



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 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)			
	ackermannd@grangeinsurance.com (E-mail Address)		614-542-3017 (Fax Number)			

OFFICERS

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

OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS		
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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	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
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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
9th day of November, 2012

STATEMENT AS OF SEPTEMBER 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	38,767,991		38,767,991	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 (\$832,066)	832,066		.832,066	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	14,562		14,562	2,063
10. Securities lending reinvested collateral assets	1,821,656		1,821,656	607,157
11. Aggregate write-ins for invested assets	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	41,436,275	.0	.41,436,275	37,559,997
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	463,414		.463,414	331,707
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,074,055	.33,584	.4,040,471	3,674,483
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$(4,855) earned but unbilled premiums)	(5,419)	(564)	(4,855)	(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	814,911	.46,968	.767,943	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	183,136		183,136	1,187,221
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	13,041	.0	13,041	9,631
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	46,979,413	79,988	46,899,425	43,534,548
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	46,979,413	79,988	46,899,425	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	13,041		13,041	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)	13,041	0	13,041	9,631

STATEMENT AS OF SEPTEMBER 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 \$ 3,040,421)	7,899,424	7,893,634
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	2,263,609	2,258,927
4. Commissions payable, contingent commissions and other similar charges	211,889	202,816
5. Other expenses (excluding taxes, licenses and fees)	571,650	543,917
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	177,251	232,603
7.1 Current federal and foreign income taxes (including \$ 22,405 on realized capital gains (losses))	767,397	987,548
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 \$ 48,794,087 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)	8,480,055	7,817,546
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	20,621	15,473
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	1,821,656	607,157
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)	22,213,552	20,559,622
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	22,213,552	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	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	13,000,000	13,000,000
35. Unassigned funds (surplus)	9,685,873	7,974,926
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)	24,685,873	22,974,926
38. Totals (Page 2, Line 28, Col. 3)	46,899,425	43,534,548
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

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

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 \$ 94,565,863)	82,839,558	66,652,624	90,549,218
1.2 Assumed (written \$ 16,236,710)	15,537,863	15,786,607	20,979,885
1.3 Ceded (written \$ 94,740,453)	82,977,810	66,726,330	90,659,122
1.4 Net (written \$ 16,062,120)	15,399,611	15,712,901	20,869,981
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 9,128,138):			
2.1 Direct	61,310,442	56,393,219	72,868,883
2.2 Assumed	9,323,419	9,644,176	12,665,728
2.3 Ceded	61,421,107	56,480,512	72,993,608
2.4 Net	9,212,754	9,556,883	12,541,002
3. Loss adjustment expenses incurred	1,677,991	1,673,920	2,170,952
4. Other underwriting expenses incurred	5,014,342	5,049,099	6,523,024
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	15,905,087	16,279,902	21,234,979
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(505,476)	(567,001)	(364,998)
INVESTMENT INCOME			
9. Net investment income earned	892,559	978,330	1,235,983
10. Net realized capital gains (losses) less capital gains tax of \$ 22,405	41,609	63,685	224,017
11. Net investment gain (loss) (Lines 9 + 10)	934,168	1,042,015	1,460,000
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,874 amount charged off \$ 75,161)	(73,287)	(125,775)	(162,753)
13. Finance and service charges not included in premiums	2,128,888	1,784,521	2,417,855
14. Aggregate write-ins for miscellaneous income	30,923	16,125	23,062
15. Total other income (Lines 12 through 14)	2,086,524	1,674,871	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)	2,515,216	2,149,885	3,373,166
17. Dividends to policyholders	46,995	48,164	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)	2,468,221	2,101,721	3,312,090
19. Federal and foreign income taxes incurred	744,992	535,817	866,924
20. Net income (Line 18 minus Line 19)(to Line 22)	1,723,229	1,565,904	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)	1,723,229	1,565,904	2,445,166
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		(6,622)	(50,266)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	32,692	(64,331)	(43,704)
27. Change in nonadmitted assets	(44,974)	(18,105)	(5,915)
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)	1,710,947	1,476,846	2,345,281
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	24,685,873	22,106,491	22,974,926
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	30,923	16,125	23,062
1402.			
1403.			
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)	30,923	16,125	23,062
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 SEPTEMBER 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

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.....	15,692,272	15,416,517	20,783,201
2. Net investment income.....	954,994	958,050	1,416,520
3. Miscellaneous income.....	2,086,524	1,674,871	2,278,164
4. Total (Lines 1 to 3).....	18,733,790	18,049,438	24,477,885
5. Benefit and loss related payments.....	.9,206,964	.9,953,585	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.....	.6,706,197	.6,981,229	8,936,618
8. Dividends paid to policyholders.....	.41,847	.43,852	60,816
9. Federal and foreign income taxes paid (recovered) net of \$ 22,405 tax on capital gains (losses).....	987,548	853,317	853,317
10. Total (Lines 5 through 9).....	16,942,557	17,831,983	22,581,660
11. Net cash from operations (Line 4 minus Line 10).....	1,791,233	217,455	1,896,224
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	.6,275,056	.7,268,145	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	2,063	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	6,275,056	7,270,208	10,991,253
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	10,055,070	.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.....	12,499	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	10,067,569	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).....	(3,792,513)	(186,570)	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).....	1,000,673	1,204,551	(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).....	1,000,673	1,204,551	(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).....	(1,000,607)	1,235,436	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).....	832,066	1,783,010	1,832,672

**STATEMENT AS OF SEPTEMBER 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	(2,161)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	414,227
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 September 30, 2012 and December 31, 2011 are as follows:

	September 30, 2012	December 31, 2011
Gross Deferred Tax Assets	\$ 864,870	\$ 818,225
Gross Deferred Tax Liabilities	49,959	36,007
Net Deferred Tax Asset (Liability)	814,911	782,218
Nonadmitted Deferred Tax Assets	46,968	6,951
Admitted Deferred Tax Asset	767,943	775,267
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ 46,968	\$ (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:

	September 30, 2012	December 31, 2011
Current Income Tax Expense	\$ 744,992	\$ 876,109
Tax on Capital Gains/(Losses)	22,405	120,624
Prior Year Under Accrual (Over Accrual)	-	(9,185)
Federal Income Taxes Incurred	\$ 767,397	\$ 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 SEPTEMBER 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 September 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	42,203,066	38,767,991	5,603,695	36,599,372	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	832,066	832,066	832,066	0	0	0
Total	43,035,132	39,600,057	6,435,760	36,599,372	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 \$(0.283) million from \$15.333 million in 2011 to \$15.050 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	September 30, 2012	December 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	11,173,885	15,450,472
PRIOR YEAR	(283,140)	(738,518)
TOTAL INCURRED	10,890,745	14,711,954

PAID RELATED TO:

CURRENT YEAR	7,194,122	10,028,422
PRIOR YEAR	3,686,151	5,050,870
TOTAL PAID	10,880,273	15,079,292

NET BALANCE AT DECEMBER 31	10,163,033	10,152,561
PLUS REINSURANCE RECOVERABLES	6,910,328	5,180,438
BALANCE AT DECEMBER 31	17,073,361	15,332,999

26. INTERCOMPANY POOLING AGREEMENTS

NO CHANGE

**STATEMENT AS OF SEPTEMBER 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 [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 SEPTEMBER 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**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: \$ 183,136

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 SEPTEMBER 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**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 [X] 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 [X]

- 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 [X] No []

- 17.2 If no, list exceptions:

.....

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 []
 If yes, attach an explanation.

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? Yes [] No [X]
 If yes, attach an explanation.

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:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT			DISCOUNT TAKEN DURING PERIOD			11 TOTAL
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	
TOTAL			0	0	0	0	0	0	0

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 \$ _____

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

STATEMENT AS OF SEPTEMBER 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.	14,480,200	14,295,728	8,046,841	8,475,981	5,125,731
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	L.	0	0	0	0	0
15. Indiana	IN.	L.	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.	L.	19,004,239	20,793,078	12,865,598	14,457,531	10,011,690
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.	N.	0	0	0	0	0
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.	61,081,424	35,269,506	38,232,283	32,971,014	11,771,175
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.	L.	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)	6	94,565,863	70,358,312	59,144,722	55,904,526	26,908,596
DETAILS OF WRITE-INS							
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

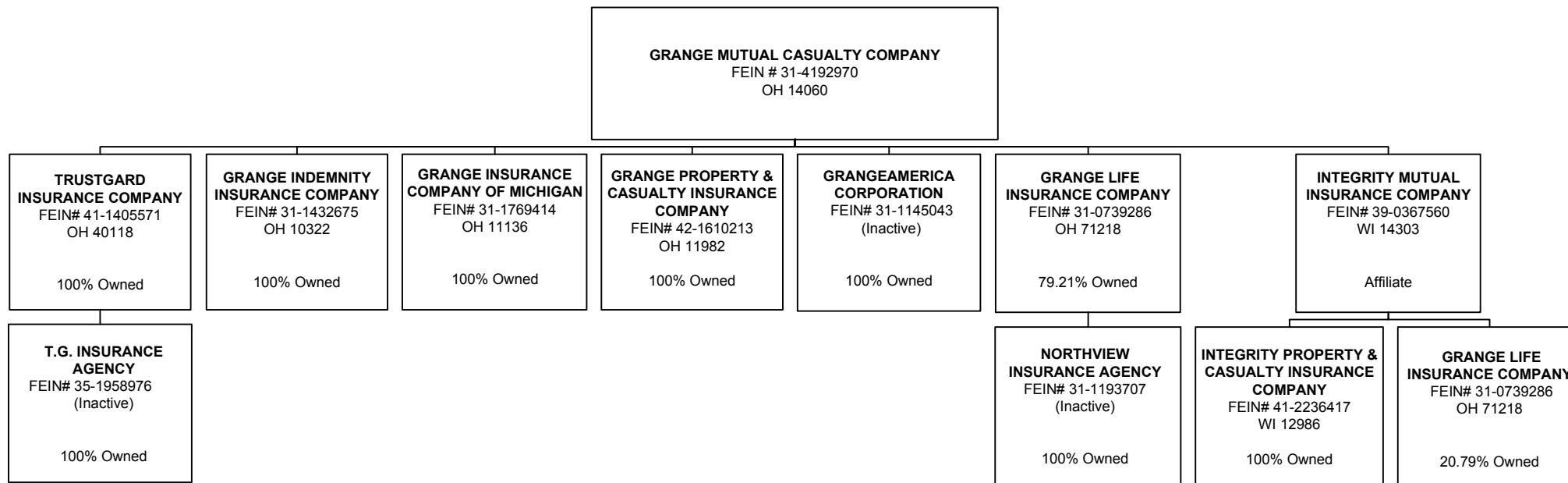
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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

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

PART 1 – ORGANIZATIONAL CHART



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

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

Asterisk	Explanation
1	Reporting Entity.....

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

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	33,848,598	30,593,204	90.4	119.5
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	1,193,053	696,973	58.4	71.1
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	280,864	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			0.0	0.0
17.1 Other liability occurrence	971,419	162,572	16.7	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	29,259,182	17,608,771	60.2	63.3
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage	17,286,442	12,248,922	70.9	54.5
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
TOTALS	82,839,558	61,310,442	74.0	84.6
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 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	0		0
2. Allied lines	0		0
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	14,377,577	39,123,278	31,173,762
5. Commercial multiple peril	0		0
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	479,533	1,387,480	1,166,152
10. Financial guaranty	0		0
11.1 Medical professional liability-occurrence	0		0
11.2 Medical professional liability-claims made	0		0
12. Earthquake	122,964	327,751	252,291
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	415,431	1,107,750	904,385
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	12,308,430	32,695,606	23,809,619
19.3,19.4 Commercial auto liability	0		0
21. Auto physical damage	7,703,767	19,923,998	13,052,103
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
TOTALS	35,407,702	94,565,863	70,358,312
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 SEPTEMBER 30, 2012 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2012 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)	
1. 2009 + Prior	1,368	.910	.2,278	.695	.45	.740	.929	.27	.629	.1,585	.257	.(208)	.48	
2. 2010	1,353	1,100	2,453	.716	.51	.768	.916	.19	.691	.1,625	.279	.(339)	.(60)	
3. Subtotals 2010 + prior	2,721	2,010	4,731	1,411	.97	1,508	1,845	.46	1,320	3,211	.536	.(547)	.(12)	
4. 2011	2,607	2,816	5,422	1,712	.466	2,178	1,062	.132	1,779	2,973	.167	.(439)	.(271)	
5. Subtotals 2011 + prior	5,327	4,825	10,153	3,123	.563	3,686	2,907	.178	3,098	6,183	.703	.(986)	.(283)	
6. 2012	XXX	XXX	XXX	XXX	7,194	7,194	XXX	1,829	2,151	3,980	XXX	XXX	XXX	
7. Totals	5,327	4,825	10,153	3,123	7,757	10,880	2,907	2,007	5,249	10,163	703	(986)	(283)	
Prior Year-End 8. 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.	13.2	2.	(20.4)
											3.	(2.8)	4.	(1.2)
											Col. 13, Line 7 Line 8			

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

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

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

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.....	35,118,105	35,288,358
2. Cost of bonds and stocks acquired.....	10,055,070	10,754,936
3. Accrual of discount.....	.39,831	.45,576
4. Unrealized valuation increase (decrease).....		(77,333)
5. Total gain (loss) on disposals.....	64,014	344,641
6. Deduct consideration for bonds and stocks disposed of.....	.6,275,056	10,991,253
7. Deduct amortization of premium.....	.233,973	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).....	38,767,991	35,118,105
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	38,767,991	35,118,105

STATEMENT AS OF SEPTEMBER 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).....	34,683,457	3,407,681	2,932,903	212,023	33,945,226	34,683,457	35,370,259	33,249,627
2. Class 2 (a).....	3,629,628	1,028,941	149,346	(279,425)	3,465,018	3,629,628	4,229,798	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.....	38,313,085	4,436,622	3,082,249	(67,402)	37,410,245	38,313,085	39,600,057	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.....	38,313,085	4,436,622	3,082,249	(67,402)	37,410,245	38,313,085	39,600,057	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 \$ 832,066 ; 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	832,066	XXX	832,066	71	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	2,769,116	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	3,769,722	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).....	832,066	1,832,672
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	832,066	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 SEPTEMBER 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

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

E
04

STATEMENT AS OF SEPTEMBER 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 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.									
Bonds - U.S. Governments																							
313376-YL-3...	FHLB Call 1.500% 02/23/27...	..	07/23/2012...	Redemption	100.0000...	..	71,429	..	71,429	..	71,393	..	..	..	..	..	..	..	..	..	..	..	..
313378-ZR-5...	FHL Call 1.500% 04/30/27...	..	07/30/2012...	Call	100.0000...	..	500,000	..	500,000	..	499,625	..	..	375	..	375	..	..	..	..	..	..	..
0599999 - Bonds - U.S. Governments				571,429	571,429	571,018	0	0	411	0	411	0	571,429	0	0	0	0	0	0	2,321	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-QG-1...	FG B10455 5.000% 10/01/18...	..	09/01/2012...	Paydown	..	190,644	..	190,644	..	204,466	..	203,197	..	..	(12,552)	..	(12,552)	..	..	..	..	..	..
3136A4-RL-5...	FNR 2012-16 DB 3.000% 03/25/27...	..	07/30/2012...	Sterne, Agee & Leach	..	258,252	..	250,000	..	251,992	..	..	(100)	..	(100)	..	251,892	..	..	6,360	6,360	3,771	03/25/2027...
31371M-VC-8...	FNMA Pool 256311 6.000% 07/01/26...	..	09/01/2012...	Paydown	..	43,383	..	43,383	..	43,233	..	43,232	..	..	151	..	151	..	..	..	..	..	..
3137A3-PN-3...	FHR 3762 GM 3.500% 08/15/28...	..	09/01/2012...	Paydown	..	44,141	..	44,141	..	45,519	..	44,957	..	..	(815)	..	(815)	..	..	..	..	..	..
3137A5-WW-0...	FHR 3786 WA 4.000% 12/15/28...	..	09/01/2012...	Paydown	..	109,472	..	109,472	..	112,521	..	111,546	..	..	(2,074)	..	(2,074)	..	..	..	..	..	..
3137AG-CA-6...	FHR 3947 BC 2.500% 10/15/26...	..	09/01/2012...	Paydown	..	5,779	..	5,779	..	5,977	..	..	(198)	..	(198)	..	5,779	..	..	..	..	..	..
3137AN-JP-1...	FHR 4013 WY 4.036% 11/15/40...	..	09/01/2012...	Paydown	..	3,626	..	3,626	..	3,728	..	..	(102)	..	(102)	..	..	..	..	..	..	..	..
31393V-GQ-8...	FHR 2626 EM 4.500% 06/15/18...	..	09/01/2012...	Paydown	..	33,246	..	33,246	..	35,875	..	34,987	..	..	(1,740)	..	(1,740)	..	..	..	..	..	..
31395W-4L-8...	FR 3003 LD 5.000% 12/15/34...	..	09/01/2012...	Paydown	..	27,843	..	27,843	..	29,235	..	28,893	..	..	(1,050)	..	(1,050)	..	..	..	..	..	..
31397S-ZF-4...	FR 2011-42 VA 4.500% 06/25/22...	..	09/01/2012...	Paydown	..	4,648	..	4,648	..	4,921	..	4,823	..	..	(175)	..	(175)	..	..	..	..	..	..
31398L-NU-8...	FR 3606 A 4.000% 07/15/23...	..	09/01/2012...	Paydown	..	65,528	..	65,528	..	68,771	..	67,113	..	..	(1,586)	..	(1,586)	..	..	..	..	..	..
31402C-4H-2...	FNMA Pool 725424 5.500% 04/01/34...	..	09/01/2012...	Paydown	..	15,667	..	15,667	..	15,500	..	15,504	..	..	163	..	163	..	..	..	..	..	..
31403B-4M-2...	FNMA Pool 744328 5.000% 09/01/33...	..	09/01/2012...	Paydown	..	25,046	..	25,046	..	24,056	..	24,084	..	..	962	..	962	..	..	..	..	..	..
31403D-GZ-6...	FNMA Pool 745516 5.500% 05/01/36...	..	09/01/2012...	Paydown	..	7,924	..	7,924	..	7,914	..	7,913	..	..	11	..	11	..	..	..	..	..	..
38378C-RT-6...	GNR 2012-13 EG 2.000% 10/20/40...	..	09/01/2012...	Paydown	..	7,340	..	7,340	..	7,424	..	..	(84)	..	(84)	..	7,340	..	..	..	..	..	..
38378D-VT-9...	GNR 2012-36 MA 3.000% 06/20/39...	..	09/01/2012...	Paydown	..	2,045	..	2,045	..	2,177	..	..	(132)	..	(132)	..	2,045	..	..	..	..	..	..
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				844,586	836,334	863,310	586,248	0	(19,321)	0	(19,321)	0	0	838,226	0	0	6,360	6,360	21,408	XXX	XXX		
Bonds - Industrial and Miscellaneous (Unaffiliated)																							
50075N-AV-6...	Kraft Foods Inc NC 6.125% 08/23/18...	..	07/17/2012...	Taxable Exchange	..	183,076	..	150,000	..	148,970	..	149,299	..	..	47	..	47	..	149,346	..	33,731	33,731	8,294
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)				183,076	150,000	148,970	149,299	0	47	0	47	0	..	47	0	149,346	0	33,731	33,731	8,294	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4				1,599,091	1,557,762	1,583,298	735,547	0	(18,863)	0	(18,863)	0	0	(18,863)	0	0	1,559,000	0	40,091	40,091	32,024	XXX	XXX
8399999 - Subtotals - Bonds				1,599,091	1,557,762	1,583,298	735,547	0	(18,863)	0	(18,863)	0	0	(18,863)	0	0	1,559,000	0	40,091	40,091	32,024	XXX	XXX
9999999 Totals																							
(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

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

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation/Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						
000000-00-0.	Bank of America N.A.....	LS	2FE	89,112	89,112	10/01/2012
09248U-61-9.	BlackRock Tempfund.....	LS	1FE	392,094	392,094	10/01/2012
000000-00-0.	Citigroup Global Markets Inc.....	LS	2FE	213,869	213,869	10/01/2012
000000-00-0.	DBS Bank Limited Singapore.....	LS	1FE	89,112	89,112	10/22/2012
000000-00-0.	Goldman Sachs & Co.....	LS	1FE	39,539	39,539	10/01/2012
G4R03K-3A-4.	ING Bank NV London.....	LS	1FE	89,112	89,112	10/15/2012
000000-00-0.	ML Pierce Fenner & Smith Inc.....	LS	1FE	445,561	445,561	10/01/2012
000000-00-0.	Natixis Financial Products Inc.....	LS	1FE	142,580	142,580	10/01/2012
000000-00-0.	Natixis Financial Products Inc.....	LS	1FE	89,112	89,112	10/01/2012
6931M2-M5-7.	PB Finance Delaware.....	LS	1FE	89,112	88,985	12/05/2012
000000-00-0.	RBS Securities Inc.....	LS	1FE	142,580	142,580	10/01/2012
3299999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)				1,821,783	1,821,656	XXX
6199999 - Bonds - Total Bonds - Subtotals - Issuer Obligations				1,821,783	1,821,656	XXX
6599999 - Bonds - Total Bonds - Subtotals - Total Bonds				1,821,783	1,821,656	XXX
9999999 Totals				1,821,783	1,821,656	XXX

General Interrogatories:

1. Total activity for the year to date Fair Value \$ 1,214,623 Book/Adjusted Carrying Value \$ 1,214,499
2. Average balance for the year to date Fair Value \$ 898,253 Book/Adjusted Carrying Value \$ 898,253
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
NAIC 1 \$ 1,518,801 NAIC 2 \$ 302,982 NAIC 3 \$ NAIC 4 \$ NAIC 5 \$ NAIC 6 \$

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

SCHEDULE DL - PART 2

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

General Interrogatories:

1. Total activity for the year to date..... Fair Value \$ Book/Adjusted Carrying Value \$
 2. Average balance for the year to date..... Fair Value \$ Book/Adjusted Carrying Value \$
 3. Grand Total Schedule DL Part 1 and Part 2..... Fair Value \$1,821,783 Book/Adjusted Carrying Value \$1,821,656

Schedule E - Part 1
NONE

Schedule E - Part 2
NONE