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PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT

For the Year Ended December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

GRANGE MUTUAL CASUALTY COMPANY

NAIC Group Code 00267 (Current Period), 00267 (Prior Period) NAIC Company Code 14060 Employer's ID Number 31-4192970

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Incorporated/Organized 03/25/1935 Commenced Business 04/20/1935

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 (City or Town, State and Zip Code) 614-445-2900 (Area Code) (Telephone Number)

Mail Address 671 South High Street (Street and Number or P.O. Box), Columbus, OH 43206-1014 (City or Town, State and Zip Code)

Primary Location of Books and Records 671 South High Street (Street and Number) Columbus, OH 43206-1014 (City or Town, State and Zip Code) 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)

ackermannd@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 (NMN) AMMENDOLA	PRESIDENT - PERSONAL LINES	ALAN DUANE BRANNAN	VP - CHIEF STRATEGY OFFICER
MICHAEL ANTHONY BUZEK	VP - CUSTOMER EXPERIENCE	LAVAWN DEE COLEMAN	VP - ASSISTANT SECRETARY
DOREEN YVONNE DELANEY	VP - CHIEF HUMAN RESOURCES OFFICER	ELIZABETH MARIE DINNIN	PRESIDENT - COMMERCIAL LINES
CAROL LYNN DRAKE	VP - MARKETING	MICHAEL CHARLES FERGANG	VP -CHIEF INFORMATION OFFICER
BARRY EUGENE HUNLOCK	VP - PERSONAL LINES	PETER MICHAEL MCMURTRIE	VP - CHIEF CLAIMS OFFICER
JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS	CURTIS MARTIN PARKER	VP - CHIEF ACTUARY
MARK CLARENCE RUSSELL	VP - INSURANCE OPERATIONS	DOUGLAS LEWIS SHARP	VP - SALES

DIRECTORS OR TRUSTEES

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

State of Ohio
ss
County of Franklin

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

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

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

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

Teresa J. Burchwell, Notary Public
April 28, 2012

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	856,196,120		856,196,120	796,468,899
2. Stocks (Schedule D):				
2.1 Preferred stocks	2,139,725		2,139,725	1,944,884
2.2 Common stocks	395,558,043		395,558,043	394,347,151
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	5,761,666		5,761,666	9,021,976
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ .... encumbrances)	114,876,524		114,876,524	119,919,612
4.2 Properties held for the production of income (less $ .... encumbrances)	12,485,460		12,485,460	12,834,934
4.3 Properties held for sale (less $ .... encumbrances)	305,000		305,000	395,000
5. Cash ($ 10,183,816 , Schedule E-Part 1), cash equivalents ($ 0 , Schedule E-Part 2) and short-term investments ($ 5,572,199 , Schedule DA)	15,756,015		15,756,015	71,607,721
6. Contract loans (including $ .... premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	51,569,980		51,569,980	53,837,742
9. Receivables for securities	506,272		506,272	145,221
10. Securities lending reinvested collateral assets (Schedule DL)	51,067,508		51,067,508	49,012,088
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,506,222,313	0	1,506,222,313	1,509,535,228
13. Title plants less $ .... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	10,320,756		10,320,756	10,033,725
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	155,521,415	1,193,115	154,328,300	163,343,017
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ (157,852) earned but unbilled premiums)	(172,338)	(14,486)	(157,852)	(213,320)
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	5,764,223	392,549	5,371,674	467,095
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	6,172,895		6,172,895	9,395,034
18.2 Net deferred tax asset	39,603,129	12,590,208	27,012,921	25,290,123
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	6,747,048		6,747,048	4,805,562
21. Furniture and equipment, including health care delivery assets ($ ....)	9,511,620	9,511,620	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	2,853,953
24. Health care ($ ....) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	39,726,324	39,272,801	453,523	367,126
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,779,417,385	62,945,807	1,716,471,578	1,725,877,543
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	1,779,417,385	62,945,807	1,716,471,578	1,725,877,543
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. Prepaid Pension Expense	30,000,000	30,000,000	0	0
2502. Personal Loans	8,878,992	8,878,992	0	0
2503. Miscellaneous Loans	393,809	393,809	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	453,523	0	453,523	367,126
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	39,726,324	39,272,801	453,523	367,126

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	331,532,635	339,508,714
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	4,275	(889)
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	94,874,948	102,327,049
4. Commissions payable, contingent commissions and other similar charges	8,518,275	10,199,583
5. Other expenses (excluding taxes, licenses and fees)	26,155,583	25,200,851
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	9,769,332	10,903,341
7.1 Current federal and foreign income taxes (including $ 2,760,741 on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money $ .... and interest thereon $		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 66,658,895 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)	328,336,940	340,984,384
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	649,885	638,929
12. Ceded reinsurance premiums payable (net of ceding commissions)	(2,889,764)	(3,646,582)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others	44,450	34,305
15. Remittances and items not allocated		0
16. Provision for reinsurance (Schedule F, Part 7)	0	35,259
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding	(10,413)	10,582
19. Payable to parent, subsidiaries and affiliates	1,918,501	0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending	51,067,508	49,012,088
23. Liability for amounts held under uninsured plans		0
24. Capital notes $ .... and interest thereon $		0
25. Aggregate write-ins for liabilities	27,909,012	33,907,194
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	877,881,168	909,114,808
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	877,881,168	909,114,808
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock		0
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	35,000,000	35,000,000
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	803,590,410	781,762,735
36. Less treasury stock, at cost:		
36.1 .... shares common (value included in Line 30 $ ....)		0
36.2 .... shares preferred (value included in Line 31 $ ....)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	838,590,410	816,762,735
38. Totals (Page 2, Line 28, Col. 3)	1,716,471,578	1,725,877,543
DETAILS OF WRITE-INS		
2501. Reserve for checks written off	1,652,695	1,443,826
2502. Deferred compensation	24,812,240	31,063,806
2503. Suspense	37,733	1,256
2598. Summary of remaining write-ins for Line 25 from overflow page	1,406,344	1,398,306
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	27,909,012	33,907,194
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	876,539,182	941,162,094
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	526,722,103	575,438,880
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	91,179,990	99,843,933
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	273,967,015	298,847,120
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	891,869,108	974,129,933
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(15,329,926)	(32,967,839)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	27,350,073	30,989,147
10. Net realized capital gains (losses) less capital gains tax of $ 2,760,741 (Exhibit of Capital Gains (Losses))	5,127,089	5,059,916
11. Net investment gain (loss) (Lines 9 + 10)	32,477,162	36,049,063
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered $ 79,599 amount charged off $ 6,915,232)	(6,835,633)	(8,579,853)
13. Finance and service charges not included in premiums	15,275,823	17,772,691
14. Aggregate write-ins for miscellaneous income	613,681	1,056,694
15. Total other income (Lines 12 through 14)	9,053,871	10,249,532
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	26,201,107	13,330,756
17. Dividends to policyholders	2,565,191	2,717,938
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)	23,635,916	10,612,818
19. Federal and foreign income taxes incurred	(1,518,464)	(3,031,051)
20. Net income (Line 18 minus Line 19) (to Line 22)	25,154,380	13,643,869
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	816,762,735	781,053,320
22. Net income (from Line 20)	25,154,380	13,643,869
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ (1,963,155)	7,195,753	31,462,458
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	1,068,638	(518,271)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(11,626,355)	1,092,151
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	35,259	29,208
29. Change in surplus notes		(10,000,000)
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1. Paid in		0
32.2. Transferred from surplus (Stock Dividend)		0
32.3. Transferred to surplus		0
33. Surplus adjustments:		
33.1. Paid in		0
33.2. Transferred to capital (Stock Dividend)		0
33.3. Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	21,827,675	35,709,415
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	838,590,410	816,762,735
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Miscellaneous income	613,681	1,056,694
1402.		0
1403.		0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	613,681	1,056,694
3701.		0
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	873,651,270	935,781,935
2. Net investment income	37,424,191	39,662,312
3. Miscellaneous income	9,053,871	10,249,532
4. Total (Lines 1 through 3)	920,129,332	985,693,779
5. Benefit and loss related payments	537,597,595	571,281,914
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	375,337,948	396,546,697
8. Dividends paid to policyholders	2,554,235	2,797,762
9. Federal and foreign income taxes paid (recovered) net of $ 2,760,741 tax on capital gains (losses)	(1,979,862)	(7,498,959)
10. Total (Lines 5 through 9)	913,509,916	963,127,414
11. Net cash from operations (Line 4 minus Line 10)	6,619,416	22,566,365
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	275,146,013	237,344,402
12.2 Stocks	70,239,847	54,738,554
12.3 Mortgage loans	3,013,579	5,890,760
12.4 Real estate	494,216	1,507,952
12.5 Other invested assets	3,242,930	1,708,383
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	(1,100,000)	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	351,036,585	301,190,051
13. Cost of investments acquired (long-term only):		
13.1 Bonds	333,797,271	221,925,944
13.2 Stocks	62,772,386	72,868,416
13.3 Mortgage loans	0	0
13.4 Real estate	951,712	6,777,667
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	361,051	4,025,316
13.7 Total investments acquired (Lines 13.1 to 13.6)	397,882,420	305,597,343
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)	(46,845,835)	(4,407,292)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	(10,000,000)
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
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(15,625,287)	(9,719,911)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(15,625,287)	(19,719,911)
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)	(55,851,706)	(1,560,838)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	71,607,721	73,168,559
19.2 End of year (Line 18 plus Line 19.1)	15,756,015	71,607,721

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	11,109,584	6,607,700	6,443,192	11,274,093
2.	Allied lines	6,337,174	3,743,943	3,651,435	6,429,681
3.	Farmowners multiple peril	14,483,570	7,378,179	7,438,382	14,423,367
4.	Homeowners multiple peril	177,555,413	105,679,110	102,586,745	180,647,778
5.	Commercial multiple peril	79,020,422	38,128,222	39,487,181	77,661,463
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	6,910,455	3,978,405	3,737,974	7,150,886
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	2,211,801	1,361,899	1,268,736	2,304,964
13.	Group accident and health	88,815	0	0	88,815
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	24,217,195	10,407,931	12,029,283	22,595,843
17.1	Other liability - occurrence	10,509,507	4,869,927	5,248,167	10,131,267
17.2	Other liability - claims-made	5,411	1,866	1,648	5,630
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability-occurrence	49,612	14,672	20,019	44,266
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	275,880,667	76,892,035	67,385,144	285,387,558
19.3,19.4	Commercial auto liability	50,192,097	21,889,990	23,632,035	48,450,053
21.	Auto physical damage	205,285,666	60,013,852	55,393,152	209,906,366
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	34,348	16,653	13,849	37,153
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	863,891,738	340,984,384	328,336,940	876,539,182
DETAILS OF WRITE-INS					
3401.		0	0	0	0
3402.		0	0	0	0
3403.		0	0	0	0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	6,443,192				6,443,192
2.	Allied lines	3,651,435				3,651,435
3.	Farmowners multiple peril	7,438,382				7,438,382
4.	Homeowners multiple peril	102,586,745				102,586,745
5.	Commercial multiple peril	39,487,181				39,487,181
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	3,737,974				3,737,974
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	1,268,736				1,268,736
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	12,029,283				12,029,283
17.1	Other liability-occurrence	5,248,167				5,248,167
17.2	Other liability-claims-made	1,648				1,648
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	20,019				20,019
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	67,385,144				67,385,144
19.3,19.4	Commercial auto liability	23,632,035				23,632,035
21.	Auto physical damage	55,393,152				55,393,152
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	13,849				13,849
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	328,336,940	0	0	0	328,336,940
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					328,336,940
	DETAILS OF WRITE-INS					
3401.						0
3402.						0
3403.						0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1.	Fire	9,995,659	3,973,104	246,221	2,116,111	989,288	11,109,584
2.	Allied lines	5,259,663	2,666,550	92,889	1,207,081	474,848	6,337,174
3.	Farmowners multiple peril	17,728,160	370,962	0	2,758,775	856,776	14,483,570
4.	Homeowners multiple peril	101,254,186	120,017,192	613,701	33,820,079	10,509,587	177,555,413
5.	Commercial multiple peril	82,756,221	19,146,002	0	15,051,509	7,830,292	79,020,422
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	4,939,440	3,718,535	0	1,316,277	431,243	6,910,455
10.	Financial guaranty						0
11.1	Medical professional liability-occurrence						0
11.2	Medical professional liability-claims-made						0
12.	Earthquake	1,793,170	999,326	0	421,296	159,399	2,211,801
13.	Group accident and health	105,732	0	0	16,917	0	88,815
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	10,101,015	20,044,570	198,173	4,612,799	1,513,764	24,217,195
17.1	Other liability-occurrence	15,609,766	2,939,167	0	2,001,811	6,037,616	10,509,507
17.2	Other liability-claims-made	6,142	300	0	1,031	0	5,411
17.3	Excess workers' compensation						0
18.1	Products liability-occurrence	52,235	6,970	0	9,450	143	49,612
18.2	Products liability-claims-made						0
19.1,19.2	Private passenger auto liability	164,591,413	164,314,575	0	52,548,698	476,623	275,880,667
19.3,19.4	Commercial auto liability	37,514,322	22,482,435	12,298	9,560,400	256,558	50,192,097
21.	Auto physical damage	137,539,046	110,075,428	340	39,102,032	3,227,117	205,285,666
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft	13,959	26,932	0	6,543	0	34,348
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	589,260,128	470,782,048	1,163,622	164,550,807	32,763,253	863,891,738
DETAILS OF WRITE-INS							
3401.							0
3402.							0
3403.							0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	7,567,387	3,598,813	2,898,844	8,267,355	1,424,879	1,184,979	8,507,255	75.5
2.	Allied lines	2,491,363	1,785,587	1,050,489	3,226,461	787,074	1,141,259	2,872,277	44.7
3.	Farmowners multiple peril	11,145,207	362,874	3,778,956	7,729,124	2,569,972	1,741,206	8,557,891	59.3
4.	Homeowners multiple peril	88,998,546	91,697,876	48,760,301	131,936,121	29,940,423	30,857,592	131,018,952	72.5
5.	Commercial multiple peril	54,891,403	12,369,051	24,679,276	42,581,178	50,952,130	49,155,398	44,377,910	57.1
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	2,028,725	2,068,701	701,704	3,395,722	575,377	712,878	3,258,221	45.6
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence	0	16	3	14	0	0	14	0.0
11.2	Medical professional liability-claims-made				0	0	0	0	0.0
12.	Earthquake				0	1	1	(1)	0.0
13.	Group accident and health	186,667	0	29,867	156,801	537,746	543,347	151,200	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	5,915,584	9,617,552	3,698,239	11,834,897	27,436,128	24,273,679	14,997,346	66.4
17.1	Other liability-occurrence	7,913,463	947,525	6,217,684	2,643,304	5,348,183	3,537,784	4,453,703	44.0
17.2	Other liability-claims-made	(4,910)	0	(786)	(4,124)	220,025	197,887	18,013	320.0
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence	0	993	159	834	32,495	25,761	7,568	17.1
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	95,778,463	108,767,314	32,727,331	171,818,447	175,727,158	191,821,411	155,724,194	54.6
19.3,19.4	Commercial auto liability	21,817,404	7,140,572	4,633,276	24,324,700	39,469,644	36,310,304	27,484,040	56.7
21.	Auto physical damage	83,486,370	72,266,292	28,967,399	126,785,263	(3,514,188)	(2,020,327)	125,291,402	59.7
22.	Aircraft (all perils)	0	208	33	175	365	357	183	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety	0	(1,756)	(281)	(1,475)	0	24,595	(26,070)	0.0
26.	Burglary and theft	0	4,030	645	3,385	25,225	605	28,005	75.4
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	382,215,674	310,625,648	158,143,140	534,698,183	331,532,635	339,508,714	526,722,103	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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Reported Losses				Incurred But Not Reported			8	9
Line of Business	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	Net Losses Unpaid (Cols. 4 +5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	459,911	384,858	167,135	677,634	751,216	255,540	259,511	1,424,879	586,875
2. Allied lines	170,229	219,383	73,546	316,067	398,793	197,299	125,085	787,074	402,777
3. Farmowners multiple peril	2,000,394	128,747	405,506	1,723,635	1,148,212	23,696	325,570	2,569,972	759,283
4. Homeowners multiple peril	6,492,953	15,653,526	3,965,055	18,181,424	8,349,793	7,614,727	4,205,521	29,940,423	9,063,087
5. Commercial multiple peril	34,267,420	5,476,052	15,134,306	24,609,165	23,182,537	8,494,583	5,334,156	50,952,130	26,520,345
6. Mortgage guaranty				0				0	
8. Ocean marine				0				0	
9. Inland marine	105,846	316,949	68,667	354,128	146,284	119,505	44,541	575,377	180,977
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	1	0	0	1	0
13. Group accident and health	640,174	0	102,428	537,746				(a) 537,746	1,072
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				(a) 0	
16. Workers' compensation	14,985,319	11,990,273	10,693,713	16,281,879	3,520,279	9,758,589	2,124,619	27,436,128	4,026,225
17.1 Other liability-occurrence	3,062,540	745,345	1,550,167	2,257,719	2,831,441	847,683	588,660	5,348,183	668,993
17.2 Other liability-claims-made	260,000	0	41,600	218,400	1,848	86	309	220,025	1,383
17.3 Excess workers' compensation				0				0	
18.1 Products liability-occurrence	0	23,975	3,836	20,139	13,994	716	2,354	32,495	16,348
18.2 Products liability-claims-made				0				0	
19.1,19.2 Private passenger auto liability	63,363,320	76,653,611	22,402,709	117,614,222	31,041,809	38,140,258	11,069,131	175,727,158	40,483,166
19.3,19.4 Commercial auto liability	13,923,002	12,395,635	4,210,982	22,107,656	14,787,312	5,881,721	3,307,045	39,469,644	6,410,672
21. Auto physical damage	(5,662,400)	(4,884,443)	(1,604,363)	(8,942,480)	3,829,068	3,119,389	1,520,164	(3,514,188)	5,753,713
22. Aircraft (all perils)		434	69	365	0	0	0	365	
23. Fidelity				0				0	
24. Surety				0				0	
26. Burglary and theft	0	29,269	4,683	24,586	188	573	122	25,225	33
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	134,068,710	119,133,614	57,220,040	195,982,284	90,002,775	74,454,364	28,906,787	331,532,635	94,874,948
DETAILS OF WRITE-INS									
3401.				0				0	
3402.				0				0	
3403.				0				0	
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	8,465,232			8,465,232
1.2 Reinsurance assumed	7,823,454			7,823,454
1.3 Reinsurance ceded	2,606,190			2,606,190
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	13,682,496	0	0	13,682,496
2. Commission and brokerage:				
2.1 Direct, excluding contingent		90,125,267		90,125,267
2.2 Reinsurance assumed, excluding contingent		70,246,070		70,246,070
2.3 Reinsurance ceded, excluding contingent		28,605,667		28,605,667
2.4 Contingent-direct		7,187,437		7,187,437
2.5 Contingent-reinsurance assumed		4,100,470		4,100,470
2.6 Contingent-reinsurance ceded		1,806,065		1,806,065
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	141,247,511	0	141,247,511
3. Allowances to manager and agents	72,621	1,743,112	1,881	1,817,614
4. Advertising		3,467,386		3,467,386
5. Boards, bureaus and associations	676,661	1,513,602	4,044	2,194,307
6. Surveys and underwriting reports		10,884,479		10,884,479
7. Audit of assureds' records		346,695		346,695
8. Salary and related items:				
8.1 Salaries	41,917,560	45,662,383	758,100	88,338,043
8.2 Payroll taxes	3,321,903	3,653,080	59,107	7,034,089
9. Employee relations and welfare	12,531,527	15,132,032	229,519	27,893,078
10. Insurance	602,538	695,167	41,198	1,338,902
11. Directors' fees	636,420	796,532	17,019	1,449,971
12. Travel and travel items	2,173,313	2,346,419	41,465	4,561,197
13. Rent and rent items	2,613,635	603,526	4,742,947	7,960,108
14. Equipment	1,587,660	2,932,285	17,410	4,537,355
15. Cost or depreciation of EDP equipment and software	926,581	1,577,713	26,176	2,530,470
16. Printing and stationery	335,048	1,236,984	8,101	1,580,134
17. Postage, telephone and telegraph, exchange and express	2,481,231	7,985,351	206,851	10,673,434
18. Legal and auditing	535,790	1,314,005	13,007	1,862,802
19. Totals (Lines 3 to 18)	70,412,489	101,890,749	6,166,826	178,470,064
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $		18,968,424		18,968,424
20.2 Insurance department licenses and fees		845,291		845,291
20.3 Gross guaranty association assessments		(17,909)		(17,909)
20.4 All other (excluding federal and foreign income and real estate)		121,411		121,411
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	19,917,217	0	19,917,217
21. Real estate expenses			5,075,328	5,075,328
22. Real estate taxes			2,596,608	2,596,608
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	7,085,004	10,911,538	1,424,699	19,421,241
25. Total expenses incurred	91,179,990	273,967,015	15,263,461	(a) 380,410,466
26. Less unpaid expenses-current year	94,874,948	41,124,319	3,318,871	139,318,138
27. Add unpaid expenses-prior year	102,327,051	43,863,160	2,440,615	148,630,825
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	98,632,092	276,705,856	14,385,204	389,723,152
DETAILS OF WRITE-INS				
2401. Software Expense	3,447,071	4,288,741	163,228	7,899,041
2402. Miscellaneous Expense	2,251,476	4,740,297	1,214,039	8,205,813
2403. Donations	315,203	374,421	8,157	697,781
2498. Summary of remaining write-ins for Line 24 from overflow page	1,071,254	1,508,078	39,274	2,618,607
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	7,085,004	10,911,538	1,424,699	19,421,241

(a) Includes management fees of $ .... 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) 2,084,326	1,907,981
1.1	Bonds exempt from U.S. tax	(a) 13,076,021	12,825,372
1.2	Other bonds (unaffiliated)	(a) 21,341,767	22,060,696
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 182,345	193,377
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	4,790,491	4,807,246
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c) 412,642	399,329
4.	Real estate	(d) 7,590,391	7,590,391
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 66,903	47,526
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	230,502	230,502
10.	Total gross investment income	49,775,388	50,062,420
11.	Investment expenses		(g) 15,263,461
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 1,509,241
14.	Depreciation on real estate and other invested assets		(i) 5,939,645
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		22,712,347
17.	Net investment income (Line 10 minus Line 16)		27,350,073
	DETAILS OF WRITE-INS		
0901.	Securities Lending Income	222,479	222,479
0902.	Miscellaneous	8,023	8,023
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)	230,502	230,502
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes $ 1,279,937 accrual of discount less $ 4,832,876 amortization of premium and less $ 2,036,573 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 9,691 accrual of discount less $ 0 amortization of premium and less $ paid for accrued interest on purchases.
(d) Includes $ 5,435,056 for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ 721 accrual of discount less $ 22,476 amortization of premium and less $ 35,624 paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 1,509,241 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 5,939,645 depreciation on real estate and $ 0 depreciation on other invested assets.

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	4,056,391		4,056,391	460,493	
1.1	Bonds exempt from U.S. tax	1,077,497		1,077,497		
1.2	Other bonds (unaffiliated)	705,709	(969,808)	(264,099)	(701,381)	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	313,956	0	313,956	19,964	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	3,658,311	(272,317)	3,385,994	(8,006,693)	0
2.21	Common stocks of affiliates	0	0	0	13,159,973	0
3.	Mortgage loans	(381,422)	0	(381,422)	125,000	0
4.	Real estate	76,478	(76,891)	(413)		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	0	0
7.	Derivative instruments			0		
8.	Other invested assets	799,926	0	799,926	175,242	0
9.	Aggregate write-ins for capital gains (losses)	(1,100,000)	0	(1,100,000)	0	0
10.	Total capital gains (losses)	9,206,846	(1,319,016)	7,887,830	5,232,598	0
	DETAILS OF WRITE-INS					
0901.	Settlement for Previously Closed Subsidiary	(1,100,000)		(1,100,000)		
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)	(1,100,000)	0	(1,100,000)	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	1,193,115	1,215,386	22,271
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	(14,486)	6,708	21,194
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	392,549	2,392,549	2,000,000
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	12,590,208	11,281,214	(1,308,994)
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	9,511,620	11,304,970	1,793,350
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	39,272,801	25,118,625	(14,154,176)
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	62,945,807	51,319,452	(11,626,355)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	62,945,807	51,319,452	(11,626,355)
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Pension Expense	30,000,000	15,000,000	(15,000,000)
2502. Personal Loans	8,878,992	9,390,711	511,719
2503. Miscellaneous Loans	393,809	727,914	334,105
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)	39,272,801	25,118,625	(14,154,176)

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 changed 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.

(a) The Company owns 100% of the common stock of the following subsidiaries:

(i) GrangeAmerica,
(ii) Grange Indemnity Insurance Company
(iii) Grange Insurance Company of Michigan
(iv) Trustgard Insurance Company
(v) Grange Property & Casualty Insurance Company

(b) The Company owns 79.21% of the common stock of its subsidiary Grange Life Insurance Company

(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) Accounting policies with respect to investments in affiliated companies; see Note 1.C.(3)

(8) The company has minor ownership interests in joint ventures. The company carries these interests based on the underlying audited GAAP equity of the investee.

(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 is 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

NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans

			Current Year	Prior Year
1.	N/A - The Company did not originate any new loans during 2011. The Company did not purchase new loans in 2011.			
2.	During 2011, the Company did not reduce interest rates of any outstanding mortgage loans.			
3.	N/A – The Company did not originate any new loans.			
4.	As of yearend, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest		$0	$0
	a.	Total interest due on mortgages with interest more than 180 days past due	$0	$0
5.	Taxes, assessments and any amounts advanced and not included in the mortgage loan total		$0	$0
6.	Current year impaired loans with a related allowance for credit losses		$0	$0
	a.	Related allowance for credit losses	$0	$0
7.	Impaired Mortgage loans without an allowance for credit losses		$0	$0
8.	Average recorded investment in impaired loans		$0	$0
9.	Interest income recognized during the period the loans were impaired		$0	$0
10.	Amount of interest income recognized on a cash basis during the period the loans were impaired		$0	$0
11.	Allowance for credit losses:			
	a.	Balance at beginning of period	$250,000	$1,750,000
	b.	Additions charged to operations	$0	$0
	c.	Direct write-downs charged against the allowance	$125,000	$1,500,000
	d.	Recoveries of amounts previously charged off	$0	$0
	e.	Balance at end of period	$125,000	$250,000
12.	The Company recognizes interest income on impaired loans upon receipt.			

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)

	(1) Amortized Cost Basis Before Other-than-Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss	(3) Fair Value 1-2
OTTI recognized 1st Qtr			
a) Intent to Sell	0	0	0
b) Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.	0	0	0
c) Total 1st Qtr	0	0	0
OTTI recognized 2nd Qtr			
d) Intent to Sell	0	0	0
e) Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.	0	0	0
f) Total 2nd Qtr	0	0	0
OTTI recognized 3rd Qtr			
g) Intent to Sell	1,363,411	0	1,363,411
h) Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.	0	0	0
i) Total 3rd Qtr	1,363,411	0	1,363,411
OTTI recognized 4th Qtr			
j) Intent to Sell	0	0	0
k) Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.	0	0	0
l) Total 4th Qtr	0	0	0

NOTES TO FINANCIAL STATEMENTS

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
65535VPD4	1,928,088	1,961,700	33,612	1,961,700	1,957,026	3/31/2011
225470M75	1,811,405	1,465,042	346,363	1,465,042	860,358	6/30/2011
525221CL9	1,414,021	1,364,400	49,621	1,364,400	1,370,428	6/30/2011
65535VPD4	1,959,668	1,923,300	36,368	1,923,300	1,896,042	6/30/2011
525221CL9	1,363,411	1,331,754	31,657	1,331,754	1,331,754	9/30/2011

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	(121,601)
2 Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:	
1 Less than 12 Months	7,999,585
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 held with an intent to sell were other-than-temporarily impaired to current fair value. 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	50,994,760
Securities Received	4,759,253
Total Collateral Received	55,754,013

4. NONE
5. COLLATERAL REINVESTMENT

Aggregate Amount Cash Collateral Reinvested

	Amortized Cost	Fair Value
Open	51,067,508	51,067,723
Securities Received	4,759,253	4,759,253
Total Collateral Reinvested	55,826,761	55,826,976

F. REAL ESTATE

(1) Not Applicable
(2) Real Estate Held for Sale
(a) Real estate classified as held for sale consists of properties owned by the Company that were residential mortgage loans that have been foreclosure on and subsequently transferred from Schedule B to Schedule A. See Schedule A – Part 1 for a complete list of the residential properties held for sale at December 31. Properties held for sale are actively marketed using local real estate agents through a third-party administrator in order to maximize exposure to the market, the timeliness of the sale and the sale proceeds. The Company fully intends to dispose of these assets within the next 12 months.
(b) See Schedule A – Part 3 for a complete list of the properties disposed of during the year and the respective gain or loss recognized on the sale.
(3) None
(4) None
(5) None

G. LOW INCOME HOUSING TAX CREDITS
NONE

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. INVESTMENT INCOME

NONE EXCLUDED

8. DERIVATIVE INSTRUMENTS
NONE

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 Ordinary	2011 Capital	2011 Total	2010 Ordinary	2010 Capital	2010 Total	Change Ordinary	Change Capital	Change Total
(a)	Gross deferred tax assets	62,604,323	9,632,213	72,236,536	61,702,091	9,543,804	71,245,895	902,232	88,409	990,642
(b)	Statutory valuation allowance adjustment (enter as "-")	0	0	0	0	0	0	0	0	0
(c)	Adjusted gross deferred tax assets	62,604,323	9,632,213	72,236,536	61,702,091	9,543,804	71,245,895	902,232	88,409	990,642
(d)	Gross deferred tax liabilities	(7,524,920)	(25,108,488)	(32,633,408)	(6,747,739)	(27,926,819)	(34,674,558)	(777,181)	2,818,331	2,041,150
(e)	Net deferred tax asset/(liability) before admissibil	55,079,403	(15,476,274)	39,603,129	54,954,352	(18,383,015)	36,571,337	125,051	2,906,741	3,031,792
(f)	Deferred tax assets nonadmitted	(12,590,208)	0	(12,590,208)	(11,281,214)	0	(11,281,214)	(1,308,994)	0	(1,308,994)
(g)	Net admitted deferred tax asset/(liability)	42,489,195	(15,476,274)	27,012,921	43,673,138	(18,383,015)	25,290,123	(1,183,943)	2,906,741	1,722,797

		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.:

Description	2011 Ordinary	2011 Capital	2011 Total	2010 Ordinary	2010 Capital	2010 Total	Change Ordinary	Change Capital	Change Total
With ¶ 10.e.	42,489,196	(15,476,274)	27,012,921	43,673,138	(18,383,015)	25,290,123	(1,183,942)	2,906,741	1,722,798
With ¶s 10.a.-c.	40,389,195	(15,476,274)	24,912,921	43,673,138	(18,383,015)	25,290,123	(3,283,943)	2,906,741	(377,202)
Increase attributable to application of ¶ 10.e.	2,100,001	0	2,100,001	0	0	0	2,100,001	0	2,100,001

(4) Admission calculation components:

	Description	2011 Ordinary	2011 Capital	2011 Total	2010 Ordinary	2010 Capital	2010 Total	Change Ordinary	Change Capital	Change Total
(a)	Admitted pursuant to ¶10.a.	0	0	0	0	0	0	0	0	0
(b)	Admitted pursuant to ¶10.b.(lesser of i. or ii.)	24,912,921	0	24,912,921	25,290,123	0	25,290,123	(377,202)	0	(377,202)
(c)	¶10.b.i.	24,912,921	0	24,912,921	25,290,123	0	25,290,123	N/A	N/A	(377,202)
(d)	¶10.b.ii.	N/A	N/A	77,411,993	N/A	N/A	75,985,904	N/A	N/A	1,426,089
(e)	Admitted pursuant to ¶10.c.	23,001,194	9,632,213	32,633,407	25,130,754	9,543,804	34,674,558	(2,129,560)	88,409	(2,041,150)
(f)	Total admitted under ¶¶10.a.-10.c.	47,914,115	9,632,213	57,546,328	50,420,877	9,543,804	59,964,681	(2,506,761)	88,409	(2,418,352)
	Deferred tax liabilities	(7,524,920)	(25,108,488)	(32,633,408)	(6,747,739)	(27,926,819)	(34,674,558)	(777,181)	2,818,331	2,041,150
	Net admitted deferred tax asset/liability under ¶10.a.-¶10.c.	40,389,195	(15,476,274)	24,912,921	43,673,138	(18,383,015)	25,290,123	(3,283,943)	2,906,741	(377,202)

NOTES TO FINANCIAL STATEMENTS

		2011			2010			Change		
	Admission calculation under ¶10.e.i.-10.e.iii.									
(g)	Admitted pursuant to ¶10.e.i.	0	0	0	0	0	0	0	0	0
(h)	Admitted pursuant to ¶10.e.ii. (lesser of a. or b.)	27,012,921	0	27,012,921	25,290,123	0	25,290,123	1,722,798	0	1,722,798
(i)	¶10.e.ii.a..	27,012,921	0	27,012,921	25,290,123	0	25,290,123	N/A	N/A	1,722,798
(j)	¶10.e.ii.b.	N/A	N/A	116,117,989	N/A	N/A	113,978,855	N/A	N/A	2,139,133
(k)	Admitted pursuant to ¶10.e.iii.	23,001,194	9,632,213	32,633,407	25,130,754	9,543,804	34,674,558	(2,129,560)	88,409	(2,041,150)
(l)	Total admitted under ¶10.e.i.-10.e.iii.	50,014,115	9,632,213	59,646,329	50,420,877	9,543,804	59,964,681	(406,761)	88,409	(318,352)
	Deferred tax liabilities	(7,524,920)	(25,108,488)	(32,633,407)	(6,747,739)	(27,926,819)	(34,674,557)	(777,181)	2,818,331	2,041,150
	Net admitted deferred tax asset/liability under ¶10.e.	42,489,196	(15,476,274)	27,012,921	43,673,138	(18,383,015)	25,290,123	(1,183,942)	2,906,741	1,722,798
	Used in ¶10.d.									
(m)	Total adjusted capital from most recently filed statement	N/A	N/A	836,490,409	N/A	N/A	816,762,735	N/A	N/A	19,727,674
(n)	Authorized control level	N/A	N/A	84,902,563	N/A	N/A	90,743,568	N/A	N/A	5,841,005
	Adjusted capital/Authorized control level	N/A	N/A	985.24%	N/A	N/A	900.08%	N/A	N/A	85.16%

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

		2011			2010			Change		
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
	Adjusted gross DTAs - Amount	0	0	0	0	0	0	0	0	0
(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:

		2011			2010			Change		
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
	Admission calculation under ¶10.a.-¶10.c.									
(a)	Admitted DTAs	40,389,195	(15,476,274)	24,912,921	43,673,138	(18,383,015)	25,290,123	(3,283,943)	2,906,741	(377,202)
(b)	Admitted assets	N/A	N/A	1,714,371,577	N/A	N/A	1,725,877,543	N/A	N/A	(11,505,966)
(c)	Adjusted statutory surplus from most recently filed statement	N/A	N/A	836,490,409	N/A	N/A	816,762,735	N/A	N/A	19,727,674
(d)	Total adjusted capital from DTAs included above	N/A	N/A	836,490,409	N/A	N/A	816,762,735	N/A	N/A	19,727,674
	Increases due to admission under ¶10.e.i.-10.e.iii.									
(e)	Admitted DTAs	2,100,001	0	2,100,001	0	0	0	2,100,001	0	2,100,001
(f)	Admitted assets	N/A	N/A	2,100,001	N/A	N/A	0	N/A	N/A	2,100,001
(g)	Statutory surplus	N/A	N/A	2,100,001	N/A	N/A	0	N/A	N/A	2,100,001

NOTES TO FINANCIAL STATEMENTS

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 (benefit)	(6,164,028)	(5,503,228)
(b)	Foreign taxes	0	0
(c)	Subtotal	(6,164,028)	(5,503,228)
(d)	Tax on capital gains/(losses)	2,760,741	2,724,570
(e)	Utilization of capital loss carryforwards	0	0
(f)	Other, including prior year underaccrual (overaccrual)	4,645,564	2,472,178
(g)	Federal and foreign income taxes incurred	1,242,276	(306,480)

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

(2)	DTAs Resulting From Book/Tax Differences In	December 31, 2011	December 31, 2010	Change
(a)	Ordinary			
(1)	Discounting of unpaid losses and LAE	9,084,740	10,276,843	(1,192,103)
(2)	Unearned premiums	22,983,586	23,868,907	(885,321)
(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	12,705,656	14,026,340	(1,320,685)
(9)	Pension accruals	0	0	0
(10)	Nonadmitted assets	7,124,460	8,763,383	(1,638,924)
(11)	Net operating loss carryforward	6,585,126	1,732,491	4,852,635
(12)	Tax credit carryforward	3,552,861	2,967,453	585,408
(13)	Other (separately disclose items >5%)	567,894	14,481	553,413
	Gross ordinary DTAs	62,604,323	61,649,898	954,424
(b)	Statutory valuation adjustment adjustment - ordinary (-)	0	0	0
(c)	Nonadmitted ordinary DTAs (-)	(12,590,208)	(11,281,214)	(1,308,994)
(d)	Admitted ordinary DTAs	50,014,115	50,368,685	(354,570)
(e)	Capital			
(1)	Investments	9,588,463	8,493,029	1,095,434
(2)	Net capital loss carryforward	0	963,275	(963,275)
(3)	Real estate	0	0	0
(4)	Other (separately disclose items >5%)	0	0	0
	Unrealized capital losses	0	0	0
	Gross capital DTAs	9,588,463	9,456,304	132,159
(f)	Statutory valuation adjustment - capital (-)	0	0	0
(g)	Nonadmitted capital DTAs (-)	0	0	0
(h)	Admitted capital DTAs	9,588,463	9,456,304	132,159
(i)	Admitted DTAs	59,602,578	59,824,989	(222,410)

NOTES TO FINANCIAL STATEMENTS

(3)	DTLs Resulting From Book/Tax Differences In	December 31, 2011	December 31, 2010	Change
(a)	Ordinary			
(1)	Investments	(1,246,190)	(953,621)	(292,569)
(2)	Fixed assets	(5,779,571)	(5,183,323)	(596,248)
(3)	Deferred and uncollected premiums	0	0	0
(4)	Policyholder reserves/salvage and subrogation	(412,305)	(471,750)	59,444
(5)	Other (separately disclose items >5%)	(86,854)	(86,854)	0
	Ordinary DTLs	(7,524,920)	(6,695,547)	(829,373)
(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	(25,064,738)	(27,839,319)	2,774,581
	Capital DTLs	(25,064,738)	(27,839,319)	2,774,581
(c)	DTLs	(32,589,657)	(34,534,866)	1,945,209
(4)	Net deferred tax assets/liabilities	27,012,921	25,290,123	1,722,798

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	72,236,536	71,245,895	990,641
Total deferred tax liabilities	(32,633,408)	(34,674,558)	2,041,150
Net deferred tax assets/liabilities	39,603,129	36,571,337	3,031,791
Statutory valuation allowance (*see explanation below)	0	0	0
Net deferred tax assets/liabilities after SVA	39,603,129	36,571,337	3,031,791
Tax effect of unrealized gains/(losses)	25,064,738	27,839,319	(2,774,581)
Statutory valuation allowance adjustment allocated to unrealized (+)	0	0	0
Change in net deferred income tax [(charge)/benefit]	64,667,866	64,410,656	257,210

*Statutory valuation allowance

NONE

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

The provision for federal income taxes incurred is different from that which would be obtained
by applying the statutory federal income tax rate to income before income taxes. The
significant items causing this difference are as follows:

NOTES TO FINANCIAL STATEMENTS

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	26,396,657	9,238,830	35.00%
Tax-Exempt Interest	(12,825,372)	(4,488,880)	-17.01%
Dividends Received Deduction	(2,722,502)	(952,876)	-3.61%
Proration	2,332,181	816,263	3.09%
Change in non-admitted assets	4,682,639	1,638,924	6.21%
Meals & Entertainment	700,000	245,000	0.93%
Statutory Valuation Allowance Adjustment	0	0	0.00%
Non-admitted prepaid pension	(15,000,000)	(5,250,000)	-19.89%
Other, Including Prior Year True-Up	(1,305,823)	(262,195)	-0.99%
Total	2,257,780	985,066	3.73%

Federal income taxed incurred [expense/(benefit)]		(1,518,464)	-5.75%
Tax on capital gains/(losses)		2,760,741	10.46%
Change in net deferred income tax [charge/(benefit)]		(257,210)	-0.97%
Total statutory income taxes		985,066	3.73%

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: $18,814,645

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: $3,533,735

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	0	0	0
2011	0	0	0
Total	-	0	-

Deposits admitted under IRC § 6603
None

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

Trustgard Insurance Company
Grange Indemnity Insurance Company
Grange Insurance Company of Michigan
Grange Property & Casualty Insurance Company
Grange America Corporation
T.G. Insurance Agency, Inc.

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.

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 $1,918,501 as amounts payable to its Subsidiaries and Affiliates. The terms of the settlement require that these amounts be settled within 45 days. Subsidiary, Grange Life Insurance Company , reimburse the parent company, Grange Mutual Casualty Company, for salaries, F.I.C.A., employee relations and welfare, directors' fees, travel, rent, equipment, and printing and stationery monthly. Subsidiaries, Trustgard Insurance Company, Grange Insurance Company of Michigan, Grange Property & Casualty Insurance Company, and Grange Indemnity Insurance Company reimburse the parent company, Grange Mutual Casualty Company, for salaries, F.I.C.A., and employee relations and welfare monthly. Other expenses and Intercompany receivable and/or payable balances are reimbursed quarterly on an as made basis.
E. NONE
F. NONE
G. NONE
H. NONE
I. NONE
J. NONE
K. NONE

11. DEBT

A. NONE
B. 1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company participated in the Cash Management Advance Program in 2011. During the year, a cash advance in the amount of $1,000,000 was received and subsequently paid off after two weeks, in October 2011. It is the Company's strategy to utilize cash advances for operations, and any funds obtained from the FHLB of Cincinnati for operations would be accounted for consistent with SSAP No. 15, Debt and Holding Company Obligations as borrowed money.

The table below indicates the amount of FHLB of Cincinnati stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLB Cincinnati.

	2011	2010
2) FHLB stock purchased/owned as part of the agreement:		
Purchased:	115,200	43,700
Owned as of December 31:	2,608,900	2,493,700
3) Approved securities as collateral to the FHLB	85,264,120	63,835,029
4) Borrowing capacity currently available	57,926,014	29,810,170
4) Agreement assets and liabilities		
General Account:		
a. Assets	0	0
b. Liabilities	0	0
Separate Account:		
c. Assets	0	0
d. Liabilities	0	0

12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREMENT BENEFIT PLANS

The Company offers a defined benefit plan (Plan), amended and restated, to its full time employees that were hired on or before December 31, 2006. Under the terms of the Plan, participants are eligible to receive normal retirement benefits upon reaching age 65. A participant may elect an early retirement date at a reduced benefit upon reaching age 55 and completing 5 years of credited service. The normal form of benefits is a life annuity for single participants and a 50% joint and survivor pension for married participants. Optional forms of benefit payments are available at the election of the participant. Under the provisions of the Plan, benefits are determined by applying factors specified in the Plan to a participant's defined average monthly compensation. The terms of the Plan provide that participants who were covered under the Plan prior to amendment and restatement, shall receive a benefit at least equal to that determined on the former basis. Complete vesting occurs with the completion of 5 years of credited service. The Company's contributions to the Plan are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The Company uses a December 31 measurement date for the Plan.

In addition to the Plan, the Company sponsors a defined benefit plan (Postretirement Plan) that provides postretirement health care and life insurance benefits to participants upon reaching age 55 and completing 10 years of credited service. The Postretirement Plan covers employees that were hired on or before December 31, 2005. The Postretirement Plan is contributory, with retiree contributions adjusted annually, and contains other cost-sharing features, such as deductibles and coinsurance. The accounting for the Postretirement Plan anticipates future cost-sharing changes to the written plan that are consistent with the Company's expressed intent to increase the retiree contribution rate annually for the expected general inflation rate for that year. The Company's policy is to pay the cost of benefits with cash flows from current operations; therefore, there were no Postretirement Plan assets as of December 31, 2011 or 2010. The Company uses a December 31 measurement date for the Postretirement Plan.

NOTES TO FINANCIAL STATEMENTS

The following table sets forth the benefit obligation, fair value of plan assets, and funded status of the Plan and Postretirement Plan as of December 31, 2011 and 2010:

	Pension Benefits		Postretirement Benefits	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Change in benefit obligation:				
Benefit obligation at beginning of year	118,879,163	99,376,413	28,392,635	27,356,699
Service cost	8,994,592	7,283,310	1,907,913	2,053,828
Interest cost	6,732,216	6,072,825	1,580,804	1,662,275
Actuarial loss	16,337,116	10,172,274	3,929,401	921,246
Benefits Paid	(8,128,467)	(4,025,659)	(2,249,120)	(1,420,146)
Plan Change	-	-	-	(2,181,267)
Benefit obligation at end of year	142,814,620	118,879,163	33,561,633	28,392,635
Change in plan assets:				
Fair value of plan assets at beginning of year	91,914,623	77,683,788	-	-
Actual return on plan assets	1,326,446	10,660,036	-	-
Employer contribution	24,784,899	7,596,458	2,249,120	1,420,146
Benefits Paid	(8,128,467)	(4,025,659)	(2,249,120)	(1,420,146)
Fair value of plan assets at end of year	109,897,501	91,914,623	-	-
Funded status	(32,917,119)	(26,964,540)	(33,561,633)	(28,392,635)
Unrecognized net actuarial loss	63,133,956	42,245,330	8,693,829	5,200,676
Unrecognized prior service cost	-	-	(3,038,744)	(3,725,804)
Unrecognized initial net (asset) obligation	(216,837)	(280,790)	-	-
Net amount recognized	30,000,000	15,000,000	(27,906,548)	(26,917,763)

There were no amendments to the Plan or Postretirement Plan during the years ended December 31, 2011 and 2010. During 2010 there was a change in the Postretirement Plan assumptions to reduce the anticipated participation rate at retirement from 80% to 70%. This change in assumptions is based on historical experience of the Postretirement Plan.

As of December 31, 2011 all participants in the Plan are 100% vested. The projected benefit obligation for non-vested employees covered under the Plan was $0 and $2,637,119 at December 31, 2011 and 2010, respectively. The accumulated benefit obligation for non-vested employees covered under the Plan was $0 and $1,386,900 at December 31, 2011 and 2010, respectively.

The accumulated benefit obligation for the Plan was $108,730,239 and $88,321,369 at December 31, 2011 and 2010, respectively.

Assumptions used in calculating the benefit obligations and funded status of the pension and postretirement benefits for 2011 and 2010 were as follows:

	Pension Benefits		Postretirement Benefits	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Discount rate	4.90%	5.75%	4.90%	5.75%
Rate of future compensation increase	3.68%	3.86%	N/A	N/A

The components of the net periodic costs for the Plan and the Postretirement Plan for the years ended December 31, 2011 and 2010 were as follows:

	Pension Benefits		Postretirement Benefits	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Service cost	8,994,592	7,283,310	1,907,913	2,053,828
Interest cost on projected benefit obligation	6,732,216	6,072,825	1,580,804	1,662,275
Expected return on plan assets	(7,961,781)	(7,008,596)	-	-
Amortization of prior service cost	-	-	(687,060)	(645,177)
Amortization of initial net (asset) obligation	(63,963)	(63,963)	-	-
Recognized net actuarial loss	2,083,825	1,312,882	436,248	250,651
Net periodic benefit cost	9,784,889	7,596,458	3,237,905	3,321,577

Assumptions used in calculating the net periodic pension cost for the Plan for 2011 and 2010 were as follows:

	12/31/2011	12/31/2010
Discount rate	5.75%	6.25%
Expected long-term rate of return on plan assets	8.00%	8.00%
Rate of future compensation increase	3.86%	3.92%

NOTES TO FINANCIAL STATEMENTS

Assumptions used in calculating the net periodic postretirement benefit cost for the Postretirement Plan for 2011 and 2010 were as follows:

	12/31/2011	12/31/2010
Discount rate	5.75%	6.25%
Assumed health care cost trend rate:		
Initial rate	8.00%	9.00%
Ultimate Rate	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2017	2015

The effect of a one percentage point change in the assumed health care cost trend rate would impact the postretirement benefit obligation as follows:

	1-Percentage-Point Increase		1-Percentage-Point Decrease	
	2011	2010	2011	2010
Effect on total of service and interest cost components	505,060	618,801	(413,306)	(501,797)
Effect on postretirement benefit obligation	4,039,183	2,899,138	(3,365,696)	(2,444,666)

The Plan's asset allocation at December 31, 2011 and 2010 by asset category and the target asset allocation for 2012 are as follows:

	Target Percentage Allocation	Percentage of Plan Assets At Fair Value	
	2012	2011	2010
Equity securities	65.0%	55.4%	65.4%
Debt securities	24.0%	22.4%	22.6%
Commodities	5.0%	3.6%	5.0%
Hedge Funds	5.0%	3.9%	3.6%
Cash equivalents	1.0%	14.7%	3.4%
	100.0%	**100.0%**	**100.0%**

The assets of the Plan are managed to maximize total investment returns and provide sufficient funding for present and anticipated future benefit obligations within the constraints of a prudent level of portfolio risk and asset diversification.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical compound rates of return realized on Plan assets and the future expectations for returns by each asset class, as well as the target asset allocation of the overall portfolio. Evaluation of these factors resulted in the selection of the 8.00% long-term rate of return assumption that was used to calculate the net periodic pension cost for the Plan. The expected long-term rate of return on assets is a long-term assumption and generally does not change annually.

The Company's expected contributions to the Plan and Postretirement Plan are approximately $7,695,000 and $1,840,000 during 2012, respectively. The source for the funding will be cash flow from operating activities.

The following benefit payments, which reflect expected future service, are expected to be paid by the Plan and Postretirement Plan as follows:

		Postretirement Benefits	
Calendar Year	Pension Benefits	Gross Payments	Subsidy Receipts
2012	3,988,366	2,036,658	196,860
2013	4,758,106	2,064,694	236,722
2014	5,460,130	2,258,690	269,061
2015	5,714,850	2,366,583	309,542
2016	6,435,478	2,453,384	353,764
2017 through 2021	45,934,836	14,979,409	2,496,596

The benefits expected to be paid are based on the same assumptions used to measure the Company's benefit obligation at December 31, 2011 and include estimated future employee service.

As a supplement to the benefits provided under the Plan, the Company sponsors an additional defined benefit plan (Supplemental Plan) for certain of its management and highly compensated employees (as defined). Under the terms of the Supplemental Plan, a participant's benefit is equal to the benefit which would have been earned under the Plan, if the provisions of the Plan were administered without regard to the annual compensation limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, reduced by the benefits earned under the Plan. Participants are eligible to begin receiving benefits under the Supplemental Plan as of the date in which benefit payments begin under the Plan. The normal form of benefits is a life annuity for single participants and a 50% joint and survivor pension for married participants. Optional forms of benefit payments available under the Plan are also available to participants under the Supplemental Plan. The projected benefit obligation for the Supplemental Plan was $1,278,512 and $788,811 at December 31, 2011 and 2010, respectively. The net periodic cost for the Supplemental Plan was $196,221 and $98,349 in 2011 and 2010, respectively. The Company's policy is to pay the costs arising from the Supplemental Plan with cash flows from current operations; therefore, there were no Supplemental Plan assets as of December 31, 2011 or 2010. The Company uses a December 31 measurement date for the Supplemental Plan.

The Company also offers a defined benefit plan (Board Plan), amended and restated, for non-employee members of the Board who were first elected to the Board on or before January 1, 1996. Under the terms of the Board Plan, participants are eligible to receive retirement benefits upon reaching age 60 and completing 5 years of credited service. Under the provisions of the Board Plan, benefits are equal to the participant's annual retainer in effect on the date of retirement and continue for the lifetime of the participant. The projected benefit obligation for the Board Plan was $4,828,053 and $4,402,468 at December 31, 2011 and 2010, respectively. The net periodic cost for the Board Plan was $247,951 and $295,891 in 2011 and 2010, respectively. The Company's policy is to pay the costs arising from the Board Plan with cash flows from current operations; therefore, there were no Board Plan assets as of December 31, 2011 or 2010. The Company uses a December 31 measurement date for the Board Plan.

NOTES TO FINANCIAL STATEMENTS

In addition to the defined benefit plans described in the preceding paragraphs, the Company offers a defined contribution plan (Grange DC Plan) in which employees who have not made an election whether to participate or not are automatically enrolled with a 6% of base pay contribution rate following thirty days of employment (was 3% of base pay for 2010). New employees may opt out of the automatic enrollment process. A participant may authorize payroll deductions ranging from 1% to 50% of their base salary (in 1% increments) utilizing one or more of the following contribution options available within the Plan: 1) basic contributions (before-tax contributions); 2) Roth contributions; 3) after-tax contributions; and 4) catch-up contributions, if the participant is age 50 or older. The total dollar amount that may be contributed by a participant each calendar year is subject to certain limitations, as defined by the Plan. In addition, the total percentage deducted as basic, Roth, and after-tax contributions may not exceed 50% of a participant's base salary. The Company contributes a 50% match of each participant's basic and Roth contributions that does not exceed 6% of compensation. Such contributions made by the Company were approximately $2,343,000 and $2,297,000 in 2011 and 2010, respectively.

There were no amendments to the Grange DC Plan during the years ended December 31, 2011 and 2010.

The Grange DC Plan also provides that additional employer contributions (as defined) may be made in such amounts as determined by the Board. Only participants who have made basic or Roth contributions during an accounting year (as defined) and have a basic or Roth contribution account on the last day of such accounting year are eligible to receive the additional employer contribution. Additional employer contributions are made in proportion to basic or Roth contributions made by eligible employee participants during such accounting year, less withdrawals. Additional employer contributions were approximately $0 and $460,000 in 2011 and 2010, respectively.

All employee contributions to the Grange DC Plan are 100% vested at all times. All employer matching and additional employer contributions are 100% vested after a participant has completed 2 years of service with the Company.

In addition to the Grange DC Plan described in the preceding paragraphs, the Company offers a defined contribution plan, referred to as RA Accounts, to employees of the Company who are hired on or after January 1, 2007, as they are not eligible to participate in the Plan. The Company makes a RA Account contribution to each participant who is in the active employment of the Company as of the last day of the RA Account plan year (December 31). The amount of the Company's contribution to each participant is determined based on a formula that takes into account an employee's salary, age and years of credited service.

Employer contributions to the RA Accounts become 100% vested upon the employee completing three years of credited service. The Company contributed approximately $711,000 and $572,000 to the RA Accounts in 2011 and 2010, respectively.

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

6. NONE
7. NONE
8. NONE
9. NONE
10. NONE
11. NONE
12. NONE
13. NONE
14. NONE
15. NONE
16.

	Surplus Notes:	I-Preferred Term Securities III, LTD.	I-Preferred Term Securities III, LTD.
a.	Date Issued	October, 29 2003	October, 29 2003
b.	Assets received	$15,000,000	$20,000,000
c.	Holder of the note	U. S. Bank, N.A.	U. S. Bank, N.A.
d.	Par value	$15,000,000	$20,000,000
e.	Carrying value of the note	$15,000,000	$20,000,000
f.	Interest rate	3-Month LIBOR + 3.95%	3-Month LIBOR + 3.95%
g.	Stated term of the note	30 years	30 years
h.	Unapproved interest or principal	$0	$0
i.	Interest and/or principal paid current year	$646,846	$862,461
j.	Total interest/principal paid on surplus notes	$8,040,999	$10,721,309

k. Subordination terms: In the event of the rehabilitation, liquidation, conservation, dissolution, reorganization or receivership of the Company, the claims under the Surplus Notes shall be paid out of any assets remaining after payment of all Policy Claims and all Senior Indebtedness of the Company. Provided however that the claims of any holder of a Surplus Note shall not be subordinated to the claim of any other holder of a Surplus Note. The payment by the Company of the principal of, and premium, if any, and interest on all Surplus Notes shall, to the extent and in the manner hereinafter set forth, be subordinated and junior in right of payment to the prior payment in full of all Policy Claims an Senior Indebtedness of the Company, whether outstanding at the date of this Indenture or thereafter incurred.

l. Liquidation preference to the reporting entity's common and preferred shareholders: Not Applicable

m. Repayment conditions and restrictions: All payments of interest on and repayment of principal of these Surplus Notes may only be made with the prior approval of The Ohio Department of Insurance (Department). There are no specific limitations on the extent of the Department's discretion in determining whether the financial condition of the Company warrants the making of such payments.

n. NONE

12. NONE
13. NONE

14. CONTINGENCIES

A. Contingent Commitments – None
B. Assessments – In the ordinary course of business, The Company receives notification of potential assessments as a result of the insolvency of insurance companies. It is expected that the insolvencies will result in a retrospective-based guaranty fund assessment against The Company. The Company has recorded a liability for these guaranty fund assessments in the amount of $1,044,759. Included in this amount are the insolvencies of Legion Insurance Company in the amount of approximately $262,000 and Reciprocal of America in the amount of approximately $227,000. The remaining amount includes nearly 20 separate insolvencies. This amount includes assessments against all companies discussed in Footnote 1C above. The Company does not record premium tax offsets as an asset, since these amounts would be non-admitted, given the lengthy nature of insolvency assessments.
C. Gain Contingencies – NONE
D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits - Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

NOTES TO FINANCIAL STATEMENTS

15. LEASES

Leases are limited to branch claims office facilities and certain office equipment. None of the leases are material to the Company.

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 $51.1 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. GAINS 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.
1. Fair Value Measurements as of December 31, 2011:

Description	Level 1	Level 2	Level 3	Total
a. ASSETS AT FAIR VALUE				
Perpetual Preferred Stock				
Industrial & Misc	595,276	0	0	595,276
Parent, Subs, & Affiliates	0	0	0	0
Total Perpetual Preferred Stock	595,276	0	0	595,276
Bonds				
US Governments	0	0	0	0
US States, Territories, & Possessions	0	0	0	0
US Political Subdivisions	0	0	0	0
US Special Rev & Assessment	0	0	0	0
Industrial & Misc	0	16,828,140	0	16,828,140
Parent, Subs, & Affiliates	0	0	0	0
Total Bonds	0	16,828,140	0	16,828,140
Common Stock				
Industrial & Misc	224,328,221	141,853	0	224,470,074
Parent, Subs, & Affiliates	0	0	170,929,069	170,929,069
Total Common Stock	224,328,221	0	170,929,069	395,399,143
Other Invested Assets	0	7,405,950	44,164,029	51,569,980
Total Other Invested	0	7,405,950	44,164,029	51,569,980
TOTAL ASSETS AT FAIR VALUE	224,923,496	24,375,944	215,093,098	464,392,538
b. LIABILITIES AT FAIR VALUE				
Derivative liabilities	0	0	0	0
Total Derivative Liabilities	0	0	0	0
TOTAL LIABILITIES AT FAIR VALUE	0	0	0	0

2. Fair Value Measurements in Level 3 of the Fair Value:

	Balance at 01/01/2011	Transfers in to Level 3	Transfers out Level 3	Total G/(L) included in Net Income	Total G/(L) included in Surplus	Purchases, Issuances, sales, & settlements	Balance at 12/31/11
Common Stock	157,769,096	0	0	0	13,159,973	0	170,929,069
Other Invested Assets	45,898,541	0	0	799,926	708,493	(3,242,931)	44,164,029
Total	203,667,637	0	0	799,926	13,868,466	(3,242,931)	215,093,098

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

NOTES TO FINANCIAL STATEMENTS

4. As of December 31, 2011, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:

   Bonds - 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. Therefore, the Company reported $16.8 million of bonds with non-investment grade ratings at fair value on the statement of financial position as of December 31, 2011. At the end of every quarter and at year-end, the Company utilizes fair values provided by the Securities Valuation Office (SVO) of the National Association of Insurance Commissioners (NAIC). The SVO is responsible for the credit quality assessment and valuation of securities owned by state regulated insurance companies. Fair value is determined by evaluations that are based on observable market information rather than market quotes. Inputs to the evaluations include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, credit spreads, interest rate yield curves, and other market-observable information. Thus, fixed income securities measured and reported at fair value are included in the amounts disclosed in Level 2 of the hierarchy.

   Common Stocks, Industrial & Misc– According to statutory accounting rules, common stocks are reported at fair value. The Company holds one position not actively traded, however it is frequently quoted. The manager is marking the position to market monthly based on indicated bid levels received from broker/dealers. Therefore this security is included in level 2.

   Parent, Subsidiaries, and Affiliates – The Company’s investments in six subsidiaries are measured and reported at fair value as of December 31, 2011 for each respective entity totaling $170.9 million in aggregate. Fair value measurement is determined by the individual entity’s surplus at the end of a period, or the amount by which assets exceed liabilities. Each subsidiary is in the insurance industry, whereby its assets are largely comprised of fixed income securities carried at amortized cost and its liabilities represent reserves for underwriting losses. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

   Other Invested Assets - Included in other invested assets are five limited partnerships, two of which are considered private equity funds that invest in equity securities and debt or other securities providing equity like returns. The private equity funds are reported at their most recently available fair value provided by the Managing Member of the Fund, net any contributions or distributions since said report, totaling $0.8 as of December 31, 2011. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Managing Member is required to make significant judgments that impact the reported fair value of investments. Fair value is determined using valuation methodologies after giving consideration to a range of factors including, but not limited to, the price at which the investment was acquired, the nature of the investment, relevant market conditions, trading values on public exchanges for comparable securities discounted accordingly for size, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. A financial instrument’s categorization within the fair value hierarchy is based on the lowest level of input that is significant to its fair value measurement. As of December 31, 2011 all investments related to the private equity funds are classified as Level 3 assets.

   The other three limited partnerships, totaling $50.8 million as of December 31, 2011 are considered hedge funds. Fair value reported on the statement of financial position represents the most recently available valuation provided by the fund manager, usually the previous month from the reporting date due to the timing for receipt of the monthly statement. One hedge fund, with a fair value of $7.4 million, has underlying assets consisting of cash and marketable equity securities. The Company’s investment in the fund is valued at the proportionate interest in the net asset value of the marketable securities held by the partnership. Some investments are quoted prices in markets that are not considered to be active for identical assets or liabilities, quoted prices in active markets for similar assets or liabilities and inputs other than quoted prices that are directly observable or indirectly through corroboration with observable market data. As of December 31, 2011, the partnership is classified as Level 2 assets. The remaining two hedge funds, valued at $43.4 million, report fair value based on values provided to a trustee by the fund manager. The Company’s investment in each is valued at the proportionate interest in the net asset value of the partnership. There are no unfunded commitments related to the hedge funds and units are redeemable at net asset value with the appropriate prior written notice. Inputs are unobservable and result in disclosure at Level 3 of the fair value hierarchy.

21. OTHER ITEMS

A. NONE
B. NONE
C. NONE
D. NONE
E. NONE
F. NONE
G. Subprime Mortgage Related Risk Exposure
   1. Management Definition of Exposure to Subprime Mortgage Related Risk:

      Management defines “subprime” mortgage loans as mortgage loans that are originated with an inherently higher risk profile or have a loan structure that is distinctly different from that of traditional mortgage loans. Management considers the following factors in determining whether or not a mortgage represents a subprime risk: borrowers with low credit ratings (FICO score); unconventionally high initial loan-to-value ratios (LTVs); unconventionally structured loans (option pay adjustable rate mortgages or negative amortizing loans); unconventionally high interest rates; and less than conventional documentation of the borrower’s income and/or assets.

      The overall characteristics of Grange Mutual Casualty Company’s residential mortgage loan portfolio (the “Portfolio”) are positive and indicate that the Portfolio, as a whole, does not have significant exposure to subprime mortgage related risk. At origination, the Portfolio had an average FICO score of greater than 700 and an original LTV of less than 80%. There are no option pay adjustable rate mortgages and no negatively amortizing loans in the Portfolio. Additionally, the majority of the Portfolio was originated with conventional documentation to support borrower income and/or assets.

      On a loan-by-loan basis, management recognizes that the Portfolio does contain individual mortgage loans that exhibit characteristics the industry commonly associates with subprime. Management considers individual loans to have higher exposure to subprime mortgage risk at origination if the credit (FICO score) of the borrower was less than 620 or if the LTV was greater than 95%. Although individual loans with such characteristics exist within the Portfolio, there are significant mitigating factors in place to reduce the Company’s exposure to subprime mortgage risk and reduce the likelihood of a loss on these loans. As of December 31, 2011, each of the 2 individual mortgage loans with an LTV greater than 95% (direct exposure of $220,710 of outstanding principal) have private mortgage insurance (PMI) to guarantee the payment of outstanding principal in case of default. Additionally, of the 1 borrower with a FICO score less than 620 (direct exposure of $125,283 of outstanding principal), this loan had an LTV equal to or less than 80% at origination.

      The Company purchased the Portfolio on June 30, 2007 and management has no plans to originate new mortgage loans. As such, the Company considers the Portfolio to be a “closed block” of loans that are in run-off. Management mitigates the Company’s subprime mortgage risk exposure by monitoring individual mortgage loans in the Portfolio for signs of distress on a monthly basis through mortgage loan delinquency reports and other methods, as appropriate. On a quarterly basis, management analyzes the Portfolio for potential write-downs, which includes an evaluation of exposure to unrealized losses due to a decline in home values, as well as realized losses resulting from delinquent payments or instances of foreclosure where it is more likely than not a home will be sold for less than the amount of outstanding principal and interest due to the Company.

NOTES TO FINANCIAL STATEMENTS

2. Estimated Direct Exposure Through Investments in Subprime Mortgage Loans:

   a. Book adjusted carrying value (excluding accrued interest): $320,810

   b. Fair value: $297,000

   c. Value of land and buildings: $297,000

   d. The Company did not recognize any other-than-temporary impairment losses with regard to other investments with subprime exposure during 2011. Of the 3 loans that meet management's definition of subprime as of December 31, 2011, all are current on principal and interest payments. Therefore, the default rate for the subprime portion of the loan Portfolio is 0%.

3. Management considers the Company's holdings in securities with underlying subprime exposure to be minimal. The majority of residential mortgage backed securities (RMBS) in the portfolio are issued by government-sponsored enterprises (GSEs). Securities with collateral that contain subprime characteristics based on low credit (FICO scores less than 620) and/or high LTVs represent less than 1% of the Company's invested assets. In addition, these securities were issued prior to 2006. The Company's bond portfolio does not include any positions in collateralized debt obligations (CDOs) on a direct basis. On a quarterly basis, management reviews all loan-backed and structured securities with an unrealized loss position according to SSAP 43-R. The best estimate of future cash flows using the appropriate discount rate is calculated for each affected security. To assist in this effort, a brokerage firm provides forward-looking assumptions for default rates, voluntary prepayment speeds, and loss severities on a majority of the securities governed by SSAP 43R. The outcomes of this process assure that anticipated cash flows will not be less than the carrying value subsequent to other-than-temporary impairments. As of December 31, 201, management estimates there wee no unrealized losses present due to subprime mortgage exposure.

   Estimated direct exposure to subprime mortgage risk through other investments:

   a. Actual Cost: $0

   b. Book adjusted carrying value: $0

   c. Fair Value: $0

   d. The Company did not recognize any other-than-temporary impairment losses with regard to other investments with subprime exposure during fourth quarter, 2011.

4. Underwriting Exposure to Subprime Mortgage Risk:

   The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage, nor does it write any other lines of insurance with underwriting exposure to subprime mortgage risk.

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 exceed 3% of Surplus

B. REINSURANCE RECOVERABLE IN DISPUTE
NONE

C. REINSURANCE ASSUMED AND CEDED

1.		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	178,130,880	32,063,558	62,540,370	11,257,267	115,590,511	20,806,292
b.	All Other	575,290	103,552	4,118,526	741,335	(3,543,236)	(637,782)
c.	TOTAL	178,706,170	32,167,111	66,658,895	11,998,601	112,047,275	20,168,509

d. Direct Unearned Premium Reserve 216,289,666

	Direct	Assumed	Ceded	Net
2. Contingent Commission	7,187,437	4,100,470	1,806,065	9,481,842

D. UNCOLLECTIBLE REINSURANCE
NONE

F. RETROACTIVE REINSURANCE
NONE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
NONE

NOTES TO FINANCIAL STATEMENTS

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by $(31.018) million from $590.991 million in 2010 to $559.973 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	590,991,235	572,556,608
LESS REINSURANCE RECOVERABLES	149,155,470	134,049,112
NET BALANCE JANUARY 1	441,835,765	438,507,496
INCURRED RELATED TO:		
CURRENT YEAR	648,919,831	713,963,670
PRIOR YEAR	(31,017,740)	(38,680,858)
TOTAL INCURRED	617,902,092	675,282,812
PAID RELATED TO:		
CURRENT YEAR	421,193,708	464,831,527
PRIOR YEAR	212,136,566	207,123,016
TOTAL PAID	633,330,274	671,954,543
NET BALANCE AT DECEMBER 31	426,407,583	441,835,765
PLUS REINSURANCE RECOVERABLES	217,578,384	149,155,470
BALANCE AT DECEMBER 31	643,985,967	590,991,235

26. INTERCOMPANY POOLING AGREEMENTS

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

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

27. STRUCTURED SETTLEMENTS

All unassigned structure settlements where the claimant is the payee have amortized values, by company, less than 1% of the Company's surplus.

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.

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

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

12.13 Total book/adjusted carrying value $

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 [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

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. $ 55,826,761

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 [ ]

GENERAL INTERROGATORIES

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

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

25.21	Subject to repurchase agreements	$
25.22	Subject to reverse repurchase agreements	$
25.23	Subject to dollar repurchase agreements	$
25.24	Subject to reverse dollar repurchase agreements	$
25.25	Pledged as collateral	$
25.26	Placed under option agreements	$
25.27	Letter stock or securities restricted as to sale	$
25.28	On deposit with state or other regulatory body	$ 2,815,771
25.29	Other	$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, N.A.	1111 Polaris Parkway, Columbus, OH 43240
Federal Home Loan Bank of Cincinnati	221 E. 4th St., 1000 Atrium 2, Cincinnati, OH 45202

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
111242	State Street Global Advisors	State Street Financial Center, One Lincoln Street, Boston, MA 02111
109627	Caywood-Scholl Capital Management, LLC	4250 Executive Square, Suite 400, LaJolla, CA 92037
109875	Asset Allocation & Management Company	30 N. LaSalle St., Chicago, IL 60602
105726	Thompson, Siegel & Walmsley, Inc.	6806 Paragon Place, Suite 300, Richmond, VA 23230

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 [X] No [ ]

29.2 If yes, complete the following schedule:

	1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001.	362013-45-0	GMO Intl Opportunity Equity	32,764,228
29.2999 TOTAL			32,764,228

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
GMO Intl Opportunity Equity	Sanofi-Aventis SA	1,015,691	12/31/2011

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	861,768,317	914,312,990	52,544,673
30.2 Preferred Stocks	2,139,725	3,157,240	1,017,515
30.3 Totals	863,908,042	917,470,230	53,562,188

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? $ 2,389,668

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
Insurance Services Offices, Inc.	$ 821,461

34.1 Amount of payments for legal expenses, if any? $ 1,587,001

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
Vorys, Sater, Seymour & Pease	$ 1,204,494

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

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

1 Name	2 Amount Paid
	$
	$
	$

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

1.31 Reason for excluding

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 876,539,182	$ 941,162,094
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator	$ 538,818	$ 544,371
2.5	Reserve Denominator	$ 754,748,799	$ 782,819,258
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? Yes [X] No [ ]

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

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]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

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 [ ]

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 noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. 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, Yes [ ] No [X]

(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 Yes [ ] No [X]

(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. Yes [ ] No [X]

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 [ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [X]
11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses $ 0
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0
12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 0
12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]
12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From 0.0 %
12.42 To 0.0 %
12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]
12.6 If yes, state the amount thereof at December 31 of current year:
12.61 Letters of Credit $ 0
12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 1,500,000
13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]
13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 1

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No [ ]
14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
See Notes to Financial Statement Number 26. Catastrophe Excess Loss Agreement allocated based on percentage of participation.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [X] No [ ]
14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]
14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]
15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

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

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. $0

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. $0

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)	437,873,381	475,790,767	479,403,087	453,046,519	458,316,059
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	281,340,263	310,908,619	326,524,647	315,296,987	322,197,989
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	341,886,423	347,951,885	351,405,281	339,336,778	349,800,350
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	105,732	138,099	191,819	183,988	217,295
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	1,061,205,798	1,134,789,370	1,157,524,834	1,107,864,272	1,130,531,693
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)	360,854,489	392,102,475	392,149,327	368,723,142	367,344,194
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	231,889,029	257,729,418	270,603,380	261,268,147	265,156,957
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	271,059,405	279,485,969	278,766,175	268,864,726	275,273,971
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	88,815	116,004	161,128	154,550	182,527
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	863,891,738	929,433,866	941,680,010	899,010,565	907,957,649
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(15,329,926)	(32,967,839)	(45,151,326)	1,942,219	(6,854,927)
14. Net investment gain (loss) (Line 11)	32,477,162	36,049,063	27,743,731	18,456,815	49,766,698
15. Total other income (Line 15)	9,053,871	10,249,532	9,660,761	11,184,899	12,543,316
16. Dividends to policyholders (Line 17)	2,565,191	2,717,938	2,485,657	2,559,229	2,023,747
17. Federal and foreign income taxes incurred (Line 19)	(1,518,464)	(3,031,051)	(23,627,386)	13,548,929	11,346,395
18. Net income (Line 20)	25,154,380	13,643,869	13,394,895	15,475,775	42,084,945
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,716,471,578	1,725,877,543	1,662,428,998	1,561,761,636	1,721,895,029
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	154,328,300	163,343,017	172,276,947	164,309,358	164,520,723
20.2 Deferred and not yet due (Line 15.2)	(157,852)	(213,320)	90,158	407,818	723,742
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	877,881,168	909,114,808	881,375,678	848,664,177	949,693,158
22. Losses (Page 3, Line 1)	331,532,635	339,508,714	335,623,983	326,927,255	331,826,989
23. Loss adjustment expenses (Page 3, Line 3)	94,874,948	102,327,049	102,883,512	103,706,291	104,402,817
24. Unearned premiums (Page 3, Line 9)	328,336,940	340,984,384	352,712,612	333,648,410	333,916,186
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	838,590,410	816,762,735	781,053,320	713,097,459	772,201,871
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	6,619,416	22,566,365	38,760,785	(5,958,838)	35,657,062
Risk-Based Capital Analysis					
28. Total adjusted capital	839,580,522	816,762,735	781,053,320	713,097,459	772,201,871
29. Authorized control level risk-based capital	84,907,322	90,743,239	91,440,881	84,243,234	109,496,495
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)	56.8	52.8	57.0	63.4	66.2
31. Stocks (Lines 2.1 & 2.2)	26.4	26.3	23.7	20.9	21.5
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.4	0.6	1.2	1.9	3.8
33. Real estate (Lines 4.1, 4.2 & 4.3)	8.5	8.8	9.5	8.9	3.8
34. Cash, cash equivalents and short-term investments (Line 5)	1.0	4.7	5.2	1.8	1.1
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)	3.4	3.6	3.4	3.0	3.6
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	3.4	3.2	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)	170,929,069	157,769,096	145,691,464	133,448,437	118,395,846
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	170,929,069	157,769,096	145,691,464	133,448,437	118,395,846
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)	20.4	19.3	18.7	18.7	15.3

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)	7,195,753	31,462,458	49,199,860	(46,330,465)	14,813,954
51. Dividends to stockholders (Line 35)	0	0	0	0	0
52. Change in surplus as regards policyholders for the year (Line 38)	21,827,675	35,709,415	67,955,861	(59,104,412)	56,932,560
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)	257,893,978	275,252,671	268,334,160	252,642,263	242,261,148
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	175,297,267	174,590,306	181,527,070	180,012,762	177,958,487
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	259,465,166	235,159,846	247,278,800	238,006,562	199,497,866
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	184,912	192,356	228,655	363,396	226,262
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
58. Total (Line 35)	692,841,322	685,195,179	697,368,685	671,024,983	619,943,763
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)	210,618,072	229,713,906	220,942,153	211,461,353	215,323,977
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	141,678,186	146,611,934	151,203,514	147,542,478	148,646,761
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	182,246,599	195,066,731	187,504,565	161,372,799	149,984,819
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	155,326	161,580	192,070	305,253	216,716
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
64. Total (Line 35)	534,698,183	571,554,151	559,842,302	520,681,883	514,172,273
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)	30.7	31.1	31.2	30.8	35.7
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)	103.0	113.8	120.6	126.1	117.6
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)	(38,011)	(24,419)	(11,952)	(22,687)	(32,529)
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)	(4.7)	(3.1)	(1.7)	(2.9)	(4.5)
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)	(43,266)	(24,459)	(38,287)	(47,838)	(30,542)
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)	(5.5)	(3.4)	(5.0)	(6.7)	(4.8)

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

If no, please explain

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

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	471	711	192	9	19	0	183	(38)	XXX
2. 2002	711,891	27,162	684,729	460,883	33,247	19,847	537	52,695	43	22,159	499,599	XXX
3. 2003	819,010	30,771	788,240	489,342	31,301	22,707	559	60,902	49	23,347	541,042	XXX
4. 2004	869,595	29,123	840,472	428,810	5,945	21,265	153	65,567	17	24,324	509,526	XXX
5. 2005	882,525	32,197	850,328	417,955	4,180	19,063	514	64,428	5	24,064	496,748	XXX
6. 2006	918,516	38,072	880,444	475,887	21,680	17,010	60	74,786	8	23,926	545,935	XXX
7. 2007	954,215	32,524	921,691	518,825	20,081	16,219	136	70,908	20	28,039	585,715	XXX
8. 2008	942,869	43,591	899,278	575,428	59,058	14,860	313	76,425	50	25,928	607,292	XXX
9. 2009	971,628	49,012	922,616	539,882	14,990	9,453	45	76,079	2	27,398	610,377	XXX
10. 2010	989,029	47,867	941,162	500,939	6,006	5,436	10	78,842	5	28,565	579,196	XXX
11. 2011	929,246	52,707	876,539	436,768	64,956	2,578	43	67,664	6	16,501	442,006	XXX
12. Totals	XXX	XXX	XXX	4,845,190	262,156	148,630	2,379	688,316	205	244,434	5,417,397	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrog-ation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstand-ing Direct and Assumed
	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.	8,531	13,807	93	0	31	0	2	258	153	0	1	(5,256)	XXX
2.	8,001	7,206	(6)	0	0	0	276	0	52	0	70	1,116	XXX
3.	21,015	12,679	(28)	0	0	0	381	0	148	0	144	8,836	XXX
4.	40,682	39,196	5	0	0	0	592	0	211	0	242	2,294	XXX
5.	12,097	9,363	37	0	0	0	925	0	200	0	387	3,897	XXX
6.	12,362	9,795	222	0	0	0	1,496	0	270	0	616	4,555	XXX
7.	53,686	46,361	830	0	0	0	2,693	0	1,114	0	1,021	11,962	XXX
8.	22,099	8,272	1,908	0	3	0	5,532	175	1,519	0	1,733	22,615	XXX
9.	31,733	6,116	7,663	0	3	0	9,729	0	2,634	0	3,301	45,646	XXX
10.	107,737	50,914	23,848	0	6	0	16,307	0	6,033	0	6,350	103,017	XXX
11.	118,465	9,051	77,699	4,386	60	0	18,834	0	26,104	0	13,802	227,726	XXX
12.	436,407	212,760	112,271	4,386	103	0	56,767	433	38,437	0	27,665	426,408	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	(5,184)	(73)
2.	541,748	41,032	500,716	76.1	151.1	73.1	0	0	88.0	789	327
3.	594,467	44,589	549,879	72.6	144.9	69.8	0	0	88.0	8,308	529
4.	557,131	45,311	511,820	64.1	155.6	60.9	0	0	88.0	1,491	803
5.	514,706	14,061	500,645	58.3	43.7	58.9	0	0	88.0	2,772	1,125
6.	582,032	31,543	550,489	63.4	82.9	62.5	0	0	88.0	2,789	1,766
7.	664,274	66,598	597,677	69.6	204.8	64.8	0	0	84.0	8,154	3,807
8.	697,774	67,868	629,907	74.0	155.7	70.0	0	0	84.0	15,735	6,880
9.	677,176	21,153	656,023	69.7	43.2	71.1	0	0	84.0	33,280	12,366
10.	739,147	56,935	682,213	74.7	118.9	72.5	0	0	84.0	80,671	22,346
11.	748,174	78,442	669,732	80.5	148.8	76.4	0	0	84.0	182,728	44,998
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	331,533	94,875

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	127,851	138,935	131,635	141,531	139,517	141,452	139,979	139,837	139,174	132,184	(6,990)	(7,653)
2. 2002	471,762	443,724	450,272	449,439	447,750	447,783	448,620	447,890	447,702	448,011	310	121
3. 2003	XXX	501,106	483,850	487,994	485,574	483,618	481,746	481,774	481,258	488,877	7,620	7,104
4. 2004	XXX	XXX	474,333	460,274	454,739	449,956	447,737	447,140	446,510	446,060	(450)	(1,080)
5. 2005	XXX	XXX	XXX	460,634	454,886	446,520	441,377	437,747	435,667	436,022	355	(1,725)
6. 2006	XXX	XXX	XXX	XXX	508,320	488,928	483,490	478,608	476,395	475,441	(954)	(3,167)
7. 2007	XXX	XXX	XXX	XXX	XXX	544,152	536,774	531,126	527,470	525,675	(1,795)	(5,451)
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	558,540	562,190	559,628	552,012	(7,616)	(10,177)
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	598,548	586,637	577,311	(9,325)	(21,237)
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	616,507	597,343	(19,164)	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	575,970	XXX	XXX
										12. Totals	(38,011)	(43,266)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	000	64,637	105,303	120,396	128,822	133,859	135,504	136,724	137,651	137,593	XXX	XXX
2. 2002	287,900	368,102	405,215	426,830	436,994	441,445	445,144	445,964	446,543	446,947	XXX	XXX
3. 2003	XXX	310,421	401,311	438,560	459,572	470,960	475,865	477,805	479,294	480,189	XXX	XXX
4. 2004	XXX	XXX	279,378	369,171	402,660	423,848	433,748	440,213	442,891	443,977	XXX	XXX
5. 2005	XXX	XXX	XXX	269,095	351,779	393,390	416,930	426,555	429,852	432,324	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	304,590	399,210	438,150	458,510	467,309	471,157	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	342,420	439,342	482,425	508,066	514,827	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	361,342	472,547	509,056	530,916	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	383,950	497,664	534,300	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	396,591	500,359	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	374,348	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior	27,067	14,010	2,799	8,894	2,203	2,714	1,716	977	320	(163)
2. 2002	67,470	18,056	19,721	9,710	2,194	2,568	1,416	1,091	421	269
3. 2003	XXX	76,699	35,574	22,623	5,037	5,272	2,894	1,705	689	353
4. 2004	XXX	XXX	104,169	46,577	12,955	10,139	5,346	2,813	1,172	597
5. 2005	XXX	XXX	XXX	89,354	31,186	21,439	10,108	4,834	1,923	963
6. 2006	XXX	XXX	XXX	XXX	76,382	44,689	21,074	8,687	3,646	1,718
7. 2007	XXX	XXX	XXX	XXX	XXX	94,996	45,595	19,959	8,217	3,522
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	91,910	41,887	17,558	7,266
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	98,299	44,095	17,391
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	101,958	40,155
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	92,148

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, etc.	Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama AL	L	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	111,424	1,183,172	1,461,749	0	
11. Georgia GA	L	46,964,798	50,144,314	0	32,216,253	28,318,612	20,376,426	910,188	
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	26,224,570	25,217,362	0	12,767,551	14,763,338	21,952,024	283,721	
15. Indiana IN	L	20,703,244	20,994,179	0	22,633,874	28,885,128	17,360,719	380,693	
16. Iowa IA	L	0	0	0	0	0	0	0	
17. Kansas KS	L	0	0	0	0	0	0	0	
18. Kentucky KY	L	45,951,617	47,890,114	0	29,483,239	28,029,575	24,405,497	619,528	
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	L	0	0	0	0	0	0	0	
25. Mississippi MS	N	0	0	0	0	0	0	0	
26. Missouri MO	L	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	404,961,258	414,600,758	0	255,058,481	241,439,521	116,618,653	12,030,485	
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	L	9,146,595	6,636,026	0	2,588,194	5,952,016	5,069,732	55,254	
40. Rhode Island RI	N	0	0	0	0	0	0	0	
41. South Carolina SC	L	2,501,353	2,654,580	0	1,718,422	1,871,622	825,748	242,385	
42. South Dakota SD	N	0	0	0	0	0	0	0	
43. Tennessee TN	L	31,977,912	32,965,907	0	25,190,302	25,199,491	15,941,056	668,438	
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	L	828,781	719,332	0	447,934	464,951	59,881	21,236	
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	L	0	0	0	0	0	0	0	
51. Wyoming WY	N	0	0	0	0	0	0	0	
52. American Samoa AS	N	0	0	0	0	0	0	0	
53. Guam GU	N	0	0	0	0	0	0	0	
54. Puerto Rico PR	N	0	0	0	0	0	0	0	
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	
57. Canada CN	N	0	0	0	0	0	0	0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 15	589,260,128	601,822,573	0	382,215,674	376,107,427	224,071,484	15,211,928	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Sum. of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

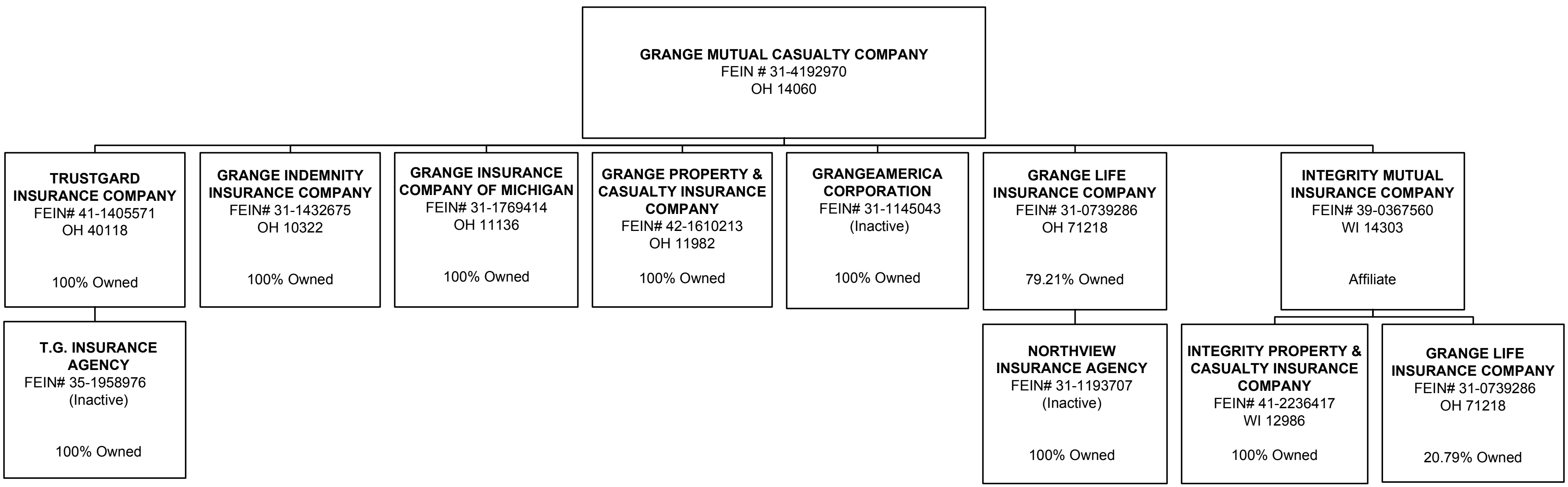
Explanation of basis of allocation of premiums by states, etc.

Location of the risk.

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

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

PART 1 – ORGANIZATIONAL CHART



ALPHABETICAL INDEX

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