



QUARTERLY STATEMENT

AS OF JUNE 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NAIC Group Code 00267 (Current Period) , 00267 (Prior Period) NAIC Company Code 11982 Employer's ID Number 42-1610213

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

Country of Domicile United States

Incorporated/Organized 04/01/2004 Commenced Business 05/21/2004

Statutory Home Office 671 South High Street (Street and Number) , Columbus, OH 43206-1014 (City or Town, State and Zip Code)

Main Administrative Office 671 South High Street (Street and Number) Columbus, OH 43206-1014 (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)

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)
614-542-3017 (Fax Number)
ackermannnd@grangeinsurance.com (E-mail Address)

OFFICERS

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

OTHER OFFICERS

<u>JOHN CHRISTOPHER MONTGOMERY</u>	<u>VP - INVESTMENTS</u>		
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DIRECTORS OR TRUSTEES

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

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 _____

3. Number of pages attached _____

Subscribed and sworn to before me this
10th day of August, 2012

Teresa J. Burchwell, Notary Public
April 28, 2017

STATEMENT AS OF JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

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	37,863,606		37,863,606	35,118,105
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 (\$449,478)	449,478		449,478	1,832,672
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities	2,063		2,063	2,063
10. Securities lending reinvested collateral assets	285,613		285,613	607,157
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	38,600,760	0	38,600,760	37,559,997
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	371,909		371,909	331,707
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,000,564	31,430	3,969,134	3,674,483
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$(4,626) earned but unbilled premiums)	(5,152)	(526)	(4,626)	(3,758)
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	819,152		819,152	775,267
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	981,953		981,953	1,187,221
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	13,523	0	13,523	9,631
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	44,782,709	30,904	44,751,805	43,534,548
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	44,782,709	30,904	44,751,805	43,534,548
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities in Pools	13,523		13,523	9,631
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)	13,523	0	13,523	9,631

STATEMENT AS OF JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$2,762,169)	8,406,091	7,893,634
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	2,260,890	2,258,927
4. Commissions payable, contingent commissions and other similar charges	150,138	202,816
5. Other expenses (excluding taxes, licenses and fees)	586,337	543,917
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	207,118	232,603
7.1 Current federal and foreign income taxes (including \$8,373 on realized capital gains (losses))	463,842	987,548
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$43,732,242 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)	8,342,736	7,817,546
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	15,173	15,473
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending	285,613	607,157
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	20,717,938	20,559,622
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	20,717,938	20,559,622
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,000,000	2,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	13,000,000	13,000,000
35. Unassigned funds (surplus)	9,033,867	7,974,926
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	24,033,867	22,974,926
38. Totals (Page 2, Line 28, Col. 3)	44,751,805	43,534,548
DETAILS OF WRITE-INS		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 59,158,161)	52,476,593	43,929,145	90,549,218
1.2 Assumed (written \$ 10,827,557)	10,283,138	10,505,830	20,979,885
1.3 Ceded (written \$ 59,265,035)	52,564,238	43,972,096	90,659,122
1.4 Net (written \$ 10,720,683)	10,195,493	10,462,879	20,869,981
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 6,104,776):			
2.1 Direct	39,399,662	38,533,547	72,868,883
2.2 Assumed	6,305,705	6,905,572	12,665,728
2.3 Ceded	39,475,886	38,583,744	72,993,608
2.4 Net	6,229,481	6,855,375	12,541,002
3. Loss adjustment expenses incurred	1,080,472	1,118,162	2,170,952
4. Other underwriting expenses incurred	3,346,246	3,436,694	6,523,024
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	10,656,199	11,410,231	21,234,979
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(460,706)	(947,352)	(364,998)
INVESTMENT INCOME			
9. Net investment income earned	627,972	519,207	1,235,983
10. Net realized capital gains (losses) less capital gains tax of \$ 8,373	15,550	12,607	224,017
11. Net investment gain (loss) (Lines 9 + 10)	643,522	531,814	1,460,000
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,482 amount charged off \$ 50,135)	(48,653)	(83,892)	(162,753)
13. Finance and service charges not included in premiums	1,350,361	1,183,002	2,417,855
14. Aggregate write-ins for miscellaneous income	17,994	9,476	23,062
15. Total other income (Lines 12 through 14)	1,319,702	1,108,586	2,278,164
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,502,518	693,048	3,373,166
17. Dividends to policyholders	29,151	31,967	61,076
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)	1,473,367	661,081	3,312,090
19. Federal and foreign income taxes incurred	455,469	107,949	866,924
20. Net income (Line 18 minus Line 19)(to Line 22)	1,017,898	553,132	2,445,166
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	22,974,926	20,629,645	20,629,645
22. Net income (from Line 20)	1,017,898	553,132	2,445,166
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	0	23,645	(50,266)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	36,934	(22,709)	(43,704)
27. Change in nonadmitted assets	4,109	(247,844)	(5,915)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	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)	1,058,941	306,224	2,345,281
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	24,033,867	20,935,869	22,974,926
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	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	17,994	9,476	23,062
1402.	0	0	0
1403.	0	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)	17,994	9,476	23,062
3701.	0	0	0
3702.	0	0	0
3703.	0	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

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	10,424,058	10,448,673	20,783,201
2. Net investment income	714,511	529,449	1,416,520
3. Miscellaneous income	1,319,702	1,108,586	2,278,164
4. Total (Lines 1 to 3)	12,458,271	12,086,708	24,477,885
5. Benefit and loss related payments	5,717,024	7,326,781	12,730,909
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	4,460,498	4,795,881	8,936,618
8. Dividends paid to policyholders	29,451	29,539	60,816
9. Federal and foreign income taxes paid (recovered) net of \$ 8,373 tax on capital gains (losses).....	987,548	853,317	853,317
10. Total (Lines 5 through 9)	11,194,522	13,005,518	22,581,660
11. Net cash from operations (Line 4 minus Line 10)	1,263,749	(918,810)	1,896,224
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	4,675,965	4,028,330	10,991,253
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)	4,675,965	4,028,330	10,991,253
13. Cost of investments acquired (long-term only):			
13.1 Bonds	7,524,284	7,456,778	10,754,936
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)	7,524,284	7,456,778	10,754,936
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)	(2,848,319)	(3,428,448)	236,317
Cash from Financing and Miscellaneous Sources			
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).....	201,375	6,018,640	(847,443)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	201,375	6,018,640	(847,443)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,383,195)	1,671,382	1,285,098
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,832,672	547,574	547,574
19.2 End of period (Line 18 plus Line 19.1)	449,478	2,218,956	1,832,672

**STATEMENT AS OF JUNE 30, 2012 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

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	(410)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	243,853
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

- A. The components of the net deferred tax assets at June 30, 2012 and December 31, 2011 are as follows:

	6/30/2012	12/31/2011
Gross Deferred Tax Assets	\$ 868,218	\$ 818,225
Gross Deferred Tax Liabilities	49,066	36,007
Net Deferred Tax Asset (Liability)	819,152	782,218
Nonadmitted Deferred Tax Assets	-	6,951
Admitted Deferred Tax Asset	819,152	775,267
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ 6,951	\$ (6,951)

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

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

	6/30/2012	12/31/2011
Current Income Tax Expense	\$ 455,469	\$ 876,109
Tax on Capital Gains/(Losses)	8,373	120,624
Prior Year Under Accrual (Over Accrual)	-	(9,185)
Federal Income Taxes Incurred	\$ 463,842	\$ 987,548

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 QUSAI-REORGANIZATIONS

NO CHANGE

14. CONTINGENCIES

NO CHANGE

**STATEMENT AS OF JUNE 30, 2012 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

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 June 30, 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 June 30, 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	40,906,496	37,863,607	5,927,229	34,979,267	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	449,478	449,478	449,478	0	0	0
Total	41,355,974	38,313,085	6,376,707	34,979,267	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 \$(0.168) million from \$15.333 million in 2011 to \$15.165 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	6/30/2012	12/31/2011
BALANCE JANUARY 1	15,332,999	14,071,219
LESS REINSURANCE RECOVERABLES	5,180,438	3,551,320
NET BALANCE JANUARY 1	10,152,561	10,519,899
INCURRED RELATED TO:		
CURRENT YEAR	7,478,265	15,450,472
PRIOR YEAR	(168,312)	(738,518)
TOTAL INCURRED	7,309,953	14,711,954
PAID RELATED TO:		
CURRENT YEAR	3,973,186	10,028,422
PRIOR YEAR	2,822,347	5,050,870
TOTAL PAID	6,795,533	15,079,292
NET BALANCE AT DECEMBER 31	10,666,981	10,152,561
PLUS REINSURANCE RECOVERABLES	6,910,328	5,180,438
BALANCE AT DECEMBER 31	17,577,309	15,332,999

26. INTERCOMPANY POOLING AGREEMENTS

NO CHANGE

**STATEMENT AS OF JUNE 30, 2012 OF THE
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

NOTES TO FINANCIAL STATEMENTS

- 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

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
- 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
- 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
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
- 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 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
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes 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
- 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
- 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
- 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

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 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

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

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 No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$981,953

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

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

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

- 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.

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 JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

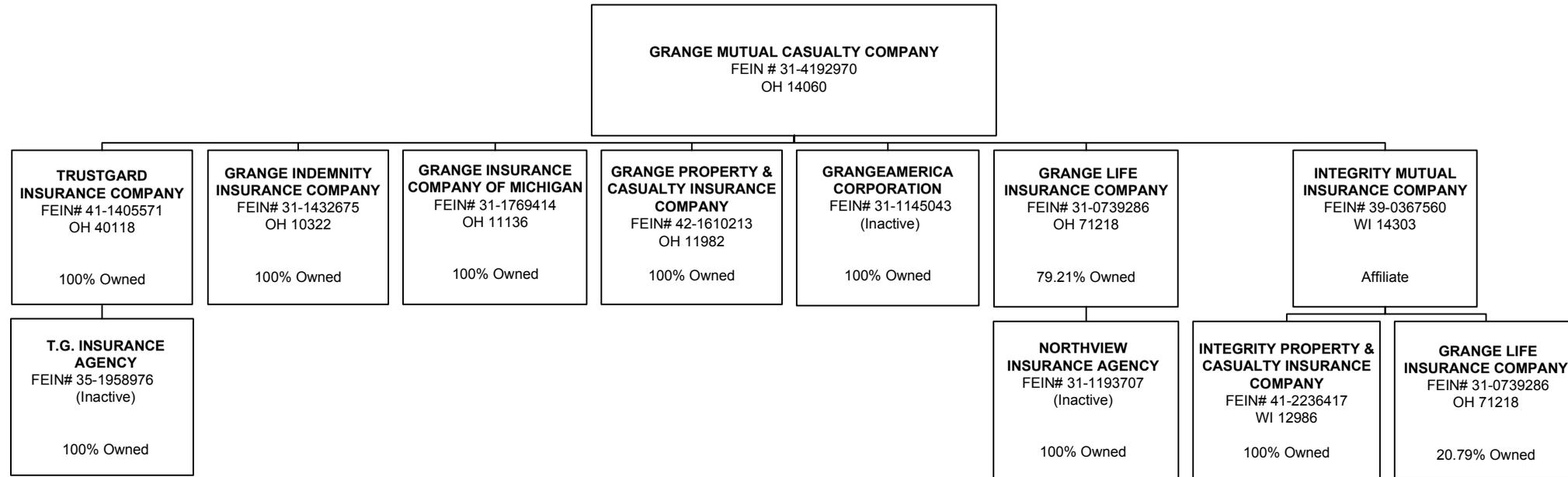
States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	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	L	9,319,185	9,603,107	5,627,770	5,626,801	5,264,503	5,230,112
12. Hawaii	HI	N	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0
14. Illinois	IL	L	0	0	0	0	0	0
15. Indiana	IN	L	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	L	12,627,457	14,014,477	9,069,391	10,196,202	10,206,357	10,140,477
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	37,211,519	21,552,745	17,472,213	21,312,426	16,502,304	8,512,171
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 6		59,158,161	45,170,329	32,169,374	37,135,429	31,973,164	23,882,760
DETAILS OF WRITE-INS								
5801.	XXX		0	0	0	0	0	0
5802.	XXX		0	0	0	0	0	0
5803.	XXX		0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0

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

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

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

PART 1 – ORGANIZATIONAL CHART



STATEMENT AS OF JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00267	GRANGE MUTUAL CASUALTY GROUP	14060	31-4192970				GRANGE MUTUAL CASUALTY COMPANY	.OH	UDP	GRANGE MUTUAL CASUALTY COMPANY	BOARD		GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	71218	31-0739286				GRANGE LIFE INSURANCE COMPANY	.OH	.IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	79.2	GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	71218	31-0739286				GRANGE LIFE INSURANCE COMPANY	.OH	.IA	INTEGRITY MUTUAL INSURANCE COMPANY	OWNERSHIP	20.8	GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	40118	41-1405571				TRUSTGARD INSURANCE COMPANY	.OH	.IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	10322	31-1432675				GRANGE INDEMNITY INSURANCE COMPANY	.OH	.IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	11136	31-1769414				GRANGE INSURANCE COMPANY OF MICHIGAN	.OH	.IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	14303	39-0367560				INTEGRITY MUTUAL INSURANCE COMPANY	.WI	.IA	GRANGE MUTUAL CASUALTY COMPANY	BOARD		GRANGE MUTUAL CASUALTY COMPANY	
00267	GRANGE MUTUAL CASUALTY GROUP	11982	42-1610213				GRANGE PROPERTY & CASUALTY INSURANCE COMPANY	.OH	.OTH	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	1
00267	GRANGE MUTUAL CASUALTY GROUP	12986	41-2236417				INTEGRITY PROPERTY & CASUALTY INSURANCE COMPANY	.WI	.IA	INTEGRITY MUTUAL INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	
		00000	31-1145043				GRANGEAMERICA	.OH	.NIA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	
		00000	31-1193707				NORTHVIEW INSURANCE AGENCY	.OH	.NIA	GRANGE LIFE INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	
		00000	35-1958976				T.G. INSURANCE AGENCY	.OH	.NIA	TRUSTGARD INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	

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Asterisk	Explanation
1	Reporting Entity

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			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	21,766,276	19,510,472	89.6	129.8
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	767,484	502,567	65.5	53.7
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	181,443		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			0.0	0.0
17.1 Other liability occurrence	625,804	134,024	21.4	3.6
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	18,436,792	11,437,350	62.0	61.3
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage	10,698,794	7,815,249	73.0	55.3
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	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
35. TOTALS	52,476,593	39,399,662	75.1	87.7
DETAILS OF WRITE-INS				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		0
2. Allied lines	0		0
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	13,481,188	24,745,701	19,917,745
5. Commercial multiple peril	0		0
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	524,693	907,947	762,434
10. Financial guaranty	0		0
11.1 Medical professional liability-occurrence	0		0
11.2 Medical professional liability-claims made	0		0
12. Earthquake	110,675	204,787	149,474
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	0		0
17.1 Other liability occurrence	369,086	692,319	582,291
17.2 Other liability-claims made	0		0
17.3 Excess Workers' Compensation	0		0
18.1 Products liability-occurrence	0		0
18.2 Products liability-claims made	0		0
19.1,19.2 Private passenger auto liability	10,372,903	20,387,176	15,379,240
19.3,19.4 Commercial auto liability	0		0
21. Auto physical damage	6,325,536	12,220,231	8,379,145
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
35. TOTALS	31,184,081	59,158,161	45,170,329
DETAILS OF WRITE-INS			
3401.	0		0
3402.	0		0
3403.	0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior	1,368	910	2,278	455	27	482	1,032	17	772	1,821	119	(93)	26
2. 2010	1,353	1,100	2,453	467	31	498	1,038	17	856	1,911	152	(195)	(44)
3. Subtotals 2010 + prior	2,721	2,010	4,731	922	58	980	2,070	34	1,629	3,733	270	(288)	(18)
4. 2011	2,607	2,816	5,422	1,474	368	1,842	1,487	127	1,816	3,429	355	(505)	(150)
5. Subtotals 2011 + prior	5,327	4,825	10,153	2,396	426	2,822	3,557	161	3,444	7,162	625	(793)	(168)
6. 2012	XXX	XXX	XXX	XXX	3,973	3,973	XXX	1,635	1,870	3,505	XXX	XXX	XXX
7. Totals	5,327	4,825	10,153	2,396	4,399	6,796	3,557	1,796	5,314	10,667	625	(793)	(168)
8. Prior Year-End Surplus As Regards Policy-holders	22,975										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 11.7	2. (16.4)	3. (1.7)
													Col. 13, Line 7 Line 8
													4. (0.7)

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.

	<u>Response</u>
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?NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:

1.	 1 1 9 8 2 2 0 1 2 4 9 0 0 0 0 0 2
2.	 1 1 9 8 2 2 0 1 2 4 5 5 0 0 0 0 2
3.	 1 1 9 8 2 2 0 1 2 3 6 5 0 0 0 0 2
4.	 1 1 9 8 2 2 0 1 2 5 0 5 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

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
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		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
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		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
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
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		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	35,118,105	35,288,358
2. Cost of bonds and stocks acquired	7,524,284	10,754,936
3. Accrual of discount	36,750	45,576
4. Unrealized valuation increase (decrease)		(77,333)
5. Total gain (loss) on disposals	23,923	344,641
6. Deduct consideration for bonds and stocks disposed of	4,675,965	10,991,253
7. Deduct amortization of premium	163,491	246,820
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)	37,863,606	35,118,105
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	37,863,606	35,118,105

STATEMENT AS OF JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

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
BONDS								
1. Class 1 (a).....	33,945,226	4,556,801	3,746,611	(71,959)	33,945,226	34,683,457	.0	33,249,627
2. Class 2 (a).....	3,465,018	267,030	100,000	(2,421)	3,465,018	3,629,628	.0	3,701,151
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	37,410,245	4,823,831	3,846,611	(74,380)	37,410,245	38,313,085	0	36,950,777
PREFERRED STOCK								
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	37,410,245	4,823,831	3,846,611	(74,380)	37,410,245	38,313,085	0	36,950,777

(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 \$449,478 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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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	449,478	XXX	449,478	50	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.....	1,832,672	547,574
2. Cost of short-term investments acquired	863,279	9,807,520
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	2,246,473	8,522,422
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).....	449,478	1,832,672
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	449,478	1,832,672

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 JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
313378-ZR-5	FHLB Call 1.500% 04/30/27		04/23/2012	Stifel Nicolaus & Co.		499,625	500,000		1
3136FT-6P-9	FNMA Call 2.000% 03/29/32		05/08/2012	Stifel Nicolaus & Co.		500,000	500,000	1,139	1
3136G0-KW-0	FNMA Call 2.000% 05/24/32		05/17/2012	Stifel Nicolaus & Co.		500,000	500,000		1
3136G0-PV-7	FNMA Call 1.000% 06/28/27		06/19/2012	FTN Financial		999,844	1,000,000		1
0599999 - Bonds - U.S. Governments						2,499,469	2,500,000	1,139	XXX
Bonds - U.S. Special Revenue									
38378C-RT-6	GNR 2012-13 EG 2.000% 10/20/40		06/20/2012	Sterne, Agee & Leach		496,222	490,626	654	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						496,222	490,626	654	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
122014-AJ-2	Burlington Resources Inc NC 6.875% 02/		06/12/2012	Sterne, Agee & Leach		327,823	250,000	5,729	1FE
205887-AX-0	ConAgra Inc. NC 8.250% 09/15/30		05/22/2012	Raymond James & Associates		267,030	200,000	3,208	2FE
231021-AD-8	Cummins Engine NC 6.750% 02/15/27		06/12/2012	Sterne, Agee & Leach		324,183	259,000	5,828	1FE
961214-BK-8	Westpac Banking Corp NC 4.875% 11/19/1	F	06/14/2012	Stephens Inc		272,413	250,000	1,016	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,191,448	959,000	15,781	XXX
8399997 - Subtotals- Bonds - Part 3						4,187,139	3,949,626	17,574	XXX
8399999 - Subtotals - Bonds						4,187,139	3,949,626	17,574	XXX
9999999 Totals						4,187,139	XXX	17,574	XXX

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

STATEMENT AS OF JUNE 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
313376-YL-3	FHLB Call 1.500% 02/23/27		05/23/2012	Redemption	100,000	928,571	928,571	928,107			464		464		928,571			0	3,482	02/23/2027	1
0599999 - Bonds - U.S. Governments																					
						928,571	928,571	928,107	0	0	464	0	464	0	928,571	0	0	0	3,482	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
161035-BM-1	Charlotte, NC Call 5.000% 06/01/22		05/22/2012	Stephens Inc		302,863	250,000	289,865	285,159		(1,694)		(1,694)		283,465		19,398	19,398	6,042	06/01/2019	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
						302,863	250,000	289,865	285,159	0	(1,694)	0	(1,694)	0	283,465	0	19,398	19,398	6,042	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
312962-0G-1	FG B10455 5.000% 10/01/18		06/01/2012	Paydown		243,682	243,682	261,349	259,727		(16,044)		(16,044)		243,682			0	5,355	10/01/2018	1
31371M-VC-8	FNMA Pool 256311 6.000% 07/01/26		06/01/2012	Paydown		36,113	36,113	35,989	35,988		126		126		36,113			0	925	07/01/2026	1
3137A3-PN-3	FHR 3762 GM 3.500% 08/15/28		06/01/2012	Paydown		33,592	33,592	34,640	34,212		(620)		(620)		33,592			0	483	08/15/2028	1
3137A5-WW-0	FHR 3786 WA 4.000% 12/15/28		06/01/2012	Paydown		82,756	82,756	85,061	84,324		(1,568)		(1,568)		82,756			0	1,368	12/15/2028	1
3137AG-CA-6	FHR 3947 BC 2.500% 10/15/26		06/01/2012	Paydown		5,342	5,342	5,525			(183)		(183)		5,342			0	22	10/15/2026	1
31393N-M8-9	FHR 2590 TU 5.000% 06/15/31		04/01/2012	Paydown		686	686	662	662		4		4		686			0	11	08/15/2031	1
31393V-G0-8	FHR 2626 EM 4.500% 06/15/18		06/01/2012	Paydown		32,121	32,121	34,661	33,803		(1,681)		(1,681)		32,121			0	601	06/15/2018	1
31395W-4L-8	FHR 3003 LD 5.000% 12/15/34		06/01/2012	Paydown		31,090	31,090	32,645	32,263		(1,173)		(1,173)		31,090			0	644	12/15/2034	1
31397S-ZF-4	FNR 2011-42 VA 4.500% 06/25/22		06/01/2012	Paydown		4,596	4,596	4,866	4,769		(173)		(173)		4,596			0	86	06/25/2022	1
31398L-NU-8	FHR 3606 A 4.000% 07/15/23		06/01/2012	Paydown		68,664	68,664	72,063	70,326		(1,662)		(1,662)		68,664			0	1,121	07/15/2023	1
31402C-4H-2	FNMA Pool 725424 5.500% 04/01/34		06/01/2012	Paydown		16,111	16,111	15,940	15,943		168		168		16,111			0	368	04/01/2034	1
31403B-4M-2	FNMA Pool 744328 5.000% 09/01/33		06/01/2012	Paydown		21,195	21,195	20,357	20,381		814		814		21,195			0	414	09/01/2033	1
31403D-GZ-6	FNMA Pool 745516 5.500% 05/01/36		06/01/2012	Paydown		7,682	7,682	7,672	7,672		10		10		7,682			0	178	05/01/2036	1
38377T-2L-4	GNR 2011-23 G0 4.500% 02/20/26		06/20/2012	Sterne, Agee & Leach		361,109	344,528	360,718	357,716		(1,566)		(1,566)		356,150		4,959	4,959	8,785	02/20/2026	1
38377T-2L-4	GNR 2011-23 G0 4.500% 02/20/26		06/01/2012	Paydown		43,064	43,064	45,088	44,713		(1,648)		(1,648)		43,064			0	792	02/20/2026	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						987,803	971,223	1,017,235	1,002,517	0	(25,197)	0	(25,197)	0	982,844	0	4,959	4,959	21,156	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
17252M-AF-7	Cintas Corporation NC 6.000% 06/01/12		06/01/2012	Redemption	100,000	100,000	100,000	103,416	100,473		(473)		(473)		100,000			0	3,000	06/01/2012	2FE
256853-AA-0	Dolphin Energy LTD 144A-NC 5.888% 06/15/21	R	06/15/2012	Redemption	100,000	8,500	8,500	8,521	8,517		(17)		(17)		8,500			0	250	06/15/2019	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						108,500	108,500	111,937	108,990	0	(490)	0	(490)	0	108,500	0	0	0	3,250	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						2,327,737	2,258,294	2,347,144	1,396,666	0	(26,917)	0	(26,917)	0	2,303,380	0	24,357	24,357	33,930	XXX	XXX
8399999 - Subtotals - Bonds						2,327,737	2,258,294	2,347,144	1,396,666	0	(26,917)	0	(26,917)	0	2,303,380	0	24,357	24,357	33,930	XXX	XXX
9999999 Totals						2,327,737	XXX	2,347,144	1,396,666	0	(26,917)	0	(26,917)	0	2,303,380	0	24,357	24,357	33,930	XXX	XXX

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

E05

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule E - Part 1

NONE

Schedule E - Part 2

NONE