



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

GRANGE INSURANCE COMPANY OF MICHIGAN

NAIC Group Code	00267	00267	NAIC Company Code	11136	Employer's ID Number	31-1769414
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States					
Incorporated/Organized	04/23/2001			Commenced Business		07/26/2001
Statutory Home Office	671 South High Street			Columbus, OH 43206-1014		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	671 South High Street			Columbus, OH 43206-1014		614-445-2900
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Mail Address	671 South High Street, P.O. Box 1218			Columbus, OH 43216-1218		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	671 South High Street			Columbus, OH 43206-1014		614-445-2900
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann			614-445-2900		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	ackermannd@grangeinsurance.com			614-449-3757		
	(E-Mail Address)			(Fax Number)		

OFFICERS

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

OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS		
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DIRECTORS OR TRUSTEES

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

State ofOhio.....
County ofFranklin.....

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

THOMAS HOWARD WELCH PRESIDENT & CEO	DAVID TRUFANT ROARK VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
Subscribed and sworn to before me this 24th day of February, 2012		
Teresa J. Burchwell, Notary Public April 28, 2012		
a. Is this an original filing? Yes [X] No []		
b. If no:		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	44,139,395		44,139,395	44,695,110
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$0 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$956,629 , Schedule DA).....	956,629		956,629	563,235
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	45,096,024	0	45,096,024	45,258,345
13. Title plants less \$charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	389,582		389,582	407,336
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,628,613	35,509	4,593,104	4,861,399
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$(4,698) earned but unbilled premiums).....	(5,129)	(431)	(4,698)	(6,349)
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,646,479		2,646,479	1,643,889
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	976,849	8,918	967,931	1,019,936
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	1,601,831		1,601,831	363,626
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	12,039	0	12,039	10,369
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	55,346,288	43,996	55,302,292	53,558,551
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	55,346,288	43,996	55,302,292	53,558,551
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities in Pools.....	12,039		12,039	10,369
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	12,039	0	12,039	10,369

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	9,867,043	10,104,426
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	2,823,659	3,045,448
4. Commissions payable, contingent commissions and other similar charges	253,520	303,559
5. Other expenses (excluding taxes, licenses and fees)	679,890	677,388
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	290,754	324,504
7.1 Current federal and foreign income taxes (including \$ (45,980) on realized capital gains (losses)).....	964,203	677,401
7.2 Net deferred tax liability.....		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$36,656,277 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	9,771,933	10,148,345
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	19,342	19,016
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated.....		0
16. Provision for reinsurance (Schedule F, Part 7)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	24,670,344	25,300,087
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	24,670,344	25,300,087
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	1,000,000	1,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	9,000,000	9,000,000
35. Unassigned funds (surplus)	20,631,948	18,258,464
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	30,631,948	28,258,464
38. Totals (Page 2, Line 28, Col. 3)	55,302,292	53,558,551
DETAILS OF WRITE-INS		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	26,087,476	28,010,776
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	15,676,253	17,126,158
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	2,713,690	2,971,546
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	8,153,780	8,894,260
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	26,543,723	28,991,964
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(456,248)	(981,188)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,648,416	1,432,002
10. Net realized capital gains (losses) less capital gains tax of \$ (45,980) (Exhibit of Capital Gains (Losses)).....	(85,392)	(97,466)
11. Net investment gain (loss) (Lines 9 + 10)	1,563,024	1,334,536
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$2,369 amount charged off \$205,810)	(203,441)	(255,353)
13. Finance and service charges not included in premiums	2,581,908	3,036,920
14. Aggregate write-ins for miscellaneous income	25,480	29,214
15. Total other income (Lines 12 through 14)	2,403,947	2,810,781
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,510,723	3,164,129
17. Dividends to policyholders	76,345	80,891
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	3,434,378	3,083,238
19. Federal and foreign income taxes incurred	1,010,183	729,884
20. Net income (Line 18 minus Line 19) (to Line 22)	2,424,195	2,353,354
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	28,258,464	26,007,714
22. Net income (from Line 20)	2,424,195	2,353,354
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	(56,202)	(119,976)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	5,491	17,372
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1. Paid in		0
32.2. Transferred from surplus (Stock Dividend)		0
32.3. Transferred to surplus		0
33. Surplus adjustments:		
33.1. Paid in		0
33.2. Transferred to capital (Stock Dividend)		0
33.3. Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	2,373,484	2,250,750
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	30,631,948	28,258,464
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Miscellaneous Income.....	25,480	29,214
1402.		0
1403.		0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	25,480	29,214
3701.		0
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	25,979,002	27,935,574
2. Net investment income	1,961,605	1,552,395
3. Miscellaneous income	2,403,947	2,810,781
4. Total (Lines 1 through 3)	30,344,554	32,298,750
5. Benefit and loss related payments	16,916,226	16,979,282
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	11,170,772	11,801,985
8. Dividends paid to policyholders	76,019	83,266
9. Federal and foreign income taxes paid (recovered) net of \$ (45,980) tax on capital gains (losses)	677,401	665,941
10. Total (Lines 5 through 9)	28,840,419	29,530,474
11. Net cash from operations (Line 4 minus Line 10)	1,504,136	2,768,276
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	13,720,108	11,531,058
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	13,720,108	11,531,058
13. Cost of investments acquired (long-term only):		
13.1 Bonds	13,590,973	15,181,078
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,590,973	15,181,078
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	129,135	(3,650,020)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(1,239,877)	760,404
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,239,877)	760,404
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	393,394	(121,340)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	563,235	684,575
19.2 End of year (Line 18 plus Line 19.1)	956,629	563,235

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	.330,642	.196,658	.191,762	.335,538
2.	Allied lines .....	.188,606	.111,427	.108,674	.191,360
3.	Farmowners multiple peril .....	.431,059	.219,589	.221,380	.429,267
4.	Homeowners multiple peril .....	.5,284,387	.3,145,212	.3,053,177	.5,376,422
5.	Commercial multiple peril .....	.2,351,798	.1,134,769	.1,175,214	.2,311,353
6.	Mortgage guaranty .....	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0
9.	Inland marine .....	.205,668	.118,405	.111,249	.212,824
10.	Financial guaranty .....	.0	.0	.0	.0
11.1	Medical professional liability-occurrence .....	.0	.0	.0	.0
11.2	Medical professional liability-claims-made .....	.0	.0	.0	.0
12.	Earthquake .....	.65,827	.40,533	.37,760	.68,600
13.	Group accident and health .....	.2,643	.0	.0	.2,643
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	.0	.0
16.	Workers' compensation .....	.720,750	.309,760	.358,014	.672,495
17.1	Other liability - occurrence .....	.312,783	.144,938	.156,195	.301,526
17.2	Other liability - claims-made .....	.161	.56	.49	.168
17.3	Excess workers' compensation.....	.0	.0	.0	.0
18.1	Products liability-occurrence .....	.1,477	.437	.596	.1,317
18.2	Products liability-claims-made .....	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability .....	.8,210,734	.2,288,453	.2,005,510	.8,493,677
19.3,19.4	Commercial auto liability .....	.1,493,812	.651,488	.703,334	.1,441,966
21.	Auto physical damage .....	.6,109,692	.1,786,127	.1,648,606	.6,247,213
22.	Aircraft (all perils) .....	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0
26.	Burglary and theft .....	.1,022	.496	.412	.1,106
27.	Boiler and machinery .....	.0	.0	.0	.0
28.	Credit .....	.0	.0	.0	.0
29.	International .....	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0
31.	Reinsurance-nonproportional assumed property .....	.0	.0	.0	.0
32.	Reinsurance-nonproportional assumed liability .....	.0	.0	.0	.0
33.	Reinsurance-nonproportional assumed financial lines .....	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0
35.	TOTALS	25,711,064	10,148,345	9,771,933	26,087,476
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	.0	.0	.0	.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	191,762				191,762
2.	Allied lines	108,674				108,674
3.	Farmowners multiple peril	221,380				221,380
4.	Homeowners multiple peril	3,053,177				3,053,177
5.	Commercial multiple peril	1,175,214				1,175,214
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	111,249				111,249
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	37,760				37,760
13.	Group accident and health					0
14.	Credit accident and health (group and individual) ...					0
15.	Other accident and health					0
16.	Workers' compensation	358,014				358,014
17.1	Other liability-occurrence	156,195				156,195
17.2	Other liability-claims-made	49				49
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	596				596
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	2,005,510				2,005,510
19.3,19.4	Commercial auto liability	703,334				703,334
21.	Auto physical damage	1,648,606				1,648,606
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	412				412
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance-nonproportional assumed property					0
32.	Reinsurance-nonproportional assumed liability					0
33.	Reinsurance-nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	9,771,933	0	0	0	9,771,933
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					9,771,933
DETAILS OF WRITE-INS						
3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	748,304	330,642	0	707,329	40,974	330,642
2. Allied lines	464,844	188,606	0	438,697	26,147	188,606
3. Farmowners multiple peril	377,748	431,059	0	370,962	6,786	431,059
4. Homeowners multiple peril	24,303,077	5,284,387	0	23,026,177	1,276,900	5,284,387
5. Commercial multiple peril	5,943,033	2,351,798	0	5,470,810	472,223	2,351,798
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	721,044	205,668	0	679,928	41,116	205,668
10. Financial guaranty						0
11.1 Medical professional liability-occurrence						0
11.2 Medical professional liability-claims-made						0
12. Earthquake	7,473	65,827	0	7,136	336	65,827
13. Group accident and health	0	2,643	0	0	0	2,643
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	1,208,063	720,750	48,566	1,134,179	122,450	720,750
17.1 Other liability-occurrence	776,774	312,783	0	507,713	269,061	312,783
17.2 Other liability-claims-made	300	161	0	300	0	161
17.3 Excess workers' compensation						0
18.1 Products liability-occurrence	1,094	1,477	0	1,092	2	1,477
18.2 Products liability-claims- made						0
19.1,19.2 Private passenger auto liability	42,516,746	8,210,734	0	32,814,365	9,702,381	8,210,734
19.3,19.4 Commercial auto liability	3,081,421	1,493,812	0	2,560,846	520,575	1,493,812
21. Auto physical damage	24,333,240	6,109,692	0	24,103,826	229,413	6,109,692
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety						0
26. Burglary and theft	442	1,022	0	442	0	1,022
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance- nonproportional assumed property	XXX					0
32. Reinsurance- nonproportional assumed liability	XXX					0
33. Reinsurance- nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	104,483,602	25,711,064	48,566	91,823,802	12,708,366	25,711,064
DETAILS OF WRITE-INS						
3401.						0
3402.						0
3403.						0
3498. Sum. of remaining write- ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire	209,025	246,052	209,025	246,052	42,407	35,267	253,192	75.5
2.	Allied lines	487,673	96,026	487,673	96,026	23,425	33,966	85,484	44.7
3.	Farmowners multiple peril	437,269	230,033	437,269	230,033	76,487	51,822	254,699	59.3
4.	Homeowners multiple peril	16,029,483	3,926,670	16,029,483	3,926,670	891,084	918,381	3,899,374	72.5
5.	Commercial multiple peril	3,845,878	1,267,297	3,845,878	1,267,297	1,516,432	1,462,958	1,320,771	57.1
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	441,693	101,063	441,693	101,063	17,124	21,217	96,971	45.6
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence		0		0	0	0	0	0.0
11.2	Medical professional liability-claims-made				0	0	0	0	0.0
12.	Earthquake				0	0	0	0	0.0
13.	Group accident and health		4,667		4,667	16,004	16,171	4,500	170.2
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation	702,368	379,062	729,201	352,229	816,551	722,431	446,350	66.4
17.1	Other liability-occurrence	4,746	78,670	4,746	78,670	159,172	105,291	132,551	44.0
17.2	Other liability-claims-made	0	(123)	0	(123)	6,548	5,889	536	320.0
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence		25		25	967	767	225	17.1
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	19,933,937	5,113,644	19,933,937	5,113,644	5,229,975	5,708,971	4,634,649	54.6
19.3,19.4	Commercial auto liability	1,277,494	723,949	1,277,494	723,949	1,174,692	1,080,664	817,977	56.7
21.	Auto physical damage	17,721,364	3,773,371	17,721,364	3,773,371	(104,589)	(60,129)	3,728,911	59.7
22.	Aircraft (all perils)	0	5	0	5	11	11	5	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety		(44)		(44)	732	732	(44)	0.0
26.	Burglary and theft		101		101	19	18	102	9.2
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	61,090,930	15,940,469	61,117,762	15,913,636	9,867,043	10,104,426	15,676,253	60.1
DETAILS OF WRITE-INS									
3401.	.....				0	0	0	0	0.0
3402.	.....				0	0	0	0	0.0
3403.	.....				0	0	0	0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	(393)	20,168	(393)	20,168	54,218	22,239	54,218	42,407	17,467
2.	Allied lines	129,390	9,407	129,390	9,407	32,394	14,018	32,394	23,425	11,987
3.	Farmowners multiple peril	129,408	51,299	129,408	51,299	23,982	25,189	23,982	76,487	22,598
4.	Homeowners multiple peril	2,902,433	541,114	2,902,433	541,114	1,063,413	349,970	1,063,413	891,084	269,735
5.	Commercial multiple peril	1,201,651	732,416	1,201,651	732,416	1,494,209	784,017	1,494,209	1,516,432	789,296
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	46,318	10,540	46,318	10,540	21,354	6,585	21,354	17,124	5,386
10.	Financial guaranty				0				0	
11.1	Medical professional liability-occurrence				0				0	
11.2	Medical professional liability-claims-made				0				0	
12.	Earthquake				0		0		0	
13.	Group accident and health		16,004		16,004				(a) 16,004	32
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation	402,109	537,522	455,051	484,580	372,511	397,424	437,963	816,551	119,828
17.1	Other liability-occurrence	2,494	67,194	2,494	67,194	155,832	91,978	155,832	159,172	19,910
17.2	Other liability-claims-made	0	6,500	0	6,500	86	48	86	6,548	41
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence		599		599	175	368	175	967	487
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability	225,760,183	3,500,423	225,760,183	3,500,423	9,118,936	1,729,552	9,118,936	5,229,975	1,204,856
19.3,19.4	Commercial auto liability	1,988,654	657,966	1,988,654	657,966	606,354	516,726	606,354	1,174,692	190,794
21.	Auto physical damage	(405,087)	(266,145)	(405,087)	(266,145)	715,691	161,556	715,691	(104,589)	171,241
22.	Aircraft (all perils)	0	11	0	11				11	
23.	Fidelity				0				0	
24.	Surety		732		732				732	
26.	Burglary and theft				0	4	19	4	19	1
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance-nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance-nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	232,157,160	5,885,748	232,210,101	5,832,806	13,659,157	4,099,689	13,724,610	9,867,043	2,823,659
DETAILS OF WRITE-INS										
3401.	.....				0				0	
3402.	.....				0				0	
3403.	.....				0				0	
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including \$for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	1,312,564			1,312,564
1.2 Reinsurance assumed	407,217			407,217
1.3 Reinsurance ceded	1,312,564			1,312,564
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	407,217	0	0	407,217
2. Commission and brokerage:				
2.1 Direct, excluding contingent		13,924,719		13,924,719
2.2 Reinsurance assumed, excluding contingent		3,921,597		3,921,597
2.3 Reinsurance ceded, excluding contingent		13,924,719		13,924,719
2.4 Contingent-direct		445,483		445,483
2.5 Contingent-reinsurance assumed		282,198		282,198
2.6 Contingent-reinsurance ceded		445,483		445,483
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	4,203,795	0	4,203,795
3. Allowances to manager and agents	2,161	51,878	59	54,098
4. Advertising		103,196		103,196
5. Boards, bureaus and associations	20,139	45,048	126	65,312
6. Surveys and underwriting reports		323,943		323,943
7. Audit of assureds' records		10,318		10,318
8. Salary and related items:				
8.1 Salaries	1,247,546	1,358,999	23,603	2,630,149
8.2 Payroll taxes	98,866	108,723	1,840	209,429
9. Employee relations and welfare	372,962	450,358	7,146	830,466
10. Insurance	17,933	20,689	1,283	39,905
11. Directors' fees	18,941	23,706	530	43,177
12. Travel and travel items	64,682	69,834	1,291	135,807
13. Rent and rent items	77,787	17,962	147,667	243,416
14. Equipment	47,252	87,270	542	135,064
15. Cost or depreciation of EDP equipment and software	27,577	46,956	815	75,348
16. Printing and stationery	9,972	36,815	252	47,039
17. Postage, telephone and telegraph, exchange and express	73,846	237,659	6,440	317,946
18. Legal and auditing	15,946	39,107	405	55,458
19. Totals (Lines 3 to 18)	2,095,610	3,032,463	191,998	5,320,070
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		564,536		564,536
20.2 Insurance department licenses and fees		25,157		25,157
20.3 Gross guaranty association assessments		(533)		(533)
20.4 All other (excluding federal and foreign income and real estate)		3,613		3,613
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	592,774	0	592,774
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	210,863	324,748	44,357	579,968
25. Total expenses incurred	2,713,690	8,153,780	236,354	(a) 11,103,825
26. Less unpaid expenses-current year	2,823,659	1,223,938	226	4,047,824
27. Add unpaid expenses-prior year	3,045,448	1,305,451	0	4,350,899
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,935,479	8,235,293	236,128	11,406,900
DETAILS OF WRITE-INS				
2401. Software Expense.....	102,591	127,641	5,082	235,314
2402. Miscellaneous Expense.....	67,008	141,080	37,798	245,886
2403. Donations.....	9,381	11,143	254	20,778
2498. Summary of remaining write-ins for Line 24 from overflow page	31,883	44,883	1,223	77,989
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	210,863	324,748	44,357	579,968

(a) Includes management fees of \$ 5,900,038 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....367,007	.....353,144
1.1	Bonds exempt from U.S. tax	(a).....561,986	.....557,941
1.2	Other bonds (unaffiliated)	(a).....972,985	.....973,137
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....548	.....548
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	1,902,526	1,884,770
11.	Investment expenses		(g).....236,354
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....236,354
17.	Net investment income (Line 10 minus Line 16)		1,648,416
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$43,698 accrual of discount less \$338,905 amortization of premium and less \$43,849 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax	(111,171)		(111,171)		
1.2	Other bonds (unaffiliated)	(20,201)		(20,201)		
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....			.....0		
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	(131,372)	0	(131,372)	0	0
DETAILS OF WRITE-INS						
0901.	.....			.....0		
0902.	.....			.....0		
0903.	.....			.....0		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	35,509	36,172	663
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	(431)	200	631
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	8,918	13,115	4,197
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	43,996	49,487	5,491
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	43,996	49,487	5,491
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.	0	0	0
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

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

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

A. Accounting Practices

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

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by daily pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20 % or more are carried on the equity basis.
- (4) Preferred stocks are stated at cost.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed securities are stated at either amortized cost or the lower or amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
- (7) The company has no investments in subsidiaries, controlled and affiliated entities.
- (8) The company has no ownership interests in joint ventures, partnerships and limited liability companies.
- (9) All derivatives are stated at fair value.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period
- (13) The Company does not have pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual, are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased (decreased) unassigned funds (surplus), of \$0 as of December 31, 2011.

3. BUSINESS COMBINATIONS AND GOODWILL
NONE

4. DISCONTINUED OPERATIONS
NONE

5. INVESTMENTS

A. MORTGAGE LOANS
NONE

B.DEBT RESTRUCTURING
NONE

C. REVERSE MORTGAGES
NONE

D. LOAN-BACKED SECURITIES

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

a.

Aggregate Amount of Unrealized Losses:

1

Less than 12 Months

0

2

Greater than 12 Months

0
- b.

The aggregate related fair value of securities with unrealized losses:

1

Less than 12 Months

0

2

Greater than 12 Months

0

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

E. REPURCHASE AGREEMENTS
NONE

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
NONE

7. INVESTMENT INCOME
NONE EXCLUDED

8. DERIVATIVE INSTRUMENTS
NONE

9. FEDERAL INCOME TAX

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1)	DTA/DTL Components			2011			2010			Change		
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total		
(a)	Gross deferred tax assets	1,021,424	0	1,021,424	1,064,368	11,657	1,076,025	(42,944)	(11,657)	(54,601)		
(b)	Statutory valuation allowance adjustment	0	0	0	0	0	0	0	0	0		
(c)	Adjusted gross deferred tax assets	1,021,424	0	1,021,424	1,064,368	11,657	1,076,025	(42,944)	(11,657)	(54,601)		
(d)	Gross deferred tax liabilities	(44,575)	0	(44,575)	(42,974)	(0)	(42,974)	(1,601)	0	(1,601)		
(e)	Net deferred tax asset/(liability) before admissibility test	976,849	0	976,849	1,021,394	11,657	1,033,051	(44,545)	(11,657)	(56,202)		
(f)	Deferred tax assets nonadmitted	(8,918)	0	(8,918)	(13,115)	0	(13,115)	4,197	0	4,197		
(g)	Net admitted deferred tax asset/(liability)	967,931	0	967,931	1,008,279	11,657	1,019,936	(40,349)	(11,657)	(52,005)		
					2010	2009						
(2)	Has the Company elected to admit DTAs pursuant to paragraph 10.e.? ("Y" for yes or "N" for no)				Y	Y						
(3)	Increase in admitted adjusted gross DTAs as the result of the application of paragraph 10.e.:											
		2011			2010			Change				
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total		
	With ¶ 10.e.	967,931	0	967,931	1,008,279	11,656	1,019,935	(40,348)	(11,656)	(52,004)		
	With ¶s 10.a.-c.	833,773	0	833,773	867,513	11,656	879,169	(33,740)	(11,656)	(45,396)		
	Increase attributable to application of ¶ 10.e.	134,158	0	134,158	140,766	(0)	140,766	(6,608)	0	(6,608)		
(4)	Admission calculation components:											
		2011			2010			Change				
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total		
	Admission calculation under ¶10.a.-¶10.c.											
(a)	Admitted pursuant to ¶10.a.	833,773	0	833,773	867,513	11,656	879,169	(33,740)	(11,656)	(45,396)		
(b)	Admitted pursuant to ¶10.b.(lesser of i. or ii.)	0	0	0	0	0	0	0	0	0		
(c)	¶10.b.i.	0	0	0	0	0	0	N/A	N/A	0		
(d)	¶10.b.ii.	N/A	N/A	2,880,132	N/A	N/A	2,626,415	N/A	N/A	253,717		
(e)	Admitted pursuant to ¶10.c.	44,575	0	44,575	42,974	0	42,974	1,601	(0)	1,601		
(f)	Total admitted under ¶¶10.a.-10.c.	878,348	0	878,348	910,487	11,656	922,143	(32,139)	(11,656)	(43,795)		
	Deferred tax liabilities	(44,575)	0	(44,575)	(42,974)	(0)	(42,974)	(1,601)	0	(1,601)		
	Net admitted deferred tax asset/liability ¶10.a.-c.	833,773	0	833,773	867,513	11,656	879,169	(33,740)	(11,656)	(45,396)		

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

NOTES TO FINANCIAL STATEMENTS

Admission calculation under ¶10.e.i.-10.e.iii.											
Admitted pursuant to											
(g)	¶10.e.i.	900,858	0	900,858	937,902	11,656	949,558	(37,044)	(11,656)	(48,700)	
Admitted pursuant to											
(h)	¶10.e.ii. (lesser of a. or b.)	67,073	0	67,073	70,377	0	70,377	(3,304)	0	(3,304)	
(i)	¶10.e.ii.a..	67,073	0	67,073	70,377	0	70,377	N/A	N/A	(3,304)	
(j)	¶10.e.ii.b.	N/A	N/A	4,320,198	N/A	N/A	3,939,623	N/A	N/A	380,575	
Admitted pursuant to											
(k)	¶10.e.iii.	44,575	0	44,575	42,974	0	42,974	1,601	(0)	1,601	
Total admitted under											
(l)	¶10.e.i.-10.e.iii.	1,012,506	0	1,012,506	1,051,253	11,656	1,062,909	(38,747)	(11,656)	(50,403)	
Deferred tax liabilities											
		(44,575)	0	(44,575)	(42,974)	(0)	(42,974)	(1,601)	0	(1,601)	
Net admitted deferred tax asset/liability under ¶10.e.											
		967,931	0	967,931	1,008,279	11,656	1,019,935	(40,348)	(11,656)	(52,004)	
Used in ¶10.d.											
(m)	Total adjusted capital	N/A	N/A	30,631,948	N/A	N/A	28,117,698	N/A	N/A	2,514,250	
(n)	Authorized control level	N/A	N/A	1,899,682	N/A	N/A	2,048,323	N/A	N/A	(148,641)	
Adjusted capital/Authorized control level											
		N/A	N/A	1,612.50%	N/A	N/A	1,372.72%	N/A	N/A	239.78%	
Impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs:											
(5)		2011			2010			Change			
Description		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total	
Adjusted gross DTAs - Amount		0	0	0	0	0	0	0	0	0	
Adjusted gross DTAs - Percentage		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
(a)	Net admitted DTAs - Amount	0	0	0	0	0	0	0	0	0	
Net admitted DTAs - Percentage		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
(b)											
Impact of ¶10.e. on the following:											
(6)		2011			2010			Change			
Description		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total	
Admission calculation under ¶10.a.-¶10.c.											
(a)	Admitted DTAs	833,773	0	833,773	867,513	11,656	879,169	(33,740)	(11,656)	(45,396)	
(b)	Admitted assets	N/A	N/A	55,168,135	N/A	N/A	53,417,785	N/A	N/A	1,750,350	
Adjusted statutory surplus from most recently filed statement											
(c)		N/A	N/A	30,497,791	N/A	N/A	28,117,698	N/A	N/A	2,380,093	
Total adjusted capital from DTAs included above											
(d)		N/A	N/A	30,497,791	N/A	N/A	28,117,698	N/A	N/A	2,380,093	
Increases due to admission under ¶10.e.i.-10.e.iii.											
(e)	Admitted DTAs	134,157	0	134,157	140,766	(0)	140,766	(6,609)	0	(6,608)	
(f)	Admitted assets	N/A	N/A	134,157	N/A	N/A	140,766	N/A	N/A	(6,608)	
(g)	Statutory surplus	N/A	N/A	134,157	N/A	N/A	140,766	N/A	N/A	(6,608)	

B. Temporary differences for which a DTL has not been established:

NONE

C. Current tax and change in deferred tax:

(1) Current income taxes incurred consist of the following major components:

Description		2011	2010
(a)	Current federal income tax expense	1,021,839	809,273
(b)	Foreign taxes	0	0
(c)	Subtotal	1,021,839	809,273
(d)	Tax on capital gains/(losses)	(45,980)	(52,482)
(e)	Utilization of capital loss carryforwards	0	0
Other, including prior year underaccrual (overaccrual)		(11,656)	(79,389)
(g)	Federal and foreign income taxes incurred	964,203	677,402

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

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

		December 31, 2011	December 31, 2010	Change
(2)	DTAs Resulting From Book/Tax Differences In			
(a)	Ordinary			
(1)	Discounting of unpaid losses and LAE	325,111	341,254	(16,142)
(2)	Unearned premiums	684,035	710,384	(26,349)
(3)	Policyholder reserves	0	0	0
(4)	Investments	0	0	0
(5)	Deferred acquisition costs	0	0	0
(6)	Policyholder dividends accrued	0	0	0
(7)	Fixed assets	0	0	0
(8)	Compensation and benefit accruals	0	0	0
(9)	Pension accruals	0	0	0
(10)	Nonadmitted assets	12,277	12,730	(453)
(11)	Net operating loss carryforward	0	0	0
(12)	Tax credit carryforward	0	0	0
(13)	Other (separately disclose items >5%)	0	0	0
	Gross ordinary DTAs	1,021,424	1,064,368	(42,944)
	Statutory valuation adjustment adjustment - ordinary (-)	0	0	0
(c)	Nonadmitted ordinary DTAs (-)	(8,918)	(13,115)	4,197
(d)	Admitted ordinary DTAs	1,012,506	1,051,253	(38,747)
(e)	Capital			
(1)	Investments	0	11,656	(11,656)
(2)	Net capital loss carryforward	0	0	0
(3)	Real estate	0	0	0
(4)	Other (separately disclose items >5%)	0	0	0
	Unrealized capital losses	0	0	0
	Gross capital DTAs	0	11,656	(11,656)
	Statutory valuation adjustment adjustment - capital (-)	0	0	0
(g)	Nonadmitted capital DTAs (-)	0	(1)	1
(h)	Admitted capital DTAs	0	11,656	(11,656)
(i)	Admitted DTAs	1,012,506	1,062,909	(50,403)
(3)	DTLs Resulting From Book/Tax Differences In			
(a)	Ordinary			
(1)	Investments	(31,667)	(27,951)	(3,716)
(2)	Fixed assets	0	0	0
(3)	Deferred and uncollected premiums	0	0	0
(4)	Policyholder reserves/salvage and subrogation	(12,908)	(15,023)	2,115
(5)	Other (separately disclose items >5%)	0	0	0
	Ordinary DTLs	(44,575)	(42,974)	(1,601)
(b)	Capital			
(1)	Investments	0	0	0
(2)	Real estate	0	0	0
(3)	Other (separately disclose items >5%)	0	0	0
	Unrealized capital gains	0	0	0
	Capital DTLs	0	0	0
(c)	DTLs	(44,575)	(42,974)	(1,601)
(4)	Net deferred tax assets/liabilities	967,931	1,019,935	(52,004)

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

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	1,021,424	1,076,025	(54,601)
Total deferred tax liabilities	(44,575)	(42,974)	(1,601)
Net deferred tax assets/liabilities	976,849	1,033,051	(56,202)
Statutory valuation allowance adjustment (*see explanation below)	0	0	0
Net deferred tax assets/liabilities after SVA	976,849	1,033,051	(56,202)
Tax effect of unrealized gains/(losses)	0	0	0
Statutory valuation allowance adjustment allocated to unrealized (+)	0	0	0
Change in net deferred income tax [(charge)/benefit]	976,849	1,033,051	(56,202)

*Statutory valuation allowance

NONE

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained

by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	3,388,398	1,185,939	35.00%
Tax-Exempt Interest	(557,941)	(195,279)	-5.76%
Dividends Received Deduction	0	0	0.00%
Proration	83,691	29,292	0.86%
Meals & Entertainment	0	0	0.00%
Statutory Valuation Allowance Adjustment	0	0	0.00%
Other, Including Prior Year True-Up	1,294	453	0.01%
Total	2,915,442	1,020,405	30.11%
Federal income taxed incurred [expense/(benefit)]		1,010,183	29.81%
Tax on capital gains/(losses)		(45,980)	-1.36%
Change in net deferred income tax [charge/(benefit)]		56,202	1.66%
Total statutory income taxes		1,020,405	30.11%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

At December 31, 2011, the Company had net operating loss carryforwards expiring through the year

2030 of: \$0

At December 31, 2011, the Company had capital loss carryforwards expiring through the year

2015 of: \$0

At December 31, 2011, the Company had an AMT credit carryforwards, which does not expire, in the amount of:

\$0

The following is income tax expense for 2009, 2010, and 2011 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2009	0	0	0
2010	852,147	0	852,147
2011	975,859	0	975,859
Total	1,828,006	0	1,828,006

Deposits admitted under IRC § 6603
None

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

NOTES TO FINANCIAL STATEMENTS

F. The Company's federal income tax return is consolidated with the following entities:

Grange Mutual Casualty Company

The method of allocating among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with a current credit for net losses.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. NONE
- B. NONE
- C. NONE
- D. At December 31, 2011, the Company reported \$1,601,831 as amounts due from the Parent Company, Grange Mutual Casualty Company. The terms of the settlement require that these amounts be settled within 45 days.
- E. NONE
- F. NONE
- G. All outstanding shares of The Company are owned by the Parent Company, Grange Mutual Casualty Company, an insurance holding company domiciled in the State of Ohio.
- H. NONE
- I. NONE
- J. NONE
- K. NONE
- L. NONE

11. DEBT
NONE

12. RETIREMENT PLANS AND DEFERRED COMPENSATION

All employees are employed by Grange Mutual Casualty Company, and participate currently in the pension and benefit plans of Grange Mutual. Annual costs are shared via the pooling arrangement.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS

- 1. The Company has 1,000 shares authorized, 1,000 shares issued and 1,000 shares outstanding. All shares are Class A shares.
- 2. The Company has no preferred stock outstanding.
- 3. NONE
- 4. NONE
- 5. NONE
- 6. NONE
- 7. NONE
- 8. NONE
- 9. NONE
- 10. NONE
- 11. NONE
- 12. NONE
- 13. NONE

14. CONTINGENCIES

- A. NONE
- B. Guaranty Fund Assessments are recorded by the parent, Grange Mutual Casualty Company.
- C. NONE
- D. NONE

15. LEASES
NONE

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.
NONE

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. NONE
- B. Transfer and Servicing of Financial Assets
 - 1) None
 - 2) The Company participates in a securities lending program with JPMorgan Chase Bank as lending agent. The Company had no securities on loan at December 31, 2011. Collateral received from lending activities is maintained in accordance to the securities lending agreement, whereby the collateral requirement shall be an amount equal to 102% of the then current market value of the relevant loaned securities where securities and collateral are denominated in the same currency, and 105% for all other securities. The Company’s lending agent, JPMorgan Chase Bank, reinvests the cash collateral according to investment guidelines outlined in the securities lending agreement and is reported on-balance sheet. Collateral received in the form of securities are restricted and off-balance sheet. The Company is not able to sell or reinvest the securities received as collateral and according to the MLSA, the borrower bears all the risk associated with said securities.
- C. NONE

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.
NONE

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS
NONE

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

NOTES TO FINANCIAL STATEMENTS

20. FAIR VALUE MEASUREMENTS

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

1. NONE

2. None

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

4. As of December 31, 2011, the reported fair value of The Company’s investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows: According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of December 31, 2011, The Company did not own bonds rated NAIC 3 thru 6 and therefore did not report any securities at fair value.

21. OTHER ITEMS

- A. NONE
- B. NONE
- C. NONE
- D. NONE
- E. NONE
- F. NONE
- G. NONE

22. EVENTS SUBSEQUENT

There have been no events, which have occurred subsequent to the filing of this statement, which have a material effect upon the financial condition of the Company.

23. REINSURANCE

- A. UNSECURED REINSURANCE RECOVERABLES
NONE
- B. REINSURANCE RECOVERABLE IN DISPUTE
NONE
- C. REINSURANCE ASSUMED AND CEDED

1.		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium	Commission	Premium	Commission	Premium	Commission
		Reserve	Equity	Reserve	Equity	Reserve	Equity
a.	Affiliates	9,771,933	1,758,948	33,828,647	6,089,156	(24,056,714)	(4,330,208)
b.	All Other	15,519	2,793	2,827,631	508,974	(2,812,112)	(506,180)
c.	TOTAL	9,787,452	1,761,741	36,656,277	6,598,130	(26,868,826)	(4,836,389)

d. Direct Unearned Premium Reserve36,640,758

2. Contingent Commission	Direct	Assumed	Ceded	Net
	445,483	282,198	445,483	282,198

- D. UNCOLLECTIBLE REINSURANCE
NONE
- F. RETROACTIVE REINSURANCE
NONE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
NONE

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

NOTES TO FINANCIAL STATEMENTS

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by (\$0.923) million from \$13.150 million in 2010 to \$12.227 million in 2011 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on private passenger auto liability and homeowners lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Included in this increase (decrease), the Company experienced \$0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact on surplus.

LOSSES AND LAE	2011	2010
BALANCE JANUARY 1	17,589,025	17,040,375
LESS REINSURANCE RECOVERABLES	4,439,151	3,989,557
NET BALANCE JANUARY 1	13,149,874	13,050,818
INCURRED RELATED TO:		
CURRENT YEAR	19,313,090	21,248,917
PRIOR YEAR	(923,147)	(1,151,214)
TOTAL INCURRED	18,389,943	20,097,703
PAID RELATED TO:		
CURRENT YEAR	12,535,527	13,834,270
PRIOR YEAR	6,313,588	6,164,377
TOTAL PAID	18,849,115	19,998,647
NET BALANCE AT DECEMBER 31	12,690,702	13,149,874
PLUS REINSURANCE RECOVERABLES	6,475,547	4,439,151
BALANCE AT DECEMBER 31	19,166,249	17,589,025

26. INTERCOMPANY POOLING AGREEMENTS

		Pool	
		NAIC#	Share
		-----	-----
Lead Company:	Grange Mutual Casualty Company	14060	84.0%
Affiliate:	Trustgard Insurance Company	40118	3.5%
	Grange Indemnity Insurance Company	10322	4.0%
	Grange Insurance Company of Michigan	11136	2.5%
	Grange Property & Casualty Insurance Company	11982	2.0%
	Integrity Mutual Insurance Company	14303	3.3%
	Integrity Property & Casualty Insurance Company	12986	0.7%

All lines of business are subject to the pooling agreement, with no exceptions. All members of the pool are parties to all reinsurance treaties entered into by the group with non-affiliated reinsurers. There are no discrepancies between the reinsurance schedules of the lead company's and the reinsurance schedules of the other participants.

27. STRUCTURED SETTLEMENTS
NONE

28. HEALTH CARE RECEIVABLES
NONE

29. PARTICIPATING POLICIES
NONE

30. PREMIUM DEFICIENCY RESERVES
A. Liability carried for Premium Deficiency Reserves is zero.
B. Date of the most recent evaluation of this liability was 12/31/2011.
C. Anticipated investment income was not utilized in this calculation.

31. HIGH DEDUCTIBLES
NONE

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES
NONE

33. ASBESTOS/ENVIRONMENTAL RESERVES
NONE

34. SUBSCRIBER SAVINGS ACCOUNTS
NOT APPLICABLE

35. MULTIPLE PERIL CROP INSURANCE
NONE

36. FINANCIAL GUARANTY INSURANCE
NONE

37. CATASTROPHIC PLANNING

The Company uses a deterministic model, which returns period losses estimated using probabilities associated with a comprehensive set of earthquake scenarios. We run this model at least once each year and analyze return periods in excess of 250 years and adjust our catastrophe protection accordingly. The exposures analyzed are aggregated at the zip code level. The Company's highest concentration of exposure is in western Kentucky. The Company has a comprehensive catastrophic reinsurance program in place, developed by Guy Carpenter & Company, Inc. We currently buy coverage well in excess of our 250+ year event outcome for this exposure. We also use modeling to analyze our potential losses from our windstorm exposure.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Ohio.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

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

.....12/31/2009
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2009
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....10/25/2010
- 3.4

By what department or departments? Ohio.....
- 3.5

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

Yes ☐ No ☐ N/A ☒
- 3.6

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

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

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

Yes ☐ No ☒
- 5.2

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

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

- 6.1

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

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers LLP, Columbus, Ohio.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Curtis M. Parker, FCAS, CPCU, Officer of the Reporting Entity.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved0

12.13 Total book/adjusted carrying value \$0

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes ☐ No ☒
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ☐ No ☒
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ☐ No ☒
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others \$.....0

21.22 Borrowed from others \$.....0

21.23 Leased from others \$.....0

21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes ☐ No ☒
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$.....0

22.22 Amount paid as expenses \$.....0

22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☒ No ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....1,601,831

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes ☐ No ☒
- 24.2 If no, give full and complete information, relating thereto
On deposit in custodial account.....
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Grange Insurance Company of Michigan did not have securities on loan.....
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☐ No ☐ NA ☒
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☒ No ☐ NA ☐
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☒ No ☐ NA ☐
- 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes ☒ No ☐ NA ☐

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No []

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

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....791,319
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

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

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

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

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

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

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, N.A.....	1111 Polaris Parkway, Columbus, OH 43240.....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....
.....

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?
- 29.2 If yes, complete the following schedule:
- Yes [] No [X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	45,096,024	48,439,878	3,343,854
30.2 Preferred Stocks.....	0		0
30.3 Totals	45,096,024	48,439,878	3,343,854

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair values obtained primarily from Hub data, otherwise fair values from custodian statements are used.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- Yes [X] No []
- Yes [X] No []
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 32.2 If no, list exceptions:
- Yes [X] No []

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

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

- 34.1 Amount of payments for legal expenses, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only

\$0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$0

1.62

Total incurred claims

\$0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$0

1.65

Total incurred claims

\$0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$0

1.72

Total incurred claims

\$0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$0

1.75

Total incurred claims

\$0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$0

\$0

2.2

Premium Denominator

\$26,087,476

\$28,010,776

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

\$16,036

\$16,201

2.5

Reserve Denominator

\$22,462,635

\$23,298,222

2.6

Reserve Ratio (2.4/2.5)

0.001

0.001

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$0

3.22

Non-participating policies

\$0

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No [X]

4.2

Does the reporting entity issue non-assessable policies?

Yes [X] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

0.0 %

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$0

5.

For Reciprocal Exchanges Only:

5.1

Does the exchange appoint local agents?

Yes [] No [X]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes [] No [] N/A [X]

5.22

As a direct expense of the exchange

Yes [] No [] N/A [X]

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No [X]

5.5

If yes, give full information

16

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss.....
Purchased statutory workers' compensation reinsurance.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Notes to Financial Statement Number 37.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
See Notes to Financial Statement Number 37.....

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?.....

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss
.....

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?.....

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.....

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?.....

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.....

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes

[X]

No

[]

N/A

[]

16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [] No [X]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$ 0

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$ 0

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?

\$ 0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [] No [X] N/A []

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

0.0 %

12.42

To

0.0 %

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

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

12.61

Letters of Credit

\$ 0

12.62

Collateral and other funds

\$ 0

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$ 1,500,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

1

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [X] No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
See Notes to Financial Statement Number 26, Catastrophe Excess Loss Agreement allocated based on agreed percentage of participation

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [X] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.12 Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.13 Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.14 Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....	\$.....0
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....0
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....0
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....0
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....0

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18.....	\$.....0
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....0
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....0
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....0
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....0

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.					
	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	58,372,681	61,929,778	53,413,345	49,499,223	51,172,545
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	33,176,805	38,441,111	35,834,577	36,232,689	47,460,433
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	38,691,103	38,503,066	35,455,084	33,823,167	39,727,704
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,643	3,452	4,795	4,600	5,433
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	130,243,232	138,877,407	124,707,801	119,559,679	138,366,115
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	10,739,717	11,669,716	11,671,111	10,973,905	11,726,290
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,901,459	7,670,521	8,053,674	7,775,837	8,481,744
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	8,067,244	8,318,035	8,296,612	8,001,927	9,254,668
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,643	3,452	4,795	4,600	5,433
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	25,711,064	27,661,724	28,026,192	26,756,269	29,468,135
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(456,248)	(981,188)	(1,343,788)	57,805	(204,016)
14. Net investment gain (loss) (Line 11)	1,563,024	1,334,536	1,506,538	1,730,387	1,708,864
15. Total other income (Line 15)	2,403,947	2,810,781	2,061,769	2,120,125	2,687,763
16. Dividends to policyholders (Line 17)	76,345	80,891	73,978	76,167	60,231
17. Federal and foreign income taxes incurred (Line 19)	1,010,183	729,884	889,426	1,326,737	1,597,139
18. Net income (Line 20)	2,424,195	2,353,354	1,261,115	2,505,413	2,535,241
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	55,302,292	53,558,551	51,468,333	49,691,895	48,959,152
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	4,593,104	4,861,399	5,127,290	4,890,160	4,896,450
20.2 Deferred and not yet due (Line 15.2)	(4,698)	(6,349)	2,683	12,137	21,540
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	24,670,344	25,300,087	25,460,619	25,218,054	27,009,219
22. Losses (Page 3, Line 1)	9,867,043	10,104,426	9,988,810	9,729,979	9,875,805
23. Loss adjustment expenses (Page 3, Line 3)	2,823,659	3,045,448	3,062,008	3,086,498	3,107,226
24. Unearned premiums (Page 3, Line 9)	9,771,933	10,148,345	10,497,400	9,930,012	9,937,980
25. Capital paid up (Page 3, Lines 30 & 31)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	30,631,948	28,258,464	26,007,714	24,473,841	21,949,933
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	1,504,136	2,768,276	3,454,200	837,386	5,102,422
Risk-Based Capital Analysis					
28. Total adjusted capital	30,631,948	28,258,464	26,007,714	24,473,841	21,949,933
29. Authorized control level risk-based capital	1,899,682	2,048,323	2,156,454	2,037,908	2,554,269
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	97.9	98.8	98.4	94.4	98.5
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	2.1	1.2	1.6	5.6	1.5
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate		0	0	0	0
47. All other affiliated		0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2011	2010	2009	2008	2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	0	0	0	0	0
51. Dividends to stockholders (Line 35)	0	0	0	0	0
52. Change in surplus as regards policyholders for the year (Line 38)	2,373,484	2,250,750	1,533,873	2,523,908	2,690,826
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	28,213,772	28,540,315	23,655,983	23,871,417	25,651,052
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	23,076,369	24,117,093	22,320,833	25,936,152	32,536,396
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	25,736,635	24,684,522	24,148,260	24,517,519	23,335,306
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	4,623	4,809	5,716	9,085	2,325
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
58. Total (Line 35)	77,031,399	77,346,739	70,130,792	74,334,173	81,525,079
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	6,268,395	6,836,724	6,575,659	6,293,492	4,528,571
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	4,216,613	4,363,451	4,500,105	4,391,145	4,397,291
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,424,006	5,805,558	5,580,493	4,802,763	3,850,767
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	4,623	4,809	5,716	9,085	2,325
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
64. Total (Line 35)	15,913,636	17,010,542	16,661,973	15,496,485	12,778,954
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	60.1	61.1	61.6	57.4	52.9
67. Loss expenses incurred (Line 3)	10.4	10.6	10.4	10.4	11.4
68. Other underwriting expenses incurred (Line 4)	31.3	31.8	32.9	32.0	36.5
69. Net underwriting gain (loss) (Line 8)	(1.7)	(3.5)	(4.9)	0.2	(0.7)
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	22.4	22.0	24.8	24.1	24.9
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.5	71.7	72.0	67.8	64.2
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	83.9	97.9	107.8	109.3	134.3
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(1,131)	(727)	(356)	(675)	(968)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	(4.0)	(2.8)	(1.5)	(3.1)	(5.0)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(1,288)	(729)	(1,139)	(1,424)	(909)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(5.0)	(3.0)	(5.2)	(7.4)	(5.5)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	14	21	6	0	1	0	5	(1)	XXX
2. 2002	21,187	808	20,379	13,717	989	591	16	1,568	1	660	14,869	XXX
3. 2003	24,375	916	23,460	14,564	932	676	17	1,813	1	695	16,102	XXX
4. 2004	25,881	867	25,014	12,762	177	633	5	1,951	1	724	15,164	XXX
5. 2005	26,266	958	25,307	12,439	124	567	15	1,918	0	716	14,784	XXX
6. 2006	27,337	1,133	26,204	14,163	645	506	2	2,226	0	712	16,248	XXX
7. 2007	28,399	968	27,431	15,441	598	483	4	2,110	1	834	17,432	XXX
8. 2008	28,061	1,297	26,764	17,126	1,758	442	9	2,274	1	772	18,074	XXX
9. 2009	28,917	1,459	27,459	16,068	446	281	1	2,264	0	815	18,166	XXX
10. 2010	29,435	1,425	28,011	14,909	179	162	0	2,346	0	850	17,238	XXX
11. 2011	27,656	1,569	26,087	12,999	1,933	77	1	2,014	0	491	13,155	XXX
12. Totals	XXX	XXX	XXX	144,202	7,802	4,424	71	20,485	6	7,275	161,232	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1.	254	411	3	0	1	0	0	8	5	0	0	(156)	xxx
2.	238	214	0	0	0	0	8	0	2	0	2	33	xxx
3.	625	377	(1)	0	0	0	11	0	4	0	4	263	xxx
4.	1,211	1,167	0	0	0	0	18	0	6	0	7	68	xxx
5.	360	279	1	0	0	0	28	0	6	0	12	116	xxx
6.	368	292	7	0	0	0	45	0	8	0	18	136	xxx
7.	1,598	1,380	25	0	0	0	80	0	33	0	30	356	xxx
8.	658	246	57	0	0	0	165	5	45	0	52	673	xxx
9.	944	182	228	0	0	0	290	0	78	0	98	1,359	xxx
10.	3,206	1,515	710	0	0	0	485	0	180	0	189	3,066	xxx
11.	3,526	269	2,312	131	2	0	561	0	777	0	411	6,778	xxx
12.	12,988	6,332	3,341	131	3	0	1,689	13	1,144	0	823	12,691	xxx

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	(154)	(2)
2.	16,123	1,221	14,902	76.1	151.1	73.1	0	0	2.0	23	10
3.	17,692	1,327	16,365	72.6	144.9	69.8	0	0	2.0	247	16
4.	16,581	1,349	15,233	64.1	155.6	60.9	0	0	2.0	44	24
5.	15,319	418	14,900	58.3	43.7	58.9	0	0	2.0	82	33
6.	17,322	939	16,384	63.4	82.9	62.5	0	0	2.0	83	53
7.	19,770	1,982	17,788	69.6	204.8	64.8	0	0	2.5	243	113
8.	20,767	2,020	18,747	74.0	155.7	70.0	0	0	2.5	468	205
9.	20,154	630	19,524	69.7	43.2	71.1	0	0	2.5	990	368
10.	21,998	1,694	20,304	74.7	118.9	72.5	0	0	2.5	2,401	665
11.	22,267	2,335	19,933	80.5	148.8	76.4	0	0	2.5	5,438	1,339
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	9,867	2,824

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	3,805	4,136	3,919	4,214	4,153	4,211	4,167	4,163	4,143	3,935	(208)	(228)
2. 2002	14,041	13,206	13,401	13,376	13,326	13,327	13,352	13,330	13,324	13,334	9	4
3. 2003	XXX	14,914	14,400	14,524	14,452	14,393	14,338	14,339	14,323	14,550	227	211
4. 2004	XXX	XXX	14,117	13,699	13,534	13,392	13,326	13,308	13,289	13,276	(13)	(32)
5. 2005	XXX	XXX	XXX	13,709	13,538	13,289	13,136	13,028	12,966	12,977	11	(51)
6. 2006	XXX	XXX	XXX	XXX	15,129	14,551	14,390	14,244	14,178	14,150	(28)	(94)
7. 2007	XXX	XXX	XXX	XXX	XXX	16,195	15,975	15,807	15,699	15,645	(53)	(162)
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	16,623	16,732	16,656	16,429	(227)	(303)
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,814	17,459	17,182	(278)	(632)
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,348	17,778	(570)	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,142	XXX	XXX
12. Totals											(1,131)	(1,288)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	000	1,924	3,135	3,584	3,834	3,984	4,034	4,070	4,098	4,096	XXX	XXX
2. 2002	8,568	10,955	12,060	12,703	13,006	13,138	13,248	13,273	13,290	13,302	XXX	XXX
3. 2003	XXX	9,239	11,944	13,052	13,678	14,017	14,163	14,220	14,265	14,291	XXX	XXX
4. 2004	XXX	XXX	8,315	10,987	11,984	12,615	12,909	13,102	13,181	13,214	XXX	XXX
5. 2005	XXX	XXX	XXX	8,009	10,470	11,708	12,409	12,695	12,793	12,867	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	9,065	11,881	13,040	13,646	13,908	14,023	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	10,191	13,076	14,358	15,121	15,322	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	10,754	14,064	15,150	15,801	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,427	14,811	15,902	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,803	14,892	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,141	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior	806	417	84	264	65	81	51	29	10	(5)
2. 2002	2,008	537	587	289	65	76	42	32	13	8
3. 2003	XXX	2,283	1,059	673	150	157	86	51	21	11
4. 2004	XXX	XXX	3,100	1,386	386	302	159	84	35	18
5. 2005	XXX	XXX	XXX	2,659	928	638	301	144	57	29
6. 2006	XXX	XXX	XXX	XXX	2,273	1,330	627	259	109	51
7. 2007	XXX	XXX	XXX	XXX	XXX	2,827	1,357	594	245	105
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	2,735	1,247	523	216
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,926	1,312	518
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,034	1,195
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,743

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	N	0	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	0	
9. District of Columbia	DC	N	0	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	0	
14. Illinois	IL	N	0	0	0	0	0	0	
15. Indiana	IN	N	0	0	0	0	0	0	
16. Iowa	IA	N	0	0	0	0	0	0	
17. Kansas	KS	N	0	0	0	0	0	0	
18. Kentucky	KY	N	0	0	0	0	0	0	
19. Louisiana	LA	N	0	0	0	0	0	0	
20. Maine	ME	N	0	0	0	0	0	0	
21. Maryland	MD	N	0	0	0	0	0	0	
22. Massachusetts	MA	N	0	0	0	0	0	0	
23. Michigan	MI	L	104,483,602	105,749,914	61,090,930	141,336,426	245,816,317	2,575,808	
24. Minnesota	MN	N	0	0	0	0	0	0	
25. Mississippi	MS	N	0	0	0	0	0	0	
26. Missouri	MO	N	0	0	0	0	0	0	
27. Montana	MT	N	0	0	0	0	0	0	
28. Nebraska	NE	N	0	0	0	0	0	0	
29. Nevada	NV	N	0	0	0	0	0	0	
30. New Hampshire	NH	N	0	0	0	0	0	0	
31. New Jersey	NJ	N	0	0	0	0	0	0	
32. New Mexico	NM	N	0	0	0	0	0	0	
33. New York	NY	N	0	0	0	0	0	0	
34. North Carolina	NC	N	0	0	0	0	0	0	
35. North Dakota	ND	N	0	0	0	0	0	0	
36. Ohio	OH	L	0	0	0	0	0	0	
37. Oklahoma	OK	N	0	0	0	0	0	0	
38. Oregon	OR	N	0	0	0	0	0	0	
39. Pennsylvania	PA	N	0	0	0	0	0	0	
40. Rhode Island	RI	N	0	0	0	0	0	0	
41. South Carolina	SC	N	0	0	0	0	0	0	
42. South Dakota	SD	N	0	0	0	0	0	0	
43. Tennessee	TN	N	0	0	0	0	0	0	
44. Texas	TX	N	0	0	0	0	0	0	
45. Utah	UT	N	0	0	0	0	0	0	
46. Vermont	VT	N	0	0	0	0	0	0	
47. Virginia	VA	N	0	0	0	0	0	0	
48. Washington	WA	N	0	0	0	0	0	0	
49. West Virginia	WV	N	0	0	0	0	0	0	
50. Wisconsin	WI	N	0	0	0	0	0	0	
51. Wyoming	WY	N	0	0	0	0	0	0	
52. American Samoa	AS	N	0	0	0	0	0	0	
53. Guam	GU	N	0	0	0	0	0	0	
54. Puerto Rico	PR	N	0	0	0	0	0	0	
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	
57. Canada	CN	N	0	0	0	0	0	0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals	(a) 2		104,483,602	105,749,914	0	61,090,930	141,336,426	2,575,808	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Sum. of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

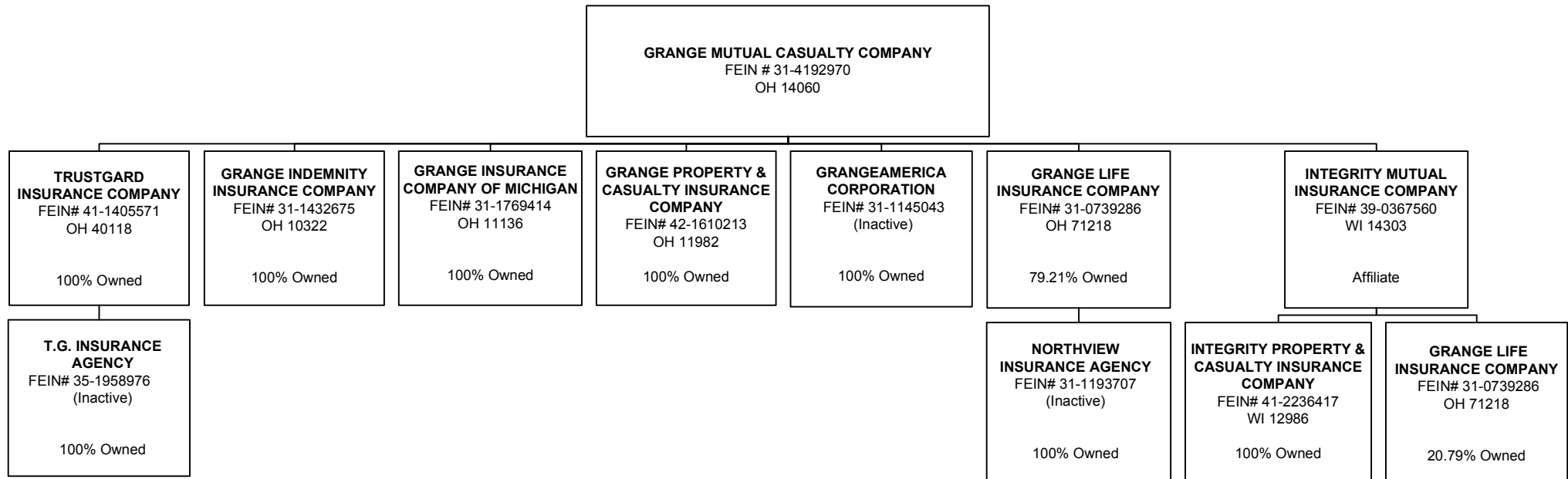
Explanation of basis of allocation of premiums by states, etc.

Location of the risk.

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

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

PART 1 – ORGANIZATIONAL CHART



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Assets	2
Cash Flow	5
Exhibit of Capital Gains (Losses)	12
Exhibit of Net Investment Income	12
Exhibit of Nonadmitted Assets	13
Exhibit of Premiums and Losses (State Page)	19
Five-Year Historical Data	17
General Interrogatories	15
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Notes To Financial Statements	14
Overflow Page For Write-Ins	98
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10
Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule DA – Verification Between Years	SI10
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI11
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI11
Schedule DB – Part C – Section 1	SI12
Schedule DB – Part C – Section 2	SI13
Schedule DB – Part D	E22
Schedule DB – Verification	SI14
Schedule DL – Part 1	E23
Schedule DL – Part 2	E24
Schedule E – Part 1 – Cash	E25
Schedule E – Part 2 – Cash Equivalents	E26
Schedule E – Part 3 – Special Deposits	E27
Schedule E – Verification Between Years	SI15
Schedule F – Part 1	20
Schedule F – Part 2	21
Schedule F – Part 3	22
Schedule F – Part 4	23
Schedule F – Part 5	24
Schedule F – Part 6	25
Schedule F – Part 7	26
Schedule F – Part 8	27
Schedule H – Accident and Health Exhibit – Part 1	28
Schedule H – Part 2, Part 3, and Part 4	29
Schedule H – Part 5 – Health Claims	30
Schedule P – Part 1 – Summary	31
Schedule P – Part 1A – Homeowners/Farmowners	33
Schedule P – Part 1B – Private Passenger Auto Liability/Medical	34
Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	35
Schedule P – Part 1D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	36

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 1E – Commercial Multiple Peril	37
Schedule P – Part 1F – Section 1 – Medical Professional Liability – Occurrence	38
Schedule P – Part 1F – Section 2 – Medical Professional Liability – Claims-Made	39
Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery)	40
Schedule P – Part 1H – Section 1 – Other Liability–Occurrence	41
Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	42
Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	43
Schedule P – Part 1J – Auto Physical Damage	44
Schedule P – Part 1K – Fidelity/Surety	45
Schedule P – Part 1L – Other (Including Credit, Accident and Health)	46
Schedule P – Part 1M – International	47
Schedule P – Part 1N – Reinsurance – Nonproportional Assumed Property	48
Schedule P – Part 1O – Reinsurance – Nonproportional Assumed Liability	49
Schedule P – Part 1P – Reinsurance – Nonproportional Assumed Financial Lines	50
Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	51
Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	52
Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	53
Schedule P – Part 1T – Warranty	54
Schedule P – Part 2, Part 3 and Part 4 – Summary	32
Schedule P – Part 2A – Homeowners/Farmowners	55
Schedule P – Part 2B – Private Passenger Auto Liability/Medical	55
Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	55
Schedule P – Part 2D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	55
Schedule P – Part 2E – Commercial Multiple Peril	55
Schedule P – Part 2F – Section 1 – Medical Professional Liability – Occurrence	56
Schedule P – Part 2F – Section 2 – Medical Professional Liability – Claims – Made	56
Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	56
Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	56
Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	56
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	57
Schedule P – Part 2J – Auto Physical Damage	57
Schedule P – Part 2K – Fidelity, Surety	57
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	57
Schedule P – Part 2M – International	57
Schedule P – Part 2N – Reinsurance – Nonproportional Assumed Property	58
Schedule P – Part 2O – Reinsurance – Nonproportional Assumed Liability	58
Schedule P – Part 2P – Reinsurance – Nonproportional Assumed Financial Lines	58
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	59
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	59
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	59
Schedule P – Part 2T – Warranty	59
Schedule P – Part 3A – Homeowners/Farmowners	60

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 3B – Private Passenger Auto Liability/Medical	60
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	60
Schedule P – Part 3D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	60
Schedule P – Part 3E – Commercial Multiple Peril	60
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	61
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	61
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	61
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	61
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	61
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	62
Schedule P – Part 3J – Auto Physical Damage	62
Schedule P – Part 3K – Fidelity/Surety	62
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	62
Schedule P – Part 3M – International	62
Schedule P – Part 3N – Reinsurance – Nonproportional Assumed Property	63
Schedule P – Part 3O – Reinsurance – Nonproportional Assumed Liability	63
Schedule P – Part 3P – Reinsurance – Nonproportional Assumed Financial Lines	63
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	64
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	64
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	64
Schedule P – Part 3T – Warranty	64
Schedule P – Part 4A – Homeowners/Farmowners	65
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	65
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	65
Schedule P – Part 4D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	65
Schedule P – Part 4E – Commercial Multiple Peril	65
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	66
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	66
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	66
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	66
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	66
Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	67
Schedule P – Part 4J – Auto Physical Damage	67
Schedule P – Part 4K – Fidelity/Surety	67
Schedule P – Part 4L – Other (Including Credit, Accident and Health)	67
Schedule P – Part 4M – International	67
Schedule P – Part 4N – Reinsurance – Nonproportional Assumed Property	68
Schedule P – Part 4O – Reinsurance – Nonproportional Assumed Liability	68
Schedule P – Part 4P – Reinsurance – Nonproportional Assumed Financial Lines	68
Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	69
Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	69

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	69
Schedule P – Part 4T – Warranty	69
Schedule P – Part 5A – Homeowners/Farmowners	70
Schedule P – Part 5B – Private Passenger Auto Liability/Medical	71
Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	72
Schedule P – Part 5D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	73
Schedule P – Part 5E – Commercial Multiple Peril	74
Schedule P – Part 5F – Medical Professional Liability – Claims-Made	76
Schedule P – Part 5F – Medical Professional Liability – Occurrence	75
Schedule P – Part 5H – Other Liability – Claims-Made	78
Schedule P – Part 5H – Other Liability – Occurrence	77
Schedule P – Part 5R – Products Liability – Claims-Made	80
Schedule P – Part 5R – Products Liability – Occurrence	79
Schedule P – Part 5T – Warranty	81
Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	82
Schedule P – Part 6D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	82
Schedule P – Part 6E – Commercial Multiple Peril	83
Schedule P – Part 6H – Other Liability – Claims-Made	84
Schedule P – Part 6H – Other Liability – Occurrence	83
Schedule P – Part 6M – International	84
Schedule P – Part 6N – Reinsurance – Nonproportional Assumed Property	85
Schedule P – Part 6O – Reinsurance – Nonproportional Assumed Liability	85
Schedule P – Part 6R – Products Liability – Claims-Made	86
Schedule P – Part 6R – Products Liability – Occurrence	86
Schedule P – Part 7A – Primary Loss Sensitive Contracts	87
Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	89
Schedule P Interrogatories	91
Schedule T – Exhibit of Premiums Written	92
Schedule T – Part 2 – Interstate Compact	93
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	94
Schedule Y - Detail of Insurance Holding Company System	95
Schedule Y – Part 2 – Summary of Insurer’s Transactions With Any Affiliates	96
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	97
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11

