



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

**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 (Current Period)	00267 (Prior Period)	NAIC Company Code	11982	Employer's ID Number	42-1610213
Organized under the Laws of	Ohio		, State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States					
Incorporated/Organized	04/01/2004		Commenced Business	05/21/2004		
Statutory Home Office	671 South High Street (Street and Number)		, Columbus, OH 43206-1014		(City or Town, State and Zip Code)	
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		, Columbus, OH 43216-1218		(City or Town, State and Zip Code)	
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH 43206-1014		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)			
	ackermannnd@grangeinsurance.com (E-Mail Address)		614-449-3757 (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 of Ohio
County of Franklin **ss**

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

THOMAS HOWARD WELCH
PRESIDENT & CEO

DAVID TRUFANT ROARK
VP & SECRETARY

JOHN PAUL MCCAFFREY
VP & CFO

Subscribed and sworn to before me this
24th day of February, 2012

a. Is this an original filing? Yes [] No []
b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Teresa J. Burchwell, Notary Public
April 28, 2012

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 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

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

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	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	0
8. Borrowed money \$ and interest thereon \$	0	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	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	15,473	15,213
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	607,157	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	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	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	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	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	0
36.2 shares preferred (value included in Line 31 \$)	0	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	0
2502.	0	0
2503.	0	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	0
2902.	0	0
2903.	0	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	0
3202.	0	0
3203.	0	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

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

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

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

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

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

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.

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

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

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	6	7	8
	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

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
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.

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	335,659	0	0	335,659
1.2 Reinsurance assumed	325,774	0	0	325,774
1.3 Reinsurance ceded	335,659	0	0	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	0	0	13,542,136
2.2 Reinsurance assumed, excluding contingent	3,137,278	0	0	3,137,278
2.3 Reinsurance ceded, excluding contingent	13,542,136	0	0	13,542,136
2.4 Contingent-direct	1,189,972	0	0	1,189,972
2.5 Contingent-reinsurance assumed	225,758	0	0	225,758
2.6 Contingent-reinsurance ceded	1,189,972	0	0	1,189,972
2.7 Policy and membership fees	0	0	0	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	0	82,557	0	82,557
5. Boards, bureaus and associations	16,111	36,038	103	52,252
6. Surveys and underwriting reports	0	259,154	0	259,154
7. Audit of assureds' records	0	8,255	0	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 \$	0	451,629	0	451,629
20.2 Insurance department licenses and fees	0	20,126	0	20,126
20.3 Gross guaranty association assessments	0	(426)	0	(426)
20.4 All other (excluding federal and foreign income and real estate)	0	2,891	0	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	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured plans	0	0	0	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	0	0	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 Collected During Year	2 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	0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)	0	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 \$
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$
- (d) Includes \$
- (e) Includes \$
- (f) Includes \$
- (g) Includes \$
- (h) Includes \$
- (i) Includes \$

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 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	0
5. Contract loans					
6. Cash, cash equivalents and short-term investments			0	0	0
7. Derivative instruments			0	0	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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 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 or amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
- (7) The company has no investments in subsidiaries, controlled and affiliated entities.
- (8) The company has no ownership interests in joint ventures, partnerships and limited liability companies.
- (9) All derivatives are stated at fair value.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period
- (13) The Company does not have pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased (decreased) unassigned funds (surplus), of \$0 as of 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) CUSIP	(2) Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized Other-Than- Temporary Impairment for the Current Period	(5) Amortized Cost After Other- Than Temporary Impairment	(6) Fair Value at end of Current Period	(7) 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	<u><u>607,145</u></u>

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	<u><u>607,157</u></u>	<u><u>607,160</u></u>

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
NONE

7. INVESTMENT INCOME

NONE EXCLUDED

8. DERIVATIVE INSTRUMENTS
NONE

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

NOTES TO FINANCIAL STATEMENTS

9. FEDERAL INCOME

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

(1)	DTA/DTL Components Description	2011			2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross deferred tax assets Statutory valuation allowance adjustment (enter as "-")	818,225	0	818,225	850,078	9,186	859,264	(31,853)	(9,186)	(41,040)
(b)	Adjusted gross deferred tax assets	0	0	0	0	0	0	0	0	0
(c)	Gross deferred tax liabilities	818,225	0	818,225	850,078	9,186	859,264	(31,853)	(9,186)	(41,040)
(d)	Net deferred tax asset/(liability) before admissibility test	(36,007)	0	(36,007)	(33,342)	(27,067)	(60,409)	(2,665)	27,067	24,402
(e)	Deferred tax assets nonadmitted	782,218	0	782,218	816,736	(17,881)	798,855	(34,518)	17,881	(16,637)
(f)	Net admitted deferred tax asset/(liability)	(6,951)	0	(6,951)	0	0	0	(6,951)	0	(6,951)
(g)		775,267	0	775,267	816,736	(17,881)	798,855	(41,469)	17,881	(23,588)
					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.:									
(4)	Admission calculation components:	2011			2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	With ¶ 10.e.	775,267	0	775,267	816,736	(17,881)	798,855	(41,469)	17,881	(23,588)
	With ¶s 10.a.-c.	667,507	0	667,507	720,439	(17,881)	702,559	(52,932)	17,881	(35,052)
	Increase attributable to application of ¶ 10.e.	107,760	0	107,760	96,297	0	96,297	11,463	0	11,463
(b)	Admission calculation under ¶10.a.-¶10.c.									
(c)	Admitted pursuant to ¶10.a.	667,507	0	667,507	693,373	9,186	702,559	(25,866)	(9,186)	(35,052)
(d)	Admitted pursuant to ¶10.b.(lesser of i. or ii.)	0	0	0	0	0	0	0	0	0
(e)	¶10.b.i.	0	0	0	0	0	0	N/A	N/A	0
(f)	¶10.b.ii.	N/A	N/A	2,138,300	N/A	N/A	1,909,804	N/A	N/A	228,497
(g)	Admitted pursuant to ¶10.c.	36,007	0	36,007	60,408	1	60,409	(24,402)	(1)	(24,402)
(h)	Total admitted under ¶¶10.a.-10.c.	703,514	0	703,514	753,781	9,186	762,968	(50,268)	(9,186)	(59,454)
(i)	Deferred tax liabilities	(36,007)	0	(36,007)	(33,342)	(27,067)	(60,409)	(2,665)	27,067	24,402
(j)	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)
(k)	Admission calculation under ¶10.e.i.-10.e.iii.									
(l)	Admitted pursuant to ¶10.e.i.	721,392	0	721,392	749,401	9,186	758,587	(28,009)	(9,186)	(37,195)
(m)	Admitted pursuant to ¶10.e.ii. (lesser of a. or b.)	53,875	0	53,875	56,018	0	56,018	(2,143)	0	(2,143)
(n)	¶10.e.ii.a..	53,875	0	53,875	56,018	0	56,018	N/A	N/A	(2,143)
(o)	¶10.e.ii.b.	N/A	N/A	3,207,450	N/A	N/A	2,864,705	N/A	N/A	342,745
(p)	Admitted pursuant to ¶10.e.iii.	36,007	0	36,007	44,659	0	44,659	(8,652)	(0)	(8,652)
(q)	Total admitted under ¶¶10.e.i.-10.e.iii.	811,274	0	811,274	850,078	9,186	859,264	(38,804)	(9,186)	(47,991)
(r)	Deferred tax liabilities	(36,007)	0	(36,007)	(33,342)	(27,067)	(60,409)	(2,665)	27,067	24,402
(s)	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)
(t)	Used in ¶10.d.									
(u)	Total adjusted capital	N/A	N/A	22,974,926	N/A	N/A	20,533,348	N/A	N/A	2,441,578
(v)	Authorized control level	N/A	N/A	1,530,954	N/A	N/A	1,653,062	N/A	N/A	(122,108)
(w)	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
(a)	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
(b)	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
(c)	Adjusted statutory surplus from most recently filed statement	N/A	N/A	21,880,971	N/A	N/A	20,533,348	N/A	N/A	1,347,623
(d)	Total adjusted capital from DTAs included above	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	<u>987,548</u>	<u>853,317</u>

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			
		December 31, 2011	December 31, 2010	Change
(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
Affiliate:	Trustgard Insurance Company	40118
	Grange Indemnity Insurance Company	10322
	Grange Insurance Company of Michigan	11136
	Grange Property & Casualty Insurance Company	11982
	Integrity Mutual Insurance Company	14303
	Integrity Property & Casualty Insurance Company	12986
		84.0%
		3.5%
		4.0%
		2.5%
		2.0%
		3.3%
		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 [X] 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 [X] 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 [X]
- 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 [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]
- 4.12 renewals? Yes [] No [X]
- 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 [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 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. Yes [] No [X]

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 [X]
- 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 [X]
- 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
.....
.....
.....
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 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 involved.....0
- 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 [X]
- 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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 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 [X] 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 [X] 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 [X] 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 [X]
- 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 [X]
- 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 [X]
- 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 [X] 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 [X]
- 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 [X] 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 [X] No [] NA []
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] 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 [X] No [] NA []

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

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 [] 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	\$.....
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 []

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] N/A []

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 []

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 [] 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 Polar is 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 []

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
.....
.....
.....

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

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	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
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$ 0	\$ 0
2.2 Premium Denominator	\$ 20,869,981	\$ 22,408,624
2.3 Premium Ratio (2.1/2.2)	.....0.000	.....0.000
2.4 Reserve Numerator	\$ 12,829	\$ 12,961
2.5 Reserve Denominator	\$ 17,970,108	\$ 18,638,574
2.6 Reserve Ratio (2.4/2.5)	.....0.001	.....0.001

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

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

3.21 Participating policies \$ 0

3.22 Non-participating policies \$ 0

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [X] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0.0 %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]

5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

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

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No [X]

5.5 If yes, give full information

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 unreinsured catastrophic loss

Yes [X] No []

- 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)?.....
Yes [] No [X] 0
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....
Yes [] No []
- 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)?.....
Yes [] No [X]
- 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?.....
Yes [] No [X]
- 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 noncancelable 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.....
Yes [] No [X]
- 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.....
Yes [] No [X]
- 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?.....
Yes [] No [X]
- 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 []

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

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 | 12.11 Unpaid losses..... | \$.....0 |
| 12.12 | 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 | 12.41 From..... | 0.0 % |
| 12.42 | 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 | 12.61 Letters of Credit..... | \$.....0 |
| 12.62 | 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 | |

* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**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	\$.....	0
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.....	\$.....	0

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

	Gross amount of unauthorized reinsurance in Schedule F – Part 3	\$.....	0
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. \$.....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	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

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

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 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

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

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 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
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 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Expense		35 Losses Unpaid	36 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.

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

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 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	14,251	13,968	13,746	(222)	(506)	
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,679	14,222	(456)	XXX	
11. 2011	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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 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)										10 2011
	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	

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

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
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
59. Totals		(a)	6	94,728,267	90,549,218	0	70,610,648	72,868,883	24,742,876
									2,417,855

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.

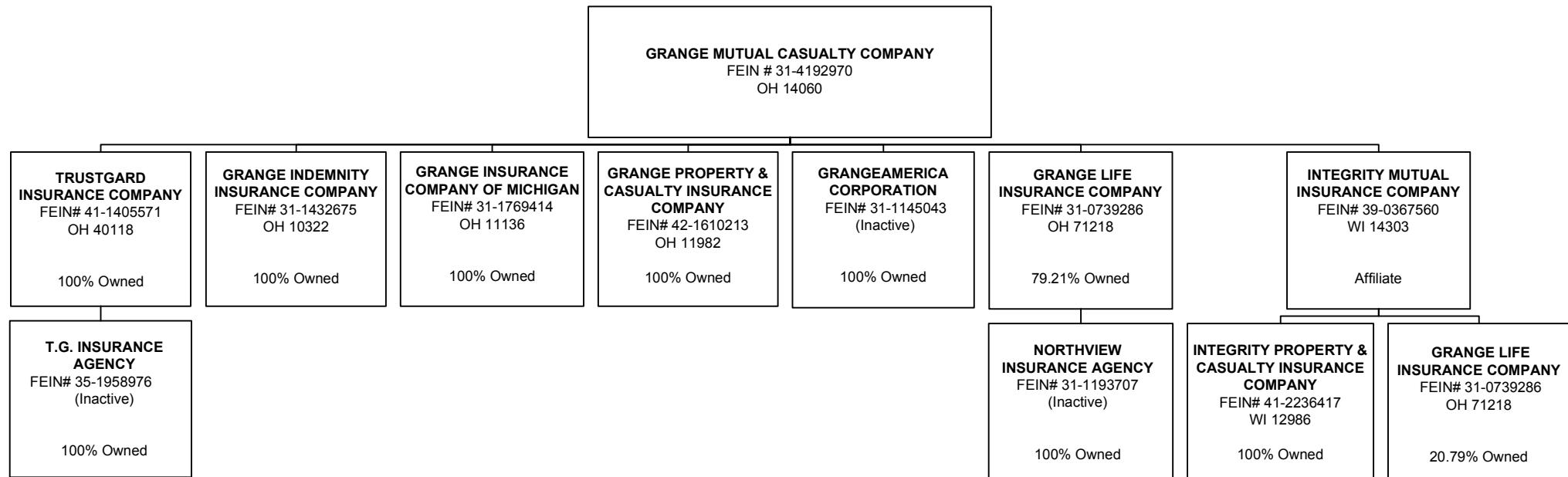
Location of the risk.

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

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

**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

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