



LIFE AND ACCIDENT AND HEALTH COMPANIES — ASSOCIATION EDITION

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

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

OFFICERS

OFFICERS

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

OTHER OFFICERS

DIRECTORS OR TRUSTEES

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

State of OHIO.....
County of FRANKLIN.....

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

Michelle Renee Benz President	John Paul McCaffrey Treasurer	David Trufant Roark Secretary
		a. Is this an original filing? <input checked="" type="checkbox"/> Yes [X] <input type="checkbox"/> No []
Subscribed and sworn to before me this 24 day of February, 2012		b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached
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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	238,825,943		238,825,943	228,501,152
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks .....	.781		.781	.781
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances).....			0	0
4.3 Properties held for sale (less \$ encumbrances).....			0	0
5. Cash (\$ 9,849,811 , Schedule E-Part 1), cash equivalents (\$ 0 , Schedule E-Part 2) and short-term investments (\$ 2,030,582 , Schedule DA).....	11,880,393		11,880,393	14,329,350
6. Contract loans (including \$ premium notes).....	9,511,277		9,511,277	9,274,329
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA).....	0		0	0
9. Receivables for securities	1,813		1,813	1,813
10. Securities lending reinvested collateral assets (Schedule DL).....	10,716,522		10,716,522	2,142,800
11. Aggregate write-ins for invested assets	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	270,936,729	.0	270,936,729	254,250,225
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	.2,614,541		.2,614,541	.2,568,212
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....	30,103,045		30,103,045	27,106,794
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	.6,883,893		.6,883,893	1,587,835
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	1,443,046		1,443,046	1,074,070
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	188,762		188,762	1,043,489
18.2 Net deferred tax asset.....	.6,843,377	2,501,428	4,341,949	3,915,801
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....	.643,526	.641,349	.2,177	.7,297
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	1,275,075	1,238,697	.36,378	.21,116
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	320,931,994	4,381,474	316,550,520	291,574,839
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	320,931,994	4,381,474	316,550,520	291,574,839
DETAILS OF WRITE-INS				
1101.			0	0
1102.				
1103.				
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. Receivable for Agent Loans.....	.16,527	.16,527	0	0
2502. Interest Maintenance Reserve.....	440,614	.440,614	0	0
2503. Premium Tax Credits.....	817,934	.781,556	.36,378	.21,116
2598. Summary of remaining write-ins for Line 25 from overflow page	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,275,075	1,238,697	.36,378	.21,116

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

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$	245,738,959 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	245,738,959	232,914,866
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$ Modco Reserve)	0	354,947	340,655
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)		829,726	640,431
4. Contract claims:			
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)		2,946,934	3,561,209
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)		39,773	38,145
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		0	95,820
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:			
6.1 Dividends apportioned for payment (including \$ Modco)		53,470	51,839
6.2 Dividends not yet apportioned (including \$ Modco)		0	0
6.3 Coupons and similar benefits (including \$ Modco)		0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6			0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 55 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)		111,503	145,243
9. Contract liabilities not included elsewhere:			
9.1 Surrender values on canceled contracts			0
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act			0
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ 2,134,375 ceded		2,134,375	2,223,910
9.4 Interest Maintenance Reserve (IMR, Line 6)		0	0
10. Commissions to agents due or accrued-life and annuity contracts \$ 613,109 accident and health \$ 2 and deposit-type contract funds \$		613,111	669,811
11. Commissions and expense allowances payable on reinsurance assumed		0	21,989
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)		1,000,813	1,178,170
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)			0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)		1,618,859	1,467,300
15.1 Current federal and foreign income taxes, including \$ 0 on realized capital gains (losses)			0
15.2 Net deferred tax liability			0
16. Unearned investment income		401,385	394,763
17. Amounts withheld or retained by company as agent or trustee			0
18. Amounts held for agents' account, including \$ agents' credit balances			0
19. Remittances and items not allocated		103,551	28,352
20. Net adjustment in assets and liabilities due to foreign exchange rates			0
21. Liability for benefits for employees and agents if not included above			0
22. Borrowed money \$ and interest thereon \$			0
23. Dividends to stockholders declared and unpaid			0
24. Miscellaneous liabilities:			
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)		1,236,649	1,110,224
24.02 Reinsurance in unauthorized companies		0	0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers			0
24.04 Payable to parent, subsidiaries and affiliates		6,184,758	4,649,368
24.05 Drafts outstanding			0
24.06 Liability for amounts held under uninsured plans			0
24.07 Funds held under coinsurance			0
24.08 Derivatives			0
24.09 Payable for securities			0
24.10 Payable for securities lending		10,716,522	2,142,800
24.11 Capital notes \$ and interest thereon \$			0
25. Aggregate write-ins for liabilities		88,198	93,294
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)		274,173,533	251,768,189
27. From Separate Accounts statement		0	0
28. Total liabilities (Lines 26 and 27)		274,173,533	251,768,189
29. Common capital stock		1,893,750	1,893,750
30. Preferred capital stock			0
31. Aggregate write-ins for other than special surplus funds		0	0
32. Surplus notes			0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)		7,031,250	7,031,250
34. Aggregate write-ins for special surplus funds		0	0
35. Unassigned funds (surplus)		33,451,987	30,881,650
36. Less treasury stock, at cost:			
36.1 shares common (value included in Line 29 \$)			0
36.2 shares preferred (value included in Line 30 \$)			0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)		40,483,237	37,912,900
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)		42,376,987	39,806,650
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)		316,550,520	291,574,839
DETAILS OF WRITE-INS			
2501. CHECKS OUTSTANDING		88,198	93,294
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page		0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		88,198	93,294
3101.			0
3102.			0
3103.			0
3198. Summary of remaining write-ins for Line 31 from overflow page		0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		0	0
3401.			0
3402.			0
3403.			0
3498. Summary of remaining write-ins for Line 34 from overflow page		0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		0	0

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

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	47,664,030	49,595,605
2. Considerations for supplementary contracts with life contingencies	210,078	136,057
3. Net investment income (Exhibit of Net Investment Income, Line 17)	12,696,411	13,147,728
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	47,681	76,932
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	5,285,702	6,110,616
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	(2,546)	5,875
9. Totals (Lines 1 to 8.3)	65,901,356	69,072,813
10. Death benefits	18,986,788	19,138,284
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	6,173,954	6,021,828
13. Disability benefits and benefits under accident and health contracts	195,629	158,986
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	5,791,443	5,693,308
16. Group conversions	0	0
17. Interest and adjustments on contract or deposit-type contract funds	0	0
18. Payments on supplementary contracts with life contingencies	0	0
19. Increase in aggregate reserves for life and accident and health contracts	13,027,679	14,396,721
20. Totals (Lines 10 to 19)	44,175,493	45,409,127
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	6,425,371	6,853,575
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	222,225	230,928
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	12,519,588	11,271,811
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	1,513,279	1,396,538
25. Increase in loading on deferred and uncollected premiums	(2,414,873)	(894,795)
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	0
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	62,441,083	64,267,184
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	3,460,273	4,805,629
30. Dividends to policyholders	178,222	148,502
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,282,051	4,657,127
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	854,727	313,434
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	2,427,324	4,343,693
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 0 (excluding taxes of \$ 0 transferred to the IMR)	(226,343)	(1,494,857)
35. Net income (Line 33 plus Line 34)	2,200,981	2,848,836
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	39,806,650	37,910,591
37. Net income (Line 35)	2,200,981	2,848,836
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	0
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	340,243	11,811
41. Change in nonadmitted assets	155,538	(900,917)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve	(126,425)	(63,671)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	0	0
51.2 Transferred to capital (Stock Dividend)	0	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	0	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	2,570,337	1,896,059
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	42,376,987	39,806,650
DETAILS OF WRITE-INS		
08.301 SERVICE FEES	(2,546)	5,875
08.302	0	0
08.303	0	0
08.398 Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(2,546)	5,875
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
5301.	0	0
5302.	0	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0

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

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	46,730,345	48,666,125
2. Net investment income	13,127,123	12,684,178
3. Miscellaneous income	5,442,825	6,150,093
4. Total (Lines 1 through 3)	65,300,293	67,500,396
5. Benefit and loss related payments	37,335,348	26,716,774
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	20,784,950	18,865,135
8. Dividends paid to policyholders	272,411	167,806
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	1,000,000
10. Total (Lines 5 through 9)	58,392,709	46,749,715
11. Net cash from operations (Line 4 minus Line 10)	6,907,584	20,750,681
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	44,261,076	56,936,294
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	44,261,076	56,936,294
13. Cost of investments acquired (long-term only):		
13.1 Bonds	55,051,663	71,890,542
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	55,051,663	71,890,542
14. Net increase (decrease) in contract loans and premium notes	236,948	655,520
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(11,027,535)	(15,609,768)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	189,295	136,243
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	1,481,699	(875,769)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,670,994	(739,526)
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)	(2,448,957)	4,401,387
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	14,329,350	9,927,963
19.2 End of year (Line 18 plus Line 19.1)	11,880,393	14,329,350

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	47,664,030	0	42,001,201	4,315,609	0	0	1,202,496	0	0	0	144,724	
2. Considerations for supplementary contracts with life contingencies	210,078			210,078								
3. Net investment income	12,696,411		9,643,068	2,965,774			21,720				65,849	
4. Amortization of Interest Maintenance Reserve (IMR)	47,681		36,287	11,066			81				247	
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	5,285,702	0	5,057,651	0		0	212,995	0	0	0	15,056	0
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0											
8.2 Charges and fees for deposit-type contracts	0		(7,862)	0	0	0	0	0	0	0	5,316	0
8.3 Aggregate write-ins for miscellaneous income	(2,546)	0		0								
9. Totals (Lines 1 to 8.3)	65,901,356	0	56,730,345	7,502,527	0	0	1,437,292	0	0	0	231,192	0
10. Death benefits	18,986,788		18,649,884				336,904					
11. Matured endowments (excluding guaranteed annual pure endowments)	0		0				0					
12. Annuity benefits	6,173,954			6,173,954								
13. Disability benefits and benefits under accident and health contracts	195,629											
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	5,791,443		5,791,443									
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	0											
18. Payments on supplementary contracts with life contingencies	0											
19. Increase in aggregate reserves for life and accident and health contracts	13,027,679		12,636,192	377,195							14,292	
20. Totals (Lines 10 to 19)	44,175,493	0	37,077,519	6,551,149	0	0	336,904	0	0	0	209,921	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	6,425,371	0	6,232,678	191,751		0	0	0	0	0	942	0
22. Commissions and expense allowances on reinsurance assumed	222,225	0	222,225	0		0	0	0	0	0	0	0
23. General insurance expenses	12,519,588		12,289,323	141,938			48,100				40,227	0
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,513,279		1,466,678				41,991				4,610	0
25. Increase in loading on deferred and uncollected premiums	(2,414,873)		(2,414,873)									
26. Net transfers to or (from) Separate Accounts net of reinsurance	0		0	0	0	0	0	0	0	0	0	0
27. Aggregate write-ins for deductions	0		0	0								
28. Totals (Lines 20 to 27)	62,441,083	0	54,873,550	6,884,838	0	0	426,995	0	0	0	255,700	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	3,460,273	0	1,856,795	617,689	0	0	1,010,297	0	0	0	(24,508)	0
30. Dividends to policyholders	178,222		55,102				123,120		0	0	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	3,282,051	0	1,801,693	617,689	0	0	.887,177	0	0	0	(24,508)	0
32. Federal income taxes incurred (excluding tax on capital gains)	854,727		469,205	160,862			231,043				(6,383)	
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	2,427,324	0	1,332,488	456,827	0	0	656,134	0	0	0	(18,125)	0
DETAILS OF WRITE-INS												
08.301. Service Fees	(2,546)		(7,862)								5,316	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(2,546)	0	(7,862)	0	0	0	0	0	0	0	5,316	0
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 Line 10 Line 16 Line 23 Line 24

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	232,914,866	0	175,189,015	57,725,851	0	0	0	0
2. Tabular net premiums or considerations	96,285,999		91,369,142	4,315,609			601,248	
3. Present value of disability claims incurred	144,381		144,381		XXX			
4. Tabular interest	11,399,453		9,116,163	2,270,695			12,595	
5. Tabular less actual reserve released	43,423		19,952	23,471				
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	340,788,122	0	275,838,653	64,335,626	0	0	613,843	0
9. Tabular cost	81,761,424		81,147,581		XXX		613,843	
10. Reserves released by death	844,590		844,590	XXX	XXX			XXX
11. Reserves released by other terminations (net)	6,081,040		6,081,040					
12. Annuity, supplementary contract, and disability payments involving life contingencies	6,362,109		129,529	6,232,580				
13. Net transfers to or (from) Separate Accounts	0							
14. Total deductions (Lines 9 to 13)	95,049,163	0	88,202,740	6,232,580	0	0	613,843	0
15. Reserve December 31, current year	245,738,959	0	187,635,913	58,103,046	0	0	0	0

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 698,943	599,075
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 11,349,315	11,495,511
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	(b) 0	0
2.21 Common stocks of affiliates	(b) 0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	675,604	682,226
6. Cash, cash equivalents and short-term investments	(e) 1,596	1,596
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	4,160	4,160
10. Total gross investment income	12,729,618	12,782,568
11. Investment expenses	(g) 86,157	86,157
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) 0	0
13. Interest expense	(h) 0	0
14. Depreciation on real estate and other invested assets	(i) 0	0
15. Aggregate write-ins for deductions from investment income	0	0
16. Total deductions (Lines 11 through 15)	86,157	86,157
17. Net investment income (Line 10 minus Line 16)	12,696,411	12,696,411
DETAILS OF WRITE-INS		
0901. Miscellaneous Income	4,160	4,160
0902.	0	0
0903.	0	0
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)	4,160	4,160
1501.	0	0
1502.	0	0
1503.	0	0
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)	0	0

(a) Includes \$ 313,906 accrual of discount less \$ 784,325 amortization of premium and less \$ 286,629 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 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	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	109,069	(104,446)	4,623	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	109,069	(104,446)	4,623	0	0
DETAILS OF WRITE-INS			0	0	0
0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

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

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	
FIRST YEAR (other than single)										
1. Uncollected	30,218	0	30,218	0	0	0	0	0	0	0
2. Deferred and accrued	1,462,815	0	1,462,815	0	0	0	0	0	0	0
3. Deferred, accrued and uncollected:										
3.1 Direct	1,493,033	0	1,493,033	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net (Line 1 + Line 2)	1,493,033	0	1,493,033	0	0	0	0	0	0	0
4. Advance	2,128	0	2,128	0	0	0	0	0	0	0
5. Line 3.4 - Line 4	1,490,905	0	1,490,905	0	0	0	0	0	0	0
6. Collected during year:										
6.1 Direct	7,890,399	0	7,747,489	142,818	0	0	0	0	0	92
6.2 Reinsurance assumed	221,748	0	221,748	0	0	0	0	0	0	0
6.3 Reinsurance ceded	1,594,349	0	1,594,349	0	0	0	0	0	0	0
6.4 Net	6,517,798	0	6,374,888	142,818	0	0	0	0	0	92
7. Line 5 + Line 6.4	8,008,703	0	7,865,793	142,818	0	0	0	0	0	92
8. Prior year (uncollected + deferred and accrued - advance)	1,655,457	0	1,655,457	0	0	0	0	0	0	0
9. First year premiums and considerations:										
9.1 Direct	7,734,614	0	7,591,704	142,818	0	0	0	0	0	92
9.2 Reinsurance assumed	212,981	0	212,981	0	0	0	0	0	0	0
9.3 Reinsurance ceded	1,594,349	0	1,594,349	0	0	0	0	0	0	0
9.4 Net (Line 7 - Line 8)	6,353,246	0	6,210,336	142,818	0	0	0	0	0	92
SINGLE										
10. Single premiums and considerations:										
10.1 Direct	3,041,530	0	53,470	2,988,060	0	0	0	0	0	0
10.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
10.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
10.4 Net	3,041,530	0	53,470	2,988,060	0	0	0	0	0	0
RENEWAL										
11. Uncollected	(1,991,815)	0	(1,991,815)	0	0	0	0	0	0	0
12. Deferred and accrued	17,425,150	0	17,423,468	0	0	0	0	0	0	1,682
13. Deferred, accrued and uncollected:										
13.1 Direct	17,699,596	0	17,697,914	0	0	0	0	0	0	1,682
13.2 Reinsurance assumed	322,924	0	322,924	0	0	0	0	0	0	0
13.3 Reinsurance ceded	2,589,185	0	2,589,185	0	0	0	0	0	0	0
13.4 Net (Line 11 + Line 12)	15,433,335	0	15,431,653	0	0	0	0	0	0	1,682
14. Advance	109,375	0	109,320	0	0	0	0	0	0	55
15. Line 13.4 - Line 14	15,323,960	0	15,322,333	0	0	0	0	0	0	1,627
16. Collected during year:										
16.1 Direct	61,646,596	0	58,157,906	1,184,731	0	2,001,786	0	0	0	302,173
16.2 Reinsurance assumed	3,237,697	0	3,237,697	0	0	0	0	0	0	0
16.3 Reinsurance ceded	27,534,698	0	26,577,362	0	0	799,290	0	0	0	158,046
16.4 Net	37,349,595	0	34,818,241	1,184,731	0	1,202,496	0	0	0	144,127
17. Line 15 + Line 16.4	52,673,555	0	50,140,574	1,184,731	0	1,202,496	0	0	0	145,754
18. Prior year (uncollected + deferred and accrued - advance)	14,404,301	0	14,403,179	0	0	0	0	0	0	1,122
19. Renewal premiums and considerations:										
19.1 Direct	62,417,498	0	58,928,303	1,184,731	0	2,001,786	0	0	0	302,678
19.2 Reinsurance assumed	3,236,019	0	3,236,019	0	0	0	0	0	0	0
19.3 Reinsurance ceded	27,384,263	0	26,426,927	0	0	799,290	0	0	0	158,046
19.4 Net (Line 17 - Line 18)	38,269,254	0	35,737,395	1,184,731	0	1,202,496	0	0	0	144,632
TOTAL										
20. Total premiums and annuity considerations:										
20.1 Direct	73,193,642	0	66,573,477	4,315,609	0	2,001,786	0	0	0	302,770
20.2 Reinsurance assumed	3,449,000	0	3,449,000	0	0	0	0	0	0	0
20.3 Reinsurance ceded	28,978,612	0	28,021,276	0	0	799,290	0	0	0	158,046
20.4 Net (Lines 9.4 + 10.4 + 19.4)	47,664,030	0	42,001,201	4,315,609	0	1,202,496	0	0	0	144,724

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

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	218,941					218,941					
22. All other.....	53,470		53,470								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	1,424,768		1,424,768								
23.2 Reinsurance assumed	0		0								
23.3 Net ceded less assumed	1,424,768	0	1,424,768	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0		0								
24.2 Reinsurance assumed	0		0								
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	3,860,934		3,632,883			212,995				15,056	
25.2 Reinsurance assumed	222,225		222,225								
25.3 Net ceded less assumed	3,638,709	0	3,410,658	0	0	212,995	0	0	0	15,056	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	5,285,702	0	5,057,651	0	0	212,995	0	0	0	15,056	0
26.2 Reinsurance assumed (Page 6, Line 22)	222,225	0	222,225	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	5,063,477	0	4,835,426	0	0	212,995	0	0	0	15,056	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	5,418,447		5,417,197	1,194						56	
28. Single.....	205,666		30,347	175,319							
29. Renewal.....	801,258		785,134	15,238						886	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21).....	6,425,371	0	6,232,678	191,751	0	0	0	0	0	942	0

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

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6		
	1	Accident and Health		4				
		2 Life	3 Cost Containment					
1. Rent	189,829			931		190,760		
2. Salaries and wages	6,621,733		26,220			6,647,953		
3.11 Contributions for benefit plans for employees	444,314					444,314		
3.12 Contributions for benefit plans for agents						0		
3.21 Payments to employees under non-funded benefit plans						0		
3.22 Payments to agents under non-funded benefit plans						0		
3.31 Other employee welfare						0		
3.32 Other agent welfare						0		
4.1 Legal fees and expenses	353,977		1,736			355,713		
4.2 Medical examination fees	953,692		0			953,692		
4.3 Inspection report fees	61,159		0			61,159		
4.4 Fees of public accountants and consulting actuaries	201,627		989			202,616		
4.5 Expense of investigation and settlement of policy claims	14,343		70			14,413		
5.1 Traveling expenses	309,736		4			309,740		
5.2 Advertising	187,077		2			187,079		
5.3 Postage, express, telegraph and telephone	165,569		812			166,381		
5.4 Printing and stationery	155,308		762			156,070		
5.5 Cost or depreciation of furniture and equipment						0		
5.6 Rental of equipment						0		
5.7 Cost or depreciation of EDP equipment and software	1,200,132		5,887			1,206,019		
6.1 Books and periodicals	17,399		.85			17,484		
6.2 Bureau and association fees	63,666		312			63,978		
6.3 Insurance, except on real estate	40,551		199			40,750		
6.4 Miscellaneous losses						0		
6.5 Collection and bank service charges .....	.97,901		480			.98,381	
6.6 Sundry general expenses	311,953		1,444			313,397		
6.7 Group service and administration fees						0		
6.8 Reimbursements by uninsured plans						0		
7.1 Agency expense allowance .....	.57,499		282			.57,781	
7.2 Agents' balances charged off (less \$ recovered)						0		
7.3 Agency conferences other than local meetings	1,031,896		12			1,031,908		
9.1 Real estate expenses						0		
9.2 Investment expenses not included elsewhere .....					.86,157	.86,157
9.3 Aggregate write-ins for expenses	0	0	0	0	0	0		
10. General expenses incurred	12,479,361	0	40,227	0	.86,157	(a) 12,605,745		
11. General expenses unpaid December 31, prior year	1,178,170	0	0	0	0	1,178,170		
12. General expenses unpaid December 31, current year	1,000,813		0			1,000,813		
13. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0	0		
14. Amounts receivable relating to uninsured plans, current year						0		
15. General expenses paid during year (Lines 10+11-12-13+14)	12,656,718	0	40,227	0	86,157	12,783,102		

DETAILS OF WRITE-INS

09.301.						
09.302.						
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0	0
09.399. Totals (Lines 09.301 through 09.303 + 09.398) (Line 9.3 above)	0	0	0	0	0	0

(a) Includes management fees of \$ 8,487,329 to affiliates and \$ to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					0
2. State insurance department licenses and fees	212,647	4,610			217,257
3. State taxes on premiums	1,286,738				1,286,738
4. Other state taxes, incl. \$ for employee benefits					0
5. U.S. Social Security taxes					0
6. All other taxes	9,284				9,284
7. Taxes, licenses and fees incurred	1,508,669	4,610	0	0	1,513,279
8. Taxes, licenses and fees unpaid December 31, prior year	1,467,300	0	0	0	1,467,300
9. Taxes, licenses and fees unpaid December 31, current year	1,618,859				1,618,859
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	1,357,110	4,610	0	0	1,361,720

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums		218,941
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		53,470
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4		272,411
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options	0	0
9. Total Lines 5 through 8		272,411
10. Amount due and unpaid		0
11. Provision for dividends or refunds payable in the following calendar year		53,470
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14		53,470
16. Total from prior year		147,659
17. Total dividends or refunds (Lines 9 + 15 - 16)		178,222

DETAILS OF WRITE-INS

0801.			
0802.			
0803.			
0898. Summary of remaining write-ins for Line 8 from overflow page		0	0
0899. Totals (Line 0801 through 0803 + 0898) (Line 8 above)		0	0

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

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
LIFE INSURANCE					
0100001. 58 CSO ALB 3.50%.....	3,457,149		3,457,149		
0100002. 58 CSO ALB 4.00%.....	106,707		106,707		
0100003. 58 CSO ALB 2.50%.....	352,552		352,552		
0100004. 58 CSO ALB 4.50%.....	433,946		433,946		
0100005. 80 CSO ALB 4.00%.....	30,147,596		30,147,596		
0100006. 80 CSO ALB 4.50%.....	106,275,429		106,275,429		
0100007. 80 CSO ALB 5.00%.....	3,002,162		3,002,162		
0100008. 80 CSO ALB 5.50%.....	4,885,742		4,885,742		
0100009. 80 CSO ALB 4.00% SEGMENTED.....	46,749,174		46,749,174		
0100010. 80 CSO ALB 4.50% SEGMENTED.....	73,683,455		73,683,455		
0100011. 2001 CSO ALB 3.00%.....	5,513,828		5,513,828		
0100012. 2001 CSO ALB 4.00%.....	34,550,678		34,550,678		
0100013. 2001 CSO ALB 4.00% - AG38.....	195,560		195,560		
0100014. 2001 CSO ALB 4.50%.....	1,079,787		1,079,787		
0100015. 58 CET 2.5%.....	733		733		
0100016. 80 CET 4.5%.....	349,355		349,355		
0199997 Totals (Gross).....	310,783,853	0	310,783,853	0	0
0199998 Reinsurance ceded	130,525,960		130,525,960		
0199999 Totals (Net)	180,257,893	0	180,257,893	0	0
ANNUITIES (excluding supplementary contracts with life contingencies):					
0200001. 37 SA 3.5% Def.....	0	XXX		XXX	
0200002. 37 SA 4.5% Def.....	6,080,380	XXX	6,080,380	XXX	
0200003. Single Pay Def Annuity.....	35,425,970	XXX	35,425,970	XXX	
0200004. Flex Pay Def Annuity.....	14,395,840	XXX	14,395,840	XXX	
0200005. 457 Annuity.....	0	XXX		XXX	
0200006. Immediate Annuities.....	2,200,856	XXX	2,200,856	XXX	
0299997 Totals (Gross).....	58,103,046	XXX	58,103,046	XXX	0
0299998 Reinsurance ceded	0	XXX		XXX	
0299999 Totals (Net)	58,103,046	XXX	58,103,046	XXX	0
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0399997 Totals (Gross).....	0	0	0	0	0
0399998 Reinsurance ceded	0				
0399999 Totals (Net)	0	0	0	0	0
ACCIDENTAL DEATH BENEFITS:					
0400001. 59 ADB and 58 CSO 3.5%.....	223,346		223,346		
0499997 Totals (Gross).....	223,346	0	223,346	0	0
0499998 Reinsurance ceded	155,444		155,444		
0499999 Totals (Net)	67,902	0	67,902	0	0
DISABILITY-ACTIVE LIVES:					
0500001. 52 Disability and 58 CSO 3.00%.....	1,040,936		1,040,936		
0599997 Totals (Gross).....	1,040,936	0	1,040,936	0	0
0599998 Reinsurance ceded	0		0		
0599999 Totals (Net)	1,040,936	0	1,040,936	0	0
DISABILITY-DISABLED LIVES:					
0600001. 52 Dis / 58 CSO.....	912,241		912,241		
0699997 Totals (Gross).....	912,241	0	912,241	0	0
0699998 Reinsurance ceded	0		0		
0699999 Totals (Net)	912,241	0	912,241	0	0
MISCELLANEOUS RESERVES					
For excesses of valuation net premiums over corresponding gross premiums on respective policies.....	21,105,433		21,105,433		
0700001. For non-deduction of deferred fractional premiums at the death of the insured.....	3,366,337		3,366,337		
0799997 Totals (Gross).....	24,471,770	0	24,471,770	0	0
0799998 Reinsurance ceded	19,114,829		19,114,829		
0799999 Totals (Net)	5,356,941	0	5,356,941	0	0
9999999 Totals (Net) - Page 3, Line 1	245,738,959	0	245,738,959	0	0



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

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts?.....	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>]
1.2 If not, state which kind is issued.	
2.1 Does the reporting entity at present issue both participating and non-participating contracts?.....	
2.2 If not, state which kind is issued.	
Non-participating contracts only	
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?.....	
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions	
4. Has the reporting entity any assessment or stipulated premium contracts in force?.....	
If so, state:	
4.1 Amount of insurance?.....	\$.....
4.2 Amount of reserve?.....	\$.....
4.3 Basis of reserve	
4.4 Basis of regular assessments	
4.5 Basis of special assessments	
4.6 Assessments collected during the year:.....	
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.	
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?.....	
6.1 If so, state the amount of reserve on such contracts on the basis actually held:.....	
6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:.....	
Attach statement of methods employed in their valuation.	
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?.....	
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements:.....	
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount	
7.3 State the amount of reserves established for this business:.....	
7.4 Identify where the reserves are reported in the blank	

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)			
0199999 Subtotal (Page 7, Line 6)	XXX	XXX	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 Subtotal	XXX	XXX	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
0399999 Subtotal	XXX	XXX	
9999999 TOTAL (Column 4 only)			

NONE

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

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	36,749						36,749		
2. Additional contract reserves (a)	461,938						461,938		
3. Additional actuarial reserves - Asset/Liability analysis	0								
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	498,687	0	0	0	0	498,687	0	0	0
8. Reinsurance ceded	311,736					311,736			
9. Totals (Net)	186,951	0	0	0	0	186,951	0	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	545,895						545,895		
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	0								
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	545,895	0	0	0	0	545,895	0	0	0
15. Reinsurance ceded	377,899					377,899			
16. Totals (Net)	167,996	0	0	0	0	167,996	0	0	0
17. TOTAL (Net)	354,947	0	0	0	0	354,947	0	0	0
18. TABULAR FUND INTEREST	9,078					9,078			
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

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

EXHIBIT 7 – DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	640,431				59,138	581,293
2. Deposits received during the year	211,829				1,751	210,078
3. Investment earnings credited to the account	6,857				2,720	4,137
4. Other net change in reserves	0					
5. Fees and other charges assessed	0					
6. Surrender charges	0					
7. Net surrender or withdrawal payments	29,391				2,351	27,040
8. Other net transfers to or (from) Separate Accounts	0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	829,726	.0	.0	0	61,258	768,468
10. Reinsurance balance at the beginning of the year	0					
11. Net change in reinsurance assumed	0					
12. Net change in reinsurance ceded	0					
13. Reinsurance balance at the end of the year (Lines 10+11-12)	0	.0	.0	0	.0	.0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	829,726	0	0	0	61,258	768,468

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct	6,632,184		6,201,184				431,000				
1.2 Reinsurance assumed	922,750		922,750								
1.3 Reinsurance ceded	5,267,227		4,896,000				366,000				5,227
1.4 Net	2,287,707	0	2,227,934	0	0	0	65,000	0	0	0	(5,227)
2. In course of settlement:											
2.1 Resisted	2.11 Direct	0									
	2.12 Reinsurance assumed	0									
	2.13 Reinsurance ceded	0									
	2.14 Net	0	0	(b)	0	(b)	0	(b)	0	0	0
2.2 Other	2.21 Direct	0									
	2.22 Reinsurance assumed	0									
	2.23 Reinsurance ceded	0									
	2.24 Net	0	0	(b)	0	(b)	0	(b)	0	(b)	0
3. Incurred but unreported:											
3.1 Direct	699,000		654,000								45,000
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net	699,000	0	(b)	654,000	(b)	0	0	(b)	0	(b)	45,000
4. TOTALS	4.1 Direct	7,331,184	0	6,855,184	0	0	431,000	0	0	0	45,000
	4.2 Reinsurance assumed	922,750	0	922,750	0	0	0	0	0	0	0
	4.3 Reinsurance ceded	5,267,227	0	4,896,000	0	0	0	366,000	0	0	5,227
	4.4 Net	2,986,707	(a)	0	(a)	2,881,934	0	0	(a)	65,000	0
										0	39,773

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$

Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	44,344,253		37,257,959	6,173,954			.627,902				284,438
1.2 Reinsurance assumed	3,669,319		3,669,319								
1.3 Reinsurance ceded	16,748,496		16,352,060				.305,999				90,437
1.4 Net ^(d)	31,265,076	0	24,575,218	6,173,954	0	0	.321,903	0	0	0	194,001
2. Liability December 31, current year from Part 1:											
2.1 Direct	7,331,184	0	6,855,184	0	0	0	.431,000	0	0	0	45,000
2.2 Reinsurance assumed	922,750	0	922,750	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	5,267,227	0	4,896,000	0	0	0	.366,000	0	0	0	.5,227
2.4 Net	2,986,707	0	2,881,934	0	0	0	.65,000	0	0	0	39,773
3. Amounts recoverable from reinsurers December 31, current year	6,883,893		6,883,893								
4. Liability December 31, prior year:											
4.1 Direct	6,229,209	0	6,006,209	0	0	0	.178,000	0	0	0	45,000
4.2 Reinsurance assumed	575,000	0	575,000	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	3,204,855	0	3,060,000	0	0	0	.138,000	0	0	0	.6,855
4.4 Net	3,599,354	0	3,521,209	0	0	0	.40,000	0	0	0	38,145
5. Amounts recoverable from reinsurers December 31, prior year	1,587,835	0	1,587,835	0	0	0	0	0	0	0	0
6. Incurred benefits:											
6.1 Direct	45,446,228	0	38,106,934	6,173,954	0	0	.880,902	0	0	0	284,438
6.2 Reinsurance assumed	4,017,069	0	4,017,069	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	24,106,926	0	23,484,118	0	0	0	.533,999	0	0	0	88,809
6.4 Net	25,356,371	0	18,639,885	6,173,954	0	0	.346,903	0	0	0	195,629

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.

\$ in Line 6.1 and \$ in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.

\$ in Line 6.1 and \$ in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.

\$ in Line 6.1 and \$ in Line 6.4.

(d) Includes \$ 116,605 premiums waived under total and permanent disability benefits.

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

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	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	2,501,428	2,587,332	85,904
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	641,349	545,481	(95,868)
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	1,238,697	1,404,199	165,502
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,381,474	4,537,012	155,538
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27).....	4,381,474	4,537,012	155,538
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Receivable for Agent Loans.....	16,527	132,154	115,627
2502. Interest Maintenance Reserve.....	440,614	623,900	183,286
2503. Premium Tax Credit.....	781,556	648,145	(133,411)
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)	1,238,697	1,404,199	165,502

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Grange Life Insurance Company (Company) have been prepared in conformity with the *Accounting Practices and Procedures Manual* of the National Association of Insurance Commissioners (NAIC) and accounting practices prescribed or permitted by The Ohio Department of Insurance (Department).

Failure of the amounts to add to totals is due to rounding or truncation.

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

In preparing the financial statements in conformity with Statutory Accounting Principles (SAP) as described in the *Annual Statement Instructions* and the *Accounting Practices and Procedures Manual*, management is required to make certain estimates and assumptions that affect 1) the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and 2) the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

C. Accounting Policies

Investments

Management regularly reviews the Company's investment portfolio to evaluate the necessity of recording impairment losses for other-than-temporary declines in the fair value of invested assets. A number of criteria are considered during this process including, but not limited to, the following: 1) the Company's intent and ability to retain the security for a period of time sufficient to allow for an anticipated recovery in fair value; 2) the recoverability of principal and interest in accordance with the contractual terms of the bond or other debt security in effect at the date of acquisition; 3) the extent and duration to which a security's fair value has been less than cost or amortized cost, as appropriate; 4) the current financial condition, near-term and long-term prospects of the issuer, including relevant industry conditions and trends; and 5) general economic conditions. Other-than-temporary impairment losses result in a permanent reduction of the cost basis of the underlying investment. Estimates for other-than-temporary declines in the fair value of invested assets are included in realized capital gains and losses on investments in the Summary of Operations (Page 4, Line 34).

Insurance Revenue and Expense Recognition

Life premiums are recognized as income over the premium paying period of the related policies. Premium income includes deposits made for universal life investment contracts. Annuity considerations are recognized as revenue when received. Accident & health and disability income premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, principally commission expenses and certain policy issue expenses (such as medical examination and inspection report fees), are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost, which approximates fair value.
2. Bonds are stated at amortized cost unless rated at a "6" by the NAIC, in which case bonds are stated at the lower of amortized cost or fair value. Amortization of bond premium or discount is calculated using the scientific interest method, taking into consideration interest and principal provisions over the remaining life of the bond.
3. Common stocks are stated at fair value.
4. Preferred stocks are stated at amortized cost unless rated at a "4" or below by the NAIC, in which case preferred stocks are stated at the lower of amortized cost or fair value. The Company has no preferred stocks as of the statement date.
5. The Company has no mortgage loans.
6. Single class and multi-class mortgage-backed/asset-backed securities are stated at amortized cost using the scientific interest method, including anticipated prepayments. The retrospective adjustment method is used to value these securities.
7. The Company carries its wholly owned subsidiary, Northview Insurance Agency, Inc., at the value of its underlying equity.

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS**

8. The Company has no ownership interests in joint ventures, partnerships or limited liability companies.
9. The Company has no derivative instruments.
10. The Company does not consider investment income as a factor in the deficiency reserve calculation, in accordance with Statement of Statutory Accounting Principles No. 54, *Individual and Group Accident and Health Contracts*.
11. The Company's accident & health liabilities include amounts for the following coverages: comprehensive major medical, accident only, and long-term disability (LTD). For major medical liabilities, a claim reserve is established utilizing a development factor method. The factors are based on historical payment patterns, with consideration given to current claim levels relative to historical levels. For accident only liabilities, an active life reserve is established for individual policies using an established valuation table and interest rates. For LTD liabilities, a seriatim reserve is established for individual claimants using an established valuation table and interest rates.

The liability recorded for life insurance and accident & health claims includes 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 that the recorded amounts are 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 liabilities are continually reviewed; any adjustments are reflected in the current period.

12. The Company has not modified its capitalization policy from the prior period.
13. The Company has no pharmaceutical rebate receivables.

2) Accounting Changes and Correction of Errors

- A. Material Changes in Accounting Principles

The Company had no material changes in accounting principles.

- B. Correction of Errors

The Company had no correction of errors.

3) Business Combinations and Goodwill

NONE

4) Discontinued Operations

NONE

5) Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans

NONE

- B. Debt Restructuring

NONE

- C. Reverse Mortgages

NONE

- D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.
2. All securities during 2011 with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

3. Securities with a recognized other-than-temporary impairment currently held by the Company, where the present value of cash flows expected to be collected is less than the amortized cost basis of securities:

(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 the End of the Current Period	(7) Date of Financial Statement – End of Period
45660NRB3	377,132	438,449	61,317	438,449	513,438	3/31/2011
525221CL9	707,010	682,200	24,810	682,200	686,214	6/30/2011
525221CL9	681,705	665,876	15,829	665,876	665,877	9/30/2011
760985NW7	32,311	29,821	2,490	29,821	29,823	9/30/2011

4. All 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:

a. The aggregate amount of unrealized loss:

1. Less than 12 Months	\$ (48,528)
2. 12 Months or Longer	\$ 0

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$ 4,043,959
2. 12 Months or Longer	\$ 0

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

E. Repurchase Agreements and/or Securities Lending Transactions

1. Collateral from lending activities. According to the securities lending agreement, 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.
2. As of December 31, 2011, the Company has not pledged any of its assets as collateral.
3. Collateral Received

a. Aggregate Amount of Cash Collateral Received

1. Repurchase Agreements

NONE

2. Securities Lending

(1)
Fair Value

a. Open	\$10,709,980
b. 30 Days or Less	0
c. 31 to 60 Days	0
d. 61 to 90 Days	0
e. Greater Than 90 Days	0
f. Subtotal	\$10,709,980
g. Securities Received	0
h. Total Collateral Received	\$10,709,980

3. Dollar Repurchase Agreement

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

- b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral): \$10,709,980.
- c. The Company receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The Company's lending agent, JPMorgan Chase Bank, reinvests the cash collateral according to investment guidelines outlined in the securities lending agreement. Under current conditions, the Company has \$237,749,661 of par value bonds (fair value of \$260,952,737) that are currently tradable securities that could be sold and used to pay for the \$10,709,980 in collateral calls that could come due under a worst-case scenario.

4. SEC lending transactions administered by an affiliated agent.

Not Applicable.

5. Collateral Reinvestment

- a. Aggregate Amount of Cash Collateral Received (See schedule)

1. Repurchase Agreements

NONE

2. Securities Lending	(1) <u>Amortized Cost</u>	(2) <u>Fair Value</u>
a. Open	\$10,716,522	\$10,716,567
b. 30 Days or Less	0	0
c. 31 to 60 Days	0	0
d. 61 to 90 Days	0	0
e. 90 to 120 Days	0	0
f. 121 to 180 Days	0	0
g. 181 to 365 Days	0	0
h. 1 to 2 Years	0	0
i. 2 to 3 Years	0	0
j. Greater Than 3 Years	0	0
k. Sub-Total	\$10,716,522	\$10,716,567
l. Securities Received	0	0
m. Total Collateral Reinvested	\$10,716,522	\$10,716,567

3. Dollar Repurchase Agreement

NONE

- b. The Company's sources of cash that it uses to return cash collateral is dependent upon the liquidity of the current market conditions. Under current conditions, the Company has \$237,749,661 of par value bonds (fair value of \$260,952,737) that are currently tradable securities that could be sold and used to pay for the \$10,716,567 in collateral calls that could come due under a worst-case scenario.

F. Real Estate

NONE

G. Low-income housing tax credits (LHITC)

NONE

6) Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.
- B. NONE

7) Investment Income

- A. Investment income due and accrued on bonds in default is excluded (nonadmitted) from surplus.
- B. The total amount excluded at December 31, 2011 and 2010 was \$0 and \$0, respectively.

8) Derivative Instruments

NONE

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NOTES TO FINANCIAL STATEMENTS

9) Income Taxes

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

(1) DTA/DTL Components Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	5,898,215	1,112,539	7,010,754	5,737,497	1,078,813	6,816,310	160,718	33,726	194,444
Statutory valuation allowance									
(b) adjustment (enter as "-")	-	-	-	-	-	-	-	-	-
Adjusted gross deferred tax									
(c) assets	5,898,215	1,112,539	7,010,754	5,737,497	1,078,813	6,816,310	160,718	33,726	194,444
(d) Gross deferred tax liabilities	(167,377)	-	(167,377)	(313,177)	-	(313,177)	145,800	-	145,800
Net deferred tax asset/(liability) before									
(e) admissibility test	5,730,838	1,112,539	6,843,377	5,424,320	1,078,813	6,503,133	306,518	33,726	340,244
Deferred tax assets									
(f) nonadmitted	(2,501,428)	-	(2,501,428)	(2,587,332)	-	(2,587,332)	85,904	-	85,904
Net admitted deferred tax									
(g) asset/(liability)	3,229,410	1,112,539	4,341,949	2,836,988	1,078,813	3,915,801	392,422	33,726	426,148

(2) Has the Company elected to admit DTAs pursuant to paragraph 10.e.? ("Y" for yes or "N" for no)	2011		2010	
	Y	Y	Y	Y

(3) Increase in admitted adjusted gross DTAs as the result of the application of paragraph 10.e:

Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
With ¶ 10.e.	3,229,410	1,112,539	4,341,949	2,836,988	1,078,813	3,915,801	392,422	33,726	426,148
With ¶s 10.a.-c.	1,475,006	1,112,539	2,587,545	1,490,516	1,078,813	2,569,329	(15,510)	33,726	18,216
Increase attributable to application of ¶ 10.e.	1,754,404	-	1,754,404	1,346,472	-	1,346,472	407,932	-	407,932

(4) Admission calculation components:

Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation under ¶10.a.-¶10.c.									
(a) Admitted pursuant to ¶10.a.	1,475,006	-	1,475,006	1,490,516	-	1,490,516	(15,510)	-	(15,510)
Admitted pursuant to									
(b) ¶10.b.(lesser of i. or ii.)	-	1,112,539	1,112,539	-	1,078,813	1,078,813	-	33,726	33,726
(c) ¶10.b.i.	-	1,112,539	1,112,539	N/A	1,078,813	1,078,813	N/A	N/A	33,726
(d) ¶10.b.ii.	N/A	N/A	3,788,840	N/A	N/A	3,456,135	N/A	N/A	332,705
(e) Admitted pursuant to ¶10.c.	167,377	-	167,377	313,177	-	313,177	(145,800)	-	(145,800)
Total admitted under ¶10.a.-									
(f) 10.c.	1,642,383	1,112,539	2,754,922	1,803,693	1,078,813	2,882,506	(161,310)	33,726	(127,584)
Deferred tax liabilities	(167,377)	-	(167,377)	(313,177)	-	(313,177)	145,800	-	145,800
Net admitted deferred tax asset/liability under ¶10.a.-									
¶10.c.	1,475,006	1,112,539	2,587,545	1,490,516	1,078,813	2,569,329	(15,510)	33,726	18,216

Admission calculation under ¶10.e.i.-¶10.e.iii.

(g) Admitted pursuant to ¶10.e.i.	2,459,856	-	2,459,856	2,087,844	-	2,087,844	372,012	-	372,012
Admitted pursuant to ¶10.e.ii.									
(h) (lesser of a. or b.)	769,554	1,112,539	1,882,093	749,144	1,078,813	1,827,957	20,410	33,726	54,136
(i) ¶10.e.ii.a..	769,554	1,112,539	1,882,093	749,144	1,078,813	1,827,957	N/A	N/A	54,136
(j) ¶10.e.ii.b..	N/A	N/A	5,683,260	N/A	N/A	5,184,203	N/A	N/A	499,058
Admitted pursuant to									
(k) ¶10.e.iii..	167,377	-	167,377	313,177	-	313,177	(145,800)	-	(145,800)
Total admitted under ¶10.e.i.-									
(l) 10.e.iii..	3,396,787	1,112,539	4,509,326	3,150,165	1,078,813	4,228,978	246,622	33,726	280,348
Deferred tax liabilities	(167,377)	-	(167,377)	(313,177)	-	(313,177)	145,800	-	145,800

Net admitted deferred tax asset/liability under ¶10.e..	3,229,410	1,112,539	4,341,949	2,836,988	1,078,813	3,915,801	392,422	33,726	426,148
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Used in ¶10.d..									
(m) Total adjusted capital	N/A	N/A	43,613,636	N/A	N/A	40,916,874	N/A	N/A	2,696,762
(n) Authorized control level	N/A	N/A	4,124,379	N/A	N/A	3,917,320	N/A	N/A	207,059

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

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

Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation under ¶10.a.-¶10.c.									
(a) Admitted DTAs	1,475,006	1,112,539	2,587,545	1,490,516	1,078,813	2,569,329	(15,510)	33,726	18,216
(b) Admitted assets	N/A	N/A	314,796,116	N/A	N/A	290,228,367	N/A	N/A	24,567,749
Adjusted statutory surplus from most recently filed									
(c) statement	N/A	N/A	38,728,833	N/A	N/A	36,566,428	N/A	N/A	2,162,405
Total adjusted capital from									
(d) DTAs included above	N/A	N/A	41,859,232	N/A	N/A	39,570,402	N/A	N/A	2,288,830
admission under ¶10.e.i.-¶10.e.iii.									
(e) Admitted DTAs	1,754,404	-	1,754,404	1,346,472	-	1,346,472	407,932	-	407,932
(f) Admitted assets	N/A	N/A	316,550,520	N/A	N/A	291,574,839	N/A	N/A	24,975,681
(g) Statutory surplus	N/A	N/A	40,483,237	N/A	N/A	37,912,900	N/A	N/A	2,570,337

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

Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs -									
Amount	-	1,112,539	1,112,539	-	1,078,813	1,078,813	-	33,726	33,726
Adjusted gross DTAs -									
(a) Percentage	0.00%	15.87%	15.87%	0.00%	15.83%	15.83%	0.00%	0.04%	0.04%
Net admitted DTAs - Amount	-	1,112,539	1,112,539	-	1,078,813	1,078,813	0	33,726	33,726
Net admitted DTAs -									
(b) Percentage	0.00%	25.62%	25.62%	0.00%	27.55%	27.55%	0.00%	-1.93%	-1.93%

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	663,399	675,060
(b) Foreign taxes	-	-
(c) Subtotal	663,399	675,060
(d) Tax on capital gains/(losses)	-	-
(e) Utilization of capital loss carryforwards	-	-
Other, including prior year underaccrual		
(f) (overaccrual)	191,328	(361,626)
(g) Federal and foreign income taxes incurred	<u>854,727</u>	<u>313,434</u>

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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	2010	Change
(a) Ordinary			
(1) Discounting of unpaid losses and LAE	-	-	-
(2) Unearned premiums	-	-	-
(3) Policyholder reserves	2,408,384	2,400,325	8,059
(4) Investments	-	-	-
(5) Deferred acquisition costs	2,736,550	2,553,928	182,622
(6) Policyholder dividends accrued	18,180	17,625	555
(7) Fixed assets	100,913	105,822	(4,909)
(8) Compensation and benefit accruals	-	-	-
(9) Pension accruals	-	-	-
(10) Nonadmitted assets	489,407	445,481	43,926
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (separately disclose items >5%)	<u>144,781</u>	<u>214,316</u>	<u>(69,535)</u>
Gross ordinary DTAs			
(b) Statutory valuation adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	<u>(2,501,428)</u>	<u>(2,587,332)</u>	<u>85,904</u>
(d) Admitted ordinary DTAs	<u><u>3,396,787</u></u>	<u><u>3,150,165</u></u>	<u><u>246,622</u></u>
(e) Capital			
(1) Investments	-	56,927	(56,927)
(2) Net capital loss carryforward	1,112,539	1,021,886	90,653
(3) Real estate	-	-	-
(4) Other (separately disclose items >5%)	-	-	-
Unrealized capital losses	-	-	-
Gross capital DTAs	1,112,539	1,078,813	33,726
(f) Statutory valuation adjustment	-	-	-
(g) Nonadmitted capital DTAs	<u>-</u>	<u>-</u>	<u>-</u>
(h) Admitted capital DTAs	<u><u>1,112,539</u></u>	<u><u>1,078,813</u></u>	<u><u>33,726</u></u>
(i) Admitted DTAs	<u>4,509,326</u>	<u>4,228,978</u>	<u>280,348</u>
(3) DTLs Resulting From Book/Tax Differences In			
(3) DTLs Resulting From Book/Tax Differences In	December 31,		
	2011	2010	Change
(a) Ordinary			
(1) Investments	(167,377)	(313,177)	145,800
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premiums	-	-	-
Policyholder reserves/salvage and subrogation	-	-	-
(4) Other (separately disclose items >5%)	-	-	-
Ordinary DTLs	(167,377)	(313,177)	145,800

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NOTES TO FINANCIAL STATEMENTS

(b) Capital

(1)	Investments	-	-	-
(2)	Real estate	-	-	-
(3)	Other (separately disclose items >5%)	-	-	-
	Unrealized capital gains	-	-	-
				<hr/>
	Capital DTLs	-	-	-
				<hr/>
(c)	DTLs	(167,377)	(313,177)	145,800
(4)	Net deferred tax assets/liabilities	4,341,949	3,915,801	426,148

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	7,010,754	6,816,310	194,444
Total deferred tax liabilities	<u>(167,377)</u>	<u>(313,177)</u>	<u>145,800</u>
Net deferred tax assets/liabilities	6,843,377	6,503,133	340,244
Statutory valuation allowance adjustment (*see explanation below)	-	-	-
Net deferred tax assets/liabilities after SVA	6,843,377	6,503,133	340,244
Tax effect of unrealized gains/(losses)	-	-	-
Statutory valuation allowance adjustment allocated to unrealized (+)	-	-	-
Change in net deferred income tax [(charge)/benefit]	<u>6,843,377</u>	<u>6,503,133</u>	<u>340,244</u>

Reconciliation of federal income tax rate to actual effective rate:

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

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	3,286,675	1,117,470	34.00%
Tax-Exempt Interest	-	-	0.00%
Dividends Received Deduction	-	-	0.00%
Proration	-	-	0.00%
Meals & Entertainment	12,664	4,306	0.13%
Statutory Valuation Allowance Adjustment	-	-	0.00%
Amortization of IMR	(47,681)	(16,212)	-0.49%
Small company life deduction	(1,702,021)	(578,687)	-17.61%
Other, Including Prior Year True-Up	<u>(36,453)</u>	<u>(12,394)</u>	<u>-0.38%</u>
Total	<u>1,513,184</u>	<u>514,483</u>	<u>15.65%</u>
 Federal income taxed incurred [expense/(benefit)]	 854,727	 26.01%	
Tax on capital gains/(losses)	-	0.00%	
Change in net deferred income tax [charge/(benefit)]	<u>(340,244)</u>	<u>-10.35%</u>	
Total statutory income taxes	<u>514,483</u>	<u>15.65%</u>	

**Carryforwards, recoverable taxes, and IRC
§6603 deposits:**

At December 31, 2011, the Company had net operating loss carryforwards expiring through the year 2026 of: \$0

At December 31, 2011, the Company had capital loss carryforwards expiring through the year 2016 of: \$3,272,174

At December 31, 2011, the Company had an AMT credit carryforwards, which does not expire, in the amount of: \$0

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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	930,068	-	930,068
2010	866,388	-	866,388
2011	663,399	-	663,399
Total	2,459,855	-	2,459,855

Deposits admitted under IRC § 6603

None

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

Northview Insurance Agency, Inc.

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

10) Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

A, B, & C. All employees of the parent company, Grange Mutual, are covered by a participating group life insurance policy issued by the Company. Premiums received from the parent company amounted to \$1,817,101 and \$1,865,861 in 2011 and 2010, respectively. Dividends of \$218,941 and \$115,967 were paid to the parent company in 2011 and 2010, respectively.

D. The Company reported amounts due to the parent company, Grange Mutual, of \$6,184,758 and \$4,649,368 at December 31, 2011 and 2010, respectively. All amounts due to the parent company were settled within 30 days.

E. **NONE**

F. The parent company, Grange Mutual, has a formal cost-sharing agreement with its property-casualty affiliate and certain of its subsidiaries, including the Company, whereby the parent company provides certain operational and administrative services – such as sales support, advertising, information technology support, investment management services, employee benefits and personnel management services, and other general management services – to these companies. Expenses covered by this agreement are subject to allocation among the parent company, its affiliate and its subsidiaries. The allocations are based on techniques and procedures in accordance with SAP and insurance regulatory guidelines. Measures used to allocate expenses among the companies include individual employee estimates of time spent, specific cost studies, salary expenses, and other methods agreed to by the participating companies that are within industry guidelines and practices. The Company does not believe that expenses recognized under this agreement are materially different than expenses that would have been recognized had the Company operated on a stand-alone basis.

In addition, a management fee is assessed by and paid to the parent company as a reimbursement for certain expenses – such as salaries, pension and post-retirement benefits – that are incurred on behalf of the Company.

G. The Company is controlled by Grange Mutual Casualty Company, an Ohio domiciled property-casualty insurance company, which owns approximately 79.21% of the outstanding capital stock of the Company.

H. **NONE**

I. **NONE**

J. **NONE**

K. **NONE**

L. **NONE**

11) Debt

NONE

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12) Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

NONE

B. Defined Contribution Plans

NONE

C. Multi-employer Plans

NONE

D. Consolidated/Holding Company Plans

Employees of the parent company, Grange Mutual, including those employees that provide services to the Company, participate in 1) a defined benefit plan providing pension benefits to eligible participants (for employees hired on or before December 31, 2006), 2) a defined benefit plan providing postretirement health care benefits and life insurance coverage to eligible participants (for employees hired on or before December 31, 2005), 3) a defined contribution Retirement Accumulation Accounts plan that covers substantially all employees hired on or after January 1, 2007, and 4) a defined contribution Incentive Savings Plan (a 401k plan) that covers substantially all employees. Each of these plans is sponsored by the parent company, and the Company has no legal obligation for the related employee benefits. The parent company's policy is to fund pension costs as incurred. Under the Incentive Savings Plan, employee salary deferrals of up to 6% of the base salary are subject to a 50% matching contribution from the parent company. Under the Retirement Accumulation Accounts, the parent company makes annual contributions to eligible employees based on a formula utilizing the employee's salary, age, and years of credited service.

Expenses incurred related to these plans that are attributable to employees providing services to the Company are allocated to the Company and reimbursed to the parent company through a management fee (see note 10F). The Company's allocated share of the net periodic pension benefit cost was \$258,321 and \$219,690 in 2011 and 2010, respectively. The Company's allocated share of the net periodic postretirement benefit cost was \$85,481 and \$96,060 in 2011 and 2010, respectively. The Company's allocated share of the 401k matching contribution cost was \$100,512 and \$74,817 in 2011 and 2010, respectively.

E. Postemployment Benefits and Compensated Absences

The Company accrued \$210,000 and \$151,000 for compensated absences at December 31, 2011 and 2010, respectively.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

NONE

13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi -Reorganizations

- 1) The Company has 101,000 shares of its capital stock authorized, with 101,000 shares issued and outstanding at December 31, 2011. The par value per share is \$18.75.
- 2) The Company has no preferred stock outstanding.
- 3) Ohio law limits the Company's payment of dividends to the parent company, Grange Mutual. The maximum dividend that may be paid by an Ohio domiciled insurance company to its shareholders in any year without the prior approval of the Director of the Department is limited to the greater of the net income of the preceding calendar year or 10% of capital and surplus as of the preceding December 31. Capital and surplus at December 31, 2011 was \$42,376,987. Therefore, the maximum dividend payments that can be made in 2012, without obtaining prior approval, are \$4,237,699.
- 4) No ordinary dividends were paid by the Company.
- 5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held. Unassigned surplus held for the benefit of policyholders was \$33,451,987 and \$30,881,650 at December 31, 2011 and 2010, respectively.
- 7) No advances to surplus were made.

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NOTES TO FINANCIAL STATEMENTS**

- 8) No amounts of stock were held by the Company, including stock of affiliated companies, for special purposes.
- 9) No special surplus funds were maintained.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses are \$(774,254).
- 11) The Company did not hold any surplus debentures or similar obligations.
- 12) NONE
- 13) NONE

14) Contingencies

A. Contingent Commitments

NONE

B. Assessments

- 1) The Company may be subjected to mandatory assessments from state guarantee funds to cover losses of policyholders of insolvent or rehabilitated insurance companies. Based on data published in the fourth quarter of 2011 by the National Organization of Life & Health Insurance Guaranty Associations, the Company has recorded a liability of \$664,320 and \$624,710 as of December 31, 2011 and 2010, respectively, in anticipation of future mandatory assessments from state guarantee funds in states in which the Company writes business.
- 2) The Company has recorded a Premium Tax Credit of \$36,378 and \$21,116 as of December 31, 2011 and 2010, respectively. No amount was charged off in 2011.

C. Gain Contingencies

NONE

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits.

The Company paid \$0 (on a direct basis) in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits (number of claims on a per claim basis is 0).

E. All Other Contingencies

The Company is a defendant in lawsuits arising in the ordinary course of business from claims under insurance policies and from other matters. Accruals for these lawsuits have been provided to the extent that losses are deemed probable. In the opinion of management, the effects, if any, of such lawsuits are not expected to have a material impact on the Company's financial position or results from operations.

15) Leases

The Company has no material lease obligations.

16) Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

NONE

17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

NONE

B. Transfer and Servicing of Financial Assets

The Company participates in a securities lending program with JPMorgan Chase Bank as lending agent. Securities on loan as of 12/31/11 were fixed income bonds, totaling \$10,487,620. 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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
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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. Wash Sales

NONE

18) Gain or Loss to the Reporting Entity from Uninsured 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. For assets and liabilities that are measured and reported at fair value in the statement of financial position after initial recognition, the valuation techniques and the inputs used to develop those measurements and for fair value measurements in the statement of financial position determined using significant unobservable inputs (Level 3), the effect of the measurements on earnings (or changes in net assets) for the period.

(1) Fair Value Measurement at Reporting Date

NONE

(2) Fair Value Measurements in (Level 3) of the Fair Value

NONE

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

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

According to statutory accounting rules, fixed income securities with a rating of NAIC 1 thru 5 are reported at amortized cost. Securities with a rating of NAIC of 6 are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of December 31, 2011, the Company did not have any bonds rated NAIC-6 and therefore did not report any securities at fair value.

(5) NONE

21) Other Items

A. Extraordinary items

NONE

B. Troubled Debt Restructuring: Debtors

NONE

C. Other Disclosures

Bonds with a statement value of \$2,543,925 and \$2,542,073 were on deposit with regulatory authorities as required by law at December 31, 2011 and 2010, respectively.

D. Uncollectible Assets

NONE

E. Business Interruption Insurance Recoveries

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

F. State Transferable Tax Credits

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 Company does not invest in mortgage loans on a direct basis, nor is it in the practice of originating mortgage loans.

2. The Company has no direct exposure through investments in subprime mortgage loans.

3. Estimated Direct Exposure to Subprime Mortgage Risk Through Other Investments:

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 2003. 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, 2011, management estimates there were 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. No other-than-temporary impairment losses were recognized in the 4th Quarter of 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.

H. Retained Assets

NONE

22) Events Subsequent

Type I-Recognized Subsequent Events: NONE

Type II-Nonrecognized Subsequent Events: NONE

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS**

23) Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X) If yes, give full details.

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X) If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X) If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

B. Uncollectible Reinsurance

NONE

C. Commutation of Ceded Reinsurance

NONE

24) Retrospectively Rated Contracts & Contracts Subject to Redetermination

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

25) Change in Incurred Losses and Loss Adjustment Expenses

NONE

26) Intercompany Pooling Arrangements

NONE

27) Structured Settlements

NONE

28) Health Care Receivables

NONE

29) Participating Policies

As of December 31, 2011, individual and group participating life insurance policies represented 0.02% and 1.43% of the total life insurance in force, respectively. The method of accounting for policyholder dividends for participating individual life insurance policies is based upon the accounting regulations in Statement of Statutory Accounting Principles No. 51, *Life Contracts*. The method of accounting for policyholder dividends on the participating group life insurance policy is based on premium and claim experience from the prior year. During 2011, the Company paid dividends in the amount of \$53,470 and \$218,941 on the individual and group participating life insurance policies, respectively, and did not allocate any additional income to such policyholders.

30) Premium Deficiency Reserves

NONE

31) Reserves for Life Contracts and Annuity Contracts

- 1) The Company waives deduction of deferred fractional premiums upon the death of the insured. The Company returns any portion of the final premium paid beyond the date of death for all policies. Surrender values are not promised in excess of the legally computed reserves.
- 2) Extra premiums are charged for substandard lives, plus the gross premium for a rated age. Mean reserves for substandard lives are determined by computing the regular mean reserve for the plan at the rated age and holding an additional reserve of one-half (1/2) of the extra premium charge for the year.
- 3) As of December 31, 2011, the Company had \$2,839,289,000 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled the gross amount of \$21,105,433 at year-end and are reported in Exhibit 5, Miscellaneous Reserves, Line 0700001.
- 4) The tabular interest (Page 7, Line 4), the tabular less actual reserve released (Page 7, Line 5), and the tabular cost (Page 7, Line 9) have been determined by formulas as described in the instructions for Page 7.
- 5) For the determination of tabular interest on funds not involving life contingencies for each valuation rate of interest, the tabular interest is calculated as the product of such valuation rate of interest multiplied by the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.
- 6) There were no other material reserve changes.

32) Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics

	(1) Amount	(2) % of Total
A. Subject to discretionary withdrawal:		
(1) With fair value adjustment	\$ -	
(2) At book value less current surrender charge of 5% or more	12,750,214	21.64%
(3) At fair value	-	
(4) Total with adjustment or at market value (Total of 1 through 3)	12,750,214	21.64%
(5) At book value without adjustment (minimal or no charge or adjustment)	46,182,558	78.36%

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE GRANGE LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

B. Not subject to discretionary withdrawal	-	
C. Total (gross: Direct + assumed)	58,932,772	100.00%
D. Reinsurance ceded	-	
E. Total (net)* (C) - (D)	<u><u>\$ 58,932,772</u></u>	

Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. Life & Accident & Health Annual Statement:		
1. Exhibit 5, Annuities Section, Total (net)	\$ 58,103,046	
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-	
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	<u>829,726</u>	
4. Subtotal	<u>\$ 58,932,772</u>	

Separate Accounts Annual Statement:

5. Exhibit 3, Line 0299999, Column 2	\$	-
6. Exhibit 3, Line 0399999, Column 2	-	-
7. Policyholder dividends	-	-
8. Policyholder premiums	-	-
9. Guaranteed interest contracts	-	-
10. Other contract deposit funds	-	-
11. Subtotal	-	-
12. Combined Total	<u><u>\$ 58,932,772</u></u>	

G. FHLB (Federal Home Loan Bank) Agreements

1. NONE

33) Premium and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2011, were as follows:

Description	(1) Gross	(2) Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	1,493,034	518,186
(3) Ordinary renewal	17,697,914	29,583,177
(4) Credit Life	-	-
(5) Group Life	-	-
(6) Group Annuity	-	-
(7) Totals	<u><u>\$19,190,948</u></u>	<u><u>\$30,101,363</u></u>

34) Separate Accounts

NONE

35) Loss/Claim Adjustment Expenses

NONE

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

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 [] No [] N/A [X]

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

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

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

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. Yes [] No [X]

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

6.2 If yes, give full information

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control 0.0

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Price Waterhouse Coopers LLP, 41 S. High St, Suite 2500 Columbus, OH 43215.....

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?
Actuary/Consultant: Thomas M. Hull, Actuarial Management Resources, Inc., 4964 University Parkway, Suite 203, Winston-Salem, NC 27106.....

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).

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

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	\$.....
22.22 Amount paid as expenses	\$.....
22.23 Other amounts paid	\$.....

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: \$.....

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

Certain bond securities are on deposit with state or regulatory bodies as marked in Schedule D Part 1.....

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)

Please see Notes to the 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. \$.....10,716,522

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 [] No [] NA [X]

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] NA []

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

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3.)

Yes [] No []

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

25.21	Subject to repurchase agreements	\$0
25.22	Subject to reverse repurchase agreements	\$0
25.23	Subject to dollar repurchase agreements	\$0
25.24	Subject to reverse dollar repurchase agreements	\$0
25.25	Pledged as collateral	\$0
25.26	Placed under option agreements	\$0
25.27	Letter stock or securities restricted as to sale	\$0
25.28	On deposit with state or other regulatory body	\$2,543,925
25.29	Other	\$0

25.3 For category (25.27) provide the following:

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

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No []

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

Yes [] No [] N/A []

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No []

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

\$.....

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [] No []

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase Bank, NA.....	111 Polaris Pkwy, Columbus, OH 43240.....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No []

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
109267.....	Caywood-Scholl Capital Management, LLC.....	4250 Executive Square, Suite 400, La Jolla, CA 92037.....

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

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	240,856,525	260,735,708	19,879,183
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	240,856,525	260,735,708	19,879,183

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:

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

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$ 35,938
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
AM Best.....	\$..... 13,000

34.1 Amount of payments for legal expenses, if any? \$ 145,389
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
Dewey & Leboeuf LLP.....	\$..... 115,814

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

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

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

GENERAL INTERROGATORIES

PART 2 - LIFE 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? \$

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. \$

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	\$ 47,664,030	\$ 49,595,605
2.3 Premium Ratio (2.1/2.2)	.....0.000	.....0.000
2.4 Reserve Numerator	\$ 76,522	\$ 76,830
2.5 Reserve Denominator	\$ 243,723,672	\$ 232,639,528
2.6 Reserve Ratio (2.4/2.5)	.....0.000	.....0.000

3.1 Does this reporting entity have Separate Accounts? Yes [] No [X]

3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [] No [] N/A [X]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$ 0

3.4 State the authority under which Separate Accounts are maintained:

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)? \$ 0

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [] No [X]

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid \$ 0

4.22 Received \$ 0

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]

5.2 If yes, what amount pertaining to these items is included in: 5.21 Page 3, Line 1 \$ 0

5.22 Page 4, Line 1 \$ 0

6. For stock reporting entities only:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$ 7,031,250

7. Total dividends paid stockholders since organization of the reporting entity: 7.11 Cash \$ 0

7.12 Stock \$ 0

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

GENERAL INTERROGATORIES

8.1 Does the company reinsurance any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the *Workers Compensation Carve-Out Supplement* to the Annual Statement? Yes [] No []
 8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium.....			
8.32 Paid claims.....			
8.33 Claim liability and reserve (beginning of year).....			
8.34 Claim liability and reserve (end of year).....			
8.35 Incurred claims.....			

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column 1 are:

	Attachment Point	1 Earned Premium	2 Claim Liability And Reserve
8.41 <\$25,000
8.42 \$25,000 – 99,999
8.43 \$100,000 – 249,999
8.44 \$250,000 – 999,999
8.45 \$1,000,000 or more

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type	3	4	5	6	7	8	9	
1 Guaranteed Death Benefits	2 Guaranteed Living Benefits	Waiting Period Remaining	Account Value Related to Col.3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit

For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as 10 the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year: \$..... 0

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
.....
.....
.....
.....

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
Show amounts of life insurance in this exhibit in thousands (OMIT \$000)

	1 2011	2 2010	3 2009	4 2008	5 2007
<u>Life Insurance in Force</u> <u>(Exhibit of Life Insurance)</u>					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	2,382,680	2,324,114	2,270,764	2,240,536	2,220,695
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	15,833,523	15,638,033	15,146,699	14,302,336	14,850,145
3. Credit life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	265,163	266,119	263,875	256,695	244,292
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	18,481,366	18,228,266	17,681,338	16,799,567	17,315,132
<u>New Business Issued</u> <u>(Exhibit of Life Insurance)</u>					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	207,317	186,100	171,682	192,297	155,150
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	1,058,035	1,287,298	1,579,744	1,927,336	2,103,606
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	23,667	15,461	13,316	20,815	10,465
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	1,289,019	1,488,859	1,764,742	2,140,448	2,269,221
<u>Premium Income - Lines of Business</u> <u>(Exhibit 1 – Part 1)</u>					
14. Industrial life (Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary life insurance (Line 20.4, Col. 3)	42,001,201	40,495,144	39,355,943	36,802,741	34,209,888
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	4,315,609	7,744,847	4,096,011	3,448,826	4,520,209
16. Credit life, (group and individual) (Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6)	1,202,496	1,203,103	1,185,579	1,142,378	1,082,112
17.2 Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8)	0	0	0	0	0
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10)	144,724	152,511	141,409	267,865	284,359
19. Aggregate of all other lines of business (Line 20.4, Col. 11)	0	0	0	0	0
20. Total	47,664,030	49,595,605	44,778,942	41,661,810	40,096,568
<u>Balance Sheet</u> <u>(Pages 2 and 3)</u>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	316,550,520	291,574,839	271,857,348	254,933,023	245,495,909
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	274,173,533	251,768,189	233,946,757	221,362,404	211,333,059
23. Aggregate life reserves (Page 3, Line 1)	245,738,959	232,914,866	218,654,355	206,713,729	197,484,582
24. Aggregate A & H reserves (Page 3, Line 2)	354,947	340,655	340,688	523,106	357,712
25. Deposit-type contract funds (Page 3, Line 3)	829,726	640,431	504,188	543,037	681,796
26. Asset valuation reserve (Page 3, Line 24.01)	1,236,649	1,110,224	1,046,553	788,784	651,638
27. Capital (Page 3, Lines 29 & 30)	1,893,750	1,893,750	1,893,750	1,893,750	1,893,750
28. Surplus (Page 3, Line 37)	40,483,237	37,912,900	36,016,841	31,676,869	32,269,100
<u>Cash Flow (Page 5)</u>					
29. Net cash from operations (Line 11)	6,907,584	20,750,681	8,317,800	12,517,738	10,987,047
<u>Risk-Based Capital Analysis</u>					
30. Total adjusted capital	43,613,636	40,916,874	38,957,144	34,383,423	34,838,338
31. Authorized control level risk-based capital	4,124,379	3,917,320	3,807,498	3,688,854	4,213,777
<u>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</u> <u>(Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0</u>					
32. Bonds (Line 1)	88.1	89.9	92.1	88.1	91.6
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.4	0.5
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Cash, cash equivalents and short-term investments (Line 5)	4.4	5.6	4.3	7.7	4.1
37. Contract loans (Line 6)	3.5	3.6	3.7	3.8	3.9
38. Derivatives (Page 2, Line 7)	0.0	0.0	XXX	XXX	XXX
39. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10)	4.0	0.8	XXX	XXX	XXX
42. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

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

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<u>Investments in Parent, Subsidiaries and Affiliates</u>					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	781	781	781	781	781
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
48. Affiliated mortgage loans on real estate	0	0	0	0	0
49. All other affiliated	0	0	0	0	0
50. Total of above Lines 44 to 49	781	781	781	781	781
<u>Total Nonadmitted and Admitted Assets</u>					
51. Total nonadmitted assets (Page 2, Line 28, Col. 2)	4,381,474	4,537,012	3,636,095	4,944,220	3,845,931
52. Total admitted assets (Page 2, Line 28, Col. 3)	316,550,520	291,574,839	271,857,348	254,933,023	245,495,909
<u>Investment Data</u>					
53. Net investment income (Exhibit of Net Investment Income)	12,696,411	13,147,728	12,163,319	11,778,453	11,407,185
54. Realized capital gains (losses) (Page 4, Line 34, Column 1)	(226,343)	(1,562,176)	(499,566)	(3,051,073)	(156,171)
55. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	0	0	0	0	0
56. Total of above Lines 53, 54 and 55	12,470,068	11,585,552	11,663,753	8,727,380	11,251,014
<u>Benefits and Reserve Increase (Page 6)</u>					
57. Total contract benefits-life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 and 11)	30,952,185	30,853,420	27,572,737	29,862,904	24,446,097
58. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	195,629	158,986	197,135	246,598	262,175
59. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	12,636,192	10,645,805	10,287,775	9,416,715	10,913,431
60. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	14,292	(33)	(182,418)	165,395	62,264
61. Dividends to policyholders (Line 30, Col. 1)	178,222	148,502	169,919	385,333	456,389
<u>Operating Percentages</u>					
62. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00	29.1	24.7	25.8	25.3	27.2
63. Lapse percent (ordinary only) [Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00	5.4	5.0	4.9	5.8	5.0
64. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	144.5	104.0	22.4	152.8	114.4
65. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)	0.0	0.0	0.0	0.0	0.0
66. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	20.9	16.3	14.8	10.7	11.6
<u>A & H Claim Reserve Adequacy</u>					
67. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	0	0	0	0	0
68. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	0	0	0	0	0
69. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	273,221	269,016	251,979	259,483	209,135
70. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2, Col. 1 less Col. 2)	191,904	190,686	353,543	188,576	136,673
<u>Net Gains From Operations After Federal Income Taxes by Lines of Business</u>					
(Page 6, Line 33)					
71. Industrial life (Col. 2)	0	0	0	0	0
72. Ordinary-life (Col. 3)	1,332,488	2,815,905	2,196,940	388,795	2,371,062
73. Ordinary-individual annuities (Col. 4)	456,827	824,392	642,247	339,346	436,393
74. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	0
75. Credit life (Col. 6)	0	0	0	0	0
76. Group life (Col. 7)	656,134	707,674	628,483	1,139,573	535,626
77. Group annuities (Col. 8)	0	0	0	0	0
78. A & H-group (Col. 9)	0	0	0	0	0
79. A & H-credit (Col. 10)	0	0	0	0	0
80. A & H-other (Col. 11)	(18,125)	(4,278)	98,692	(104,613)	(29,157)
81. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
82. Total (Col. 1)	2,427,324	4,343,693	3,566,362	1,763,101	3,313,924

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

Yes No

If no, please explain

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

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)		
							7 Policies	8 Certificates			
1. In force end of prior year	0	0	121,146	17,962,147	0	0	2	2,304	266,119	18,228,266	
2. Issued during year	0	0	8,375	1,265,352	0	0	0	165	23,667	1,289,019	
3. Reinsurance assumed										0	
4. Revived during year										0	
5. Increased during year (net)										10,846	
6. Subtotals, Lines 2 to 5	0	0	8,375	1,265,352	0	0	0	165	34,513	1,299,865	
7. Additions by dividends during year	XXX	0	XXX	XXX	0	0	XXX	XXX		0	
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0	
9. Totals (Lines 1 and 6 to 8)	0	0	129,521	19,227,499	0	0	2	2,469	300,632	19,528,131	
Deductions during year:											
10. Death			487	37,396			XXX	17	879	38,275	
11. Maturity			150	4,796			XXX			4,796	
12. Disability							XXX			0	
13. Expiry										0	
14. Surrender			2,917	422,882						422,882	
15. Lapse			5,416	546,222						546,222	
16. Conversion							XXX	XXX	XXX	0	
17. Decreased (net)								205	34,590	34,590	
18. Reinsurance										0	
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0	
20. Totals (Lines 10 to 19)	0	0	8,970	1,011,296	0	0	0	222	35,469	1,046,765	
21. In force end of year (Line 9 minus Line 20)	0	0	120,551	18,216,203	0	0	2	2,247	265,163	18,481,366	
22. Reinsurance ceded end of year	XXX		XXX	13,337,868	XXX		XXX	XXX	224,437	13,562,305	
23. Line 21 minus Line 22	XXX	0	XXX	4,878,335	XXX	(b)	0	XXX	XXX	40,726	
DETAILS OF WRITE-INS											
0801.											
0802.											
0803.											
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0	
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0	
1901.											
1902.											
1903.											
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0	
1999. Totals (Lines 1901 through 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0	

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$; Individual \$

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

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	
25. Other paid-up insurance				
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance				
27. Term policies-decreasing			197	8,433
28. Term policies-other	4,814	1,058,035	82,550	15,825,090
29. Other term insurance-decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals, (Lines 27 to 30)	4,814	1,058,035	82,747	15,833,523
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX		
34. Totals, whole life and endowment	3,561	207,317	37,804	2,382,680
35. Totals (Lines 31 to 34)	8,375	1,265,352	120,551	18,216,203

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary	1,265,352		18,212,881	3,322
38. Credit Life (Group and Individual)				
39. Group	290	23,377	13,030	252,133
40. Totals (Lines 36 to 39)	1,265,642	23,377	18,225,911	255,455

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies			XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)		450,602
---	--	---------

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.	
47.1 Original Face Amount	
47.2 Spouse and Child Rider at current death benefit	

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			12,438	1,948,913				
49. Disability Income			XXX	XXX				
50. Extended Benefits								
51. Other								
52. Total	0 (b)	0	12,438 (b)	1,948,913	0 (b)	0	0 (b)	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

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

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES,
INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR
SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH
AND OTHER POLICIES**

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	0	.0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)				
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	.0	0	0
10. Amount on deposit				
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

NONE

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	91	1,925	0	0
2. Issued during year	21	101		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	112	2,026	0	0
Deductions during year:				
6. Decreased (net)	22	150		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	22	150	0	0
9. In force end of year	90	1,876	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	0	0	0	.0	642	332,599
2. Issued during year					.1	
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	0	XXX	0	XXX	643	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)		XXX		XXX	.42	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	0	XXX	0	XXX	42	XXX
10. In force end of year	0	(a)	0	(a)	601	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

			1 Deposit Funds		2 Dividend Accumulations	
			Contracts	Contracts	Contracts	Contracts
1. In force end of prior year			0		16	
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)						
5. Totals (Lines 1 to 4)			0		16	
Deductions during year:						
6. Decreased (net)					1	
7. Reinsurance ceded						
8. Totals (Lines 6 and 7)			0		1	
9. In force end of year					15	
10. Amount of account balance			(a)		(a)	61,258

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

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

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit - Type Contracts
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	104,677	.0	0	0	104,677	0
2. Alaska	AK	.6,535	.0	0	0	.6,535	0
3. Arizona	AZ	94,899	.0	0	0	94,899	0
4. Arkansas	AR	33,706	.1,519	0	0	35,225	0
5. California	CA	88,023	.0	.948	0	88,971	0
6. Colorado	CO	56,124	.0	0	0	56,124	0
7. Connecticut	CT	19,505	.0	0	0	19,505	0
8. Delaware	DE	3,133	.0	0	0	3,133	0
9. District of Columbia	DC	1,861	.0	0	0	1,861	0
10. Florida	FL	.545,383	.10,380	.4,488	0	.560,251	0
11. Georgia	GA	L	5,748,282	.167,523	.36,317	5,952,122	0
12. Hawaii	HI		3,994	.0	0	3,994	0
13. Idaho	ID		10,647	.0	0	10,647	0
14. Illinois	IL	L	.1,745,261	.55,199	.5,453	1,805,913	0
15. Indiana	IN	L	.5,309,689	211,940	.12,064	5,533,693	0
16. Iowa	IA	L	105,465	.88,995	0	194,460	0
17. Kansas	KS	L	22,336	.0	0	22,336	0
18. Kentucky	KY	L	.8,583,375	460,603	.58,297	9,102,275	0
19. Louisiana	LA		24,749	.0	0	24,749	0
20. Maine	ME		4,271	.0	0	4,271	0
21. Maryland	MD		40,451	.0	0	40,451	0
22. Massachusetts	MA		13,625	.0	0	13,625	0
23. Michigan	MI	L	.3,156,633	576,386	.2,883	3,735,902	0
24. Minnesota	MN	L	303,503	1,425	0	304,928	0
25. Mississippi	MS		98,361	.350	0	98,711	0
26. Missouri	MO	L	75,966	.0	0	75,966	0
27. Montana	MT		8,479	.0	0	8,479	0
28. Nebraska	NE		3,669	.0	0	3,669	0
29. Nevada	NV		25,842	.0	0	25,842	0
30. New Hampshire	NH		7,260	.0	0	7,260	0
31. New Jersey	NJ		19,103	.0	0	19,103	0
32. New Mexico	NM		8,813	.0	.100	8,913	0
33. New York	NY		51,256	.0	0	51,256	0
34. North Carolina	NC		168,314	.0	.882	169,196	0
35. North Dakota	ND		2,267	.0	0	2,267	0
36. Ohio	OH	L	30,747,119	2,664,399	.147,852	33,559,370	0
37. Oklahoma	OK		.17,755	.0	.30	17,785	0
38. Oregon	OR		14,442	.0	0	14,442	0
39. Pennsylvania	PA	L	.679,499	.0	0	.679,499	0
40. Rhode Island	RI		4,211	.0	0	4,211	0
41. South Carolina	SC	L	709,802	.1,300	0	711,102	0
42. South Dakota	SD		8,753	.0	0	8,753	0
43. Tennessee	TN	L	.7,771,113	.42,198	.30,082	7,843,393	0
44. Texas	TX		138,339	.0	.1,104	139,443	0
45. Utah	UT		15,047	.0	0	15,047	0
46. Vermont	VT		4,693	.1,800	.468	6,961	0
47. Virginia	VA	L	.288,006	.11,400	.1,008	300,414	0
48. Washington	WA		16,487	.0	0	16,487	0
49. West Virginia	WV		109,788	.2,092	.289	112,169	0
50. Wisconsin	WI	L	924,636	.18,100	0	942,736	0
51. Wyoming	WY		4,532	.0	0	4,532	0
52. American Samoa	AS		0	.0	0	0	0
53. Guam	GU		0	.0	0	0	0
54. Puerto Rico	PR		403	.0	0	403	0
55. US Virgin Islands	VI		335	.0	0	335	0
56. Northern Mariana Islands	MP		0	.0	0	0	0
57. Canada	CN		9,358	.0	0	9,358	0
58. Aggregate Other Alien	OT	XXX	876	.0	0	876	0
59. Subtotal		(a) 15	67,960,651	4,315,609	.302,265	72,578,525	0
90. Reporting entity contributions for employee benefits plans		XXX				0	
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX				0	
92. Dividends or refunds applied to shorten endowment or premium paying period		XXX				0	
93. Premium or annuity considerations waived under disability or other contract provisions		XXX				0	
94. Aggregate other amounts not allocable by State		XXX	0	0	0	0	0
95. Totals (Direct Business)		XXX	67,960,651	4,315,609	.302,265	72,578,525	0
96. Plus reinsurance assumed		XXX	3,459,445			3,459,445	
97. Totals (All Business)		XXX	71,420,096	4,315,609	.302,265	76,037,970	0
98. Less reinsurance ceded		XXX	28,971,001		.158,046	29,129,047	
99. Totals (All Business) less Reinsurance Ceded		XXX	42,449,095	4,315,609	(b) 144,219	46,908,923	0
DETAILS OF WRITE-INS							
5801. United Kingdom		XXX	876			.876	
5802.		XXX				0	
5803.		XXX				0	
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0
5899. Total (Lines 5801 through 5803 + 5898)(Line 58 above)		XXX	876	0	0	876	0
9401.		XXX				0	
9402.		XXX				0	
9403.		XXX				0	
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX	0	0	0	0	0
9499. Total (Lines 9401 through 9403 + 9498)(Line 94 above)		XXX	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 by states, etc., of premiums and annuity considerations

Post Office of which notices are sent for individual policies or contracts; head office of group policy owners.

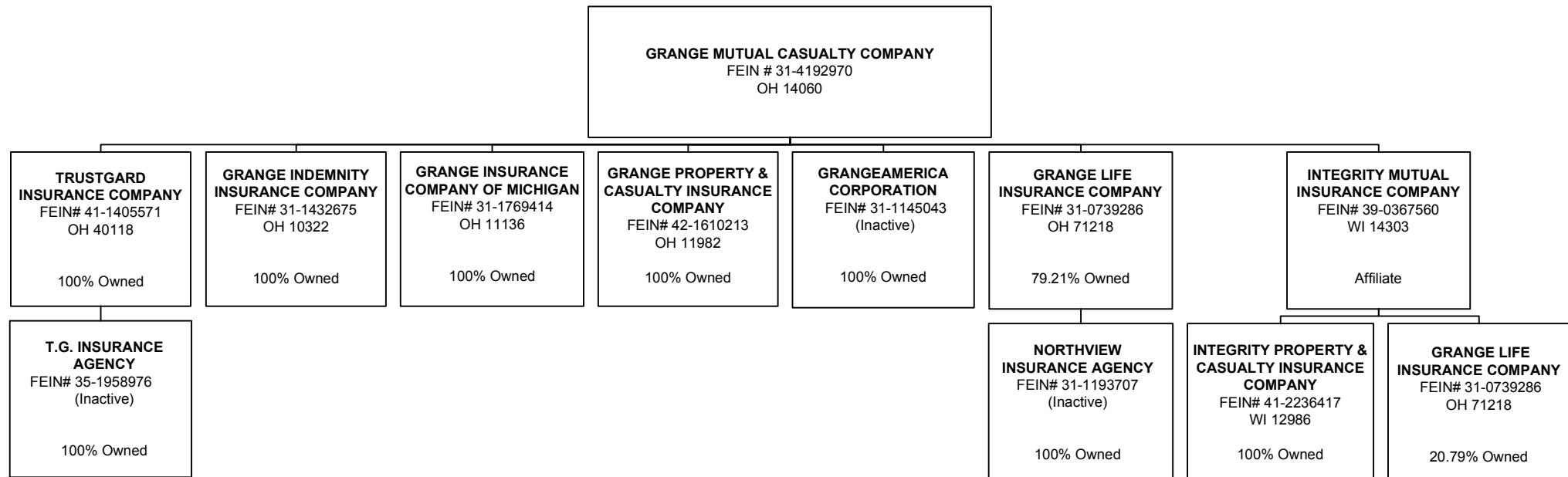
(a) Insert the number of L responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which; Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10.

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

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

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