



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

| | | | | | | |
|---------------------------------------|--------------------------------------|----------------|-------------------|--|----------------------|--------------------------------|
| NAIC Group Code | 00267 | 00267 | NAIC Company Code | 11982 | Employer's ID Number | 42-1610213 |
| | (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 | 04/01/2004 | | | Commenced Business 05/21/2004 | | |
| 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) | | |
| | ackermannnd@grangeinsurance.com | | | 614-449-3757 | | |
| | (E-Mail Address) | | | (Fax Number) | | |

OFFICERS

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

OTHER OFFICERS

| | | | |
|-----------------------------|------------------|--|--|
| JOHN CHRISTOPHER MONTGOMERY | VP - INVESTMENTS | | |
|-----------------------------|------------------|--|--|

DIRECTORS OR TRUSTEES

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

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

ss

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

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

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)..... | 35,118,105 | | 35,118,105 | 35,288,358 |
| 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 (\$1,832,672 , Schedule DA)..... | 1,832,672 | | 1,832,672 | 547,574 |
| 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 | 2,063 | | 2,063 | 2,063 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | 607,157 | | 607,157 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 37,559,997 | 0 | 37,559,997 | 35,837,995 |
| 13. Title plants less \$ charged off (for Title insurers only)..... | | | 0 | 0 |
| 14. Investment income due and accrued | 331,707 | | 331,707 | 310,814 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 3,702,890 | 28,407 | 3,674,483 | 3,889,119 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$(3,758) earned but unbilled premiums)..... | (4,103) | (345) | (3,758) | (5,079) |
| 15.3 Accrued retrospective premiums..... | | | 0 | 0 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 | 0 |
| 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..... | 782,218 | 6,951 | 775,267 | 798,855 |
| 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 | 1,187,221 | | 1,187,221 | 341,110 |
| 24. Health care (\$) and other amounts receivable..... | | | 0 | 0 |
| 25. Aggregate write-ins for other than invested assets | 9,631 | 0 | 9,631 | 8,296 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 43,569,561 | 35,013 | 43,534,548 | 41,181,110 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 43,569,561 | 35,013 | 43,534,548 | 41,181,110 |
| 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..... | 9,631 | | 9,631 | 8,296 |
| 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) | 9,631 | 0 | 9,631 | 8,296 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) | 7,893,634 | 8,083,542 |
| 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) | 2,258,927 | 2,436,357 |
| 4. Commissions payable, contingent commissions and other similar charges | 202,816 | 242,847 |
| 5. Other expenses (excluding taxes, licenses and fees) | 543,917 | 541,910 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 232,603 | 259,604 |
| 7.1 Current federal and foreign income taxes (including \$120,624 on realized capital gains (losses))..... | 987,548 | 853,317 |
| 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 \$37,031,444 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) | 7,817,546 | 8,118,675 |
| 10. Advance premium | | 0 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders | | 0 |
| 11.2 Policyholders | 15,473 | 15,213 |
| 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 | 607,157 | 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) | 20,559,622 | 20,551,465 |
| 27. Protected cell liabilities | | 0 |
| 28. Total liabilities (Lines 26 and 27) | 20,559,622 | 20,551,465 |
| 29. Aggregate write-ins for special surplus funds | 0 | 0 |
| 30. Common capital stock | 2,000,000 | 2,000,000 |
| 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 | 13,000,000 | 13,000,000 |
| 35. Unassigned funds (surplus) | 7,974,926 | 5,629,645 |
| 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) | 22,974,926 | 20,629,645 |
| 38. Totals (Page 2, Line 28, Col. 3) | 43,534,548 | 41,181,110 |
| 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 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

STATEMENT OF INCOME

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| UNDERWRITING INCOME | | |
| 1. Premiums earned (Part 1, Line 35, Column 4) | 20,869,981 | 22,408,624 |
| DEDUCTIONS: | | |
| 2. Losses incurred (Part 2, Line 35, Column 7) | 12,541,002 | 13,700,928 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 2,170,952 | 2,377,236 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 6,523,024 | 7,115,408 |
| 5. Aggregate write-ins for underwriting deductions | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5) | 21,234,979 | 23,193,572 |
| 7. Net income of protected cells | 0 | 0 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) | (364,998) | (784,948) |
| INVESTMENT INCOME | | |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) | 1,235,983 | 939,360 |
| 10. Net realized capital gains (losses) less capital gains tax of \$120,624 (Exhibit of Capital Gains (Losses))..... | 224,017 | 445,987 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 1,460,000 | 1,385,347 |
| OTHER INCOME | | |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$1,895 amount charged off \$164,648) | (162,753) | (204,282) |
| 13. Finance and service charges not included in premiums | 2,417,855 | 2,549,696 |
| 14. Aggregate write-ins for miscellaneous income | 23,062 | 21,973 |
| 15. Total other income (Lines 12 through 14) | 2,278,164 | 2,367,387 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 3,373,166 | 2,967,786 |
| 17. Dividends to policyholders | 61,076 | 64,713 |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 3,312,090 | 2,903,073 |
| 19. Federal and foreign income taxes incurred | 866,924 | 613,170 |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 2,445,166 | 2,289,903 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 20,629,645 | 18,549,432 |
| 22. Net income (from Line 20) | 2,445,166 | 2,289,903 |
| 23. Net transfers (to) from Protected Cell accounts | 0 | 0 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$(27,067) | (50,266) | (56,667) |
| 25. Change in net unrealized foreign exchange capital gain (loss) | 0 | 0 |
| 26. Change in net deferred income tax | (43,704) | (152,165) |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) | (5,915) | (858) |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | 0 | 0 |
| 29. Change in surplus notes | 0 | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells | 0 | 0 |
| 31. Cumulative effect of changes in accounting principles | 0 | 0 |
| 32. Capital changes: | | |
| 32.1. Paid in | 0 | 0 |
| 32.2. Transferred from surplus (Stock Dividend) | 0 | 0 |
| 32.3. Transferred to surplus | 0 | 0 |
| 33. Surplus adjustments: | | |
| 33.1. Paid in | 0 | 0 |
| 33.2. Transferred to capital (Stock Dividend) | 0 | 0 |
| 33.3. Transferred from capital | 0 | 0 |
| 34. Net remittances from or (to) Home Office | 0 | 0 |
| 35. Dividends to stockholders | 0 | 0 |
| 36. Change in treasury stock (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) | 2,345,281 | 2,080,213 |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 22,974,926 | 20,629,645 |
| DETAILS OF WRITE-INS | | |
| 0501. | 0 | 0 |
| 0502. | 0 | 0 |
| 0503. | 0 | 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..... | 23,062 | 21,973 |
| 1402. | 0 | 0 |
| 1403. | 0 | 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) | 23,062 | 21,973 |
| 3701. | 0 | 0 |
| 3702. | 0 | 0 |
| 3703. | 0 | 0 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page | 0 | 0 |
| 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 | 20,783,201 | 22,348,460 |
| 2. Net investment income | 1,416,520 | 1,007,607 |
| 3. Miscellaneous income | 2,278,164 | 2,367,387 |
| 4. Total (Lines 1 through 3) | 24,477,885 | 25,723,454 |
| 5. Benefit and loss related payments | 12,730,909 | 13,608,431 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 8,936,618 | 9,441,590 |
| 8. Dividends paid to policyholders | 60,816 | 66,613 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 120,624 tax on capital gains (losses) | 853,317 | 643,259 |
| 10. Total (Lines 5 through 9) | 22,581,660 | 23,759,893 |
| 11. Net cash from operations (Line 4 minus Line 10) | 1,896,224 | 1,963,561 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 10,991,253 | 13,559,082 |
| 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) | 10,991,253 | 13,559,082 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 10,754,936 | 15,811,638 |
| 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 | 2,063 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 10,754,936 | 15,813,701 |
| 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) | 236,317 | (2,254,619) |
| 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) | (847,443) | 280,641 |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (847,443) | 280,641 |
| 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) | 1,285,098 | (10,417) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 547,574 | 557,991 |
| 19.2 End of year (Line 18 plus Line 19.1) | 1,832,672 | 547,574 |

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 | 264,514 | 157,326 | 153,409 | 268,431 |
| 2. | Allied lines | 150,885 | 89,142 | 86,939 | 153,088 |
| 3. | Farmowners multiple peril | 344,847 | 175,671 | 177,104 | 343,414 |
| 4. | Homeowners multiple peril | 4,227,510 | 2,516,169 | 2,442,542 | 4,301,138 |
| 5. | Commercial multiple peril | 1,881,439 | 907,815 | 940,171 | 1,849,082 |
| 6. | Mortgage guaranty | 0 | 0 | 0 | 0 |
| 8. | Ocean marine | 0 | 0 | 0 | 0 |
| 9. | Inland marine | 164,535 | 94,724 | 88,999 | 170,259 |
| 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 | 52,662 | 32,426 | 30,208 | 54,880 |
| 13. | Group accident and health | 2,115 | 0 | 0 | 2,115 |
| 14. | Credit accident and health (group and individual) | 0 | 0 | 0 | 0 |
| 15. | Other accident and health | 0 | 0 | 0 | 0 |
| 16. | Workers' compensation | 576,600 | 247,808 | 286,412 | 537,996 |
| 17.1 | Other liability - occurrence | 250,226 | 115,951 | 124,956 | 241,221 |
| 17.2 | Other liability - claims-made | 129 | 44 | 39 | 134 |
| 17.3 | Excess workers' compensation..... | 0 | 0 | 0 | 0 |
| 18.1 | Products liability-occurrence | 1,181 | 349 | 477 | 1,054 |
| 18.2 | Products liability-claims-made | 0 | 0 | 0 | 0 |
| 19.1,19.2 | Private passenger auto liability | 6,568,587 | 1,830,763 | 1,604,408 | 6,794,942 |
| 19.3,19.4 | Commercial auto liability | 1,195,050 | 521,190 | 562,668 | 1,153,573 |
| 21. | Auto physical damage | 4,887,754 | 1,428,901 | 1,318,885 | 4,997,771 |
| 22. | Aircraft (all perils) | 0 | 0 | 0 | 0 |
| 23. | Fidelity | 0 | 0 | 0 | 0 |
| 24. | Surety | 0 | 0 | 0 | 0 |
| 26. | Burglary and theft | 818 | 397 | 330 | 885 |
| 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 | 20,568,851 | 8,118,676 | 7,817,546 | 20,869,981 |
| DETAILS OF WRITE-INS | | | | | |
| 3401. | ..... | 0 | 0 | 0 | 0 |
| 3402. | ..... | 0 | 0 | 0 | 0 |
| 3403. | ..... | 0 | 0 | 0 | 0 |
| 3498. | Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 |
| 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 | 153,409 | | | | 153,409 |
| 2. | Allied lines | 86,939 | | | | 86,939 |
| 3. | Farmowners multiple peril | 177,104 | | | | 177,104 |
| 4. | Homeowners multiple peril | 2,442,542 | | | | 2,442,542 |
| 5. | Commercial multiple peril | 940,171 | | | | 940,171 |
| 6. | Mortgage guaranty | | | | | 0 |
| 8. | Ocean marine | | | | | 0 |
| 9. | Inland marine | 88,999 | | | | 88,999 |
| 10. | Financial guaranty | | | | | 0 |
| 11.1 | Medical professional liability-occurrence | | | | | 0 |
| 11.2 | Medical professional liability-claims-made | | | | | 0 |
| 12. | Earthquake | 30,208 | | | | 30,208 |
| 13. | Group accident and health | | | | | 0 |
| 14. | Credit accident and health (group and individual) ... | | | | | 0 |
| 15. | Other accident and health | | | | | 0 |
| 16. | Workers' compensation | 286,412 | | | | 286,412 |
| 17.1 | Other liability-occurrence | 124,956 | | | | 124,956 |
| 17.2 | Other liability-claims-made | 39 | | | | 39 |
| 17.3 | Excess workers' compensation | | | | | 0 |
| 18.1 | Products liability-occurrence | 477 | | | | 477 |
| 18.2 | Products liability-claims-made | | | | | 0 |
| 19.1,19.2 | Private passenger auto liability | 1,604,408 | | | | 1,604,408 |
| 19.3,19.4 | Commercial auto liability | 562,668 | | | | 562,668 |
| 21. | Auto physical damage | 1,318,885 | | | | 1,318,885 |
| 22. | Aircraft (all perils) | | | | | 0 |
| 23. | Fidelity | | | | | 0 |
| 24. | Surety | | | | | 0 |
| 26. | Burglary and theft | 330 | | | | 330 |
| 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 | 7,817,546 | 0 | 0 | 0 | 7,817,546 |
| 36. | Accrued retrospective premiums based on experience | | | | | |
| 37. | Earned but unbilled premiums | | | | | |
| 38. | Balance (Sum of Lines 35 through 37) | | | | | 7,817,546 |
| 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 | 0 | 264,514 | 37,410 | 37,410 | 0 | 264,514 |
| 2. | Allied lines | 0 | 150,885 | 12,346 | 12,346 | 0 | 150,885 |
| 3. | Farmowners multiple peril | 0 | 344,847 | 0 | 0 | 0 | 344,847 |
| 4. | Homeowners multiple peril | 41,621,035 | 4,227,510 | 106,331 | 38,056,959 | 3,670,407 | 4,227,510 |
| 5. | Commercial multiple peril | 0 | 1,881,439 | 0 | 0 | 0 | 1,881,439 |
| 6. | Mortgage guaranty | | | | | | 0 |
| 8. | Ocean marine | | | | | | 0 |
| 9. | Inland marine | 1,484,663 | 164,535 | 0 | 1,360,276 | 124,388 | 164,535 |
| 10. | Financial guaranty | | | | | | 0 |
| 11.1 | Medical professional liability-occurrence | | | | | | 0 |
| 11.2 | Medical professional liability-claims-made | | | | | | 0 |
| 12. | Earthquake | 331,660 | 52,662 | 0 | 305,593 | 26,067 | 52,662 |
| 13. | Group accident and health | 0 | 2,115 | 0 | 0 | 0 | 2,115 |
| 14. | Credit accident and health (group and individual) | | | | | | 0 |
| 15. | Other accident and health | | | | | | 0 |
| 16. | Workers' compensation | 0 | 576,600 | 0 | 0 | 0 | 576,600 |
| 17.1 | Other liability-occurrence | 1,209,005 | 250,226 | 0 | 1,087,832 | 121,173 | 250,226 |
| 17.2 | Other liability-claims-made | 0 | 129 | 0 | 0 | 0 | 129 |
| 17.3 | Excess workers' compensation | | | | | | 0 |
| 18.1 | Products liability-occurrence | 0 | 1,181 | 0 | 0 | 0 | 1,181 |
| 18.2 | Products liability-claims-made | | | | | | 0 |
| 19.1,19.2 | Private passenger auto liability | 32,255,797 | 6,568,587 | 0 | 32,166,911 | 88,886 | 6,568,587 |
| 19.3,19.4 | Commercial auto liability | 0 | 1,195,050 | 0 | 0 | 0 | 1,195,050 |
| 21. | Auto physical damage | 17,826,107 | 4,887,754 | 0 | 17,588,973 | 237,134 | 4,887,754 |
| 22. | Aircraft (all perils) | | | | | | 0 |
| 23. | Fidelity | | | | | | 0 |
| 24. | Surety | | | | | | 0 |
| 26. | Burglary and theft | 0 | 818 | 0 | 0 | 0 | 818 |
| 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 | 94,728,267 | 20,568,851 | 156,088 | 90,616,299 | 4,268,055 | 20,568,851 |
| 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 PROPERTY & CASUALTY INSURANCE COMPANY

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 | .0 | 225,083 | 28,241 | 196,842 | 33,926 | 28,214 | 202,554 | 75.5 |
| 2. | Allied lines | .0 | 89,753 | 12,932 | 76,820 | 18,740 | 27,173 | 68,388 | 44.7 |
| 3. | Farmowners multiple peril | .0 | 184,027 | .0 | 184,027 | 61,190 | 41,457 | 203,759 | 59.3 |
| 4. | Homeowners multiple peril | 39,188,082 | 3,203,487 | 39,250,233 | 3,141,336 | 712,867 | 734,705 | 3,119,499 | 72.5 |
| 5. | Commercial multiple peril | .0 | 1,013,838 | .0 | 1,013,838 | 1,213,146 | 1,170,367 | 1,056,617 | 57.1 |
| 6. | Mortgage guaranty | | | | .0 | .0 | .0 | .0 | 0.0 |
| 8. | Ocean marine | | | | .0 | .0 | .0 | .0 | 0.0 |
| 9. | Inland marine | 877,068 | 80,851 | 877,068 | 80,851 | 13,699 | 16,973 | 77,577 | 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 | | 3,733 | | 3,733 | 12,803 | 12,937 | 3,600 | 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 | | 281,783 | | 281,783 | 653,241 | 577,945 | 357,080 | 66.4 |
| 17.1 | Other liability-occurrence | | 62,936 | | 62,936 | 127,338 | 84,233 | 106,041 | 44.0 |
| 17.2 | Other liability-claims-made | | (98) | | (98) | 5,239 | 4,712 | 429 | 320.0 |
| 17.3 | Excess workers' compensation | | | | .0 | .0 | .0 | .0 | 0.0 |
| 18.1 | Products liability-occurrence | | 20 | | 20 | 774 | 613 | 180 | 17.1 |
| 18.2 | Products liability-claims-made | | | | .0 | .0 | .0 | .0 | 0.0 |
| 19.1,19.2 | Private passenger auto liability | 20,592,206 | 4,090,915 | 20,592,206 | 4,090,915 | 4,183,980 | 4,567,176 | 3,707,719 | 54.6 |
| 19.3,19.4 | Commercial auto liability | .0 | 579,160 | .0 | 579,160 | 939,753 | 864,531 | 654,382 | 56.7 |
| 21. | Auto physical damage | 9,953,293 | 3,018,697 | 9,953,293 | 3,018,697 | (83,671) | (48,103) | 2,983,129 | 59.7 |
| 22. | Aircraft (all perils) | .0 | 4 | .0 | 4 | 9 | 9 | 4 | 0.0 |
| 23. | Fidelity | | | | .0 | .0 | .0 | .0 | 0.0 |
| 24. | Surety | | (35) | | (35) | 585 | 586 | (35) | 0.0 |
| 26. | Burglary and theft | | 81 | | 81 | 15 | 14 | 81 | 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 | 70,610,648 | 12,834,234 | 70,713,973 | 12,730,909 | 7,893,634 | 8,083,541 | 12,541,002 | 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 PROPERTY & CASUALTY INSURANCE COMPANY

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 | .0 | 22,312 | 6,178 | 16,134 | .0 | 20,643 | 2,852 | 33,926 | 13,973 |
| 2. | Allied lines | .0 | 10,148 | 2,623 | 7,525 | .0 | 11,578 | 363 | 18,740 | 9,590 |
| 3. | Farmowners multiple peril | .0 | 41,039 | .0 | 41,039 | .0 | 20,151 | .0 | 61,190 | 18,078 |
| 4. | Homeowners multiple peril | 4,732,723 | 450,906 | 4,750,738 | 432,891 | 2,898,443 | 285,846 | 2,904,313 | 712,867 | 215,788 |
| 5. | Commercial multiple peril | .0 | 585,933 | .0 | 585,933 | .0 | 627,213 | .0 | 1,213,146 | 631,437 |
| 6. | Mortgage guaranty | | | | .0 | | | | .0 | |
| 8. | Ocean marine | | | | .0 | | | | .0 | |
| 9. | Inland marine | 10,041 | 8,432 | 10,041 | 8,432 | 39,938 | 5,268 | 39,938 | 13,699 | 4,309 |
| 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 | | 12,803 | | 12,803 | | | | (a) 12,803 | 26 |
| 14. | Credit accident and health (group and individual) | | | | .0 | | | | .0 | |
| 15. | Other accident and health | | | | .0 | | | | (a) .0 | |
| 16. | Workers' compensation | | 387,664 | | 387,664 | .0 | 265,577 | .0 | 653,241 | 95,863 |
| 17.1 | Other liability-occurrence | | 53,755 | | 53,755 | 307,016 | 73,582 | 307,016 | 127,338 | 15,928 |
| 17.2 | Other liability-claims-made | | 5,200 | | 5,200 | .0 | 39 | .0 | 5,239 | 33 |
| 17.3 | Excess workers' compensation | | | | .0 | | | | .0 | |
| 18.1 | Products liability-occurrence | | 480 | | 480 | | 294 | | 774 | 389 |
| 18.2 | Products liability-claims-made | | | | .0 | | | | .0 | |
| 19.1,19.2 | Private passenger auto liability | 9,732,531 | 2,800,339 | 9,732,531 | 2,800,339 | 7,421,932 | 1,383,641 | 7,421,932 | 4,183,980 | 963,885 |
| 19.3,19.4 | Commercial auto liability | .0 | 526,373 | .0 | 526,373 | .0 | 413,381 | .0 | 939,753 | 152,635 |
| 21. | Auto physical damage | (782,684) | (212,916) | (782,684) | (212,916) | 382,937 | 129,245 | 382,937 | (83,671) | 136,993 |
| 22. | Aircraft (all perils) | .0 | .9 | .0 | .9 | | | | .9 | |
| 23. | Fidelity | | | | .0 | | | | .0 | |
| 24. | Surety | | 585 | | 585 | | | | 585 | |
| 26. | Burglary and theft | | | | .0 | | 15 | | 15 | 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 | 13,692,611 | 4,693,060 | 13,719,426 | 4,666,245 | 11,050,265 | 3,236,474 | 11,059,350 | 7,893,634 | 2,258,927 |
| 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 | 335,659 | | | 335,659 |
| 1.2 Reinsurance assumed | 325,774 | | | 325,774 |
| 1.3 Reinsurance ceded | 335,659 | | | 335,659 |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) | 325,774 | 0 | 0 | 325,774 |
| 2. Commission and brokerage: | | | | |
| 2.1 Direct, excluding contingent | | 13,542,136 | | 13,542,136 |
| 2.2 Reinsurance assumed, excluding contingent | | 3,137,278 | | 3,137,278 |
| 2.3 Reinsurance ceded, excluding contingent | | 13,542,136 | | 13,542,136 |
| 2.4 Contingent-direct | | 1,189,972 | | 1,189,972 |
| 2.5 Contingent-reinsurance assumed | | 225,758 | | 225,758 |
| 2.6 Contingent-reinsurance ceded | | 1,189,972 | | 1,189,972 |
| 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 | 3,363,036 | 0 | 3,363,036 |
| 3. Allowances to manager and agents | 1,729 | 41,503 | 48 | 43,280 |
| 4. Advertising | | 82,557 | | 82,557 |
| 5. Boards, bureaus and associations | 16,111 | 36,038 | 103 | 52,252 |
| 6. Surveys and underwriting reports | | 259,154 | | 259,154 |
| 7. Audit of assureds' records | | 8,255 | | 8,255 |
| 8. Salary and related items: | | | | |
| 8.1 Salaries | 998,037 | 1,087,200 | 19,378 | 2,104,615 |
| 8.2 Payroll taxes | 79,093 | 86,978 | 1,511 | 167,582 |
| 9. Employee relations and welfare | 298,370 | 360,286 | 5,867 | 664,523 |
| 10. Insurance | 14,346 | 16,552 | 1,053 | 31,951 |
| 11. Directors' fees | 15,153 | 18,965 | 435 | 34,553 |
| 12. Travel and travel items | 51,746 | 55,867 | 1,060 | 108,673 |
| 13. Rent and rent items | 62,229 | 14,370 | 121,235 | 197,835 |
| 14. Equipment | 37,801 | 69,816 | 445 | 108,063 |
| 15. Cost or depreciation of EDP equipment and software | 22,061 | 37,565 | 669 | 60,295 |
| 16. Printing and stationery | 7,977 | 29,452 | 207 | 37,636 |
| 17. Postage, telephone and telegraph, exchange and express | 59,077 | 190,127 | 5,287 | 254,492 |
| 18. Legal and auditing | 12,757 | 31,286 | 332 | 44,375 |
| 19. Totals (Lines 3 to 18) | 1,676,488 | 2,425,970 | 157,632 | 4,260,090 |
| 20. Taxes, licenses and fees: | | | | |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ | | 451,629 | | 451,629 |
| 20.2 Insurance department licenses and fees | | 20,126 | | 20,126 |
| 20.3 Gross guaranty association assessments | | (426) | | (426) |
| 20.4 All other (excluding federal and foreign income and real estate) | | 2,891 | | 2,891 |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) | 0 | 474,219 | 0 | 474,219 |
| 21. Real estate expenses | | | | 0 |
| 22. Real estate taxes | | | | 0 |
| 23. Reimbursements by uninsured plans | | | | 0 |
| 24. Aggregate write-ins for miscellaneous expenses | 168,691 | 259,799 | 36,417 | 464,906 |
| 25. Total expenses incurred | 2,170,952 | 6,523,024 | 194,049 | (a) 8,888,025 |
| 26. Less unpaid expenses-current year | 2,258,927 | 979,150 | 186 | 3,238,264 |
| 27. Add unpaid expenses-prior year | 2,436,358 | 1,044,361 | 0 | 3,480,719 |
| 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) | 2,348,383 | 6,588,235 | 193,863 | 9,130,480 |
| DETAILS OF WRITE-INS | | | | |
| 2401. Software Expense..... | 82,073 | 102,113 | 4,172 | 188,358 |
| 2402. Miscellaneous Expense..... | 53,607 | 112,864 | 31,032 | 197,503 |
| 2403. Donations..... | 7,505 | 8,915 | 209 | 16,628 |
| 2498. Summary of remaining write-ins for Line 24 from overflow page | 25,506 | 35,907 | 1,004 | 62,417 |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) | 168,691 | 259,799 | 36,417 | 464,906 |

(a) Includes management fees of \$ 4,724,996 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).....293,359 |270,061 |
| 1.1 | Bonds exempt from U.S. tax | (a).....566,200 |573,314 |
| 1.2 | Other bonds (unaffiliated) | (a).....548,164 |585,241 |
| 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).....585 |585 |
| 7. | Derivative instruments | (f)..... | ..... |
| 8. | Other invested assets ..... | ..... | ..... |
| 9. | Aggregate write-ins for investment income |831 |831 |
| 10. | Total gross investment income | 1,409,139 | 1,430,032 |
| 11. | Investment expenses | | (g).....194,049 |
| 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) | |194,049 |
| 17. | Net investment income (Line 10 minus Line 16) | | 1,235,983 |
| DETAILS OF WRITE-INS | | | |
| 0901. | Securities Lending Income |831 |831 |
| 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) | 831 | 831 |
| 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 \$45,576 accrual of discount less \$246,820 amortization of premium and less \$53,590 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 |366,748 | ..... | .....366,748 |(77,333) | ..... |
| 1.1 | Bonds exempt from U.S. tax ..... | ..... | ..... | .....0 | ..... | ..... |
| 1.2 | Other bonds (unaffiliated) |(22,107) | ..... | .....(22,107) | ..... | ..... |
| 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) | 344,641 | 0 | 344,641 | (77,333) | 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 | 28,407 | 28,938 | 531 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due. | (345) | 160 | 505 |
| 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..... | 6,951 | 0 | (6,951) |
| 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)..... | 35,013 | 29,098 | (5,915) |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 35,013 | 29,098 | (5,915) |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 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. | | | |
| 2502. | | | |
| 2503. | | | |
| 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 PROPERTY & CASUALTY INSURANCE COMPANY**

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 of 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 January 1, 2011.

3. BUSINESS COMBINATIONS AND GOODWILL
NONE

4. DISCONTINUED OPERATIONS
NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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 | | | | | | |

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 AND SECURITIES LENDING TRANSACTIONS

1. NONE
2. NONE
3. AGGREGATE AMOUNT CASH COLLATERAL RECEIVED

Securities Lending Collateral Received

| | |
|---------------------------|------------|
| | Fair Value |
| Open | 607,145 |
| Securities Received | 0 |
| Total Collateral Received | 607,145 |

4. NONE
5. COLLATERAL REINVESTMENT

Aggregate Amount Cash Collateral Reinvested

| | | |
|-----------------------------|----------------|------------|
| | Amortized Cost | Fair Value |
| Open | 607,157 | 607,160 |
| Securities Received | 0 | 0 |
| Total Collateral Reinvested | 607,157 | 607,160 |

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
NONE

7. INVESTMENT INCOME

NONE EXCLUDED

8. DERIVATIVE INSTRUMENTS
NONE

NOTES TO FINANCIAL STATEMENTS

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

| | 2011 | 2010 |
|---|------|------|
| (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.: | | |

| Admission calculation components: | | | | | | | | | |
|---|----------|---------|-----------|----------|----------|-----------|----------|---------|----------|
| Description | 2011 | | | 2010 | | | Change | | |
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Admission calculation under ¶10.a.-¶10.c. | | | | | | | | | |
| (a) Admitted pursuant to ¶10.a. | 667,507 | 0 | 667,507 | 693,373 | 9,186 | 702,559 | (25,866) | (9,186) | (35,052) |
| (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 | 2,138,300 | N/A | N/A | 1,909,804 | N/A | N/A | 228,497 |
| (e) Admitted pursuant to ¶10.c. | 36,007 | 0 | 36,007 | 60,408 | 1 | 60,409 | (24,402) | (1) | (24,402) |
| Total admitted under ¶10.a.-10.c. | 703,514 | 0 | 703,514 | 753,781 | 9,186 | 762,968 | (50,268) | (9,186) | (59,454) |
| Deferred tax liabilities | (36,007) | 0 | (36,007) | (33,342) | (27,067) | (60,409) | (2,665) | 27,067 | 24,402 |
| Net admitted deferred tax asset/liability under ¶10.a.-¶10.c. | 667,507 | 0 | 667,507 | 720,439 | (17,881) | 702,559 | (52,932) | 17,881 | (35,052) |

| | | | | | | | | | |
|--|----------|-----|------------|----------|----------|------------|----------|---------|-----------|
| Admission calculation under ¶10.e.i.-10.e.iii. | | | | | | | | | |
| Admitted pursuant to ¶10.e.i. | | | | | | | | | |
| (g) | 721,392 | 0 | 721,392 | 749,401 | 9,186 | 758,587 | (28,009) | (9,186) | (37,195) |
| Admitted pursuant to ¶10.e.ii. (lesser of a. or b.) | | | | | | | | | |
| (h) | 53,875 | 0 | 53,875 | 56,018 | 0 | 56,018 | (2,143) | 0 | (2,143) |
| (i) | 53,875 | 0 | 53,875 | 56,018 | 0 | 56,018 | N/A | N/A | (2,143) |
| (j) | N/A | N/A | 3,207,450 | N/A | N/A | 2,864,705 | N/A | N/A | 342,745 |
| Admitted pursuant to ¶10.e.iii. | | | | | | | | | |
| (k) | 36,007 | 0 | 36,007 | 44,659 | 0 | 44,659 | (8,652) | (0) | (8,652) |
| Total admitted under ¶10.e.i.-10.e.iii. | | | | | | | | | |
| (l) | 811,274 | 0 | 811,274 | 850,078 | 9,186 | 859,264 | (38,804) | (9,186) | (47,991) |
| Deferred tax liabilities | | | | | | | | | |
| | (36,007) | 0 | (36,007) | (33,342) | (27,067) | (60,409) | (2,665) | 27,067 | 24,402 |
| Net admitted deferred tax asset/liability under ¶10.e. | | | | | | | | | |
| | 775,267 | 0 | 775,267 | 816,736 | (17,881) | 798,855 | (41,469) | 17,881 | (23,588) |
| Used in ¶10.d. | | | | | | | | | |
| (m) | N/A | N/A | 22,974,926 | N/A | N/A | 20,533,348 | N/A | N/A | 2,441,578 |
| (n) | N/A | N/A | 1,530,954 | N/A | N/A | 1,653,062 | N/A | N/A | (122,108) |
| Adjusted capital/Authorized control level | | | | | | | | | |
| | N/A | N/A | 1,500.70% | N/A | N/A | 1,242.14% | N/A | N/A | 258.56% |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

(5) Impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs:

| Description | 2011 | | | 2010 | | | Change | | |
|----------------------------------|----------|---------|-------|----------|---------|-------|----------|---------|-------|
| | 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% |
| 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% |

(6) Impact of ¶10.e. on the following:

| Description | 2011 | | | 2010 | | | Change | | |
|---|----------|---------|------------|----------|----------|------------|----------|---------|-----------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Admission calculation under ¶10.a.-¶10.c. | | | | | | | | | |
| (a) Admitted DTAs | 667,507 | 0 | 667,507 | 720,439 | (17,881) | 702,559 | (52,932) | 17,881 | (35,052) |
| (b) Admitted assets | N/A | N/A | 43,426,788 | N/A | N/A | 41,084,813 | N/A | N/A | 2,341,975 |
| Adjusted statutory surplus from most recently filed statement | | | | | | | | | |
| (c) | N/A | N/A | 21,880,971 | N/A | N/A | 20,533,348 | N/A | N/A | 1,347,623 |
| Total adjusted capital from DTAs included above | | | | | | | | | |
| (d) | N/A | N/A | 21,880,971 | N/A | N/A | 20,533,348 | N/A | N/A | 1,347,623 |
| Increases due to admission under ¶10.e.i.-10.e.iii. | | | | | | | | | |
| (e) Admitted DTAs | 107,760 | 0 | 107,760 | 96,297 | 0 | 96,297 | 11,463 | 0 | 11,463 |
| (f) Admitted assets | N/A | N/A | 107,760 | N/A | N/A | 96,297 | N/A | N/A | 11,463 |
| (g) Statutory surplus | N/A | N/A | 107,760 | N/A | N/A | 96,297 | N/A | N/A | 11,463 |

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 | 876,109 | 679,622 |
| (b) | Foreign taxes | 0 | 0 |
| (c) | Subtotal | 876,109 | 679,622 |
| (d) | Tax on capital gains/(losses) | 120,624 | 240,147 |
| (e) | Utilization of capital loss carryforwards | 0 | 0 |
| (f) | Other, including prior year underaccrual (overaccrual) | (9,185) | (66,452) |
| (g) | Federal and foreign income taxes incurred | 987,548 | 853,317 |

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

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

NOTES TO FINANCIAL STATEMENTS

| | December 31, 2011 | December 31, 2010 | Change |
|--|-------------------------|-------------------------|----------|
| (2) DTAs Resulting From Book/Tax Differences In | | | |
| (a) Ordinary | | | |
| (1) Discounting of unpaid losses and LAE | 261,175 | 271,587 | (10,413) |
| (2) Unearned premiums | 547,228 | 568,307 | (21,079) |
| (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 | 9,822 | 10,184 | (363) |
| (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 | 818,225 | 850,079 | (31,854) |
| (b) Statutory valuation adjustment adjustment - ordinary (-) | 0 | 0 | 0 |
| (c) Nonadmitted ordinary DTAs (-) | (6,951) | 0 | (6,951) |
| (d) Admitted ordinary DTAs | 811,274 | 850,079 | (38,805) |
| (e) Capital | | | |
| (1) Investments | 0 | 9,185 | (9,185) |
| (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 | 9,185 | (9,185) |
| (f) Statutory valuation adjustment adjustment - capital (-) | 0 | 0 | 0 |
| (g) Nonadmitted capital DTAs (-) | 0 | 0 | 0 |
| (h) Admitted capital DTAs | 0 | 9,185 | (9,185) |
| (i) Admitted DTAs | 811,274 | 859,264 | (47,991) |
| (3) DTLs Resulting From Book/Tax Differences In | | | |
| (a) Ordinary | | | |
| (1) Investments | (25,221) | (21,473) | (3,748) |
| (2) Fixed assets | 0 | 0 | 0 |
| (3) Deferred and uncollected premiums | 0 | 0 | 0 |
| (4) Policyholder reserves/salvage and subrogation | (10,786) | (11,870) | 1,084 |
| (5) Other (separately disclose items >5%) | 0 | 0 | 0 |
| Ordinary DTLs | (36,007) | (33,342) | (2,664) |
| (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 | (27,067) | 27,067 |
| Capital DTLs | 0 | (27,067) | 27,067 |
| (c) DTLs | (36,007) | (60,409) | 24,402 |
| (4) Net deferred tax assets/liabilities | 775,267 | 798,855 | (23,588) |

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 | 818,225 | 859,262 | (41,038) |
| Total deferred tax liabilities | (36,007) | (60,409) | 24,402 |
| Net deferred tax assets/liabilities | 782,218 | 798,853 | (16,635) |
| Statutory valuation allowance adjustment | 0 | 0 | 0 |
| Net deferred tax assets/liabilities after SVA | 782,218 | 798,853 | (16,635) |
| Tax effect of unrealized gains/(losses) | 0 | 27,067 | (27,067) |
| Statutory valuation allowance adjustment * | 0 | 0 | 0 |
| Change in net deferred income tax [(charge)/benefit] | 782,218 | 825,920 | (43,702) |

*Statutory valuation allowance

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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 | 3,432,714 | 1,201,450 | 35.00% |
| Tax-Exempt Interest | (573,314) | (200,660) | -5.85% |
| Dividends Received Deduction | 0 | 0 | 0.00% |
| Proration | 85,997 | 30,099 | 0.88% |
| Meals & Entertainment | 0 | 0 | 0.00% |
| Statutory Valuation Allowance Adjustment | 0 | 0 | 0.00% |
| Other, Including Prior Year True-Up | 1,030 | 361 | 0.01% |
| Total | 2,946,427 | 1,031,250 | 30.04% |
| | | | |
| Federal income taxed incurred [expense/(benefit)] | | 866,924 | 25.25% |
| Tax on capital gains/(losses) | | 120,624 | 3.51% |
| Change in net deferred income tax [charge/(benefit)] | | 43,702 | 1.27% |
| Total statutory income taxes | | 1,031,250 | 30.04% |

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 | 648,750 | 261,834 | 910,584 |
| 2011 | 876,109 | 120,624 | 996,733 |
| Total | 1,524,859 | 382,458 | 1,907,317 |

Deposits admitted under IRC § 6603
None

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.

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

NOTES TO FINANCIAL STATEMENTS

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. NONE
- B. NONE
- C. NONE
- D. At December 31, 2011, the Company reported \$1,187,221 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

- 6. The Company has 1,000 shares authorized, 1,000 shares issued and 1,000 shares outstanding. All shares are Class A shares.
- 7. The Company has no preferred stock outstanding.
- 8. NONE
- 9. NONE
- 10. NONE
- 11. NONE
- 12. NONE
- 13. NONE
- 14. NONE
- 15. NONE
- 16. NONE
- 17. NONE
- 18. 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. Securities on loan as of December 31, 2011 were fixed income bonds, totaling \$0.6 million. 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

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.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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 | 7,817,546 | 1,407,158 | 37,006,897 | 6,661,241 | (29,189,351) | (5,254,083) |
| b. | All Other | 87,096 | 15,677 | 24,548 | 4,419 | 62,548 | 11,259 |
| c. | TOTAL | 7,904,642 | 1,422,836 | 37,031,444 | 6,665,660 | (29,126,802) | (5,242,824) |
| | | | | | | | |
| d. | Direct Unearned Premium Reserve | | | 36,944,349 | | | |
| | | | | | | | |
| | | | <u>Direct</u> | <u>Assumed</u> | <u>Ceded</u> | <u>Net</u> | |
| 2. | Contingent Commission | | 1,189,972 | 225,758 | 1,189,972 | 225,758 | |

D. UNCOLLECTIBLE REINSURANCE
NONE

F. RETROACTIVE REINSURANCE
NONE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
NONE

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 (\$0.739) million from \$10.520 million in 2010 to \$9.781 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 | 14,071,219 | 13,632,300 |
| LESS REINSURANCE RECOVERABLES | 3,551,320 | 3,191,645 |
| NET BALANCE JANUARY 1 | 10,519,899 | 10,440,655 |
| | | |
| INCURRED RELATED TO: | | |
| CURRENT YEAR | 15,450,472 | 16,999,137 |
| PRIOR YEAR | (738,518) | (920,975) |
| TOTAL INCURRED | 14,711,954 | 16,078,162 |
| | | |
| PAID RELATED TO: | | |
| CURRENT YEAR | 10,028,422 | 11,067,418 |
| PRIOR YEAR | 5,050,870 | 4,931,500 |
| TOTAL PAID | 15,079,292 | 15,998,918 |
| | | |
| NET BALANCE AT DECEMBER 31 | 10,152,561 | 10,519,899 |
| PLUS REINSURANCE RECOVERABLES | 5,180,438 | 3,551,320 |
| BALANCE AT DECEMBER 31 | 15,332,999 | 14,071,219 |

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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: \$.1,187,221

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)
See Notes to Financial Statement Number 17.....
- 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. \$.607,160
- 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 | \$.....1,697,389 |
| 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)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

| 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..... | 36,950,777 | 39,571,063 | 2,620,286 |
| 30.2 Preferred Stocks..... | 0 | | 0 |
| 30.3 Totals | 36,950,777 | 39,571,063 | 2,620,286 |

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? Yes [X] No []

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? Yes [X] No []

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:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

32.2 If no, list exceptions:

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:

2.1

Premium Numerator

\$

0

2.2

Premium Denominator

\$

20,869,981

2.3

Premium Ratio (2.1/2.2)

0.000

2.4

Reserve Numerator

\$

12,829

2.5

Reserve Denominator

\$

17,970,108

2.6

Reserve Ratio (2.4/2.5)

0.001

1

Current Year

2

Prior Year

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, Castrophe Excess Loss Agreement allocated based on 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:

| | | |
|-------|---|----------|
| | Gross amount of unauthorized reinsurance in Schedule F – Part 3 | |
| 17.11 | 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..... | \$..... |

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

| | | |
|-------|---|----------|
| | Gross amount of unauthorized reinsurance in Schedule F – Part 3 | |
| 17.18 | 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 PROPERTY & CASUALTY INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

| | 1 | 2 | 3 | 4 | 5 |
|---|-------------|-------------|-------------|------------|------------|
| | 2011 | 2010 | 2009 | 2008 | 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) | 42,056,576 | 43,891,719 | 40,473,711 | 22,625,651 | 11,431,749 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 25,213,354 | 25,921,830 | 24,850,721 | 14,278,276 | 8,310,743 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 48,181,161 | 41,940,518 | 31,751,896 | 17,841,852 | 10,148,570 |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 2,115 | 2,762 | 3,837 | 3,680 | 4,345 |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 0 | 0 | 0 | 0 | 0 |
| 6. Total (Line 35) | 115,453,206 | 111,756,829 | 97,080,165 | 54,749,459 | 29,895,407 |
| 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) | 8,591,774 | 9,335,775 | 9,336,888 | 8,779,122 | 11,431,749 |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 5,521,167 | 6,136,413 | 6,442,936 | 6,220,669 | 8,310,743 |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 6,453,795 | 6,654,429 | 6,637,289 | 6,401,541 | 10,148,570 |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 2,115 | 2,762 | 3,837 | 3,680 | 4,345 |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 0 | 0 | 0 | 0 | 0 |
| 12. Total (Line 35) | 20,568,851 | 22,129,379 | 22,420,950 | 21,405,012 | 29,895,407 |
| Statement of Income (Page 4) | | | | | |
| 13. Net underwriting gain (loss) (Line 8) | (364,998) | (784,948) | (1,075,034) | 46,242 | (163,213) |
| 14. Net investment gain (loss) (Line 11) | 1,460,000 | 1,385,347 | 1,361,185 | 1,171,392 | 602,422 |
| 15. Total other income (Line 15) | 2,278,164 | 2,367,387 | 1,755,442 | 470,659 | (141,179) |
| 16. Dividends to policyholders (Line 17) | 61,076 | 64,713 | 59,182 | 60,934 | 48,184 |
| 17. Federal and foreign income taxes incurred (Line 19) | 866,924 | 613,170 | 661,716 | 470,732 | 911,978 |
| 18. Net income (Line 20) | 2,445,166 | 2,289,903 | 1,320,695 | 1,156,627 | (662,132) |
| Balance Sheet Lines (Pages 2 and 3) | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) | 43,534,548 | 41,181,110 | 39,028,434 | 36,513,135 | 31,902,200 |
| 20. Premiums and considerations (Page 2, Col. 3) | | | | | |
| 20.1 In course of collection (Line 15.1) | 3,674,483 | 3,889,119 | 4,101,832 | 3,912,128 | 3,917,160 |
| 20.2 Deferred and not yet due (Line 15.2) | (3,758) | (5,079) | 2,147 | 9,710 | 17,232 |
| 20.3 Accrued retrospective premiums (Line 15.3) | 0 | 0 | 0 | 0 | 0 |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26) | 20,559,622 | 20,551,465 | 20,479,002 | 19,690,684 | 21,250,885 |
| 22. Losses (Page 3, Line 1) | 7,893,634 | 8,083,542 | 7,991,045 | 7,783,981 | 7,900,642 |
| 23. Loss adjustment expenses (Page 3, Line 3) | 2,258,927 | 2,436,357 | 2,449,608 | 2,469,197 | 2,485,783 |
| 24. Unearned premiums (Page 3, Line 9) | 7,817,546 | 8,118,675 | 8,397,920 | 7,944,009 | 7,950,385 |
| 25. Capital paid up (Page 3, Lines 30 & 31) | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 26. Surplus as regards policyholders (Page 3, Line 37) | 22,974,926 | 20,629,645 | 18,549,432 | 16,822,451 | 10,651,315 |
| Cash Flow (Page 5) | | | | | |
| 27. Net cash from operations (Line 11) | 1,896,224 | 1,963,561 | 1,959,326 | (548,886) | 16,232,079 |
| Risk-Based Capital Analysis | | | | | |
| 28. Total adjusted capital | 22,974,926 | 20,629,645 | 18,549,432 | 16,822,451 | 10,651,315 |
| 29. Authorized control level risk-based capital | 1,530,954 | 1,653,062 | 1,728,844 | 1,629,759 | 1,770,418 |
| 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) | 93.5 | 98.5 | 98.3 | 82.3 | 95.7 |
| 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) | 4.9 | 1.5 | 1.7 | 17.7 | 4.3 |
| 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) | 1.6 | 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) | (50,266) | (56,667) | 107,244 | 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) | 2,345,281 | 2,080,213 | 1,726,981 | 6,171,136 | (24,331) |
| 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) | 25,606,922 | 27,190,586 | 20,713,327 | 8,091,400 | (1,235,915) |
| 54. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 14,244,824 | 14,735,447 | 13,461,947 | 6,353,231 | 3,448,770 |
| 55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 43,589,438 | 32,274,610 | 19,287,344 | 7,702,258 | 1,496,072 |
| 56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 3,698 | 3,847 | 4,573 | 7,268 | (8,802) |
| 57. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 0 | 0 | 0 | 0 | 0 |
| 58. Total (Line 35) | 83,444,882 | 74,204,490 | 53,467,191 | 22,154,157 | 3,700,125 |
| 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) | 5,014,716 | 5,469,379 | 5,260,527 | 5,034,794 | (1,235,915) |
| 60. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 3,373,290 | 3,490,760 | 3,600,083 | 3,512,917 | 3,448,770 |
| 61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 4,339,205 | 4,644,445 | 4,464,394 | 3,842,209 | 1,496,072 |
| 62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 3,698 | 3,847 | 4,573 | 7,268 | (8,802) |
| 63. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 0 | 0 | 0 | 0 | 0 |
| 64. Total (Line 35) | 12,730,909 | 13,608,431 | 13,329,577 | 12,397,188 | 3,700,125 |
| 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) | 20.6 | 21.5 | 24.4 | 29.8 | 27.3 |
| 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) | 89.5 | 107.3 | 120.9 | 127.2 | 280.7 |
| 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) | (905) | (581) | (284) | (540) | (775) |
| 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) | (4.4) | (3.1) | (1.7) | (5.1) | (7.3) |
| 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) | (1,030) | (581) | (911) | (1,139) | (727) |
| 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) | (5.6) | (3.5) | (8.6) | (10.7) | (7.0) |

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 | 2 | 3 | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | 10 | 11 | Number of Claims Reported Direct and Assumed |
| | | | | 4 | 5 | 6 | 7 | 8 | 9 | | | |
| | | | | | | | | | | | | |
| Direct and Assumed | Ceded | Net (Cols. 1 - 2) | Direct and Assumed | Ceded | Direct and Assumed | Ceded | Direct and Assumed | Ceded | Salvage and Subrogation Received | Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | | |
| 1. Prior | XXX | XXX | XXX | 11 | 17 | 5 | 0 | 0 | 0 | 4 | (1) | XXX |
| 2. 2002 | 16,950 | 647 | 16,303 | 10,973 | 792 | 473 | 13 | 1,255 | 1 | 528 | 11,895 | XXX |
| 3. 2003 | 19,500 | 733 | 18,768 | 11,651 | 745 | 541 | 13 | 1,450 | 1 | 556 | 12,882 | XXX |
| 4. 2004 | 20,705 | 693 | 20,011 | 10,210 | 142 | 506 | 4 | 1,561 | 0 | 579 | 12,132 | XXX |
| 5. 2005 | 21,012 | 767 | 20,246 | 9,951 | 100 | 454 | 12 | 1,534 | 0 | 573 | 11,827 | XXX |
| 6. 2006 | 21,869 | 906 | 20,963 | 11,331 | 516 | 405 | 1 | 1,781 | 0 | 570 | 12,998 | XXX |
| 7. 2007 | 22,719 | 774 | 21,945 | 12,353 | 478 | 386 | 3 | 1,688 | 0 | 668 | 13,946 | XXX |
| 8. 2008 | 22,449 | 1,038 | 21,411 | 13,701 | 1,406 | 354 | 7 | 1,820 | 1 | 617 | 14,459 | XXX |
| 9. 2009 | 23,134 | 1,167 | 21,967 | 12,854 | 357 | 225 | 1 | 1,811 | 0 | 652 | 14,533 | XXX |
| 10. 2010 | 23,548 | 1,140 | 22,409 | 11,927 | 143 | 129 | 0 | 1,877 | 0 | 680 | 13,790 | XXX |
| 11. 2011 | 22,125 | 1,255 | 20,870 | 10,399 | 1,547 | 61 | 1 | 1,611 | 0 | 393 | 10,524 | XXX |
| 12. Totals | XXX | XXX | XXX | 115,362 | 6,242 | 3,539 | 57 | 16,388 | 5 | 5,820 | 128,986 | 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. | 203 | 329 | 2 | 0 | 1 | 0 | 0 | 6 | 4 | 0 | 0 | (125) | xxx |
| 2. | 191 | 172 | 0 | 0 | 0 | 0 | 7 | 0 | 1 | 0 | 2 | 27 | xxx |
| 3. | 500 | 302 | (1) | 0 | 0 | 0 | 9 | 0 | 4 | 0 | 3 | 210 | xxx |
| 4. | 969 | 933 | 0 | 0 | 0 | 0 | 14 | 0 | 5 | 0 | 6 | 55 | xxx |
| 5. | 288 | 223 | 1 | 0 | 0 | 0 | 22 | 0 | 5 | 0 | 9 | 93 | xxx |
| 6. | 294 | 233 | 5 | 0 | 0 | 0 | 36 | 0 | 6 | 0 | 15 | 108 | xxx |
| 7. | 1,278 | 1,104 | 20 | 0 | 0 | 0 | 64 | 0 | 27 | 0 | 24 | 285 | xxx |
| 8. | 526 | 197 | 45 | 0 | 0 | 0 | 132 | 4 | 36 | 0 | 41 | 538 | xxx |
| 9. | 756 | 146 | 182 | 0 | 0 | 0 | 232 | 0 | 63 | 0 | 79 | 1,087 | xxx |
| 10. | 2,565 | 1,212 | 568 | 0 | 0 | 0 | 388 | 0 | 144 | 0 | 151 | 2,453 | xxx |
| 11. | 2,821 | 216 | 1,850 | 104 | 1 | 0 | 448 | 0 | 622 | 0 | 329 | 5,422 | xxx |
| 12. | 10,391 | 5,066 | 2,673 | 104 | 2 | 0 | 1,352 | 10 | 915 | 0 | 659 | 10,153 | 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 | (123) | (2) |
| 2. | 12,899 | 977 | 11,922 | 76.1 | 151.1 | 73.1 | 0 | 0 | | 19 | 8 |
| 3. | 14,154 | 1,062 | 13,092 | 72.6 | 144.9 | 69.8 | 0 | 0 | | 198 | 13 |
| 4. | 13,265 | 1,079 | 12,186 | 64.1 | 155.6 | 60.9 | 0 | 0 | | 35 | 19 |
| 5. | 12,255 | 335 | 11,920 | 58.3 | 43.7 | 58.9 | 0 | 0 | | 66 | 27 |
| 6. | 13,858 | 751 | 13,107 | 63.4 | 82.9 | 62.5 | 0 | 0 | | 66 | 42 |
| 7. | 15,816 | 1,586 | 14,230 | 69.6 | 204.8 | 64.8 | 0 | 0 | 2.0 | 194 | 91 |
| 8. | 16,614 | 1,616 | 14,998 | 74.0 | 155.7 | 70.0 | 0 | 0 | 2.0 | 375 | 164 |
| 9. | 16,123 | 504 | 15,620 | 69.7 | 43.2 | 71.1 | 0 | 0 | 2.0 | 792 | 294 |
| 10. | 17,599 | 1,356 | 16,243 | 74.7 | 118.9 | 72.5 | 0 | 0 | 2.0 | 1,921 | 532 |
| 11. | 17,814 | 1,868 | 15,946 | 80.5 | 148.8 | 76.4 | 0 | 0 | 2.0 | 4,351 | 1,071 |
| 12. | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | XXX | 7,894 | 2,259 |

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 | 3,044 | 3,308 | 3,134 | 3,370 | 3,322 | 3,368 | 3,333 | 3,330 | 3,314 | 3,148 | (166) | (182) |
| 2. 2002 | 11,232 | 10,565 | 10,721 | 10,701 | 10,661 | 10,662 | 10,681 | 10,664 | 10,660 | 10,667 | 7 | 3 |
| 3. 2003 | XXX | 11,931 | 11,520 | 11,619 | 11,561 | 11,515 | 11,470 | 11,471 | 11,459 | 11,640 | 181 | 169 |
| 4. 2004 | XXX | XXX | 11,294 | 10,959 | 10,827 | 10,713 | 10,660 | 10,646 | 10,631 | 10,620 | (11) | (26) |
| 5. 2005 | XXX | XXX | XXX | 10,967 | 10,831 | 10,631 | 10,509 | 10,423 | 10,373 | 10,381 | 8 | (41) |
| 6. 2006 | XXX | XXX | XXX | XXX | 12,103 | 11,641 | 11,512 | 11,395 | 11,343 | 11,320 | (23) | (75) |
| 7. 2007 | XXX | XXX | XXX | XXX | XXX | 12,956 | 12,780 | 12,646 | 12,559 | 12,516 | (43) | (130) |
| 8. 2008 | XXX | XXX | XXX | XXX | XXX | XXX | 13,299 | 13,385 | 13,324 | 13,143 | (181) | (242) |
| 9. 2009 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 14,251 | 13,968 | 13,746 | (222) | (506) |
| 10. 2010 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 14,679 | 14,222 | (456) | XXX |
| 11. 2011 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 13,714 | XXX | XXX |
| 12. Totals | | | | | | | | | | | (905) | (1,030) |

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 | 1,539 | 2,509 | 2,866 | 3,068 | 3,188 | 3,227 | 3,256 | 3,278 | 3,277 | XXX | XXX |
| 2. 2002 | 6,855 | 8,764 | 9,648 | 10,163 | 10,405 | 10,511 | 10,599 | 10,618 | 10,632 | 10,642 | XXX | XXX |
| 3. 2003 | XXX | 7,391 | 9,555 | 10,442 | 10,942 | 11,213 | 11,330 | 11,376 | 11,412 | 11,433 | XXX | XXX |
| 4. 2004 | XXX | XXX | 6,652 | 8,790 | 9,587 | 10,092 | 10,327 | 10,481 | 10,545 | 10,571 | XXX | XXX |
| 5. 2005 | XXX | XXX | XXX | 6,407 | 8,376 | 9,366 | 9,927 | 10,156 | 10,235 | 10,293 | XXX | XXX |
| 6. 2006 | XXX | XXX | XXX | XXX | 7,252 | 9,505 | 10,432 | 10,917 | 11,126 | 11,218 | XXX | XXX |
| 7. 2007 | XXX | XXX | XXX | XXX | XXX | 8,153 | 10,461 | 11,486 | 12,097 | 12,258 | XXX | XXX |
| 8. 2008 | XXX | XXX | XXX | XXX | XXX | XXX | 8,603 | 11,251 | 12,120 | 12,641 | XXX | XXX |
| 9. 2009 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9,142 | 11,849 | 12,721 | XXX | XXX |
| 10. 2010 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9,443 | 11,913 | XXX | XXX |
| 11. 2011 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 8,913 | 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 | 645 | 334 | 67 | 213 | 53 | 64 | 42 | 23 | 8 | (4) |
| 2. 2002 | 1,606 | 430 | 470 | 231 | 52 | 61 | 34 | 26 | 10 | 6 |
| 3. 2003 | XXX | 1,826 | 847 | 539 | 120 | 126 | 69 | 41 | 16 | 8 |
| 4. 2004 | XXX | XXX | 2,480 | 1,109 | 308 | 241 | 127 | 67 | 28 | 14 |
| 5. 2005 | XXX | XXX | XXX | 2,127 | 743 | 510 | 241 | 115 | 46 | 23 |
| 6. 2006 | XXX | XXX | XXX | XXX | 1,819 | 1,064 | 502 | 207 | 87 | 41 |
| 7. 2007 | XXX | XXX | XXX | XXX | XXX | 2,262 | 1,086 | 475 | 196 | 84 |
| 8. 2008 | XXX | XXX | XXX | XXX | XXX | XXX | 2,188 | 997 | 418 | 173 |
| 9. 2009 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,340 | 1,050 | 414 |
| 10. 2010 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,428 | 956 |
| 11. 2011 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,194 |

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 | .0 | |
| 2. Alaska | AK N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 3. Arizona | AZ N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 4. Arkansas | AR N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 5. California | CA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 6. Colorado | CO N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 7. Connecticut | CT N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 8. Delaware | DE N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 9. District of Columbia | DC N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 10. Florida | FL N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 11. Georgia | GA L | 18,634,226 | 19,039,293 | .0 | 11,206,545 | 11,683,676 | 5,910,746 | 745,540 | |
| 12. Hawaii | HI N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 13. Idaho | ID N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 14. Illinois | IL L | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 15. Indiana | IN L | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 16. Iowa | IA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 17. Kansas | KS N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 18. Kentucky | KY L | 27,203,097 | 28,174,842 | .0 | 18,635,564 | 17,482,599 | 10,291,485 | 515,830 | |
| 19. Louisiana | LA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 20. Maine | ME N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 21. Maryland | MD N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 22. Massachusetts | MA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 23. Michigan | MI N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 24. Minnesota | MN N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 25. Mississippi | MS N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 26. Missouri | MO N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 27. Montana | MT N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 28. Nebraska | NE N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 29. Nevada | NV N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 30. New Hampshire | NH N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 31. New Jersey | NJ N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 32. New Mexico | NM N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 33. New York | NY N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 34. North Carolina | NC N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 35. North Dakota | ND N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 36. Ohio | OH L | 48,890,944 | 43,335,083 | .0 | 40,768,539 | 43,702,608 | 8,540,645 | 1,156,485 | |
| 37. Oklahoma | OK N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 38. Oregon | OR N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 39. Pennsylvania | PA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 40. Rhode Island | RI N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 41. South Carolina | SC N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 42. South Dakota | SD N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 43. Tennessee | TN L | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 44. Texas | TX N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 45. Utah | UT N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 46. Vermont | VT N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 47. Virginia | VA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 48. Washington | WA N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 49. West Virginia | WV N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 50. Wisconsin | WI N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 51. Wyoming | WY N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 52. American Samoa | AS N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 53. Guam | GU N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 54. Puerto Rico | PR N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 55. U.S. Virgin Islands | VI N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 56. Northern Mariana Islands | MP N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 57. Canada | CN N | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 58. Aggregate other alien | OT XXX | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 59. Totals | (a) 6 | 94,728,267 | 90,549,218 | 0 | 70,610,648 | 72,868,883 | 24,742,876 | 2,417,855 | 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.

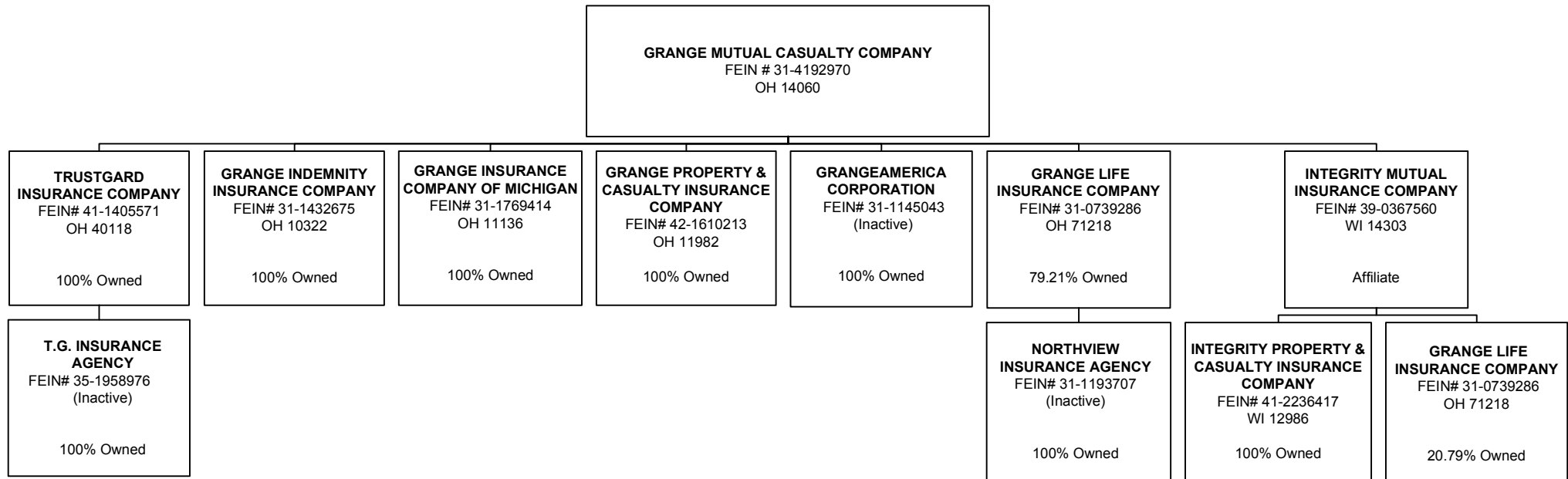
Explanation of basis of allocation of premiums by states, etc.

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 |

