



## PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

## QUARTERLY STATEMENT

**AS OF MARCH 31, 2012**  
**OF THE CONDITION AND AFFAIRS OF THE**

# GRANGE INSURANCE COMPANY OF MICHIGAN

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	11136	Employer's ID Number	31-1769414
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States					
Incorporated/Organized	04/23/2001		Commenced Business	07/26/2001		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)	
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH 43216-1218 (City or Town, State and Zip Code)		Columbus, OH 43216-1218 (City or Town, State and Zip Code)	
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)			
	ackermannd@grangeinsurance.com (E-mail Address)		614-542-3017 (Fax Number)			

## OFFICERS

<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
THOMAS HOWARD WELCH	PRESIDENT & CEO	LAVAWN DEE COLEMAN	VP & SECRETARY
JOHN PAUL MCCAFFREY	VP & CFO		

## OTHER OFFICERS

JOHN CHRISTOPHER  
MONTGOMERY, VP - INVESTMENTS

## **DIRECTORS OR TRUSTEES**

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

State of Ohio

County of ..... Franklin ..... ss

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

THOMAS HOWARD WELCH  
PRESIDENT & CEO

LAVAWN DEE COLEMAN  
VP & SECRETARY

JOHN PAUL MCCAFFREY  
VP & CFO

a. Is this an original filing? Yes [X] No [ ]

b. If no:

1. State the amendment number
2. Date filed

2. Date filed

3. Number of pages attached

Teresa J. Burchwell, Notary Public  
April 28, 2017

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	45,418,997		.45,418,997	44,139,395
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....0 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....574,350 ) .....	574,350		.574,350	956,629
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	45,993,347	.0	.45,993,347	45,096,024
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	594,151		.594,151	389,582
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	4,709,778	.32,895	.4,676,883	.4,593,104
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....(818) earned but unbilled premiums) .....	(1,490)	(672)	(818)	(4,698)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,876,156		2,876,156	2,646,479
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	977,100	2,108	.974,992	967,931
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	.59,465		.59,465	1,601,831
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	10,774	.0	10,774	12,039
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	55,219,281	34,331	55,184,950	55,302,292
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	55,219,281	34,331	55,184,950	55,302,292
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Equities in Pools .....	10,774		10,774	12,039
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	10,774	0	10,774	12,039

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 1,654,177 )	9,879,878	9,867,043
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	2,719,734	2,823,659
4. Commissions payable, contingent commissions and other similar charges	120,396	253,520
5. Other expenses (excluding taxes, licenses and fees)	588,481	679,890
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	358,442	290,754
7.1 Current federal and foreign income taxes (including \$ (152) on realized capital gains (losses))	291,912	964,203
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 36,638,926 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	9,901,196	9,771,933
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	22,207	19,342
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	23,882,246	24,670,344
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	23,882,246	24,670,344
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	1,000,000	1,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	9,000,000	9,000,000
35. Unassigned funds (surplus)	21,302,704	20,631,948
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	31,302,704	30,631,948
38. Totals (Page 2, Line 28, Col. 3)	55,184,950	55,302,292
<b>DETAILS OF WRITE-INS</b>		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 25,256,407 )	25,273,758	26,915,058	105,749,914
1.2 Assumed (written \$ 6,476,214 )	6,346,951	6,614,725	26,120,523
1.3 Ceded (written \$ 25,256,407 )	25,273,758	26,911,642	105,782,961
1.4 Net (written \$ 6,476,214 )	6,346,951	6,618,141	26,087,476
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 3,474,325 ):			
2.1 Direct	100,625,715	15,412,953	141,336,426
2.2 Assumed	3,573,061	3,873,067	15,821,480
2.3 Ceded	100,625,715	15,514,904	141,481,653
2.4 Net	3,573,061	3,771,116	15,676,253
3. Loss adjustment expenses incurred	692,378	689,122	2,713,690
4. Other underwriting expenses incurred	2,011,354	2,135,839	8,153,780
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	6,276,793	6,596,077	26,543,723
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	70,158	22,064	(456,248)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	405,174	372,381	1,648,416
10. Net realized capital gains (losses) less capital gains tax of \$ (152)	(281)	0	(85,392)
11. Net investment gain (loss) (Lines 9 + 10)	404,893	372,381	1,563,024
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 702 amount charged off \$ 36,405 )	(35,703)	(57,834)	(203,441)
13. Finance and service charges not included in premiums	527,677	685,283	2,581,908
14. Aggregate write-ins for miscellaneous income	5,845	6,585	25,480
15. Total other income (Lines 12 through 14)	497,819	634,034	2,403,947
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	972,870	1,028,479	3,510,723
17. Dividends to policyholders	19,966	22,532	76,345
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	952,904	1,005,947	3,434,378
19. Federal and foreign income taxes incurred	292,064	273,182	1,010,183
20. Net income (Line 18 minus Line 19)(to Line 22)	660,840	732,765	2,424,195
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	30,631,948	28,258,464	28,258,464
22. Net income (from Line 20)	660,840	732,765	2,424,195
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		(12,174)	0
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	252	(43,950)	(56,202)
27. Change in nonadmitted assets	9,664	18,240	5,491
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	670,756	694,881	2,373,484
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	31,302,704	28,953,345	30,631,948
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	5,845	6,585	25,480
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	5,845	6,585	25,480
3701.		0	0
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	6,391,410	6,581,125	25,979,002
2. Net investment income.....	292,429	167,962	1,961,605
3. Miscellaneous income.....	497,819	634,034	2,403,947
4. Total (Lines 1 to 3).....	7,181,658	7,383,121	30,344,554
5. Benefit and loss related payments.....	3,789,903	4,836,845	16,916,226
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,964,502	3,193,205	11,170,772
8. Dividends paid to policyholders.....	17,101	13,777	76,019
9. Federal and foreign income taxes paid (recovered) net of \$ .....(152) tax on capital gains (losses).....	964,203	677,401	677,401
10. Total (Lines 5 through 9).....	7,735,709	8,721,228	28,840,419
11. Net cash from operations (Line 4 minus Line 10).....	(554,051)	(1,338,107)	1,504,136
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	2,283,960	1,270,368	13,720,108
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,283,960	1,270,368	13,720,108
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	3,655,818	6,422,266	13,590,973
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,655,818	6,422,266	13,590,973
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(1,371,858)	(5,151,898)	129,135
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	1,543,630	6,847,960	(1,239,877)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	1,543,630	6,847,960	(1,239,877)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(382,279)	357,955	393,394
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	956,629	563,235	563,235
19.2 End of period (Line 18 plus Line 19.1).....	574,350	921,190	956,629

**STATEMENT AS OF MARCH 31, 2012 OF THE  
GRANGE INSURANCE COMPANY OF MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

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

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

NO CHANGE

**3. BUSINESS COMBINATIONS AND GOODWILL**

NONE

**4. DISCONTINUED OPERATIONS**

NO CHANGE

**5. INVESTMENTS**

**D. LOAN-BACKED SECURITIES**

1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.

2) NONE

3) NONE

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

a.

Aggregate Amount of Unrealized Losses:

1	Less than 12 Months	(7,691)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	494,630
2	Greater than 12 Months	0

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on September 30, 2009. 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.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

NO CHANGE

**7. INVESTMENT INCOME**

NO CHANGE

**8. DERIVATIVE INSTRUMENTS**

NONE

**9. FEDERAL INCOME TAXES**

A. The components of the net deferred tax assets at March 31, 2012 and December 31, 2011 are as follows:

	3/31/2012	12/31/2011
Gross Deferred Tax Assets	\$ 1,028,135	\$ 1,021,424
Gross Deferred Tax Liabilities	51,035	44,575
Net Deferred Tax Asset (Liability)	977,100	976,849
Nonadmitted Deferred Tax Assets	2,108	8,918
Admitted Deferred Tax Asset	974,992	967,931
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ 6,810	\$ 4,197

B. The Company has no deferred tax liabilities that are not recognized

C. Current income taxes incurred consist of the following major components:

	3/31/2012	12/31/2011
Current Income Tax Expense	\$ 292,064	\$ 1,021,839
Tax on Capital Gains/(Losses)	(152)	(45,980)
Prior Year Under Accrual (Over Accrual)	-	(11,656)
Federal Income Taxes Incurred	\$ 291,912	\$ 964,203

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

NO CHANGE

**11. DEBT**

NONE

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

NO CHANGE

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

NO CHANGE

**14. CONTINGENCIES**

NO CHANGE

**STATEMENT AS OF MARCH 31, 2012 OF THE  
GRANGE INSURANCE COMPANY OF MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**15. LEASES**

NO CHANGE

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.**

NONE

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

NONE

**18. GAINS OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.**

NONE

**19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS**

NONE

**20. FAIR VALUE MEASUREMENTS**

A.

1. NONE
2. NONE
3. The Company's policy is to recognize transfers in and out as of the end of the reporting period.
4. As of March 31, 2012, 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 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of March 31, 2012, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.

B. Not Required

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	48,984,540	45,418,997	7,567,254	41,417,286	0	0
Common Stock	0	0	0	0	0	0
Perpetual Preferred	0	0	0	0	0	0
Mortgage Loans	0	0	0	0	0	0
Money Market	574,350	574,350	574,350	0	0	0
Total	49,558,890	45,993,347	8,141,604	41,417,286	0	0

D. NONE

**21. OTHER ITEMS**

NO CHANGE

**22. EVENTS SUBSEQUENT**

NO CHANGE

**23. REINSURANCE**

NO CHANGE

**24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**

NONE

**25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by \$(0.071) million from \$19.166 million in 2011 to \$19.095 million in 2012 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on private passenger auto liability and homeowners lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Included in this increase (decrease), the Company experienced \$0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact on surplus.

LOSSES AND LAE	3/31/2012	12/31/2011
BALANCE JANUARY 1	19,166,249	17,589,025
LESS REINSURANCE RECOVERABLES	6,475,547	4,439,151
NET BALANCE JANUARY 1	12,690,702	13,149,874

**INCURRED RELATED TO:**

CURRENT YEAR	4,323,851	19,313,090
PRIOR YEAR	(58,412)	(923,147)
TOTAL INCURRED	4,265,439	18,389,943

**PAID RELATED TO:**

CURRENT YEAR	2,227,254	12,535,527
PRIOR YEAR	2,129,275	6,313,588
TOTAL PAID	4,356,529	18,849,115

NET BALANCE AT DECEMBER 31	12,599,612	12,690,702
PLUS REINSURANCE RECOVERABLES	8,676,562	6,475,547
BALANCE AT DECEMBER 31	21,276,173	19,166,249

**STATEMENT AS OF MARCH 31, 2012 OF THE  
GRANGE INSURANCE COMPANY OF MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

- 26. INTERCOMPANY POOLING AGREEMENTS  
NO CHANGE
- 27. STRUCTURED SETTLEMENTS  
NO CHANGE.
- 28. HEALTH CARE RECEIVABLES  
NONE
- 29. PARTICIPATING POLICIES  
NONE
- 30. PREMIUM DEFICIENCY RESERVES  
NO CHANGE
- 31. HIGH DEDUCTIBLES  
NONE
- 32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES  
NONE
- 33. ASBESTOS/ENVIRONMENTAL RESERVES  
NONE
- 34. SUBSCRIBER SAVINGS ACCOUNTS  
NOT APPLICABLE
- 35. MULTIPLE PERIL CROP INSURANCE  
NONE
- 36. FINANCIAL GUARANTY INSURANCE  
NONE
- 37. CATASTROPHIC PLANNING  
NO CHANGE

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

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: ..... 01/01/3000

3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2009

6.2 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

6.3 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

6.4 By what department or departments?

Ohio.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]

7.1 Has this 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]

7.2 If yes, give full information:

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), 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 FDIC	6 SEC

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN****GENERAL INTERROGATORIES**

9.1 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.

9.11 If the response to 9.1 is No, please explain:

.....

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? .....  Yes [X]  No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 59,465

**INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....  Yes [ ]  No [X]

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ 0

13. Amount of real estate and mortgages held in short-term investments: ..... \$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....  Yes [ ]  No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....  Yes [ ]  No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....  Yes [ ]  No [ ]

If no, attach a description with this statement.

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN****GENERAL INTERROGATORIES**

16. 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 

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

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

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes  No 

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

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

16.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes  No 

17.2 If no, list exceptions:

.....

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

# **GENERAL INTERROGATORIES**

## **PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [X] NA [ ]

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto.

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? \_\_\_\_\_ Yes [ ] No [X]

#### 4.2 If yes, complete the following schedule:

## 5. Operating Percentages:

5.1 A&H loss percent..... %  
5.2 A&H cost containment percent ..... %  
5.3 A&H expense percent excluding cost containment expenses..... %

6.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [X]  
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$ \_\_\_\_\_  
6.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]  
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ \_\_\_\_\_

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

## **SCHEDULE F - CEDED REINSURANCE**

**Showing All New Reinsurers - Current Year to Date**

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL.	N.	0	0	0	0	0
2. Alaska	AK.	N.	0	0	0	0	0
3. Arizona	AZ.	N.	0	0	0	0	0
4. Arkansas	AR.	N.	0	0	0	0	0
5. California	CA.	N.	0	0	0	0	0
6. Colorado	CO.	N.	0	0	0	0	0
7. Connecticut	CT.	N.	0	0	0	0	0
8. Delaware	DE.	N.	0	0	0	0	0
9. District of Columbia	DC.	N.	0	0	0	0	0
10. Florida	FL.	N.	0	0	0	0	0
11. Georgia	GA.	N.	0	0	0	0	0
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	N.	0	0	0	0	0
15. Indiana	IN.	N.	0	0	0	0	0
16. Iowa	IA.	N.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	N.	0	0	0	0	0
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	L.	25,256,407	25,813,941	16,582,934	16,900,084	329,859,098
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. North Carolina	NC.	N.	0	0	0	0	0
35. North Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L.	0	0	0	0	0
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. South Carolina	SC.	N.	0	0	0	0	0
42. South Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	N.	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX.	0	0	0	0	0
59. Totals	(a)	2	25,256,407	25,813,941	16,582,934	16,900,084	329,859,098
<b>DETAILS OF WRITE-INS</b>		XXX.	0	0	0	0	0
5801.		XXX.	0	0	0	0	0
5802.		XXX.	0	0	0	0	0
5803.		XXX.	0	0	0	0	0
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0

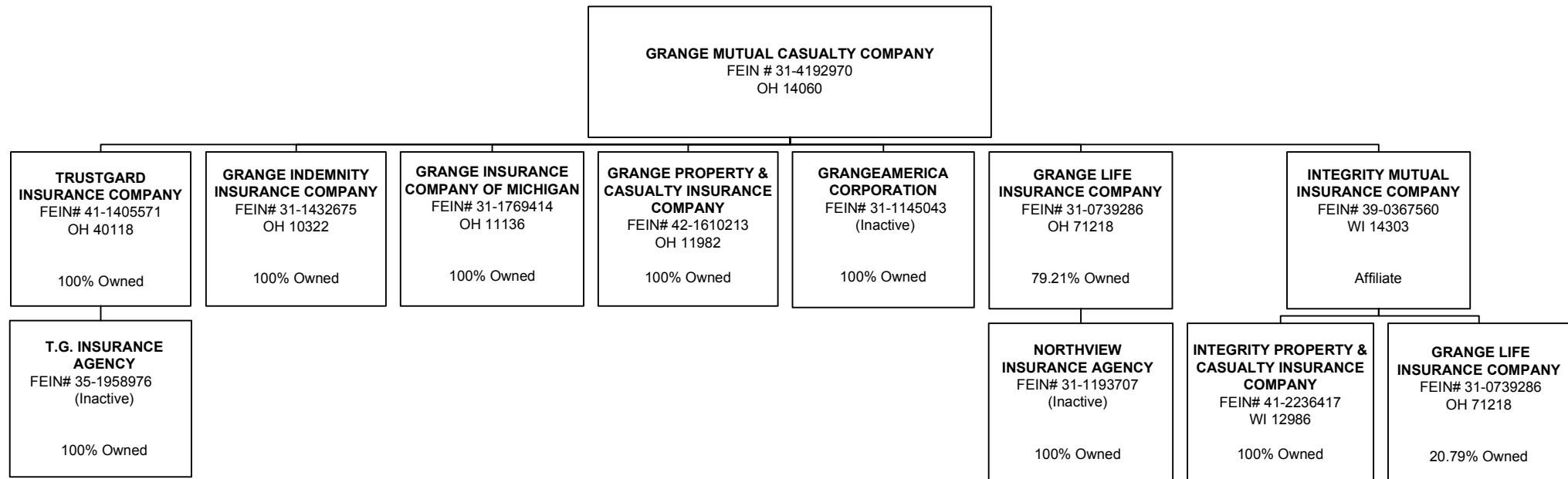
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

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

**PART 1 – ORGANIZATIONAL CHART**



**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

Asterisk	Explanation
1	Reporting Entity.....

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	186,416	(4,678)	(2.5)	62.6
2. Allied lines	114,675	45,850	40.0	148.8
3. Farmowners multiple peril	96,722	13,705	14.2	24.7
4. Homeowners multiple peril	6,110,879	3,431,866	56.2	39.5
5. Commercial multiple peril	1,607,592	1,118,444	69.6	129.7
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	176,872	85,093	48.1	39.8
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	1,813	0	0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation	357,868	185,211	51.8	122.2
17.1 Other liability occurrence	202,819	18,221	9.0	1.3
17.2 Other liability-claims made	75	12	16.0	(3,398.6)
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence	201	71	35.3	(18.3)
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	9,985,005	91,127,115	912.6	50.4
19.3,19.4 Commercial auto liability	797,334	533,952	67.0	36.3
21. Auto physical damage	5,635,377	4,070,852	72.2	72.3
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft	110	1	0.9	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
<b>TOTALS</b>	<b>25,273,758</b>	<b>100,625,715</b>	<b>398.1</b>	<b>57.3</b>
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	165,948	165,948	158,108	
2. Allied lines	97,092	97,092	.94,097	
3. Farmowners multiple peril	58,725	58,725	.60,047	
4. Homeowners multiple peril	5,368,960	5,368,960	4,883,201	
5. Commercial multiple peril	2,138,902	2,138,902	1,377,694	
6. Mortgage guaranty	0		0	
8. Ocean marine	0		0	
9. Inland marine	140,746	140,746	139,321	
10. Financial guaranty	0		0	
11.1 Medical professional liability-occurrence	0		0	
11.2 Medical professional liability-claims made	0		0	
12. Earthquake	1,486	1,486	1,770	
13. Group accident and health	0		0	
14. Credit accident and health	0		0	
15. Other accident and health	0		0	
16. Workers' compensation	624,269	624,269	311,818	
17.1 Other liability occurrence	215,386	215,386	168,408	
17.2 Other liability-claims made	0		0	
17.3 Excess Workers' Compensation	0		0	
18.1 Products liability-occurrence	(300)	(300)	.298	
18.2 Products liability-claims made	0		0	
19.1,19.2 Private passenger auto liability	9,761,663	9,761,663	11,429,321	
19.3,19.4 Commercial auto liability	1,022,111	1,022,111	637,089	
21. Auto physical damage	5,661,419	5,661,419	6,552,769	
22. Aircraft (all perils)	0		0	
23. Fidelity	0		0	
24. Surety	0		0	
26. Burglary and theft	0		0	
27. Boiler and machinery	0		0	
28. Credit	0		0	
29. International	0		0	
30. Warranty	0		0	
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	
34. Aggregate write-ins for other lines of business	0	0	0	
<b>TOTALS</b>	<b>25,256,407</b>	<b>25,256,407</b>	<b>25,813,941</b>	
<b>DETAILS OF WRITE-INS</b>				
3401.		0		0
3402.		0		0
3403.		0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

## **PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

# STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

### Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? .....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? .....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement? .....YES.....

### **Explanation:**

- 1.
- 2.
- 3.

### **Bar Code:**

1.   
1 1 1 3 6 2 0 1 2 4 9 0 0 0 0 0 1
2.   
1 1 1 3 6 2 0 1 2 4 5 5 0 0 0 0 0 1
3.   
1 1 1 3 6 2 0 1 2 3 6 5 0 0 0 0 0 1

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE A – VERIFICATION**

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

**NONE**

**SCHEDULE B – VERIFICATION**

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

**NONE**

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

**NONE**

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	44,139,396	44,695,110
2. Cost of bonds and stocks acquired	3,655,818	13,590,973
3. Accrual of discount	18,720	43,698
4. Unrealized valuation increase (decrease)	(433)	(131,372)
5. Total gain (loss) on disposals	2,283,960	13,720,108
6. Deduct consideration for bonds and stocks disposed of	110,544	338,905
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)	45,418,997	44,139,396
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	45,418,997	44,139,396

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	40,786,134	4,133,004	2,621,993	(48,436)	42,248,709	0	0	40,786,134
2. Class 2 (a).....	4,309,890	249,488	771,352	(43,388)	3,744,638	0	0	4,309,890
3. Class 3 (a).....	0				0	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds.....	45,096,024	4,382,491	3,393,345	(91,824)	45,993,347	0	0	45,096,024
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	45,096,024	4,382,491	3,393,345	(91,824)	45,993,347	0	0	45,096,024

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....574,350 ; NAIC 2 \$ ..... ;

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

S102

STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	574,350	XXX	574,350	47	0

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	956,629	563,235
2. Cost of short-term investments acquired .....	726,673	11,517,327
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	1,108,952	11,123,933
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	574,350	956,629
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	574,350	956,629

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

## SCHEDULE D - PART 3

**Show All Long-Term Bonds and Stock Acquired During the Current Quarter**

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

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**STATEMENT AS OF MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**SCHEDULE D - PART 4**

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
<b>Bonds - U.S. Governments</b>																							
313371-LA-2..	FHLB Call 3.00% 11/24/25..		02/24/2012..	Call 100.0000..		.500,000	.500,000	.478,500	.484,480		.15,520		.15,520		.500,000			.0		.3,750	11/24/2025..	.1..	
3136FP-XK-8..	FNMM Call 1.250% 11/26/25..		02/26/2012..	Call 100.0000..		.500,000	.500,000	.499,500	.519,943		(19,943)		(19,943)		.500,000			.0		.1,563	11/26/2025..	.1..	
<b>0599999 - Bonds - U.S. Governments</b>					1,000,000	1,000,000	978,000	1,004,424		0	(4,424)	0	(4,424)	0	1,000,000	0	0	0	0	5,313	XXX	XXX	
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																							
31292H-NB-6..	FGLMC Pool #01286 6.000% 01/01/32..		03/01/2012..	Paydown..		.1,658	.1,658	.1,635	.1,636		.22		.22		.1,658			.0		.16	.01/01/2032..	.1..	
	FG B10455 5.000%																						
312962-0G-1..	10/01/18..		03/01/2012..	Paydown..		.146,739	.146,739	.157,378	.156,401		(9,661)		(9,661)		.146,739			.0		.1,054	.10/01/2018..	.1..	
3137A5-WW-0..	FHR 378 WA 4.000% 12/15/28..		03/01/2012..	Paydown..		.49,094	.49,094	.50,461	.50,024		(930)		(930)		.49,094			.0		.324	.12/15/2028..	.1..	
31392E-SX-9..	FNR 2002-59 B 5.500% 09/25/17..		03/01/2012..	Paydown..		.5,287	.5,287	.5,381	.5,301		(14)		(14)		.5,287			.0		.48	.09/25/2017..	.1..	
31392W-UU-1..	FHR 2510 NM 5.000% 03/15/32..		03/01/2012..	Paydown..		.8,255	.8,255	.8,452	.8,264		(9)		(9)		.8,255			.0		.61	.03/15/2032..	.1..	
31393A-GG-6..	FNR 2003-28 GA 4.000% 10/25/32..		03/01/2012..	Paydown..		.2,338	.2,338	.2,324	.2,330		.8		.8		.2,338			.0		.16	.10/25/2032..	.1..	
31394L-PM-8..	FHR 2699 BA 5.000% 11/15/32..		03/01/2012..	Paydown..		.4,031	.4,031	.4,021	.4,022		.8		.8		.4,031			.0		.33	.11/15/2032..	.1..	
31395K-HC-0..	FHR 2904 PC 5.500% 05/15/31..		03/01/2012..	Paydown..		.186,112	.186,112	.187,973	.185,861		.251		.251		.186,112			.0		.1,767	.05/15/2031..	.1..	
31397S-ZF-4..	FNR 2011-42 VA 4.500% 06/25/22..		03/01/2012..	Paydown..		.4,545	.4,545	.4,811	.4,716		(171)		(171)		.4,545			.0		.34	.06/25/2022..	.1..	
31398S-SG-9..	FNR 2010-136 BA 3.500% 12/25/30..		03/01/2012..	Paydown..		.9,285	.9,285	.9,612	.9,590		(305)		(305)		.9,285			.0		.59	.12/25/2030..	.1..	
31403D-GZ-6..	FN AE4629 4.000% 05/01/36..		03/01/2012..	Paydown..		.6,295	.6,295	.6,287	.6,287		.8		.8		.6,295			.0		.59	.05/01/2036..	.1..	
31419F-EB-8..	GNR 2004-21 PC 5.000% 10/01/40..		03/01/2012..	Paydown..		.34,609	.34,609	.36,296	.36,283		(1,675)		(1,675)		.34,609			.0		.214	.10/01/2040..	.1..	
38374F-W6-7..	GNR 2011-23 GG 4.500% 04/20/33..		03/01/2012..	Paydown..		.16,452	.16,452	.16,231	.16,334		.119		.119		.16,452			.0		.201	.04/20/2033..	.1..	
38377T-2L-4..	GNR 2011-23 GG 4.500% 02/20/26..		03/01/2012..	Paydown..		.38,341	.38,341	.40,142	.39,808		(1,468)		(1,468)		.38,341			.0		.291	.02/20/2026..	.1..	
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>					513,041	513,041	531,006	526,856		0	(13,816)	0	(13,816)	0	513,041	0	0	0	0	4,178	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																							
1262GP-AD-5..	CRH America Inc NC 6.950% 03/15/12..		03/15/2012..	Maturity..		.250,000	.250,000	.272,350	.250,836		(636)		(636)		.250,000			.0		.8,688	.03/15/2012..	.2FE..	
126650-BQ-2..	CVS Corp. PT-NC 6.943% 01/10/30..		03/10/2012..	Redemption 100.0000..		.3,197	.3,197	.3,260	.3,255		(58)		(58)		.3,197			.0		.37	.12/10/2029..	.2FE..	
205363-AL-8..	Computer Sciences Corp NC 6.500% 03/15/..		03/01/2012..	Sterne, Agee & Leach..		.266,563	.250,000	.269,725	.267,696		(432)		(432)		.267,263		(701)	(701)	.7,719	.03/15/2018..	.2FE..		
629568-AW-6..	Nabors Industries Inc 144-NC 4.625% 0..		01/24/2012..	Sterne, Agee & Leach..		.251,160	.250,000	.250,893	.250,893		.0		.0		.250,893		.268	.268	.4,946	.09/15/2021..	.2FE..		
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>					770,919	753,197	796,228	772,679		0	(1,327)	0	(1,327)	0	771,352	0	(433)	(433)	21,389	XXX	XXX		
<b>8399997 - Subtotals - Bonds - Part 4</b>					2,283,960	2,266,237	2,305,234	2,303,959		0	(19,567)	0	(19,567)	0	2,284,393	0	(433)	(433)	30,880	XXX	XXX		
<b>8399999 - Subtotals - Bonds</b>					2,283,960	2,266,237	2,305,234	2,303,959		0	(19,567)	0	(19,567)	0	2,284,393	0	(433)	(433)	30,880	XXX	XXX		
<b>9999999 Totals</b>																							
(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues																							

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**

Schedule E - Part 1

**NONE**

Schedule E - Part 2

**NONE**



**SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT**

Year To Date For The Period Ended 2012

NAIC Group Code 00267

NAIC Company Code 11136

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 0	\$ 75	\$ 12

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [ ] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [ ] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ .....

2.32 Amount estimated using reasonable assumptions: \$ .....

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ .....