



QUARTERLY STATEMENT

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

GRANGE LIFE INSURANCE COMPANY

NAIC Group Code	00267	00267	NAIC Company Code	71218	Employer's ID Number	31-0739286
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States					
Incorporated/Organized	03/05/1968			Commenced Business	07/01/1968	
Statutory Home Office	671 South High Street			Columbus, OH 43206-1066		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	671 South High Street			Columbus, OH 43206-1066	614-445-2900	
	(Street and Number)			(City or Town, State and Zip Code)	(Area Code)	(Telephone Number)
Mail Address	P.O. Box 1218			Columbus, OH 43216-1212		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	671 South High Street			Columbus, OH 43206-1066	614-445-2900	
	(Street and Number)			(City or Town, State and Zip Code)	(Area Code)	(Telephone Number)
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	Theresa Marie Mason			614-449-5945		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	masont@grangeinsurance.com			614-445-2619		
	(E-mail Address)			(FAX Number)		

OFFICERS

Name	Title	Name	Title
Michelle Renee Benz	President	John Paul McCaffrey	Treasurer
LaVawn Dee Coleman #	Secretary	Actuarial Management Resources	Actuary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

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

State ofOhio.....
County ofFranklin.....

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.

Subscribed and sworn to before me this _____ day of _____,	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 _____

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	251,738,354		251,738,354	238,825,943
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	781		781	781
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 (\$6,226,480), cash equivalents (\$0) and short-term investments (\$8,306,045)	14,532,524		14,532,524	11,880,393
6. Contract loans (including \$ premium notes)	9,998,708		9,998,708	9,511,277
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities	30,364		30,364	1,813
10. Securities lending reinvested collateral assets	13,436,945		13,436,945	10,716,522
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	289,737,676	0	289,737,676	270,936,729
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	2,684,914		2,684,914	2,614,541
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	29,991,725		29,991,725	30,103,045
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,978,657		3,978,657	6,883,893
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	557,448		557,448	1,443,046
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	448,128		448,128	188,762
18.2 Net deferred tax asset	7,763,186	4,150,453	3,612,733	4,341,949
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	305,958	305,571	387	2,177
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	1,057,180	1,020,802	36,378	36,378
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	336,524,872	5,476,826	331,048,046	316,550,520
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	336,524,872	5,476,826	331,048,046	316,550,520
DETAILS OF WRITE-INS				
1101.			0	0
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Receivable for Agent Loans	14,085	14,085	0	0
2502. Interest Maintenance Reserve	225,161	225,161	0	0
2503. Premium Tax Credits	817,934	781,556	36,378	36,378
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,057,180	1,020,802	36,378	36,378

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$260,458,975 less \$included in Line 6.3 (including \$ Modco Reserve)	260,458,975	245,738,959
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	339,198	354,947
3. Liability for deposit-type contracts (including \$ Modco Reserve)	724,834	829,726
4. Contract claims:		
4.1 Life	2,686,234	2,946,934
4.2 Accident and health	36,862	39,773
5. Policyholders' dividends \$261,057 and coupons \$due and unpaid	261,057	0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco).....	53,470	53,470
6.2 Dividends not yet apportioned (including \$ Modco).....		0
6.3 Coupons and similar benefits (including \$ Modco).....		0
7. Amount provisionally held for deferred dividend policies not included in Line 6		0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$discount; including \$ accident and health premiums	191,328	111,503
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		0
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act.....		0
9.3 Other amounts payable on reinsurance, including \$ assumed and \$1,852,468 ceded.....	1,852,468	2,134,375
9.4 Interest Maintenance Reserve	0	0
10. Commissions to agents due or accrued-life and annuity contracts \$631,459 , accident and health \$0 and deposit-type contract funds \$631,459	631,459	613,111
11. Commissions and expense allowances payable on reinsurance assumed		0
12. General expenses due or accrued	1,276,729	1,000,813
13. Transfers to Separate Accounts due or accrued (net) (including \$accrued for expense allowances recognized in reserves, net of reinsured allowances)		0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	1,437,018	1,618,859
15.1 Current federal and foreign income taxes, including \$on realized capital gains (losses).....		0
15.2 Net deferred tax liability		0
16. Unearned investment income	430,899	401,385
17. Amounts withheld or retained by company as agent or trustee		0
18. Amounts held for agents' account, including \$agents' credit balances		0
19. Remittances and items not allocated	586,293	103,551
20. Net adjustment in assets and liabilities due to foreign exchange rates		0
21. Liability for benefits for employees and agents if not included above		0
22. Borrowed money \$ and interest thereon \$		0
23. Dividends to stockholders declared and unpaid		0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	1,443,942	1,236,649
24.02 Reinsurance in unauthorized companies		0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		0
24.04 Payable to parent, subsidiaries and affiliates	7,592,308	6,184,758
24.05 Drafts outstanding		0
24.06 Liability for amounts held under uninsured plans		0
24.07 Funds held under coinsurance		0
24.08 Derivatives		0
24.09 Payable for securities		0
24.10 Payable for securities lending.....	13,436,945	10,716,522
24.11 Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	1,557	88,198
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	293,441,576	274,173,533
27. From Separate Accounts statement		0
28. Total liabilities (Lines 26 and 27)	293,441,576	274,173,533
29. Common capital stock	1,893,750	1,893,750
30. Preferred capital stock		0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes		0
33. Gross paid in and contributed surplus	7,031,250	7,031,250
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	28,681,470	33,451,987
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		0
36.2 shares preferred (value included in Line 30 \$)		0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement)	35,712,720	40,483,237
38. Totals of Lines 29, 30 and 37	37,606,470	42,376,987
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	331,048,046	316,550,520
DETAILS OF WRITE-INS		
2501. CHECKS OUTSTANDING.....	1,557	88,198
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,557	88,198
3101.		0
3102.		0
3103.		0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	0	0
3401.		0
3402.		0
3403.		0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0

SUMMARY OF OPERATIONS

	1	2	3
	Current Year To Date	Prior Year Year to Date	Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	39,906,822	35,608,972	47,664,030
2. Considerations for supplementary contracts with life contingencies	100,000	10,102	210,078
3. Net investment income	9,525,994	9,698,683	12,696,411
4. Amortization of Interest Maintenance Reserve (IMR)	78,556	36,421	47,681
5. Separate Accounts net gain from operations excluding unrealized gains or losses		0	0
6. Commissions and expense allowances on reinsurance ceded	2,825,035	3,799,893	5,285,702
7. Reserve adjustments on reinsurance ceded		0	0
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		0	0
8.2 Charges and fees for deposit-type contracts		0	0
8.3 Aggregate write-ins for miscellaneous income	0	(3,118)	(2,546)
9. Totals (Lines 1 to 8.3)	52,436,407	49,150,953	65,901,356
10. Death benefits	16,225,474	14,210,493	18,986,788
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0
12. Annuity benefits	3,417,919	4,834,118	6,173,954
13. Disability benefits and benefits under accident and health contracts	128,973	155,585	195,629
14. Coupons, guaranteed annual pure endowments and similar benefits		0	0
15. Surrender benefits and withdrawals for life contracts	4,979,899	4,257,435	5,791,443
16. Group conversions		0	0
17. Interest and adjustments on contract or deposit-type contract funds		0	0
18. Payments on supplementary contracts with life contingencies		0	0
19. Increase in aggregate reserves for life and accident and health contracts	14,599,374	8,948,171	13,027,679
20. Totals (Lines 10 to 19)	39,351,639	32,405,802	44,175,493
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	5,648,057	4,856,240	6,425,371
22. Commissions and expense allowances on reinsurance assumed	154,718	161,288	222,225
23. General insurance expenses	10,419,373	9,918,736	12,519,588
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,280,307	1,283,228	1,513,279
25. Increase in loading on deferred and uncollected premiums	(73,163)	(1,784,207)	(2,414,873)
26. Net transfers to or (from) Separate Accounts net of reinsurance		0	0
27. Aggregate write-ins for deductions	1,727	0	0
28. Totals (Lines 20 to 27)	56,782,658	46,841,087	62,441,083
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(4,346,251)	2,309,866	3,460,273
30. Dividends to policyholders	300,796	174,538	178,222
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(4,647,047)	2,135,328	3,282,051
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(259,367)	519,283	854,727
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(4,387,680)	1,616,045	2,427,324
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$0 (excluding taxes of \$0 transferred to the IMR)	0	(78,885)	(226,343)
35. Net income (Line 33 plus Line 34)	(4,387,680)	1,537,160	2,200,981
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	42,376,987	39,806,650	39,806,650
37. Net income (Line 35)	(4,387,680)	1,537,160	2,200,981
38. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
39. Change in net unrealized foreign exchange capital gain (loss)		0	0
40. Change in net deferred income tax	919,809	77,221	340,243
41. Change in nonadmitted assets	(1,095,353)	437,530	155,538
42. Change in liability for reinsurance in unauthorized companies		0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease		0	0
44. Change in asset valuation reserve	(207,293)	(45,050)	(126,425)
45. Change in treasury stock		0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		0	0
47. Other changes in surplus in Separate Accounts Statement		0	0
48. Change in surplus notes		0	0
49. Cumulative effect of changes in accounting principles		0	0
50. Capital changes:			
50.1 Paid in		0	0
50.2 Transferred from surplus (Stock Dividend)		0	0
50.3 Transferred to surplus		0	0
51. Surplus adjustment:			
51.1 Paid in		0	0
51.2 Transferred to capital (Stock Dividend)		0	0
51.3 Transferred from capital		0	0
51.4 Change in surplus as a result of reinsurance		0	0
52. Dividends to stockholders		0	0
53. Aggregate write-ins for gains and losses in surplus	0	0	0
54. Net change in capital and surplus (Lines 37 through 53)	(4,770,517)	2,006,861	2,570,337
55. Capital and surplus, as of statement date (Lines 36 + 54)	37,606,470	41,813,511	42,376,987
DETAILS OF WRITE-INS			
08.301. SERVICE FEES		(3,118)	(2,546)
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	0	(3,118)	(2,546)
2701. SERVICE FEES	1,727		
2702.		0	0
2703.		0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	1,727	0	0
5301.		0	0
5302.		0	0
5303.		0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0	0

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	41,156,728	35,931,068	46,730,345
2. Net investment income	9,927,524	9,847,790	13,127,123
3. Miscellaneous income	2,825,035	3,796,775	5,442,825
4. Total (Lines 1 to 3)	53,909,287	49,575,633	65,300,293
5. Benefit and loss related payments	22,287,654	26,973,728	37,335,348
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	17,391,759	16,551,132	20,784,950
8. Dividends paid to policyholders	39,739	110,214	272,411
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	39,719,152	43,635,074	58,392,709
11. Net cash from operations (Line 4 minus Line 10)	14,190,135	5,940,559	6,907,584
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	30,197,742	35,120,787	44,261,076
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	1,707,829	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	30,197,742	36,828,616	44,261,076
13. Cost of investments acquired (long-term only):			
13.1 Bonds	43,258,533	44,558,482	55,051,663
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	28,551	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	43,287,084	44,558,482	55,051,663
14. Net increase (or decrease) in contract loans and premium notes	487,431	194,748	236,948
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(13,576,773)	(7,924,614)	(11,027,535)
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	(104,892)	10,412	189,295
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	2,143,661	1,223,847	1,481,699
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	2,038,769	1,234,259	1,670,994
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,652,131	(749,796)	(2,448,957)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	11,880,393	14,329,350	14,329,350
19.2 End of period (Line 18 plus Line 19.1)	14,532,524	13,579,554	11,880,393

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS			
	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial life		0	0
2. Ordinary life insurance	52,794,628	49,712,863	66,573,477
3. Ordinary individual annuities	3,420,670	3,453,826	4,315,609
4. Credit life (group and individual)		0	0
5. Group life insurance	1,540,238	1,490,438	2,001,786
6. Group annuities		0	0
7. A & H - group		0	0
8. A & H - credit (group and individual)		0	0
9. A & H - other	209,283	229,170	302,770
10. Aggregate of all other lines of business	0	0	0
11. Subtotal	57,964,819	54,886,297	73,193,642
12. Deposit-type contracts		0	0
13. Total	57,964,819	54,886,297	73,193,642
DETAILS OF WRITE-INS			
1001.		0	
1002.		0	
1003.		0	
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0
1099. Total (Lines 1001 through 1003 plus 1098) (Line 10 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1) Summary of Significant Accounting Policies

A. Accounting Practices

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

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

2) Accounting Changes and Correction of Errors

No significant change.

3) Business Combinations and Goodwill

No significant change.

4) Discontinued Operations

No significant change.

5) Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

NONE

B. Debt Restructuring

NONE

C. Reverse Mortgages

NONE

D. Loan-Backed Securities

- 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.
- All securities during 2012 with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

NONE
- Securities with a recognized other-than-temporary impairment currently held by the Company, where the present value of cash flows expected to be collected is less than the amortized cost basis of securities:

NONE
- All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

a. The aggregate amount of unrealized loss:

1. Less than 12 Months	\$ (58,500)
2. 12 Months or Longer	\$ (26)

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

1. Less than 12 Months	\$ 12,469,349
2. 12 Months or Longer	\$ 3,455

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on 9/30/09. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities held with an intent to sell were other-than-temporarily impaired to current fair value. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

E. Repurchase Agreements and/or Securities Lending Transactions

No significant change.

6) Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

7) Investment Income

No significant change.

8) Derivative Instruments

NONE

9) Income Taxes

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

	09/30/2012	12/31/2011
Gross Deferred Tax Assets	\$ 8,014,994	\$ 7,010,752
Gross Deferred Tax Liabilities	251,808	167,377
Net Deferred Tax Asset (Liability)	7,763,186	6,843,375
Nonadmitted Deferred Tax Assets	4,150,453	2,501,427
Admitted Deferred Tax Asset	3,612,733	4,341,948
Decrease (Increase) in Deferred Tax Assets Nonadmitted	\$ 1,649,025	\$ (550,863)

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

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

	09/30/2012	12/31/2011
Current Income Tax Expense	\$ (259,367)	\$ 663,398
Tax on Capital Gains/(Losses)		-
Prior Year Under Accrual (Over Accrual)	-	(361,626)
Federal Income Taxes Incurred	\$ (259,367)	\$ 301,772

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

No significant change.

11) Debt

NONE

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

No significant change.

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

No significant change.

14) Contingencies

No significant change.

15) Leases

No significant change.

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

NONE

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

A. Transfers of Receivables Reported as Sales

NONE

B. Transfer and Servicing of Financial Assets

No significant change.

C. Wash Sales

NONE

18) Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

NONE

19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NONE

20) Fair Value Measurements

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

(1) Fair Value Measurement at Reporting Date

NONE

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

NONE

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

(4) As of 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 thru 5 are reported at amortized cost. Securities with a rating of NAIC of 6 are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of September 30, 2012, the Company did not have any bonds rated NAIC-6 and therefore did not report any securities at fair value.

(5) NONE

B. Not Required

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

C. The aggregate FV of financial instruments and level of FV hierarchy as of 09/30/2012.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (CV)
Bonds	277,226,512	251,738,365	14,588,671	262,637,841	0	0
Common Stock	781	781	0	0	0	781
Perpetual Preferred	0	0	0	0	0	0
Mortgage Loans	0	0	0	0	0	0
Money Market	8,306,044	8,306,044	8,306,044	0	0	0
TOTAL	285,533,337	260,045,190	22,894,715	262,637,841	0	781

D. Not Practical To Estimate Fair Value

Type of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Bonds				
Common Stock	781	N/A	N/A	Stock represents ownership of an insurance agency values at original cost and reported as a subsidiary of the entity.
Perpetual Preferred				
Mortgage Loans				

21) Other Items

No significant change.

22) Events Subsequent

Type I-Recognized Subsequent Events: NONE

Type II-Non recognized Subsequent Events: NONE

23) Reinsurance

The Company is in the first steps of changing the reinsurance structure and is currently using a pool of 3 reinsurers for YRT mortality coverage. Additional financial reinsurance is planned late fourth quarter 2012.

24) Retrospectively Rated Contracts & Contracts Subject to Redetermination

NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

25) Change in Incurred Losses and Loss Adjustment Expenses

NONE

26) Intercompany Pooling Arrangements

NONE

27) Structured Settlements

NONE

28) Health Care Receivables

NONE

29) Participating Policies

No significant change.

30) Premium Deficiency Reserves

NONE

31) Reserves for Life Contracts and Annuity Contracts

No significant change.

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

No significant change.

33) Premium and Annuity Considerations Deferred and Uncollected

No significant change.

34) Separate Accounts

NONE

35) Loss/Claim Adjustment Expenses

NONE

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:
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	2	3
Name of Entity	NAIC Company Code	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 Department Of Insurance.....
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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?
(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.

Yes [X] No []

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 [] No [X]

10.2

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

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 [X] No []

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$781	\$781
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).....	\$781	\$781
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 [X]

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 [X] No []

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

1	2
Name of Custodian(s)	Custodian Address
JP Morgan Chase Bank, N.A.....	111 Polaris Pkwy, 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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address
109627.....	Caywood-Schoff Capital Management, LLC.....	4250 Executive Square, Suite 400, La Jolla, CA 92037.....

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 - LIFE & HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:	¹ Amount
1.1 Long-Term Mortgages in Good Standing	
1.11 Farm Mortgages	\$0
1.12 Residential Mortgages	\$0
1.13 Commercial Mortgages	\$0
1.14 Total Mortgages in Good Standing	\$0
1.2 Long-Term Mortgages in Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing with Restructured Terms.....	\$0
1.3 Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages	\$0
1.32 Residential Mortgages	\$0
1.33 Commercial Mortgages	\$0
1.34 Total Mortgages with Interest Overdue more than Three Months.....	\$0
1.4 Long-Term Mortgage Loans in Process of Foreclosure	
1.41 Farm Mortgages	\$0
1.42 Residential Mortgages	\$0
1.43 Commercial Mortgages	\$0
1.44 Total Mortgages in Process of Foreclosure.....	\$0
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2).....	\$0
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages	\$0
1.62 Residential Mortgages	\$0
1.63 Commercial Mortgages	\$0
1.64 Total Mortgages Foreclosed and Transferred to Real Estate	\$0
2. Operating Percentages:	
2.1 A&H loss percent.....	.....0.0 %
2.2 A&H cost containment percent .....	.....0.0 %
2.3 A&H expense percent excluding cost containment expenses.....	.....0.0 %
3.1 Do you act as a custodian for health savings accounts?.....	Yes [] No [X]
3.2 If yes, please provide the amount of custodial funds held as of the reporting date.....	\$0
3.3 Do you act as an administrator for health savings accounts?.....	Yes [] No [X]
3.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE INSURANCE COMPANY

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties

[illegible]

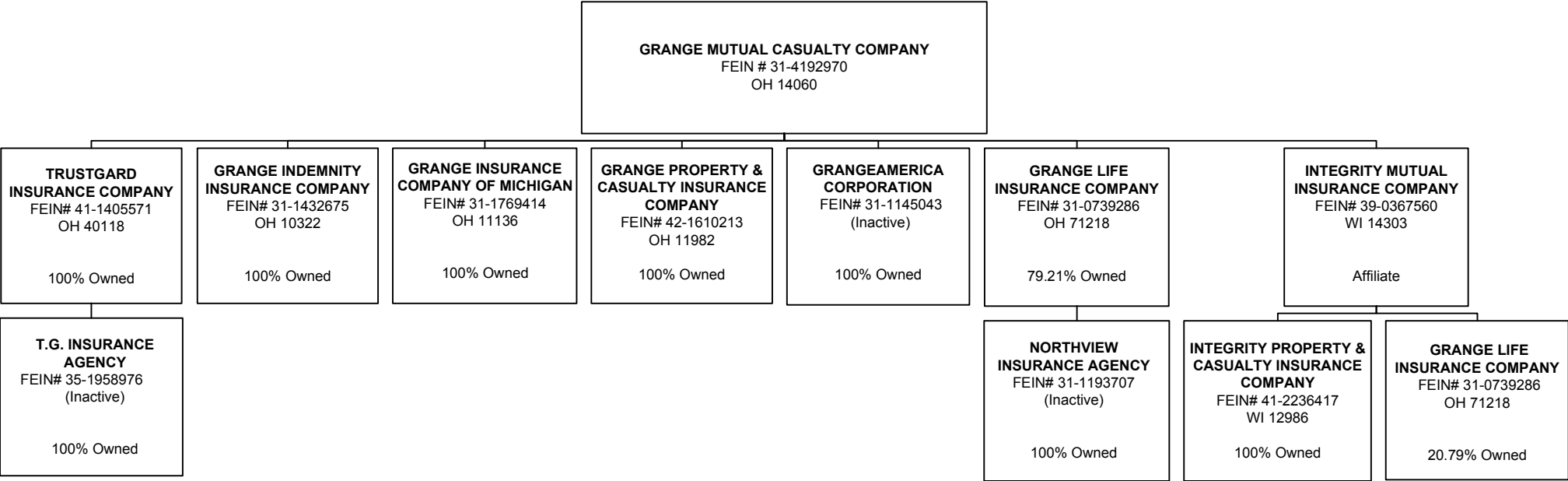
SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories							
States, Etc.	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3				
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit - Type Contracts
1. Alabama	AL	82,373				82,373	
2. Alaska	AK	5,088				5,088	
3. Arizona	AZ	76,571				76,571	
4. Arkansas	AR	27,634				27,634	
5. California	CA	78,214		711		78,925	
6. Colorado	CO	41,071				41,071	
7. Connecticut	CT	15,778				15,778	
8. Delaware	DE	2,704				2,704	
9. District of Columbia	DC	1,065				1,065	
10. Florida	FL	420,484	6,300	3,394		430,178	
11. Georgia	GA	L 4,605,827	96,380	21,741		4,723,949	
12. Hawaii	HI	4,020				4,020	
13. Idaho	ID	8,108				8,108	
14. Illinois	IL	L 1,737,488	104,786	4,299		1,846,574	
15. Indiana	IN	L 3,983,844	42,692	9,002		4,035,538	
16. Iowa	IA	L 100,199				100,199	
17. Kansas	KS	L 15,251				15,251	
18. Kentucky	KY	L 6,643,602	309,979	43,131		6,996,711	
19. Louisiana	LA	21,232				21,232	
20. Maine	ME	4,221				4,221	
21. Maryland	MD	29,154				29,154	
22. Massachusetts	MA	23,580				23,580	
23. Michigan	MI	L 2,467,750	122,977	2,528		2,593,255	
24. Minnesota	MN	L 231,131	1,050			232,181	
25. Mississippi	MS	81,894	75			81,969	
26. Missouri	MO	L 82,796				82,796	
27. Montana	MT	6,503				6,503	
28. Nebraska	NE	3,270				3,270	
29. Nevada	NV	21,119				21,119	
30. New Hampshire	NH	4,829				4,829	
31. New Jersey	NJ	17,067				17,067	
32. New Mexico	NM	6,187				6,187	
33. New York	NY	33,954				33,954	
34. North Carolina	NC	148,606		1,007		149,613	
35. North Dakota	ND	1,920				1,920	
36. Ohio	OH	L 25,021,510	2,552,223	99,552		27,673,285	
37. Oklahoma	OK	14,363				14,363	
38. Oregon	OR	10,227				10,227	
39. Pennsylvania	PA	L 617,519				617,519	
40. Rhode Island	RI	800				800	
41. South Carolina	SC	L 520,932	900			521,832	
42. South Dakota	SD	5,161				5,161	
43. Tennessee	TN	L 5,806,879	163,305	21,189		5,991,373	
44. Texas	TX	121,029		1,104		122,133	
45. Utah	UT	13,261				13,261	
46. Vermont	VT	3,471		351		3,822	
47. Virginia	VA	L 254,553	5,400	756		260,709	
48. Washington	WA	13,533				13,533	
49. West Virginia	WV	99,273	5,054	516		104,843	
50. Wisconsin	WI	L 781,623	9,550			791,173	
51. Wyoming	WY	3,537				3,537	
52. American Samoa	AS					0	
53. Guam	GU					0	
54. Puerto Rico	PR	794				794	
55. US Virgin Islands	VI	251				251	
56. Northern Mariana Islands	MP					0	
57. Canada	CN	10,240				10,240	
58. Aggregate Other Alien	OT	XXX 1,376	0	0	0	1,376	0
59. Subtotal	(a) 15	54,334,866	3,420,670	209,283	0	57,964,819	0
90. Reporting entity contributions for employee benefit plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX					0	
94. Aggregate other amounts not allocable by State	XXX	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	54,334,866	3,420,670	209,283	0	57,964,819	0
96. Plus Reinsurance Assumed	XXX	2,530,203				2,530,203	
97. Totals (All Business)	XXX	56,865,069	3,420,670	209,283	0	60,495,022	0
98. Less Reinsurance Ceded	XXX	20,631,067		105,030		20,736,097	
99. Totals (All Business) less Reinsurance Ceded	XXX	36,234,002	3,420,670	104,253	0	39,758,925	0
DETAILS OF WRITE-INS							
5801. United Kingdom	XXX	831				831	
5802. Army Post	XXX	545				545	
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899. Total (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	1,376	0	0	0	1,376	0
9401.	XXX					0	
9402.	XXX					0	
9403.	XXX					0	
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Total (Lines 9401 through 9403 + 9498) (Line 94 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



13

13

13

13

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 the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....NO.....
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....NO.....
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	.....NO.....
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	.....NO.....
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	.....NO.....

Explanation:

1.
2.
3.
4.
5.
6.
7.

Bar Code:

1.



71218201249000003

2.



71218201236500003

3.



71218201244500003

4.



71218201244600003

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71218201244700003

6.



71218201244800003

7. 
7 1 2 1 8 2 0 1 2 4 4 9 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	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

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	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

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	238,826,724	228,501,933
2. Cost of bonds and stocks acquired	43,258,533	55,051,663
3. Accrual of discount	237,798	313,906
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	294,009	109,069
6. Deduct consideration for bonds and stocks disposed of	30,197,742	44,261,076
7. Deduct amortization of premium	680,187	784,325
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		104,446
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	251,739,135	238,826,724
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	251,739,135	238,826,724

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE 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).....	213,583,404	12,478,026	9,699,284	(94,914)	213,392,911	213,583,404	216,267,233	209,217,013
2. Class 2 (a).....	33,299,578	1,651,947	521,129	(24,664)	25,017,011	33,299,578	34,405,732	24,390,360
3. Class 3 (a).....	6,499,137	486,340	1,508,152	14,693	5,315,595	6,499,137	5,492,017	4,139,035
4. Class 4 (a).....	3,472,744	1,162,342	871,781	116,112	3,130,486	3,472,744	3,879,417	3,037,869
5. Class 5 (a).....	0				47,459	0	0	72,248
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	256,854,863	15,778,655	12,600,345	11,226	246,903,461	256,854,863	260,044,399	240,856,525
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	256,854,863	15,778,655	12,600,345	11,226	246,903,461	256,854,863	260,044,399	240,856,525

(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 \$8,306,044 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	8,306,044	XXX	8,306,044	984	

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	2,030,583	3,296,736
2. Cost of short-term investments acquired	12,213,540	9,748,672
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	5,938,078	11,014,825
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).....	8,306,045	2,030,583
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	8,306,045	2,030,583

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 LIFE 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. Special Revenue									
3128HX-SS-5	FHS 268 30 3.000% 08/15/42		09/13/2012	Sterne, Agee & Leach		2,859,223	2,745,952	3,807	1
38378D-BL-8	GNR 2012-17 CD 4.000% 09/20/40		07/11/2012	Huntington Investment Co.		1,068,029	981,250	1,635	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						3,927,252	3,727,202	5,442	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
02406P-AL-4	American Axle & Manufacturing Call 6.62		09/12/2012	Various		55,844	55,000		4FE
03070Q-AP-6	Ameristar Casinos Inc 144A-Call 7.500%		07/19/2012	Jefferies		21,725	20,000	413	4FE
044209-AE-4	Ashland Inc 144A 4.750% 08/15/22		08/02/2012	Citigroup Global Markets		55,000	55,000		3FE
077454-AF-3	Belden Inc 144A-Call 5.500% 09/01/22		08/13/2012	First Union Capital		50,000	50,000		4FE
090613-AF-7	Biomet Inc 144A-Call 6.500% 08/01/20		07/25/2012	Bank of New York		10,000	10,000		4FE
1248EP-AY-9	CCO Holdings NC 5.250% 09/30/22		08/08/2012	Citigroup Global Markets		49,513	50,000		3FE
12543D-AO-3	Community Health Systems Call 7.125% 0		07/11/2012	Various		75,994	75,000		4FE
12543D-AR-1	Community Health Systems Call 5.125% 0		08/08/2012	Credit Suisse First Boston		55,000	55,000		3FE
125581-GQ-5	CIT Group Inc NC 5.000% 08/15/22		07/31/2012	Various		60,169	60,000		4FE
12572Q-AE-5	CME Group Inc NC 3.000% 09/15/22		09/05/2012	UBS Securities		996,910	1,000,000		1FE
15670Q-AS-5	Centurytel Inc NC 5.800% 03/15/22		07/10/2012	Bank of New York		56,352	55,000	1,072	2FE
17121E-AD-9	Chrysler Group Call 8.250% 06/15/21		09/07/2012	Credit Suisse First Boston		32,325	30,000	598	4FE
17453B-AJ-0	Frontier Communications NC 9.000% 08/1		09/12/2012	Various		67,538	65,000	1,910	3FE
17453B-AW-1	Frontier Communications NC 7.125% 03/1		06/27/2012	Macquarie Securities		(30,375)	(30,000)	(635)	3FE
184496-AH-0	Clean Harbors Inc 144A-Call 5.250% 08/		07/17/2012	Bank of New York		80,000	80,000		3FE
23918K-AP-3	Davita Inc. Call 5.750% 08/15/22		08/14/2012	Various		25,206	25,000		4FE
270321-AC-6	Earthlink Inc Call 8.875% 05/15/19		07/23/2012	DBAB		4,988	5,000	88	4FE
319963-BE-3	First Data Corp. 144A-Call 6.750% 11/0		08/02/2012	DBAB		29,758	30,000		4FE
35906A-AM-0	Frontier Communications Corp 7.125% 01		08/09/2012	Citigroup Global Markets		20,125	20,000		3FE
36930Q-AM-0	General Cable Corp 144A-Call 5.750% 10		09/20/2012	J P Morgan Securities		30,000	30,000		4FE
37045X-AD-8	General Motors Finl Co 144A 4.750% 08/		08/15/2012	Various		40,025	40,000	5	3FE
43644Q-AD-3	Hologic Inc 144A-Call 6.250% 08/01/20		07/19/2012	Bank of New York		41,200	40,000		4FE
45779G-AA-6	Innovation Ventures/FINA 144A-Call 9.5		07/19/2012	Merrill Lynch		5,000	5,000		4FE
48123V-AA-0	J2 Global Communications 144A-Call 8.0		07/30/2012	Merrill Lynch		65,713	65,000	47	4FE
50076Q-AV-8	Kraft Foods Group Inc 144A 6.125% 08/2		07/17/2012	Taxable Exchange		600,255	500,000		2FE
570506-AQ-8	Markwest Energy Call 5.500% 02/15/23		08/06/2012	First Union Capital		39,606	40,000		3FE
62886E-AE-8	NCR Corporation 144A-Call 5.000% 07/15		09/12/2012	J P Morgan Securities		5,000	5,000		3FE
67020Y-AD-2	Nuance Communications Inc 144A-Call 5		08/09/2012	Barclays Capital		10,000	10,000		3FE
704549-AL-8	Peabody Energy Corp 144A-NC 6.250% 11/		09/12/2012	Various		92,025	90,000	1,875	3FE
70959W-AD-5	Penske Automotive Group Inc 144A-Call		08/14/2012	Merrill Lynch		15,000	15,000		4FE
761735-AN-9	Reynolds Group 144A-Call 5.750% 10/15/		09/14/2012	Credit Suisse First Boston		35,000	35,000		4FE
78401F-AE-7	SBA Telecommunications 144A-Call 5.750		07/10/2012	Various		30,263	30,000		4FE
78468V-AA-0	SPL Logistics Escrow LLC 144A-Call 8.8		07/24/2012	UBS Securities		10,000	10,000		4FE
80007P-AS-8	Sandridge Energy Inc 144A-Call 7.500%		08/07/2012	Various		90,559	90,000		4FE
80874Y-AL-4	Scientific Games Intl 144A 6.250% 09/0		09/07/2012	Merrill Lynch		130,425	130,000	325	4FE
829259-AH-3	Sinclair Television Group 144A-Call 6		09/28/2012	Oppenheimer and Co.		30,150	30,000		4FE
85206Q-AG-7	Sprint Capital NC 6.900% 05/01/19		07/03/2012	DBAB		9,600	10,000	130	4FE
858119-AS-9	Steel Dynamics 144A-Call 6.125% 08/15/		08/02/2012	Merrill Lynch		15,000	15,000		3FE
864486-AF-2	Suburban Propane Partners 144A-Call 7		08/06/2012	Taxable Exchange		12,834	16,000	16	3FE
87311X-AC-2	TW Telecom Holdings Inc 144A-Call 5.37		09/27/2012	Credit Suisse First Boston		85,000	85,000		4FE
89705Q-AA-8	Tronox Finance 144A-Call 6.375% 08/15/		09/07/2012	Various		60,713	60,000	64	4FE
91911X-AR-5	Valeant Pharmaceuticals 144A-Call 6.50		09/21/2012	Barclays Capital		52,688	50,000	641	4FE
989194-AG-0	Zayo Escrow corp Call 8.125% 01/01/20		08/01/2012	Various		79,763	75,000	613	4FE
008916-AC-2	Agrium Inc NC 7.800% 02/01/27	A	08/21/2012	Stifel Nicolaus & Co.		995,340	750,000	3,738	2FE
552704-AB-4	Meg Energy Corp 144A-Call 6.375% 01/30	A	07/16/2012	Various		60,450	60,000		4FE
30251G-AA-5	FMC Resources 144A-Call 7.000% 11/01/1	R	09/06/2012	Credit Suisse First Boston		24,563	25,000	632	3FE
30251G-AH-0	FMC Resources 144A-Call 8.250% 11/01/1	R	09/10/2012	Credit Suisse First Boston		30,450	30,000	908	3FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						4,412,689	4,051,000	12,438	XXX
8399997 - Subtotals- Bonds - Part 3						8,339,941	7,778,202	17,880	XXX
8399999 - Subtotals - Bonds						8,339,941	7,778,202	17,880	XXX
9999999 Totals						8,339,941	XXX	17,880	XXX

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE 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	F o r e i g n	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																					
36202D-5P-2	GNMA IT 3554 4.500% 05/20/34		09/01/2012	Paydown		.92,414	.92,414	.93,107	.93,088		(.674)		(.674)		.92,414			.0	2,759	05/20/2034	1
36204D-5J-4	GNMA Pool 367249 6.500% 12/15/23		09/01/2012	Paydown		.12,394	.12,394	.12,975	.12,874		(.479)		(.479)		.12,394			.0	.485	12/15/2023	1
36205G-AD-3	GNMA Pool 389804 5.000% 01/15/33		09/01/2012	Paydown		.1,245	.1,245	.1,247	.1,247		(.2)		(.2)		.1,245			.0	.42	01/15/2033	1
0599999 - Bonds - U.S. Governments						106,053	106,053	107,330	107,208	0	(1,155)	0	(1,155)	0	106,053	0	0	0	3,286	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																					
31281B-MU-1	FG N31271 4.500% 01/01/36		09/01/2012	Paydown		.23,433	.23,433	.23,704	.23,695		(.262)		(.262)		.23,433			.0	.695	01/01/2036	1
31281B-TW-0	FG N31465 5.000% 11/01/37		09/01/2012	Paydown		.69,162	.69,162	.70,859	.70,843		(1,681)		(1,681)		.69,162			.0	2,374	11/01/2037	1
31288M-BV-0	FHLMC Pool 60052 6.500% 04/01/14		09/01/2012	Paydown		.3,380	.3,380	.3,498	.3,405		(.25)		(.25)		.3,380			.0	.147	04/01/2014	1
3128K9-QY-3	FGLMC Pool A48571 6.000% 05/01/36 FGLMC Pool A55488		09/01/2012	Paydown		.58,005	.58,005	.57,969	.57,965		.40		.40		.58,005			.0	2,404	05/01/2036	1
3128KJ-CZ-3	5.500% 12/01/36 FGLMC Pool A56041		09/01/2012	Paydown		.63,235	.63,235	.62,978	.62,982		.253		.253		.63,235			.0	2,438	12/01/2036	1
3128KJ-WA-6	5.500% 01/01/37 FGLMC Pool G08052		09/01/2012	Paydown		.44,299	.44,299	.44,015	.44,019		.280		.280		.44,299			.0	1,672	01/01/2037	1
3128MJ-BW-9	5.500% 04/01/35 FG G18309 4.500%		09/01/2012	Paydown		.52,580	.52,580	.52,325	.52,330		.250		.250		.52,580			.0	1,937	04/01/2035	1
3128MM-KX-0	05/01/24 FG C91437 3.500%		09/01/2012	Paydown		.104,274	.104,274	.110,237	.110,008		(5,734)		(5,734)		.104,274			.0	3,174	05/01/2024	1
3128P7-S2-0	04/01/32 FGLMC Pool #C01286		09/01/2012	Paydown		.17,183	.17,183	.18,063			(.881)		(.881)		.17,183			.0	.155	04/01/2032	1
31292H-NB-6	6.000% 01/01/32 FG E02730 4.000%		09/01/2012	Paydown		.5,046	.5,046	4,976	4,979		.66		.66		.5,046			.0	.203	01/01/2032	1
31294M-A7-6	10/01/25 FHLMC Pool #C90473		09/01/2012	Paydown		.107,741	.107,741	.112,084	.111,937		(4,196)		(4,196)		.107,741			.0	2,910	10/01/2025	1
31335H-Q2-2	6.500% 08/01/21 FHR 2141 E NAS FGLMC 7.0		09/01/2012	Paydown		.1,068	.1,068	1,083	1,078		(10)		(10)		.1,068			.0	.46	08/01/2021	1
3133TK-G7-9	6.600% 04/15 FNR 2012-16 WT 3.000%		09/01/2012	Paydown		.4,854	.4,854	4,933	4,875		(21)		(21)		.4,854			.0	.209	04/15/2029	1
3136A4-RD-3	03/25/32 FNR 2012-52 NB 3.500%		09/13/2012	Sterne, Agee & Leach		1,751,914	1,750,000	1,700,781			1,388		1,388		1,702,169		.49,745	.49,745	.33,104	03/25/2032	1
3136A6-AW-4	12/25/39 FNMA Pool 253478 8.000%		09/01/2012	Paydown		.12,321	.12,321	.13,037			(.716)		(.716)		.12,321			.0	.110	12/25/2039	1
31371J-Q7-2	09/01/20 FNMA Pool 253543 7.000%		09/01/2012	Paydown		.431	.431	.436	.435		(.4)		(.4)		.431			.0	.22	09/01/2020	1
31371J-S8-8	11/01/20 FNMA Pool 254477 5.500%		09/01/2012	Paydown		.364	.364	.360	.360		.3		.3		.364			.0	.17	11/01/2020	1
31371K-UA-7	10/01/32 FNMA Pool 254915 4.500%		09/01/2012	Paydown		.32,589	.32,589	.32,219	.32,227		.362		.362		.32,589			.0	1,212	10/01/2032	1
31371L-DU-0	09/01/23 FNMA Pool 255029 5.000%		09/01/2012	Paydown		.21,331	.21,331	.20,744	.20,819		.512		.512		.21,331			.0	.644	09/01/2023	1
31371L-HE-2	12/01/23 FNMA Pool 255042 4.500%		09/01/2012	Paydown		.15,782	.15,782	.15,753	.15,750		.33		.33		.15,782			.0	.532	12/01/2023	1
31371L-HT-9	11/01/23 FN 256676 5.500%		09/01/2012	Paydown		.19,181	.19,181	.18,665	.18,730		.451		.451		.19,181			.0	.565	11/01/2023	1
31371N-CM-5	04/01/27 FN 257126 5.500%		09/01/2012	Paydown		.143,166	.143,166	.153,322	.153,139		(9,973)		(9,973)		.143,166			.0	5,268	04/01/2027	1
31371N-SQ-9	02/01/23 FHR 3753 AS 3.500%		09/01/2012	Paydown		.36,113	.36,113	.39,115	.38,981		(2,868)		(2,868)		.36,113			.0	1,341	02/01/2023	1
3137A3-JW-0	11/15/25 FHR 3762 GM 3.500%		09/01/2012	Paydown		.193,981	.193,981	.200,134	.199,313		(5,332)		(5,332)		.193,981			.0	4,544	11/15/2025	1
3137A3-PN-3	08/15/28 FHR 3786 WA 4.000%		09/01/2012	Paydown		.88,283	.88,283	.91,038	.89,913		(1,630)		(1,630)		.88,283			.0	2,103	08/15/2028	1
3137A5-WW-0	12/15/28 FHR 3844 DA 4.500%		09/01/2012	Paydown		.72,982	.72,982	.75,014	.74,364		(1,382)		(1,382)		.72,982			.0	1,967	12/15/2028	1
3137A8-XZ-6	10/15/39 FHR 3947 BC 2.500%		09/01/2012	Paydown		.92,679	.92,679	.98,862	.97,545		(4,866)		(4,866)		.92,679			.0	2,897	10/15/2039	1
3137AG-CA-6	10/15/26		09/01/2012	Paydown		.11,558	.11,558	.11,954			(.396)		(.396)		.11,558			.0	.121	10/15/2026	1

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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 Identi- fication	Description	F o r e i g n	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 Desig- nation or Market Indicator (a)
3137AN-QF-5...	FHR 4036 PA 2.750% 04/15/41		09/01/2012	Paydown		11,936	11,936	12,308			(372)		(372)		11,936			0	112	04/15/2041	1
3137AN-VY-8...	FHR 4031 LE 2.000% 10/15/29		09/01/2012	Paydown		25,731	25,731	26,121			(390)		(390)		25,731			0	189	10/15/2029	1
3138A8-XA-9...	FN AH6972 3.500% 02/01/26		09/01/2012	Paydown		101,645	101,645	104,218	104,142		(2,497)		(2,497)		101,645			0	2,412	02/01/2026	1
31392E-SX-9...	FNR 2002-59 B 5.500% 09/25/17		09/01/2012	Paydown		10,659	10,659	10,849	10,687		(28)		(28)		10,659			0	384	09/25/2017	1
31392W-UQ-1...	FHR 2510 NM 5.000% 03/15/32		09/01/2012	Paydown		46,967	46,967	48,243	47,033		(67)		(67)		46,967			0	1,575	03/15/2032	1
31393A-GG-6...	FNR 2003-28 GA 4.000% 10/25/32		09/01/2012	Paydown		34,282	34,282	33,737	34,093		189		189		34,282			0	907	10/25/2032	1
31393B-QC-2...	FNR 2003-37 QD 5.000% 05/25/32		09/01/2012	Paydown		122,468	122,468	121,664	121,993		474		474		122,468			0	4,164	05/25/2032	1
31393J-HC-5...	FHR 2553 GB 5.000% 01/15/18		09/01/2012	Paydown		144,096	144,096	143,527	143,750		346		346		144,096			0	4,763	01/15/2018	1
31393Q-JL-7...	FHR 2619 PE 5.500% 11/15/31		09/01/2012	Paydown		213,390	213,390	213,390	213,390				0		213,390			0	7,927	11/15/2031	1
31393V-MQ-1...	FHR 2628 AB 4.500% 06/15/18		09/01/2012	Paydown		46,165	46,165	44,924	45,815		350		350		46,165			0	1,406	06/15/2018	1
31394B-UA-0...	FNR 2004-90 YB 4.000% 07/25/32		09/01/2012	Paydown		79,632	79,632	76,969	79,192		439		439		79,632			0	2,118	07/25/2032	1
31394B-W4-2...	FNR 2004-95 EA 4.500% 08/25/33		09/01/2012	Paydown		393,897	393,897	408,914	401,061		(7,164)		(7,164)		393,897			0	12,174	08/25/2033	1
31394C-V7-4...	FNR 2005-35 VG 5.000% 04/25/16		09/01/2012	Paydown		31,240	31,240	30,986	31,117		123		123		31,240			0	1,042	04/25/2016	1
31394H-AY-7...	FHR 2669 DG 4.500% 11/15/32		09/01/2012	Paydown		109,855	109,855	99,831	107,906		1,948		1,948		109,855			0	3,213	11/15/2032	1
31394P-RU-9...	FHR 2744 TU 5.500% 05/15/32		09/01/2012	Paydown		68,351	68,351	66,450	67,703		648		648		68,351			0	2,510	05/15/2032	1
31394X-WZ-5...	FHR 2799 ME 5.000% 08/15/32		09/01/2012	Paydown		153,071	153,071	152,042	152,535		536		536		153,071			0	5,134	08/15/2032	1
31395A-C8-6...	FHR 2806 AC 5.000% 01/15/33		09/01/2012	Paydown		28,156	28,156	28,055	28,094		62		62		28,156			0	969	01/15/2033	1
31395E-YP-6...	FHR 2835 HB 5.500% 08/15/24		09/01/2012	Paydown		68,489	68,489	71,186	69,861		(1,372)		(1,372)		68,489			0	2,504	08/15/2024	1
31396J-2L-8...	FHR 3127 CY 5.500% 03/15/26		09/01/2012	Paydown		80,547	80,547	83,769	82,172		(1,625)		(1,625)		80,547			0	2,959	03/15/2026	1
31397L-DQ-9...	FNR 2008-24 AV 5.000% 03/25/19		09/01/2012	Paydown		43,159	43,159	43,159	43,159				0		43,159			0	1,439	03/25/2019	1
31397S-ZF-4...	FNR 2011-42 VA 4.500% 06/25/22		09/01/2012	Paydown		9,297	9,297	9,841	9,647		(350)		(350)		9,297			0	279	06/25/2022	1
31397U-GT-0...	FNR 2011-49 CA 3.500% 12/25/28		09/01/2012	Paydown		60,720	60,720	61,821	61,659		(938)		(938)		60,720			0	1,448	12/25/2028	1
31402A-D6-0...	FNMA Pool 722925 5.000% 07/01/23		09/01/2012	Paydown		32,869	32,869	33,300	33,259		(390)		(390)		32,869			0	1,030	07/01/2023	1
31402R-JV-2...	FNMA Pool 735676 5.000% 07/01/35		09/01/2012	Paydown		81,238	81,238	84,132	84,037		(2,799)		(2,799)		81,238			0	2,715	07/01/2035	1
31403D-BW-8...	FNMA Pool 745353 5.500% 03/01/36		09/01/2012	Paydown		95,368	95,368	92,775	92,838		2,530		2,530		95,368			0	3,515	03/01/2036	1
31403D-GZ-6...	FNMA Pool 745516 5.500% 05/01/36		09/01/2012	Paydown		63,391	63,391	63,311	63,305		85		85		63,391			0	2,325	05/01/2036	1
31403D-TG-4...	FNMA Pool 745851 6.000% 09/01/36		09/01/2012	Paydown		56,943	56,943	57,459	57,443		(500)		(500)		56,943			0	2,272	09/01/2036	1
31404A-GX-6...	FNMA Pool 762614 5.000% 12/01/23		09/01/2012	Paydown		28,840	28,840	29,218	29,103		(264)		(264)		28,840			0	962	12/01/2023	1
31404S-GD-1...	FN 76996 5.000% 04/01/34		09/01/2012	Paydown		56,545	56,545	58,719	58,653		(2,107)		(2,107)		56,545			0	1,987	04/01/2034	1
31407U-EQ-6...	FNMA Pool 840843 5.500% 12/01/35		09/01/2012	Paydown		130,377	130,377	128,095	128,134		2,242		2,242		130,377			0	4,764	12/01/2035	1
31409X-GG-8...	FNMA Pool 881399 6.000% 05/01/36		09/01/2012	Paydown		117,657	117,657	117,088	117,089		568		568		117,657			0	4,749	05/01/2036	1
31411B-GM-9...	FNMA Pool 903004 5.500% 12/01/36		09/01/2012	Paydown		14,934	14,934	14,848	14,849		86		86		14,934			0	483	12/01/2036	1
31411J-3H-7...	FNMA Pool 909900 5.500% 03/01/37		09/01/2012	Paydown		62,804	62,804	62,186	62,194		610		610		62,804			0	2,298	03/01/2037	1

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE GRANGE LIFE 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	F o r e i g n	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)
31416B-4A-3...	FN 995517 5.500% 01/01/24		09/01/2012	Paydown.....		.63,697	.63,697	.68,863	.68,729		..(5,032)		..(5,032)		.63,697			..0	..2,360	..01/01/2024	..1
31417U-XS-9...	FN AC7888 4.000% 03/01/25		09/01/2012	Paydown.....		23,505	23,505	24,702	24,645		..(1,140)		..(1,140)		23,505			..0	..681	..03/01/2025	..1
31417Y-2J-5...	FN MA0776 4.500% 06/01/31		09/01/2012	Paydown.....		83,938	83,938	88,450	88,406		..(4,468)		..(4,468)		83,938			..0	2,547	..06/01/2031	..1
31417Y-3N-5...	FN MA0804 4.000% 07/01/31		09/01/2012	Paydown.....		55,908	55,908	57,567	57,529		..(1,622)		..(1,622)		55,908			..0	1,518	..07/01/2031	..1
31417Y-TV-9...	FN MA0563 4.000% 11/01/30		09/01/2012	Paydown.....		112,555	112,555	116,072	115,951		..(3,396)		..(3,396)		112,555			..0	3,055	..11/01/2030	..1
31417Y-W5-2...	FN MA0667 4.000% 10/01/30		09/01/2012	Paydown.....		155,465	155,465	155,222	155,217		248		248		155,465			..0	4,208	..10/01/2030	..1
31418A-E9-5...	FN MA1059 3.500% 05/01/32		09/01/2012	Paydown.....		21,932	21,932	23,213			..(1,282)		..(1,282)		21,932			..0	143	..05/01/2032	..1
31418A-EB-0...	FN MA1029 3.500% 04/01/32		09/01/2012	Paydown.....		31,104	31,104	32,703			..(1,599)		..(1,599)		31,104			..0	301	..04/01/2032	..1
38373T-Z2-4...	GNR 2002-15 PC 5.500% 11/20/31		09/01/2012	Paydown.....		16,988	16,988	16,286	16,860		128		128		16,988			..0	612	..11/20/2031	..1
38374E-DF-1...	GNR 2003-102 MU 4.250% 01/20/33		09/01/2012	Paydown.....		15,387	15,387	15,373	15,356		31		31		15,387			..0	439	..01/20/2033	..1
38374E-ZM-2...	GNR 2003-116 JD 5.000% 11/20/32		09/01/2012	Paydown.....		387,103	387,103	382,083	384,434		2,669		2,669		387,103			..0	12,943	..11/20/2032	..1
38374F-W6-7...	GNR 2004-21 PC 5.000% 04/20/33		09/01/2012	Paydown.....		133,088	133,088	131,299	132,128		960		960		133,088			..0	4,439	..04/20/2033	..1
38378C-RT-6...	GNR 2012-13 EG 2.000% 10/20/40		09/01/2012	Paydown.....		14,681	14,681	14,848			..(167)		..(167)		14,681			..0	50	..10/20/2040	..1
38378D-BL-8...	GNR 2012-17 CD 4.000% 09/20/40		09/01/2012	Paydown.....		9,383	9,383	10,213			..(830)		..(830)		9,383			..0	47	..09/20/2040	..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						6,796,385	6,794,471	6,808,191	4,944,861	0	..(61,463)	0	..(61,463)	0	6,746,640	0	49,745	49,745	192,882	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
02406P-AG-5...	American Axle & Manufacturing 144A-Call		09/05/2012	J P Morgan Securities.....		39,200	35,000	35,875	35,709		..(81)		..(81)		35,628		3,572	3,572	3,732	..01/15/2014	..3FE
030700-AN-1...	Ameristar Casinos Inc Call 7.500% 04/1		07/19/2012	Jefferies.....		21,775	20,000	20,500	20,495		..(21)		..(21)		20,474		1,301	1,301	1,163	..04/15/2021	..4FE
037933-AE-8...	Apria Healthcare Group Call 11.250% 11/		09/07/2012	Merrill Lynch.....		31,050	30,000	30,143	30,101		..(23)		..(23)		30,078		972	972	2,916	..11/01/2014	..4FE
039380-AE-0...	Arch Coal Inc. Call 7.000% 06/15/19		07/25/2012	DBAB.....		20,375	25,000	25,069	25,066		..(4)		..(4)		25,062		..(4,687)	..(4,687)	1,094	..06/15/2019	..4FE
077454-AF-3...	Belden Inc 144A-Call 5.500% 09/01/22		09/04/2012	First Union Capital.....		50,250	50,000	50,000					..0		50,000		250	250	76	..09/01/2022	..4FE
12543D-AF-7...	Community Health Systems Call 8.875% 0		07/18/2012	Redemption 100.6000		50,300	50,000	51,375			..(1,075)		..(1,075)		50,300			..0	3,256	..07/15/2015	..4FE
125581-GQ-5...	CIT Group Inc NC 5.000% 08/15/22		09/21/2012	Various.....		60,900	60,000	60,169			..(2)		..(2)		60,166		734	734	438	..08/15/2022	..4FE
126650-BQ-2...	CVS Corp. PT-NC 6.943% 01/10/30		09/10/2012	Redemption 100.0000		3,309	3,309	3,375	3,370		..(60)		..(60)		3,309			..0	153	..12/10/2029	..2FE
127693-AA-7...	Caesars Operating Escrow 144A-Call 8.5		09/24/2012	Various.....		65,813	65,000	66,125			..(47)		..(47)		66,078		..(266)	..(266)	2,844	..02/15/2020	..4FE
256882-AC-5...	Dolphin Subsidiary II 144A-Call 7.250%		09/06/2012	Various.....		74,313	65,000	66,425	50,147		..(69)		..(69)		66,353		7,960	7,960	4,135	..07/15/2021	..3FE
31409J-SF-8...	FNMA Pool 872718 6.000% 06/01/36		09/01/2012	Paydown.....		62,241	62,241	61,813	61,819		422		422		62,241			..0	2,558	..06/01/2036	..1
345397-VM-2...	Ford Motor Credit Company NC 8.125% 01		07/01/2012	Barclays Capital.....		36,675	30,000	37,470			..(245)		..(245)		37,225		..(550)	..(550)	1,151	..01/15/2020	..3FE
345397-VT-7...	Ford Motor Credit Company NC 5.000% 05		08/15/2012	Various.....		21,325	20,000	20,000	20,000				..0		20,000		1,325	1,325	713	..05/15/2018	..2FE
347466-AE-4...	Irwin Land LLC 144A-SF 5.300% 12/15/35		07/06/2012	Redemption 100.0000		10,512	10,512	10,324			188		188		10,512			..0	279	..12/15/2035	..1FE
45661T-AL-5...	Inergy LP/Inergy Fin Call 6.875% 08/01		08/06/2012	Taxable Exchange.....		16,898	19,000	17,813	17,831		51		51		17,882		..(984)	..(984)	1,324	..08/01/2021	..4FE
45779G-AA-6...	Innovation Ventures/FINA 144A-Call 9.5		07/19/2012	Merrill Lynch.....		5,113	5,000	5,000					..0		5,000		113	113		..08/15/2019	..4FE
46284P-AH-7...	Iron Mountain Inc Call 8.750% 07/15/18		08/20/2012	Call 102.9170		56,604	55,000	57,412			..(807)		..(807)		56,604			..0	2,874	..07/15/2012	..4FE

SCHEDULE D - PART 4

E05.3

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

General Interrogatories:					
1. Total activity for the year to date	Fair Value \$	13,437,883	Book/Adjusted Carrying Value	\$	13,436,945
2. Average balance for the year to date	Fair Value \$	14,136,456	Book/Adjusted Carrying Value	\$	14,136,456
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:					
NAIC 1 \$11,202,085	NAIC 2 \$2,234,860	NAIC 3 \$	NAIC 4 \$	NAIC 5 \$	NAIC 6 \$

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

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 \$ 13,437,883	Book/Adjusted Carrying Value	\$ 13,436,945

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0