                                 | 06/09/2011..  | Morgan Stanley.....           |                           | 10,275        | 10,000     | 10,000      | 10,000                                  |                                              | .0                                        |                                                              | .0                                      | 10,000                                        |                                                |                                          | 275                              | 275                           | 614                                                | 10/01/2020..  |              |
| 03939R-AB-6..                                                                                                                                                                | Arch Western Finance Call.....                             |                                 | 02/03/2011..  | First Union Capital.....      |                           | 14,175        | 14,000     | 12,803      | 13,279                                  |                                              | 27                                        |                                                              | 27                                      | 13,306                                        |                                                |                                          | 869                              | 869                           | 570                                                | 07/01/2013..  |              |
| 04939M-AC-3..                                                                                                                                                                | Atlas Pipeline Partners Call.....                          |                                 | 04/08/2011..  | Call 104.0625.....            |                           | 20,813        | 20,000     | 20,150      | 20,113                                  |                                              | 700                                       |                                                              | 700                                     | 20,813                                        |                                                |                                          |                                  |                               | .0                                                 | 510           | 12/15/2015.. |
| 05568Y-AA-6..                                                                                                                                                                | BNSF Railway NC 5.996% 04/01/24.....                       |                                 | 10/03/2011..  | Redemption 100.0000.....      |                           | 64,134        | 64,134     | 64,134      | 64,134                                  |                                              | .0                                        |                                                              | .0                                      | 64,134                                        |                                                |                                          |                                  |                               | .0                                                 | 1,931         | 04/01/2024.. |
| 05948K-BW-8..                                                                                                                                                                | Banc of America 2003-3 A5.....                             |                                 | 09/13/2011..  | Stifel Nicolaus & Co.....     |                           | 1,645,509     | 1,629,217  | 1,626,773   | 1,626,675                               |                                              | (409)                                     |                                                              | (409)                                   | 1,626,266                                     |                                                |                                          | 19,244                           | 19,244                        | 74,163                                             | 05/25/2033..  |              |
| 05948K-BW-8..                                                                                                                                                                | Banc of America 2003-3 A5.....                             |                                 | 09/01/2011..  | Paydown.....                  |                           | 125,994       | 125,994    | 125,805     | 125,798                                 |                                              | 197                                       |                                                              | 197                                     | 125,994                                       |                                                |                                          |                                  |                               | .0                                                 | 3,035         | 05/25/2033.. |
| 07325N-CB-6..                                                                                                                                                                | Bayview Financial 2005-D AF4 CBASS 2005-CB4 AF 5.334%..... |                                 | 05/02/2011..  | Stifel Nicolaus & Co.....     |                           | 1,200,000     | 1,500,000  | 1,320,000   | 1,359,608                               |                                              | 5,429                                     |                                                              | 5,429                                   | 1,365,038                                     |                                                |                                          | (165,038)                        | (165,038)                     | 35,292                                             | 09/28/2018..  |              |
| 12489W-MB-7..                                                                                                                                                                | CF Industries Inc NC 6.875% 08/25/35.....                  |                                 | 06/27/2011..  | Stifel Nicolaus & Co.....     |                           | 1,990,000     | 2,000,000  | 1,883,125   | 1,946,876                               |                                              | 8,808                                     |                                                              | 8,808                                   | 1,955,684                                     |                                                |                                          | 34,316                           | 34,316                        | 61,934                                             | 08/25/2014..  |              |
| 12527G-AA-1..                                                                                                                                                                | CF Industries Inc NC 7.125% 05/01/18.....                  |                                 | 05/09/2011..  | Citigroup Global Markets..... |                           | 75,156        | 65,000     | 65,000      | 65,000                                  |                                              | .0                                        |                                                              | .0                                      | 65,000                                        |                                                |                                          | 10,156                           | 10,156                        | 2,371                                              | 05/01/2018..  |              |
| 12527G-AB-9..                                                                                                                                                                | CF Industries Inc NC 7.125% 05/01/20.....                  |                                 | 05/09/2011..  | Citigroup Global Markets..... |                           | 23,500        | 20,000     | 21,100      | 21,072                                  |                                              | (31)                                      |                                                              | (31)                                    | 21,041                                        |                                                |                                          | 2,459                            | 2,459                         | 756                                                | 05/01/2020..  |              |
| 12543D-AF-7..                                                                                                                                                                | Community Health Systems Call.....                         |                                 | 06/06/2011..  | Various.....                  |                           | 75,200        | 75,000     | 76,969      | 76,311                                  |                                              | (80)                                      |                                                              | (80)                                    | 76,231                                        |                                                |                                          | (1,031)                          | (1,031)                       | 5,279                                              | 07/15/2015..  |              |
| 12665D-BQ-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.. |
| 130770-AE-3..                                                                                                                                                                | California Steel Ind Call.....                             |                                 | 04/08/2011..  | Call 101.0210.....            |                           | 45,459        | 45,000     | 40,513      | 41,961                                  |                                              | 3,498                                     |                                                              | 3,498                                   | 45,459                                        |                                                |                                          |                                  |                               | .0                                                 | 1,554         | 03/15/2014.. |
| 141781-AR-5..                                                                                                                                                                | Cargill Inc 144A - NC 4.375% 06/01/13.....                 |                                 | 11/17/2011..  | Sterne, Agee & Leach.....     |                           | 525,210       | 500,000    | 488,110     | 492,630                                 |                                              | 2,614                                     |                                                              | 2,614                                   | 495,244                                       |                                                |                                          | 29,966                           | 29,966                        | 21,328                                             | 06/01/2013..  |              |
| 14744E-AP-3..                                                                                                                                                                | Case New Holland Inc NC.....                               |                                 | 01/24/2011..  | JP Morgan Securities.....     |                           | 60,638        | 55,000     | 55,550      | 55,394                                  |                                              | (10)                                      |                                                              | (10)                                    | 55,384                                        |                                                |                                          | 5,253                            | 5,253                         | 1,729                                              | 09/01/2013..  |              |
| 165167-CF-2..                                                                                                                                                                | Chesapeake Energy NC 6.625% 08/15/20.....                  |                                 | 01/26/2011..  | Goldman Sachs.....            |                           | 25,750        | 25,000     | 24,888      | 24,890                                  |                                              | 1                                         |                                                              | 1                                       | 24,891                                        |                                                |                                          | 859                              | 859                           | 755                                                | 08/15/2020..  |              |
| 165167-CF-2..                                                                                                                                                                | Chesapeake Energy NC 6.625% 08/15/20.....                  |                                 | 05/05/2011..  | Redemption 107.0000.....      |                           | 14,980        | 14,000     | 13,895      | 13,898                                  |                                              | 1,082                                     |                                                              | 1,082                                   | 14,980                                        |                                                |                                          |                                  |                               | .0                                                 | 937           | 08/15/2020.. |
| 17285T-AD-8..                                                                                                                                                                | Citadel Broadcasting Corp 144A-Call..                      |                                 | 09/15/2011..  | Call 107.7500.....            |                           | 37,713        | 35,000     | 35,750      | 35,746                                  |                                              | 1,966                                     |                                                              | 1,966                                   | 37,713                                        |                                                |                                          |                                  |                               | .0                                                 | 2,080         | 12/15/2018.. |
| 17306U-BX-5..                                                                                                                                                                | AF5.....                                                   |                                 | 09/02/2011..  | Maxwell Simon Inc.....        |                           | 230,000       | 250,000    | 252,025     | 251,989                                 |                                              | (40)                                      |                                                              | (40)                                    | 251,949                                       |                                                |                                          | (21,949)                         | (21,949)                      | 10,245                                             | 03/25/2031..  |              |
| 17453B-AJ-0..                                                                                                                                                                | Citizens Communications Co NC.....                         |                                 | 12/06/2011..  | Various.....                  |                           | 87,429        | 90,000     | 85,119      | 85,286                                  |                                              | 52                                        |                                                              | 52                                      | 85,338                                        |                                                |                                          | 2,091                            | 2,091                         | 8,766                                              | 08/15/2031..  |              |
| 18538T-AA-7..                                                                                                                                                                | Clearwire Comm 144A-Call.....                              |                                 | 08/18/2011..  | Various.....                  |                           | 76,988        | 80,000     | 80,142      | 80,128                                  |                                              | (15)                                      |                                                              | (15)                                    | 80,114                                        |                                                |                                          | (3,126)                          | (3,126)                       |                                                    |               |              |

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

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                                | F<br>o<br>r<br>e<br>i<br>g<br>n | Disposal Date | Name of Purchaser            | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year (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 |
| 256853-AA-0..        | Dolphin Energy LTD NC 5.888%               |                                 | 12/15/2011..  | Redemption 100.0000..        |                           | 40,000        | 40,000    | 40,100      | 40,088                                  |                                           | (88)                                   |                                                           | (88)                                 |                                            | 40,000                                         |                                          |                                  | .0                            | 1,777                                              | 06/15/2019..  |
| 266131-AC-4..        | Dupont Fabros Tech Call/Sink..             |                                 | 02/10/2011..  | Jefferies..                  |                           | 44,000        | 40,000    | 40,600      | 40,555                                  |                                           | (8)                                    |                                                           | (8)                                  |                                            | 40,548                                         |                                          | 3,452                            | 3,452                         | .567                                               | 12/15/2017..  |
| 29273V-AC-4..        | Energy Transfer Equity NC..                |                                 | 07/18/2011..  | JP Morgan Securities..       |                           | 54,250        | 50,000    | 51,350      | 51,336                                  |                                           | (45)                                   |                                                           | (45)                                 |                                            | 51,291                                         |                                          | 2,959                            | 2,959                         | .854                                               | 10/15/2020..  |
| 29362R-AD-9..        | Entravision Communication Call..           |                                 | 08/24/2011..  | Jefferies..                  |                           | 4,675         | 5,000     | 5,038       | 5,036                                   |                                           | (3)                                    |                                                           | (3)                                  |                                            | 5,034                                          |                                          | (159)                            | (159)                         | .476                                               | 08/01/2017..  |
| 29444U-AJ-5..        | Equinix Inc Call 8.125% 03/01/18..         |                                 | 07/07/2011..  | BNP Paribas Securities..     |                           | 38,369        | 35,000    | 36,313      | 36,307                                  |                                           | (41)                                   |                                                           | (41)                                 |                                            | 36,265                                         |                                          | 2,103                            | 2,103                         | .457                                               | 03/01/2014..  |
| 297425-AH-3..        | Esterline Tech Call 7.000%                 |                                 | 08/01/20..    | Merrill Lynch..              |                           | 15,563        | 15,000    | 15,000      | 15,000                                  |                                           |                                        |                                                           | .0                                   |                                            | 15,000                                         |                                          | .563                             | .563                          | .513                                               | 08/01/2020..  |
| 302516-AA-5..        | FMG Resources 144A-Call..                  |                                 | 08/15/2011..  | Citigroup Global Markets..   |                           | 20,000        | 20,000    | 20,475      | 20,461                                  |                                           | (52)                                   |                                                           | (52)                                 |                                            | 20,409                                         |                                          | (409)                            | (409)                         | 1,124                                              | 11/01/2015..  |
| 31331F-AU-5..        | Federal Express 1997-1 A PT Certificates.. |                                 | 01/18/2011..  | Redemption 100.0000..        |                           | 89,803        | 89,803    | 89,803      | 89,803                                  |                                           |                                        |                                                           | .0                                   |                                            | 89,803                                         |                                          |                                  | .0                            | 3,368                                              | 01/15/2018..  |
| 31409J-SF-8..        | FNMA Pool 872718 6.000% 06/01/36..         |                                 | 12/01/2011..  | Paydown..                    |                           | 149,332       | 149,332   | 148,305     | 148,318                                 |                                           | 1,014                                  |                                                           | 1,014                                |                                            | 149,332                                        |                                          |                                  | .0                            | 3,426                                              | 06/01/2036..  |
| 345397-VM-2..        | Ford Motor Credit Company NC..             |                                 | 08/23/2011..  | Various..                    |                           | 55,525        | 50,000    | 51,125      | 51,078                                  |                                           | (52)                                   |                                                           | (52)                                 |                                            | 51,025                                         |                                          | 4,500                            | 4,500                         | 4,378                                              | 01/15/2020..  |
| 350472-AC-0..        | Foundation PA Coal Co Call..               |                                 | 08/18/2011..  | Call 101.2080..              |                           | 25,302        | 25,000    | 23,850      | 24,240                                  |                                           | 1,062                                  |                                                           | 1,062                                |                                            | 25,302                                         |                                          |                                  | .0                            | 1,898                                              | 08/01/2014..  |
| 36185N-5B-2..        | GMAC Mortgage Corp Loan Tr 2004-J5 A4..    |                                 | 05/19/2011..  | Maxwell Simon Inc..          |                           | 1,018,125     | 1,000,000 | 963,750     | 986,729                                 |                                           | 2,180                                  |                                                           | 2,180                                |                                            | 988,909                                        |                                          | 29,216                           | 29,216                        | 26,431                                             | 06/25/2013..  |
| 36186C-BY-8..        | GMAC Inc NC 8.000% 11/01/31..              |                                 | 06/08/2011..  | Various..                    |                           | 48,881        | 45,000    | 43,119      | 43,143                                  |                                           |                                        |                                                           | 15                                   |                                            | 43,158                                         |                                          | 5,723                            | 5,723                         | 2,200                                              | 11/01/2031..  |
| 362320-AZ-6..        | GTE Corp. NC 6.840% 04/15/18..             |                                 | 10/24/2011..  | Raymond James & Associates.. |                           | 1,186,940     | 1,000,000 | 1,147,720   | 1,086,591                               |                                           | (8,131)                                |                                                           | (8,131)                              |                                            | 1,078,460                                      |                                          | 108,480                          | 108,480                       | 70,680                                             | 08/01/2018..  |
| 37932J-AC-7..        | Global Crossing Call 12.000%               |                                 | 09/15/15..    | Citigroup Global Markets..   |                           | 11,600        | 10,000    | 10,500      | 10,417                                  |                                           | (8)                                    |                                                           | (8)                                  |                                            | 10,409                                         |                                          | 1,191                            | 1,191                         | .487                                               | 09/15/2015..  |
| 37932J-AC-7..        | Global Crossing Call 12.000%               |                                 | 09/15/15..    | Call 115.7560..              |                           | 57,878        | 50,000    | 53,113      | 52,630                                  |                                           | 5,248                                  |                                                           | 5,248                                |                                            | 57,878                                         |                                          |                                  | .0                            | 6,817                                              | 09/15/2012..  |
| 382550-AZ-4..        | Goodyear Tire Call 10.500%                 |                                 | 05/15/16..    | Merrill Lynch..              |                           | 33,338        | 30,000    | 32,456      | 32,429                                  |                                           | (40)                                   |                                                           | (40)                                 |                                            | 32,389                                         |                                          | .949                             | .949                          | 3,089                                              | 05/15/2012..  |
| 404119-AU-3..        | HCA-The Healthcare Company Call..          |                                 | 06/02/2011..  | Call 104.5630..              |                           | 52,282        | 50,000    | 52,375      | 52,238                                  |                                           | 43                                     |                                                           | 43                                   |                                            | 52,282                                         |                                          |                                  | .0                            | 2,497                                              | 11/15/2011..  |
| 404119-BA-6..        | HCA-The Healthcare Company Call..          |                                 | 08/26/2011..  | Call 106.7826..              |                           | 66,205        | 62,000    | 65,153      | 64,846                                  |                                           | 1,359                                  |                                                           | 1,359                                |                                            | 66,205                                         |                                          |                                  | .0                            | 4,658                                              | 11/15/2011..  |
| 404119-BF-5..        | HCA-The Healthcare Company Call..          |                                 | 05/26/2011..  | Jefferies..                  |                           | 11,225        | 10,000    | 9,763       | 9,790                                   |                                           | 7                                      |                                                           | 7                                    |                                            | 9,797                                          |                                          | 1,428                            | 1,428                         | 534                                                | 04/15/2019..  |
| 410345-AH-5..        | Hanesbrands Inc 144A-Call..                |                                 | 02/08/2011..  | Nomura Securities..          |                           | 29,100        | 30,000    | 30,090      | 30,088                                  |                                           |                                        |                                                           | .0                                   |                                            | 30,088                                         |                                          | (988)                            | (988)                         | .489                                               | 12/15/2020..  |
| 428040-BZ-1..        | Hertz Corp. Call 8.875% 01/01/14..         |                                 | 04/07/2011..  | Call 102.2190..              |                           | 18,399        | 18,000    | 18,225      | 18,134                                  |                                           | 265                                    |                                                           | 265                                  |                                            | 18,399                                         |                                          |                                  | .0                            | 1,062                                              | 01/01/2014..  |
| 449670-DD-7..        | IMC Home Equity Loan Trust 1997-5 A9..     |                                 | 11/18/2011..  | Guggenheim Securities..      |                           | 230,890       | 247,604   | 232,250     | 239,128                                 |                                           |                                        |                                                           | .0                                   |                                            | 239,128                                        |                                          | (8,238)                          | (8,238)                       | 17,799                                             | 07/20/2012..  |
| 449670-DD-7..        | IMC Home Equity Loan Trust 1997-5 A9..     |                                 | 11/01/2011..  | Paydown..                    |                           | 28,918        | 28,918    | 27,125      | 27,929                                  |                                           | .990                                   |                                                           | .990                                 |                                            | 28,918                                         |                                          |                                  | .0                            | .988                                               | 07/20/2012..  |
| 45660N-RB-3..        | RAST 2003-A6 B1 5.500% 07/25/33..          |                                 | 08/16/2011..  | Citadel Securities..         |                           | 298,488       | 426,221   | 248,920     | 307,437                                 |                                           | (19,825)                               | 39,684                                                    | (59,509)                             |                                            | 247,928                                        |                                          | 50,560                           | 50,560                        | 17,861                                             | 04/25/2018..  |
| 45660N-RB-3..        | RAST 2003-A6 B1 5.500% 07/25/33..          |                                 | 08/01/2011..  | Paydown..                    |                           | 112,657       | 112,657   | 73,329      | 76,129                                  |                                           | 40,437                                 | 2,775                                                     | 37,663                               |                                            | 113,792                                        |                                          | (1,134)                          | (1,134)                       | 1,156                                              | 04/25/2018..  |
| 45661F-AB-7..        | Inergy LP/Inergy Fin 144A-Call..           |                                 | 02/02/2011..  | Redemption 100.0420..        |                           | 20,008        | 20,000    | 18,300      | 18,845                                  |                                           | 1,164                                  |                                                           | 1,164                                |                                            | 20,008                                         |                                          |                                  | .0                            | .680                                               | 12/15/2014..  |
| 45661F-AD-3..        | Inergy LP/Inergy Fin Call..                |                                 | 02/02/2011..  | Redemption 102.0000..        |                           | 19,380        | 19,000    | 18,405      | 18,505                                  |                                           | 875                                    |                                                           | 875                                  |                                            | 19,380                                         |                                          |                                  | .0                            | 1,132                                              | 03/01/2016..  |
| 459745-GF-6..        | International Lease Finance NC..           |                                 | 12/15/2011..  | Merrill Lynch..              |                           | 20,350        | 20,000    | 20,400      | 20,398                                  |                                           | (25)                                   |                                                           | (25)                                 |                                            | 20,373                                         |                                          | (23)                             | (23)                          | 1,710                                              | 12/15/2020..  |
| 45974V-B7-2..        | Intl Lease Finance Corp NC..               |                                 | 01/26/2011..  | Goldman Sachs..              |                           | 15,675        | 15,000    | 13,288      | 13,711                                  |                                           | .42                                    |                                                           | .42                                  |                                            | 13,753                                         |                                          | 1,922                            | 1,922                         | .335                                               | 03/25/2013..  |
| 45974V-B7-2..        | Intl Lease Finance Corp NC..               |                                 | 06/17/2011..  | Redemption 103.0000..        |                           | 3,090         | 3,000     | 2,689       | 2,764                                   |                                           | 326                                    |                                                           | 326                                  |                                            | 3,090                                          |                                          |                                  | .0                            | .229                                               | 03/25/2013..  |
| 471109-AB-4..        | Jarden Corp Call 7.500% 05/01/17..         |                                 | 02/09/2011..  | JP Morgan Securities..       |                           | 10,575        | 10,000    | 6,850       | 7,322                                   |                                           | 33                                     |                                                           | 33                                   |                                            | 7,355                                          |                                          | 3,220                            | 3,220                         | .215                                               | 05/01/2017..  |
| 501044-BM-2..        | Kroger Co NC 6.800% 12/15/18..             |                                 | 03/01/2011..  | Stifel Nicolaus & Co..       |                           | 1,155,240     | 1,000,000 | 1,138,650   | 1,090,224                               |                                           | (1,569)                                |                                                           | (1,569)                              |                                            | 1,088,655                                      |                                          | 66,585                           | 66,585                        | 14,922                                             | 12/15/2018..  |
| 525221-CL-9..        | Lehman XS Trust 2005-4 2A3B..              |                                 | 11/07/2011..  | Stifel Nicolaus & Co..       |                           | 395,000       | 1,000,000 | 665,877     | 707,383                                 |                                           | (889)                                  | 40,639                                                    | (41,528)                             |                                            | 665,855                                        |                                          | (270,855)                        | (270,855)                     | 50,756                                             | 12/25/2021..  |
| 527288-BC-7..        | Leucadia National Corp Call..              |                                 | 06/10/2011..  | Jefferies..                  |                           | 36,731        | 35,000    | 29,488      | 30,240                                  |                                           | 134                                    |                                                           | 134                                  |                                            | 30,374                                         |                                          | 6,358                            | 6,358                         | 1,526                                              | 03/15/2017..  |
| 52736R-BB-7..        | Levi Strauss & Co. Call..                  |                                 | 02/09/2011..  | RBS Securities..             |                           | 41,700        | 40,000    | 41,500      | 41,484                                  |                                           | (14)                                   |                                                           | (14)                                 |                                            | 41,470                                         |                                          | 230                              | 230                           | .754                                               | 05/15/2020..  |
| 53219L-AJ-8..        | Lifepoint Hospitals Inc 144A-Call..        |                                 | 01/20/2011..  | First Union Capital..        |                           | 35,263        | 35,000    | 35,000      | 35,000                                  |                                           |                                        |                                                           | .0                                   |                                            | 35,000                                         |                                          | 263                              | 263                           | .786                                               | 10/01/2020..  |
| 532716-AK-3..        | Limited Inc. NC 6.950% 03/01/33..          |                                 | 05/10/2011..  | Various..                    |                           | 69,834        | 75,000    | 56,150      | 56,563                                  |                                           | 82                                     |                                                           | 82                                   |                                            | 56,563                                         |                                          | 13,271                           | 13,271                        | 3,527                                              | 03/01/2033..  |
| 563571-AH-1..        | Manitowoc Company, Inc Call..              |                                 | 06/08/2011..  | Various..                    |                           | 37,788        | 35,000    | 36,838      | 36,830                                  |                                           | (71)                                   |                                                           | (71)                                 |                                            | 36,759                                         |                                          | 1,028                            | 1,028                         | 1,925                                              | 11/01/2018..  |
| 56808R-AD-8..        | Marina District Finance Call..             |                                 | 09/22/2011..  | RBS Securities..             |                           | 32,375        | 35,000    | 35,556      | 35,539                                  |                                           | (36)                                   |                                                           | (36)                                 |                                            | 35,503                                         |                                          | (3,128)                          | (3,128)                       | 4,983                                              | 08/15/2018..  |
| 591709-AK-6..        | Metropcs Wireless Call..                   |                                 | 10/11/2011..  | Sterne, Agee & Leach..       |                           | 29,325        | 30,000    | 30,000      | 30,000                                  |                                           |                                        |                                                           | .0                                   |                                            | 30,000                                         |                                          | (675)                            | (675)                         | 2,513                                              | 09/01/2018..  |
| 60467X-AC-1..        | Mirant North America Call..                |                                 | 01/03/2011..  | Call 101.8440..              |                           | 15,277        | 15,000    | 15,150      | 15,086                                  |                                           | .190                                   |                                                           | .190                                 |                                            | 15,277                                         |                                          |                                  | .0                            | .9                                                 | 12/31/2013..  |
| 628530-AP-2..        | Wylan Laboratories 144A-Call..             |                                 | 01/11/2011..  | DBAB..                       |                           | 50,625        | 50,000    | 49,225      | 49,233                                  |                                           | 3                                      |                                                           | 3                                    |                                            | 49,235                                         |                                          | 1,390                            | 1,390                         | .417                                               | 11/15/2018..  |
| 637004-AC-6..        | National Money Mart Co Call..              |                                 | 08/05/2011..  | Stifel Nicolaus & Co..       |                           | 5,438         | 5,000     | 5,263       | 5,263                                   |                                           |                                        |                                                           | .0                                   |                                            | 5,262                                          |                                          | .175                             | .175                          | .339                                               | 12/15/2013..  |
| 63934E-AM-0..        | Navistar International Call..              |                                 | 07/27/2011..  | Various..                    |                           | 131,338       | 120,000   | 119,015     | 119,078                                 |                                           | 22                                     |                                                           | 22                                   |                                            | 119,100                                        |                                          | 12,238                           | 12,238                        | 6,103                                              | 11/01/2021..  |
| 679574-AF-0..        | Old Dominion Electric NC..                 |                                 | 06/01/2011..  | Maturity..                   |                           | 1,000,000     | 1,000,000 | 1,028,430   | 1,003,312                               |                                           | (3,312)                                |                                                           | (3,312)                              |                                            | 1,000,000                                      |                                          |                                  | .0                            | 31,250                                             | 06/01/2011..  |
| 681904-AM-0..        | Omnicare Inc Call 7.750%                   |                                 | 06/01/20..    | Barclays Capital..           |                           | 32,138        | 30,000    | 30,700      | 30,693                                  |                                           | (10)                                   |                                                           | (10)                                 |                                            | 30,684                                         |                                          | 1,454                            | 1,454                         | .633                                               | 06/01/2020..  |
| 70336T-AC-8..        | Patriot Coal Corp Call..                   |                                 | 09/30/2011..  | Barclays Capital..           |                           | 13,200        | 15,000    | 15,100      | 15,094                                  |                                           | (7)                                    |                                                           | (7)                                  |                                            | 15,086                                         |                                          | (1,886)                          | (1,886)                       | 1,152                                              | 04/30/2018..  |
| 73316P-JR-2..        | Popular ABS Mortgage PT Trust 2005-6 A6..  |                                 | 04/21/2011..  | Stifel Nicolaus & Co..       |                           | 396,116       | 440,129   | 384,250     | 384,250                                 |                                           |                                        |                                                           | .0                                   |                                            | 384,250                                        |                                          | 11,866                           | 11,866                        | 10,133                                             | 01/25/2015..  |
| 73316P-JR-2..        | Popular ABS Mortgage PT Trust 2005-6 A6..  |                                 | 04/01/2011..  | Paydown..                    |                           | 5,806         | 5,806     | 5,069       | 5,069                                   |                                           | .737                                   |                                                           | .737                                 |                                            | 5,806                                          |                                          |                                  | .0                            | .54                                                | 01/25/2015..  |
| 747262-AA-1..        | QVC Inc 144A-Call 7.500%                   |                                 | 10/01/19..    | First Union Capital..        |                           | 58,025        | 55,000    | 54,053      | 54,138                                  |                                           | 19                                     |                                                           | 19                                   |                                            | 54,157                                         |                                          | 3,868                            | 3,868                         | 2,177                                              | 10/01/2019..  |
| 747262-AE-3..        | QVC Inc 144A-call 7.375%                   |                                 | 04/06/2011..  | Credit Suisse First Boston.. |                           | 62,850        | 60,000    | 60,150      | 60,145                                  |                                           | (3)                                    |                                                           | (3)                                  |                                            | 60,142                                         |                                          | 2,708                            | 2,708                         | 2,163                                              | 10/15/2020..  |
| 75886A-AD-0..        | Regency Energy Partners 144A-Call..        |                                 | 06/01/2011..  | Jefferies..                  |                           | 28,313        | 25,000    | 27,188      | 26,933                                  |                                           | (125)                                  |                                                           | (125)                                |                                            | 26,808                                         |                                          | 1,505                            | 1,505                         | 1,204                                              | 06/01/2013..  |

### E14.3

### E14.3

### E14.3

### E14.3

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

SCHEDULE D - PART 5

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

| 1                                                                                                                                                                            | 2                                          | 3                               | 4                | 5                             | 6                | 7                             | 8                                                          | 9              | 10            | 11                                                    | Change in Book/Adjusted Carrying Value             |                                                |                                                                       |                                                    |                                                      | 17                                                | 18                                     | 19                                  | 20                                                   | 21                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------------------------------------------------|----------------|---------------|-------------------------------------------------------|----------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|---------------------------------------------------|----------------------------------------|-------------------------------------|------------------------------------------------------|-----------------------------------------------------|
|                                                                                                                                                                              |                                            |                                 |                  |                               |                  |                               |                                                            |                |               |                                                       | 12                                                 | 13                                             | 14                                                                    | 15                                                 | 16                                                   |                                                   |                                        |                                     |                                                      |                                                     |
| CUSIP Identification                                                                                                                                                         | Description                                | F<br>o<br>r<br>e<br>i<br>g<br>n | Date<br>Acquired | Name of Vendor                | Disposal<br>Date | Name of Purchaser             | Par Value<br>(Bonds) or<br>Number of<br>Shares<br>(Stocks) | Actual Cost    | Consideration | Book/<br>Adjusted<br>Carrying<br>Value at<br>Disposal | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current Year's<br>(Amortization)/<br>Accretion | Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | Total Change<br>In<br>B./A. C.V.<br>(12 + 13 - 14) | Total Foreign<br>Exchange<br>Change in<br>B./A. C.V. | Foreign<br>Exchange<br>Gain (Loss) on<br>Disposal | Realized Gain<br>(Loss) on<br>Disposal | Total<br>Gain (Loss)<br>on Disposal | Interest and<br>Dividends<br>Received<br>During Year | Paid for<br>Accrued<br>Interest<br>and<br>Dividends |
| Bonds - U.S. Governments                                                                                                                                                     |                                            |                                 |                  |                               |                  |                               |                                                            |                |               |                                                       |                                                    |                                                |                                                                       |                                                    |                                                      |                                                   |                                        |                                     |                                                      |                                                     |
| 313372-PB-4...                                                                                                                                                               | FHLB Call 3.000% 03/02/26.....             |                                 | ..02/08/2011..   | Raymond James & Associates... | ..06/02/2011..   | Call                          | 100,000.....                                               | 1,000,000      | 1,000,000     | 1,000,000                                             | 1,000,000                                          |                                                |                                                                       | 0                                                  |                                                      |                                                   |                                        | 0                                   | 7,500                                                |                                                     |
| 0599999 - Bonds - U.S. Governments                                                                                                                                           |                                            |                                 |                  |                               |                  |                               |                                                            | 1,000,000      | 1,000,000     | 1,000,000                                             | 1,000,000                                          | 0                                              | 0                                                                     | 0                                                  | 0                                                    | 0                                                 | 0                                      | 0                                   | 7,500                                                | 0                                                   |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions           |                                            |                                 |                  |                               |                  |                               |                                                            |                |               |                                                       |                                                    |                                                |                                                                       |                                                    |                                                      |                                                   |                                        |                                     |                                                      |                                                     |
| 29270C-WK-7...                                                                                                                                                               | Energy Northwest, WA BAB.....              |                                 | ..02/02/2011..   | Huntington Investment Co....  | ..07/29/2011..   | Huntington Investment Co....  | 1,000,000                                                  | 1,046,300      | 1,101,440     | 1,045,047                                             |                                                    | (1,254)                                        |                                                                       | (1,254)                                            |                                                      |                                                   | 56,394                                 | 56,394                              | 34,439                                               | 7,013                                               |
| 3137A3-JW-0...                                                                                                                                                               | FHR 3753 AS 3.500% 11/15/25.....           |                                 | ..08/03/2011..   | Stifel Nicolaus & Co.....     | ..12/01/2011..   | Paydown.....                  | 175,792                                                    | 181,367        | 175,792       | 175,792                                               |                                                    | (5,576)                                        |                                                                       | (5,576)                                            |                                                      |                                                   | 0                                      | 0                                   | 1,272                                                | 120                                                 |
| 3137A5-WW-0...                                                                                                                                                               | FHR 3786 WA 4.000% 12/15/28.....           |                                 | ..02/25/2011..   | Stifel Nicolaus & Co.....     | ..12/01/2011..   | Paydown.....                  | 90,785                                                     | 93,314         | 90,785        | 90,785                                                |                                                    | (2,529)                                        |                                                                       | (2,529)                                            |                                                      |                                                   | 0                                      | 0                                   | 1,962                                                | 10                                                  |
| 3137A8-XZ-6...                                                                                                                                                               | FHR 3844 DA 4.500% 10/15/39.....           |                                 | ..05/09/2011..   | FICP.....                     | ..12/01/2011..   | Paydown.....                  | 131,936                                                    | 140,739        | 131,936       | 131,936                                               |                                                    | (8,803)                                        |                                                                       | (8,803)                                            |                                                      |                                                   | 0                                      | 0                                   | 2,033                                                | 181                                                 |
| 3138A8-XA-9...                                                                                                                                                               | FN AH6972 3.500% 02/01/26.....             |                                 | ..06/08/2011..   | Maxwell Simon Inc.....        | ..12/01/2011..   | Paydown.....                  | 136,683                                                    | 140,143        | 136,683       | 136,683                                               |                                                    | (3,460)                                        |                                                                       | (3,460)                                            |                                                      |                                                   | 0                                      | 0                                   | 1,442                                                | 199                                                 |
| 31397S-ZF-4...                                                                                                                                                               | FNR 2011-42 VA 4.500% 06/25/22.....        |                                 | ..04/21/2011..   | Stifel Nicolaus & Co.....     | ..12/01/2011..   | Paydown.....                  | 23,747                                                     | 25,139         | 23,747        | 23,747                                                |                                                    | (1,391)                                        |                                                                       | (1,391)                                            |                                                      |                                                   | 0                                      | 0                                   | 403                                                  | 83                                                  |
| 31397U-GT-0...                                                                                                                                                               | FNR 2011-49 CA 3.500% 12/25/28.....        |                                 | ..05/11/2011..   | FTN Financial.....            | ..12/01/2011..   | Paydown.....                  | 42,519                                                     | 43,290         | 42,519        | 42,519                                                |                                                    | (771)                                          |                                                                       | (771)                                              |                                                      |                                                   | 0                                      | 0                                   | 649                                                  | 107                                                 |
| 31417Y-2J-5...                                                                                                                                                               | FN MA0776 4.500% 06/01/31.....             |                                 | ..06/22/2011..   | Stifel Nicolaus & Co.....     | ..12/01/2011..   | Paydown.....                  | 153,908                                                    | 162,180        | 153,908       | 153,908                                               |                                                    | (8,273)                                        |                                                                       | (8,273)                                            |                                                      |                                                   | 0                                      | 0                                   | 2,419                                                | 500                                                 |
| 31417Y-3N-5...                                                                                                                                                               | FN MA0804 4.000% 07/01/31.....             |                                 | ..06/06/2011..   | Stifel Nicolaus & Co.....     | ..12/01/2011..   | Paydown.....                  | 74,085                                                     | 76,285         | 74,085        | 74,085                                                |                                                    | (2,199)                                        |                                                                       | (2,199)                                            |                                                      |                                                   | 0                                      | 0                                   | 1,140                                                | 99                                                  |
| 31417Y-W5-2...                                                                                                                                                               | FN MA0667 4.000% 10/01/30.....             |                                 | ..02/08/2011..   | UBS Securities.....           | ..12/01/2011..   | Paydown.....                  | 191,159                                                    | 190,860        | 191,159       | 191,159                                               |                                                    | 299                                            |                                                                       | 299                                                |                                                      |                                                   | 0                                      | 0                                   | 4,530                                                | 212                                                 |
| 383771-2L-4...                                                                                                                                                               | GNR 2011-23 GQ 4.500% 02/20/26.....        |                                 | ..03/03/2011..   | Stifel Nicolaus & Co.....     | ..12/01/2011..   | Paydown.....                  | 131,601                                                    | 137,785        | 131,601       | 131,601                                               |                                                    | (6,184)                                        |                                                                       | (6,184)                                            |                                                      |                                                   | 0                                      | 0                                   | 2,804                                                | 115                                                 |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions |                                            |                                 |                  |                               |                  |                               |                                                            | 2,152,215      | 2,237,402     | 2,253,655                                             | 2,197,262                                          | 0                                              | (40,140)                                                              | 0                                                  | (40,140)                                             | 0                                                 | 56,394                                 | 56,394                              | 53,093                                               | 8,640                                               |
| Bonds - Industrial and Miscellaneous (Unaffiliated)                                                                                                                          |                                            |                                 |                  |                               |                  |                               |                                                            |                |               |                                                       |                                                    |                                                |                                                                       |                                                    |                                                      |                                                   |                                        |                                     |                                                      |                                                     |
| 00213L-AA-4...                                                                                                                                                               | American Standard Inc 144A-Call.....       |                                 | ..01/13/2011..   | Bank of New York.....         | ..01/13/2011..   | Bank of New York.....         | 5,000                                                      | 5,000          | 5,250         | 5,000                                                 |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 250                                    | 250                                 |                                                      |                                                     |
| 02005N-AJ-9...                                                                                                                                                               |                                            |                                 |                  |                               |                  |                               |                                                            | 09/15/20.....  |               |                                                       |                                                    |                                                |                                                                       |                                                    |                                                      |                                                   |                                        |                                     |                                                      |                                                     |
| 02076X-AB-8...                                                                                                                                                               | Alpha Natural Resources Call.....          |                                 | ..06/07/2011..   | Citadel Securities.....       | ..07/21/2011..   | Morgan Stanley.....           | 25,000                                                     | 26,313         | 26,188        | 26,301                                                |                                                    | (11)                                           |                                                                       | (11)                                               |                                                      |                                                   | (114)                                  | (114)                               | 682                                                  | 443                                                 |
| 02406P-AF-7...                                                                                                                                                               | American Axle & Manufacturing Call.....    |                                 | ..05/18/2011..   | Morgan Stanley.....           | ..07/20/2011..   | Merrill Lynch.....            | 35,000                                                     | 35,000         | 36,400        | 35,000                                                |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 1,400                                  | 1,400                               | 315                                                  |                                                     |
| 030700-MM-1...                                                                                                                                                               | Ameristar Casinos Inc Call.....            |                                 | ..06/20/2011..   | Various.....                  | ..12/15/2011..   | Various.....                  | 40,000                                                     | 40,788         | 39,000        | 40,744                                                |                                                    | (43)                                           |                                                                       | (43)                                               |                                                      |                                                   | (1,744)                                | (1,744)                             | 2,091                                                | 658                                                 |
| 030981-AG-9...                                                                                                                                                               | Amerigas Partners Call.....                |                                 | ..03/31/2011..   | First Union Capital.....      | ..06/01/2011..   | First Union Capital.....      | 15,000                                                     | 14,869         | 15,638        | 14,870                                                |                                                    | 1                                              |                                                                       | 1                                                  |                                                      |                                                   | 767                                    | 767                                 | 163                                                  |                                                     |
| 053810-AA-5...                                                                                                                                                               |                                            |                                 |                  |                               |                  |                               |                                                            | 030981-AG-9... |               |                                                       |                                                    |                                                |                                                                       |                                                    |                                                      |                                                   |                                        |                                     |                                                      |                                                     |
| 053810-AA-5...                                                                                                                                                               | AVIV Healthcare Properties 144A-Call.....  |                                 | ..08/31/2011..   | Various.....                  | ..10/18/2011..   | First Union Capital.....      | 60,000                                                     | 59,448         | 58,200        | 59,454                                                |                                                    | 6                                              |                                                                       | 6                                                  |                                                      |                                                   | (1,254)                                | (1,254)                             | 740                                                  | 113                                                 |
| 053810-AA-5...                                                                                                                                                               | Blue Merger Sub Inc 144A-Call.....         |                                 | ..01/27/2011..   | Merrill Lynch.....            | ..01/28/2011..   | Stifel Nicolaus & Co.....     | 15,000                                                     | 15,000         | 15,413        | 15,000                                                |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 413                                    | 413                                 |                                                      |                                                     |
| 095699-AA-2...                                                                                                                                                               | Burger King Corp Call 9.875% 10/15/18..... |                                 | ..02/07/2011..   | Bank of New York.....         | ..10/25/2011..   | Merrill Lynch.....            | 35,000                                                     | 35,722         | 32,163        | 35,676                                                |                                                    | (46)                                           |                                                                       | (46)                                               |                                                      |                                                   | (3,513)                                | (3,513)                             | 1,789                                                |                                                     |
| 121207-AA-2...                                                                                                                                                               | CCO Holdings Call 7.000% 01/15/19.....     |                                 | ..05/10/2011..   | Citigroup Global Markets..... | ..08/23/2011..   | RBC Capital Markets.....      | 40,000                                                     | 42,750         | 41,800        | 42,697                                                |                                                    | (53)                                           |                                                                       | (53)                                               |                                                      |                                                   | (897)                                  | (897)                               | 1,437                                                | 307                                                 |
| 1248EP-AS-2...                                                                                                                                                               | Community Health Systems Call.....         |                                 | ..01/06/2011..   | Various.....                  | ..02/09/2011..   | Morgan Stanley.....           | 50,000                                                     | 49,875         | 50,875        | 49,876                                                |                                                    | 1                                              |                                                                       | 1                                                  |                                                      |                                                   | 999                                    | 999                                 | 321                                                  |                                                     |
| 12543D-AF-7...                                                                                                                                                               | CNL Lifestyle Properties 144A-Call.....    |                                 | ..03/23/2011..   | RBS Securities Inc.....       | ..06/06/2011..   | Merrill Lynch.....            | 10,000                                                     | 10,525         | 10,250        | 10,471                                                |                                                    | (54)                                           |                                                                       | (54)                                               |                                                      |                                                   | (221)                                  | (221)                               | 355                                                  | 180                                                 |
| 18975F-AA-7...                                                                                                                                                               | Commscope Inc 144A-Call.....               |                                 | ..03/31/2011..   | Jefferies.....                | ..05/09/2011..   | Jefferies.....                | 10,000                                                     | 9,925          | 9,688         | 9,926                                                 |                                                    | 1                                              |                                                                       | 1                                                  |                                                      |                                                   | (238)                                  | (238)                               | 75                                                   |                                                     |
| 203372-AH-0...                                                                                                                                                               | Corelogic Inc 144A-Call.....               |                                 | ..01/11/2011..   | J P Morgan Securities.....    | ..01/12/2011..   | Wells Fargo Bk.....           | 10,000                                                     | 10,000         | 10,300        | 10,000                                                |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 300                                    | 300                                 | 9                                                    |                                                     |
| 21871D-AA-1...                                                                                                                                                               | Delphi Corp 144A-Call 5.875% 05/15/19..... |                                 | ..05/16/2011..   | Various.....                  | ..09/28/2011..   | Various.....                  | 50,000                                                     | 50,188         | 44,900        | 50,183                                                |                                                    | (4)                                            |                                                                       | (4)                                                |                                                      |                                                   | (5,283)                                | (5,283)                             | 1,327                                                |                                                     |
| 24713E-AA-5...                                                                                                                                                               | Delphi Corp 144A-Call 6.125% 05/15/21..... |                                 | ..05/10/2011..   | J P Morgan Securities.....    | ..06/13/2011..   | Barclays Capital.....         | 5,000                                                      | 5,000          | 4,900         | 5,000                                                 |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | (100)                                  | (100)                               | 24                                                   |                                                     |
| 24713E-AD-9...                                                                                                                                                               | Denbury Resources Inc Call.....            |                                 | ..05/10/2011..   | J P Morgan Securities.....    | ..06/13/2011..   | Barclays Capital.....         | 5,000                                                      | 5,000          | 4,913         | 5,000                                                 |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | (88)                                   | (88)                                | 25                                                   |                                                     |
| 302051-AP-2...                                                                                                                                                               | Exide Technologies 144A-Call.....          |                                 | ..02/03/2011..   | Merrill Lynch.....            | ..02/04/2011..   | Seaport Group Securities..... | 35,000                                                     | 35,000         | 35,219        | 35,000                                                |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 219                                    | 219                                 | 0                                                    |                                                     |
| 30251G-AC-1...                                                                                                                                                               | FING Resources 144A-Call.....              |                                 | ..01/13/2011..   | DBAB.....                     | ..01/13/2011..   | Jefferies.....                | 5,000                                                      | 5,000          | 5,200         | 5,000                                                 |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 200                                    | 200                                 |                                                      |                                                     |
| 36186C-BY-8...                                                                                                                                                               | General Motors Finl Co Callable.....       |                                 | ..02/04/2011..   | UBS Securities.....           | ..08/19/2011..   | RBS Securities.....           | 40,000                                                     | 40,500         | 38,700        | 40,480                                                |                                                    | (20)                                           |                                                                       | (20)                                               |                                                      |                                                   | (1,780)                                | (1,780)                             | 1,902                                                | 413                                                 |
| 37045X-AA-4...                                                                                                                                                               | Hertz Corp. 144A-Call 6.750% 04/15/19..... |                                 | ..05/03/2011..   | BNP Paribas Securities.....   | ..06/08/2011..   | BNP Paribas Securities.....   | 25,000                                                     | 28,188         | 27,094        | 28,180                                                |                                                    | (7)                                            |                                                                       | (7)                                                |                                                      |                                                   | (1,086)                                | (1,086)                             | 233                                                  | 28                                                  |
| 428040-CH-0...                                                                                                                                                               | RAST 2003-A6 B1 5.500% 07/25/33.....       |                                 | ..06/07/2011..   | Various.....                  | ..06/16/2011..   | Various.....                  | 40,000                                                     | 40,251         | 39,875        | 40,250                                                |                                                    | (1)                                            |                                                                       | (1)                                                |                                                      |                                                   | (375)                                  | (375)                               | 147                                                  | 8                                                   |
| 45660N-RB-3...                                                                                                                                                               | RAST 2003-A6 B1 5.500% 07/25/33.....       |                                 | ..04/19/2011..   | DBAB.....                     | ..08/03/2011..   | First Union Capital.....      | 35,000                                                     | 35,263         | 34,825        | 35,256                                                |                                                    | (7)                                            |                                                                       | (7)                                                |                                                      |                                                   | (431)                                  | (431)                               | 742                                                  | 66                                                  |
| 45660N-RB-3...                                                                                                                                                               | RAST 2003-A6 B1 5.500% 07/25/33.....       |                                 | ..02/01/2011..   | Interest Capitalization.....  | ..08/16/2011..   | Citadel Securities.....       | 193,215                                                    | 193,215        | 135,311       | 169,509                                               |                                                    | 17,990                                         |                                                                       | 17,990                                             |                                                      |                                                   | (34,198)                               | (34,198)                            | 6,326                                                |                                                     |
| 45661T-AK-7...                                                                                                                                                               | Inergy LP/Inergy Fin Call.....             |                                 | ..02/01/2011..   | Interest Capitalization.....  | ..08/01/2011..   | Paydown.....                  | 14,318                                                     | 14,318         | 14,318        | 13,184                                                |                                                    | 869                                            |                                                                       | 869                                                |                                                      |                                                   | 1,134                                  | 1,134                               | 224                                                  |                                                     |
| 45661T-AL-5...                                                                                                                                                               | International Lease Finance NC.....        |                                 | ..01/19/2011..   | Merrill Lynch.....            | ..02/09/2011..   | Merrill Lynch.....            | 20,000                                                     | 20,000         | 20,350        | 20,000                                                |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 350                                    | 350                                 | 46                                                   |                                                     |
| 459745-GH-2...                                                                                                                                                               | JBS USA LLC 144A-Call 7.250% 06/01/21..... |                                 | ..10/14/2011..   | Merrill Lynch.....            | ..12/30/2011..   | Redemption 99,5000.....       | 6,000                                                      | 5,625          | 5,970         | 5,970                                                 |                                                    | 345                                            |                                                                       | 345                                                |                                                      |                                                   | 0                                      | 0                                   | 350                                                  | 89                                                  |
| 466112-AF-6...                                                                                                                                                               | Meg Energy Corp 144A-Call.....             |                                 | ..05/27/2011..   | Various.....                  | ..09/12/2011..   | Merrill Lynch.....            | 75,000                                                     | 75,050         | 67,688        | 75,049                                                |                                                    | (1)                                            |                                                                       | (1)                                                |                                                      |                                                   | (7,361)                                | (7,361)                             | 1,445                                                | 56                                                  |
| 552704-AA-6...                                                                                                                                                               | Marina District Finance Call.....          |                                 | ..05/20/2011..   | Merrill Lynch.....            | ..06/09/2011..   | Merrill Lynch.....            | 30,000                                                     | 29,478         | 29,325        | 29,479                                                |                                                    | 1                                              |                                                                       | 1                                                  |                                                      |                                                   | (154)                                  | (154)                               | 103                                                  |                                                     |
| 56808R-AD-8...                                                                                                                                                               | Markwest Energy Call 6.500% 08/15/21.....  |                                 | ..03/18/2011..   | Various.....                  | ..10/25/2011..   | RBC Capital Markets.....      | 40,000                                                     | 40,056         | 41,700        | 40,054                                                |                                                    | (2)                                            |                                                                       | (2)                                                |                                                      |                                                   | 1,646                                  | 1,646                               | 1,589                                                | 5                                                   |
| 570506-AN-5...                                                                                                                                                               | 08/15/21.....                              |                                 | ..02/09/2011..   | Citigroup Global Markets..... | ..09/22/2011..   | RBS Securities.....           | 20,000                                                     | 20,650         | 18,500        | 20,611                                                |                                                    | (39)                                           |                                                                       | (39)                                               |                                                      |                                                   | (2,111)                                | (2,111)                             | 1,218                                                | 1,009                                               |
| 570506-AN-5...                                                                                                                                                               | 08/15/21.....                              |                                 | ..02/09/2011..   | Barclays Capital.....         | ..05/25/2011..   | RBC Capital Markets.....      | 35,000                                                     | 35,000         | 35,350        | 35,000                                                |                                                    |                                                |                                                                       | 0                                                  |                                                      |                                                   | 350                                    | 350                                 | 613                                                  |                                                     |

### E15.1

### E15.1

### E15.1

### E15.1

## SCHEDULE D - PART 6 - SECTION 1

|                                                                                                                                                                            |    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--|
| 1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: | \$ |  |
| 2. Total amount of intangible assets nonadmitted.                                                                                                                          | \$ |  |

## SCHEDULE D - PART 6 - SECTION 2

NONE

# ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY

## 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**  
**SECURITIES LENDING COLLATERAL ASSETS**

|                                                                                                                                |                           |                 |                                                |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|------------------------------------------------|
| General Interrogatories:                                                                                                       |                           |                 |                                                |
| 1. Total activity for the year .....                                                                                           | Fair Value \$ .....       | 10,716,567      | Book/Adjusted Carrying Value \$.....10,716,522 |
| 2. Average balance for the year.....                                                                                           | Fair Value \$ .....       | 13,004,979      | Book/Adjusted Carrying Value \$.....13,004,979 |
| 3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation: |                           |                 |                                                |
| NAIC 1 \$ 8,029,434 .....                                                                                                      | NAIC 2 \$ 2,687,088 ..... | NAIC 3 \$ ..... | NAIC 4 \$ .....                                |
| NAIC 5 \$ .....                                                                                                                | NAIC 6 \$ .....           | NAIC 7 \$ ..... | NAIC 8 \$ .....                                |

**SCHEDULE DL - PART 2**  
**SECURITIES LENDING COLLATERAL ASSETS**

| 1                       | 2           | 3    | 4                                    | 5          | 6                               | 7              |
|-------------------------|-------------|------|--------------------------------------|------------|---------------------------------|----------------|
| CUSIP<br>Identification | Description | Code | NAIC Designation/Market<br>Indicator | Fair Value | Book/Adjusted<br>Carrying Value | Maturity Dates |
| NONE                    |             |      |                                      |            |                                 |                |
| 9999999 Totals          |             |      |                                      | 0          | 0                               | XXX            |

|                                                   |                      |                                        |
|---------------------------------------------------|----------------------|----------------------------------------|
| 1. Total activity for the year.....               | Fair Value \$ .....  | Book/Adjusted Carrying Value \$ .....  |
| 2. Average balance for the year .....             | Fair Value \$ .....  | Book/Adjusted Carrying Value \$ .....  |
| 3. Grand Total Schedule DL Part 1 and Part 2..... | Fair Value \$ .....0 | Book/Adjusted Carrying Value \$ .....0 |

# ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY

## SCHEDULE E - PART 1 - CASH

[illegible]

| TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR |            |                |            |                    |            |                    |           |
|-------------------------------------------------------------------------------------|------------|----------------|------------|--------------------|------------|--------------------|-----------|
| 1. January .....                                                                    | 10,232,332 | 4. April ..... | 10,494,923 | 7. July .....      | 9,057,628  | 10. October .....  | 8,450,601 |
| 2. February .....                                                                   | 8,825,094  | 5. May .....   | 9,926,838  | 8. August .....    | 10,103,391 | 11. November ..... | 9,418,147 |
| 3. March .....                                                                      | 11,442,482 | 6. June .....  | 8,099,967  | 9. September ..... | 8,691,914  | 12. December ..... | 9,849,811 |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

| Show Investments Owned December 31 of Current Year |           |                       |                          |                       |                                      |                                          |                                     |
|----------------------------------------------------|-----------|-----------------------|--------------------------|-----------------------|--------------------------------------|------------------------------------------|-------------------------------------|
| 1<br>Description                                   | 2<br>Code | 3<br>Date<br>Acquired | 4<br>Rate of<br>Interest | 5<br>Maturity<br>Date | 6<br>Book/Adjusted<br>Carrying Value | 7<br>Amount of Interest<br>Due & Accrued | 8<br>Amount Received<br>During Year |
| NONE                                               |           |                       |                          |                       |                                      |                                          |                                     |
| 8699999 Total Cash Equivalents                     |           |                       |                          |                       | 0                                    | 0                                        | 0                                   |

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

SCHEDULE E PART 3 - SPECIAL DEPOSITS

| States, etc.                                                          | 1<br>Type of<br>Deposits | 2<br>Purpose of<br>Deposits            | Deposits For<br>the Benefit of All Policyholders |                    | All Other Special Deposits           |                    |
|-----------------------------------------------------------------------|--------------------------|----------------------------------------|--------------------------------------------------|--------------------|--------------------------------------|--------------------|
|                                                                       |                          |                                        | 3<br>Book/Adjusted<br>Carrying Value             | 4<br>Fair<br>Value | 5<br>Book/Adjusted<br>Carrying Value | 6<br>Fair<br>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 .....                 | B General - Georgia policyholder ..... |                                                  |                    | 100,230                              | 104,641            |
| 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 .....       | 2,194,587                                        | 2,340,910          |                                      |                    |
| 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 .....                 | B VA -policyholder pro .....           |                                                  |                    | 249,108                              | 283,300            |
| 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 .....                 | XXX                                    | 0                                                | 0                  | 0                                    | 0                  |
| 59. Total                                                             | XXX                      | XXX                                    | 2,194,587                                        | 2,340,910          | 349,338                              | 387,941            |
| 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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