



ANNUAL STATEMENT
For the Year Ended December 31, 2012
OF THE CONDITION AND AFFAIRS OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NAIC Group Code 00267, 00267 NAIC Company Code 11136 Employer's ID Number 31-1769414
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States
Incorporated/Organized 04/23/2001 Commenced Business 07/26/2001
Statutory Home Office 671 South High Street, Columbus, OH, 43206-1014
Main Administrative Office 671 South High Street, Columbus, OH, 43206-1014 614-445-2900
Mail Address 671 South High Street, P.O. Box 1218, Columbus, OH, 43216-1218
Primary Location of Books and Records 671 South High Street, Columbus, OH, 43206-1014 614-445-2900
Internet Web Site Address www.grangeinsurance.com
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ackermann@grangeinsurance.com 614-449-3757

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Rows include THOMAS HOWARD WELCH (PRESIDENT & CEO), JOHN PAUL MCCAFFREY (VP & CFO), LAVAWN DEE COLEMAN (VP & SECRETARY).

OTHER OFFICERS

Table with 4 columns: Name, Title. Row includes JOHN CHRISTOPHER MONTGOMERY (VP - INVESTMENTS).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include DOUGLAS PAUL BUTH, JOHN PAUL MCCAFFREY, MELVIN GEORGE PYE JR, GLENN EUGENE CORLETT, ROBERT JOHN O'BRIEN, THOMAS SIMRALL STEWART, ELWOOD GORDON GEE, MICHAEL VERNE PARROTT, THOMAS HOWARD WELCH, ROBERT ENLOW HOYT, MARY MARNETTE PERRY, DAVID CHARLES WETMORE.

State of Ohio

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County of Franklin

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

THOMAS HOWARD WELCH
PRESIDENT & CEO

LAVAWN DEE COLEMAN
VP & SECRETARY

JOHN PAUL MCCAFFREY
VP & CFO

Subscribed and sworn to before me
this 22nd day of February, 2013

- 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

Teresa J. Burchwell, Notary Public
April 28, 2017

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	48,580,823		48,580,823	44,139,395
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$, Schedule E-Part 1), cash equivalents (\$, Schedule E-Part 2) and short-term investments (\$539,951 , Schedule DA).....	539,951		539,951	956,629
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	49,120,774	0	49,120,774	45,096,024
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	457,286		457,286	389,582
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,911,358	35,190	4,876,168	4,593,104
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$(5,584) earned but unbilled premiums).....	(6,428)	(844)	(5,584)	(4,698)
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,558,812		1,558,812	2,646,479
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	958,093		958,093	967,931
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	1,542,220		1,542,220	1,601,831
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	13,110	0	13,110	12,039
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	58,555,225	34,346	58,520,879	55,302,292
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	58,555,225	34,346	58,520,879	55,302,292
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.....	13,110		13,110	12,039
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	13,110	0	13,110	12,039

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	9,754,440	9,867,043
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	2,920,368	2,823,659
4. Commissions payable, contingent commissions and other similar charges	355,306	253,520
5. Other expenses (excluding taxes, licenses and fees)	821,374	679,890
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	318,757	290,754
7.1 Current federal and foreign income taxes (including \$ 47,292 on realized capital gains (losses))	986,919	964,203
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 38,987,480 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)	10,355,094	9,771,933
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	22,491	19,342
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	25,534,749	24,670,344
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	25,534,749	24,670,344
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	1,000,000	1,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	9,000,000	9,000,000
35. Unassigned funds (surplus)	22,986,130	20,631,948
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	32,986,130	30,631,948
38. Totals (Page 2, Line 28, Col. 3)	58,520,879	55,302,292
DETAILS OF WRITE-INS		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	25,867,040	26,087,476
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	15,006,270	15,676,253
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	2,843,925	2,713,690
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	8,329,867	8,153,780
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	26,180,063	26,543,723
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(313,023)	(456,248)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,632,681	1,648,416
10. Net realized capital gains (losses) less capital gains tax of \$ 47,292 (Exhibit of Capital Gains (Losses))	87,827	(85,392)
11. Net investment gain (loss) (Lines 9 + 10)	1,720,508	1,563,024
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 3,190 amount charged off \$ 129,039)	(125,849)	(203,441)
13. Finance and service charges not included in premiums	2,073,577	2,581,908
14. Aggregate write-ins for miscellaneous income	26,420	25,480
15. Total other income (Lines 12 through 14)	1,974,148	2,403,947
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,381,634	3,510,723
17. Dividends to policyholders	78,719	76,345
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	3,302,915	3,434,378
19. Federal and foreign income taxes incurred	939,627	1,010,183
20. Net income (Line 18 minus Line 19) (to Line 22)	2,363,288	2,424,195
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	30,631,948	28,258,464
22. Net income (from Line 20)	2,363,288	2,424,195
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	0	0
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(18,756)	(56,202)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	9,650	5,491
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	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 (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	2,354,182	2,373,484
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	32,986,130	30,631,948
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
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Miscellaneous Income.....	26,420	25,480
1402.	0	0
1403.	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	26,420	25,480
3701.	0	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	26,168,755	25,979,002
2. Net investment income.....	1,943,611	1,961,605
3. Miscellaneous income.....	1,974,148	2,403,947
4. Total (Lines 1 through 3).....	30,086,514	30,344,554
5. Benefit and loss related payments.....	14,031,206	16,916,226
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	10,808,159	11,170,772
8. Dividends paid to policyholders.....	75,570	76,019
9. Federal and foreign income taxes paid (recovered) net of \$ 47,292 tax on capital gains (losses).....	964,203	677,401
10. Total (Lines 5 through 9).....	25,879,138	28,840,419
11. Net cash from operations (Line 4 minus Line 10).....	4,207,376	1,504,136
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	8,803,550	13,720,108
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	8,803,550	13,720,108
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	13,486,144	13,590,973
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	13,486,144	13,590,973
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(4,682,594)	129,135
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	58,540	(1,239,877)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	58,540	(1,239,877)
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).....	(416,678)	393,394
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	956,629	563,235
19.2 End of year (Line 18 plus Line 19.1).....	539,951	956,629

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	343,924	191,762	201,021	334,665
2.	Allied lines	193,230	108,674	112,503	189,400
3.	Farmowners multiple peril	437,756	221,380	229,597	429,539
4.	Homeowners multiple peril	5,634,259	3,053,177	3,269,085	5,418,350
5.	Commercial multiple peril	2,539,063	1,175,214	1,240,949	2,473,327
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	205,802	111,249	112,300	204,751
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	62,002	37,760	34,733	65,028
13.	Group accident and health	2,752	0	0	2,752
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	896,205	358,014	394,910	859,310
17.1	Other liability - occurrence	533,562	156,195	249,104	440,654
17.2	Other liability - claims-made	158	49	41	166
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability-occurrence	1,540	596	506	1,631
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	7,816,519	2,005,510	1,990,165	7,831,863
19.3,19.4	Commercial auto liability	1,676,271	703,334	794,427	1,585,178
21.	Auto physical damage	6,105,993	1,648,606	1,725,375	6,029,223
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	1	0	0	1
26.	Burglary and theft	1,166	412	377	1,201
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	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	26,450,201	9,771,933	10,355,094	25,867,040
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	201,021				201,021
2.	Allied lines	112,503				112,503
3.	Farmowners multiple peril	229,597				229,597
4.	Homeowners multiple peril	3,269,085				3,269,085
5.	Commercial multiple peril	1,240,949				1,240,949
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	112,300				112,300
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	34,733				34,733
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	394,910				394,910
17.1	Other liability-occurrence	249,104				249,104
17.2	Other liability-claims-made	41				41
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	506				506
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	1,990,165				1,990,165
19.3,19.4	Commercial auto liability	794,427				794,427
21.	Auto physical damage	1,725,375				1,725,375
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	377				377
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance-nonproportional assumed property					0
32.	Reinsurance-nonproportional assumed liability					0
33.	Reinsurance-nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	10,355,094	0	0	0	10,355,094
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					10,355,094
DETAILS OF WRITE-INS						
3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	769,651	343,924		720,468	49,183	343,924
2. Allied lines	460,032	193,230		431,506	28,526	193,230
3. Farmowners multiple peril	401,737	437,756		392,777	8,960	437,756
4. Homeowners multiple peril	26,443,176	5,634,259		24,978,599	1,464,578	5,634,259
5. Commercial multiple peril	8,032,952	2,539,063		7,287,225	745,727	2,539,063
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	704,937	205,802		662,000	42,937	205,802
10. Financial guaranty						0
11.1 Medical professional liability-occurrence						0
11.2 Medical professional liability-claims-made						0
12. Earthquake	7,448	62,002		7,011	437	62,002
13. Group accident and health		2,752				2,752
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	2,125,954	896,205	62,576	2,067,489	121,041	896,205
17.1 Other liability-occurrence	809,184	533,562		744,445	64,739	533,562
17.2 Other liability-claims-made	300	158		300		158
17.3 Excess workers' compensation						0
18.1 Products liability-occurrence	9	1,540		8	1	1,540
18.2 Products liability-claims-made						0
19.1,19.2 Private passenger auto liability	39,645,448	7,816,519		30,389,478	9,255,970	7,816,519
19.3,19.4 Commercial auto liability	4,165,671	1,676,271		3,407,908	757,764	1,676,271
21. Auto physical damage	22,732,265	6,105,993		22,499,394	232,871	6,105,993
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety		1				1
26. Burglary and theft	442	1,166		442		1,166
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance-nonproportional assumed property	XXX					0
32. Reinsurance-nonproportional assumed liability	XXX					0
33. Reinsurance-nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	106,299,208	26,450,201	62,576	93,589,050	12,772,734	26,450,201
DETAILS OF WRITE-INS						
3401.						0
3402.						0
3403.						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 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	311,706	227,953	311,706	227,953	24,813	42,407	210,359	62.9
2. Allied lines	155,813	60,192	155,813	60,192	20,800	23,425	57,567	30.4
3. Farmowners multiple peril	172,579	251,991	172,579	251,991	99,853	76,487	275,357	64.1
4. Homeowners multiple peril	15,506,517	3,917,101	15,506,517	3,917,101	709,683	891,084	3,735,699	68.9
5. Commercial multiple peril	3,035,879	1,372,493	3,035,879	1,372,493	1,639,290	1,516,432	1,495,350	60.5
6. Mortgage guaranty				0	0	0	0	0.0
8. Ocean marine				0	0	0	0	0.0
9. Inland marine	535,646	96,078	535,646	96,078	21,913	17,124	100,867	49.3
10. Financial guaranty				0	0	0	0	0.0
11.1 Medical professional liability-occurrence		458		458	0	0	458	0.0
11.2 Medical professional liability-claims-made				0	0	0	0	0.0
12. Earthquake				0	0	0	0	0.0
13. Group accident and health		4,980		4,980	15,463	16,004	4,439	161.3
14. Credit accident and health (group and individual)				0	0	0	0	0.0
15. Other accident and health				0	0	0	0	0.0
16. Workers' compensation	602,116	444,176	622,232	424,060	891,419	816,551	498,928	58.1
17.1 Other liability-occurrence	5,109	22,001	5,109	22,001	310,307	159,172	173,136	39.3
17.2 Other liability-claims-made		10,078		10,078	7,343	6,548	10,872	6,543.1
17.3 Excess workers' compensation				0	0	0	0	0.0
18.1 Products liability-occurrence		42		42	1,422	967	496	30.4
18.2 Products liability-claims-made				0	0	0	0	0.0
19.1,19.2 Private passenger auto liability	17,658,811	4,521,272	17,658,811	4,521,272	4,706,503	5,229,975	3,997,800	51.0
19.3,19.4 Commercial auto liability	2,005,759	701,179	2,005,759	701,179	1,354,717	1,174,692	881,204	55.6
21. Auto physical damage	14,348,558	3,508,995	14,348,558	3,508,995	(49,831)	(104,589)	3,563,753	59.1
22. Aircraft (all perils)				0	11	11	0	0.0
23. Fidelity				0	0	0	0	0.0
24. Surety				0	732	732	0	0.0
26. Burglary and theft				0	4	19	(15)	(1.3)
27. Boiler and machinery				0	0	0	0	0.0
28. Credit				0	0	0	0	0.0
29. International				0	0	0	0	0.0
30. Warranty				0	0	0	0	0.0
31. Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32. Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33. Reinsurance-nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35. TOTALS	54,338,493	15,138,989	54,358,609	15,118,873	9,754,440	9,867,043	15,006,270	58.0
DETAILS OF WRITE-INS								
3401.				0	0	0	0	0.0
3402.				0	0	0	0	0.0
3403.				0	0	0	0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	44,705	6,062	44,705	6,062	43,848	18,751	43,848	24,813	17,162
2. Allied lines	85,099	9,663	85,099	9,663	25,796	11,137	25,796	20,800	11,030
3. Farmowners multiple peril	127,137	71,378	127,137	71,378	27,454	28,475	27,454	99,853	25,615
4. Homeowners multiple peril	2,735,451	396,561	2,735,451	396,561	963,469	313,121	963,469	709,683	289,181
5. Commercial multiple peril	1,196,453	802,856	1,196,453	802,856	1,884,354	836,433	1,884,354	1,639,290	829,982
6. Mortgage guaranty				0				0	
8. Ocean marine				0				0	
9. Inland marine	7,915	16,057	7,915	16,057	18,544	5,856	18,544	21,913	5,630
10. Financial guaranty				0				0	
11.1 Medical professional liability-occurrence				0				0	
11.2 Medical professional liability-claims-made				0				0	
12. Earthquake				0		0		0	
13. Group accident and health		15,463		15,463				(a) 15,463	55
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				(a) 0	
16. Workers' compensation	632,419	598,944	687,445	543,918	688,364	429,260	770,123	891,419	147,855
17.1 Other liability-occurrence	(116)	178,938	(116)	178,938	202,902	131,368	202,902	310,307	16,318
17.2 Other liability-claims-made		7,275		7,275		122		7,343	93
17.3 Excess workers' compensation				0				0	
18.1 Products liability-occurrence		761		761	202	661	202	1,422	668
18.2 Products liability-claims-made				0				0	
19.1,19.2 Private passenger auto liability	274,867,475	3,308,526	274,867,475	3,308,526	7,067,832	1,397,978	7,067,832	4,706,503	1,169,300
19.3,19.4 Commercial auto liability	1,735,832	770,459	1,735,832	770,459	940,049	584,258	940,049	1,354,717	212,678
21. Auto physical damage	(375,093)	(224,655)	(375,093)	(224,655)	703,813	174,824	703,813	(49,831)	194,799
22. Aircraft (all perils)		11		11				11	
23. Fidelity				0				0	
24. Surety		732		732				732	
26. Burglary and theft				0	4	4	4	4	1
27. Boiler and machinery				0				0	
28. Credit				0				0	
29. International				0				0	
30. Warranty				0				0	
31. Reinsurance-nonproportional assumed property	XXX			0	XXX			0	
32. Reinsurance-nonproportional assumed liability	XXX			0	XXX			0	
33. Reinsurance-nonproportional assumed financial lines	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35. TOTALS	281,057,276	5,959,031	281,112,303	5,904,004	12,566,754	3,932,195	12,648,514	9,754,440	2,920,368
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	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	5,718,433			5,718,433
1.2 Reinsurance assumed	638,618			638,618
1.3 Reinsurance ceded	5,718,433			5,718,433
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	638,618	0	0	638,618
2. Commission and brokerage:				
2.1 Direct, excluding contingent		14,148,342		14,148,342
2.2 Reinsurance assumed, excluding contingent		4,029,689		4,029,689
2.3 Reinsurance ceded, excluding contingent		14,148,342		14,148,342
2.4 Contingent-direct		766,737		766,737
2.5 Contingent-reinsurance assumed		280,784		280,784
2.6 Contingent-reinsurance ceded		766,737		766,737
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	4,310,473	0	4,310,473
3. Allowances to manager and agents	3,378	70,474		73,852
4. Advertising	902	60,610	64	61,576
5. Boards, bureaus and associations	22,744	48,584		71,328
6. Surveys and underwriting reports		316,028	136	316,164
7. Audit of assureds' records		11,070		11,070
8. Salary and related items:				
8.1 Salaries	1,269,014	1,462,197	25,256	2,756,468
8.2 Payroll taxes	83,501	125,256	2,954	211,711
9. Employee relations and welfare	327,810	480,014	11,276	819,101
10. Insurance	18,654	21,994	3,665	44,313
11. Directors' fees	15,984	23,300	483	39,767
12. Travel and travel items	66,803	69,042	643	136,488
13. Rent and rent items	68,246	14,805	142,744	225,795
14. Equipment	44,302	69,922		114,224
15. Cost or depreciation of EDP equipment and software	25,285	41,713		66,999
16. Printing and stationery	10,848	28,643	188	39,679
17. Postage, telephone and telegraph, exchange and express	58,881	180,110	5,130	244,120
18. Legal and auditing	9,359	21,950	213	31,522
19. Totals (Lines 3 to 18)	2,025,712	3,045,711	192,752	5,264,175
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		562,437		562,437
20.2 Insurance department licenses and fees		37,507		37,507
20.3 Gross guaranty association assessments		1,751		1,751
20.4 All other (excluding federal and foreign income and real estate)		8,070		8,070
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	609,765	0	609,765
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	179,595	363,918	47,312	590,826
25. Total expenses incurred	2,843,925	8,329,867	240,065	11,413,857
26. Less unpaid expenses-current year	2,920,368	1,492,862	2,575	4,415,805
27. Add unpaid expenses-prior year	2,823,659	1,223,938	226	4,047,824
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,747,216	8,060,943	237,716	11,045,876
DETAILS OF WRITE-INS				
2401. Software Expense.....	120,268	118,378	5,466	244,112
2402. Miscellaneous Expense.....	(34,831)	110,604	38,247	114,020
2403. Donations.....	9,989	12,098	289	22,376
2498. Summary of remaining write-ins for Line 24 from overflow page	84,169	122,839	3,311	210,318
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	179,595	363,918	47,312	590,826

(a) Includes management fees of \$ 5,855,001 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 274,303	277,550
1.1 Bonds exempt from U.S. tax	(a) 539,104	561,535
1.2 Other bonds (unaffiliated)	(a) 990,515	1,032,542
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,120	1,120
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	(1)	(1)
10. Total gross investment income	1,805,042	1,872,746
11. Investment expenses		(g) 240,065
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		240,065
17. Net investment income (Line 10 minus Line 16)		1,632,681
DETAILS OF WRITE-INS		
0901. Miscellaneous Investment Income	(1)	(1)
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	(1)	(1)
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$ 45,639 accrual of discount less \$ 421,924 amortization of premium and less \$ 75,872 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			0		
1.1 Bonds exempt from U.S. tax	19,398		19,398		
1.2 Other bonds (unaffiliated)	115,721		115,721		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	135,119	0	135,119	0	0
DETAILS OF WRITE-INS					
0901.			0		
0902.			0		
0903.			0		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.0	.0	.0
2.2 Common stocks .....	.0	.0	.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.0	.0	.0
3.2 Other than first liens .....	.0	.0	.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.0	.0	.0
4.2 Properties held for the production of income.....	.0	.0	.0
4.3 Properties held for sale .....	.0	.0	.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.0	.0	.0
6. Contract loans .....	.0	.0	.0
7. Derivatives (Schedule DB).....	.0	.0	.0
8. Other invested assets (Schedule BA) .....	.0	.0	.0
9. Receivables for securities .....	.0	.0	.0
10. Securities lending reinvested collateral assets (Schedule DL).....	.0	.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.0	.0	.0
13. Title plants (for Title insurers only).....	.0	.0	.0
14. Investment income due and accrued .....	.0	.0	.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	35,190	35,509	319
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	(844)	(431)	413
15.3 Accrued retrospective premiums.....	.0	.0	.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.0	.0	.0
16.2 Funds held by or deposited with reinsured companies .....	.0	.0	.0
16.3 Other amounts receivable under reinsurance contracts .....	.0	.0	.0
17. Amounts receivable relating to uninsured plans .....	.0	.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.0	.0	.0
18.2 Net deferred tax asset.....	.0	8,918	8,918
19. Guaranty funds receivable or on deposit .....	.0	.0	.0
20. Electronic data processing equipment and software.....	.0	.0	.0
21. Furniture and equipment, including health care delivery assets .....	.0	.0	.0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0	.0
23. Receivables from parent, subsidiaries and affiliates .....	.0	.0	.0
24. Health care and other amounts receivable.....	.0	.0	.0
25. Aggregate write-ins for other than invested assets .....	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	34,346	43,996	9,650
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	34,346	43,996	9,650
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
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. ....		.0	.0
2502. ....		.0	.0
2503. ....		.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

A. Accounting Practices

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.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by daily pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks are stated at fair value, except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20 % or more are carried on the equity basis.
- (4) Preferred stocks are stated at cost.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
- (7) The company has no investments in subsidiaries, controlled and affiliated entities.
- (8) The company has no ownership interests in joint ventures, partnerships and limited liability companies.
- (9) All derivatives are stated at fair value.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual, are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased (decreased) unassigned funds (surplus), of \$0 as of December 31, 2012.

3. BUSINESS COMBINATIONS AND GOODWILL

NONE

4. DISCONTINUED OPERATIONS

NONE

5. INVESTMENTS

A. MORTGAGE LOANS

NONE

B. DEBT RESTRUCTURING

NONE

C. REVERSE MORTGAGES

NONE

D. LOAN-BACKED SECURITIES

- 1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.
- 2) NONE
- 3) NONE
- 4) As 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	(15,120)
2	Greater than 12 Months	0

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

b.

The aggregate related fair value of securities with unrealized losses:

1	Less than 12 Months	1,222,147
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 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 with a present value greater than amortized cost were not other-than-temporarily impaired.

E. REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS
NONE

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
NONE

7. INVESTMENT INCOME
NONE EXCLUDED

8. DERIVATIVE INSTRUMENTS
NONE

9. FEDERAL INCOME TAX

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

12/31/2012		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

(a) Gross Deferred Tax Assets	\$ 1,058,480	\$ 0	\$ 1,058,480
(b) Statutory Valuation Allowance Adjustments	\$ 0	\$ 0	\$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 1,058,480	\$ 0	\$ 1,058,480
(d) Deferred Tax Assets Nonadmitted	\$ 0	\$ 0	\$ 0
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 1,058,480	\$ 0	\$ 1,058,480
(f) Deferred Tax Liabilities	\$ 100,387	\$ 0	\$ 100,387
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 958,093	\$ 0	\$ 958,093

12/31/2011		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

(a) Gross Deferred Tax Assets	\$ 1,021,424	\$ 0	\$ 1,021,424
(b) Statutory Valuation Allowance Adjustments	\$ 0	\$ 0	\$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 1,021,424	\$ 0	\$ 1,021,424
(d) Deferred Tax Assets Nonadmitted	\$ 8,918	\$ 0	\$ 8,918
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 1,012,506	\$ 0	\$ 1,012,506
(f) Deferred Tax Liabilities	\$ 44,575	\$ 0	\$ 44,575
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 967,931	\$ 0	\$ 967,931

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

(a) Gross Deferred Tax Assets	\$ 37,056	\$ 0	\$ 37,056
(b) Statutory Valuation Allowance Adjustments	\$ 0	\$ 0	\$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 37,056	\$ 0	\$ 37,056
(d) Deferred Tax Assets Nonadmitted	\$ (8,918)	\$ 0	\$ (8,918)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 45,974	\$ 0	\$ 45,974
(f) Deferred Tax Liabilities	\$ 55,812	\$ 0	\$ 55,812
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (9,838)	\$ 0	\$ (9,838)

2.

12/31/2012		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 912,049	\$ 0	\$ 912,049
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 93,189	\$ 0	\$ 93,189

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE
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NOTES TO FINANCIAL STATEMENTS

1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 93,189	\$ 0	\$ 93,189
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			\$ 4,797,670
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 53,241	\$ 0	\$ 53,241
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$ 1,058,479	\$ 0	\$ 1,058,479

12/31/2011		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 833,773	\$ 0	\$ 833,773
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 0	\$ 0	\$ 0
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 0	\$ 0	\$ 0
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			\$ 2,880,132
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 44,575	\$ 0	\$ 44,575
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$ 878,348	\$ 0	\$ 878,348

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 78,276	\$ 0	\$ 78,276
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 93,189	\$ 0	\$ 93,189
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 93,189	\$ 0	\$ 93,189
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			\$ 1,917,538
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 8,666	\$ 0	\$ 8,666
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$ 180,131	\$ 0	\$ 180,131

3.		2012	2011
----	--	------	------

(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	1,742.100	1,612.50
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 32,986,130	\$ 30,497,791

12/31/2012		
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent

Impact of Tax-Planning Strategies

(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0	0.0	0.0
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0	0.0	0.0

12/31/2011		
(4)	(5)	(6)
Ordinary Percent	Capital Percent	(Col 4+5) Total Percent

(a)	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0	0.0	0.0
(b)	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0	0.0	0.0

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE
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NOTES TO FINANCIAL STATEMENTS

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary Percent	(Col 2-5) Capital Percent	(Col 7+8) Total Percent

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0	0.0	0.0
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0	0.0	0.0
(c) Does the Company's tax-planning strategies include the use of reinsurance?	Yes	No	X.....

B. Temporary differences for which a DTL has not been established:
NONE

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

(1)	(2)	(3)
12/31/2012	12/31/2011	(Col 1-2) Change

1. Current Income Tax			
(a) Federal	\$ 939,468	\$ 1,021,839	\$ (82,371)
(b) Foreign	\$ 0	\$ 0	\$ 0
(c) Subtotal	\$ 939,468	\$ 1,021,839	\$ (82,371)
(d) Federal income tax on net capital gains	\$ 47,292	\$ (45,980)	\$ 93,272
(e) Utilization of capital loss carry-forwards	\$ 0	\$ 0	\$ 0
(f) Other	\$ 159	\$ (11,656)	\$ 11,815
(g) Federal and foreign income taxes incurred	\$ 986,919	\$ 964,203	\$ 22,716
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 323,430	\$ 325,111	\$ (1,681)
(2) Unearned premium reserve	\$ 722,773	\$ 684,035	\$ 38,738
(3) Policyholder reserves	\$ 0	\$ 0	\$ 0
(4) Investments	\$ 0	\$ 0	\$ 0
(5) Deferred acquisition costs	\$ 0	\$ 0	\$ 0
(6) Policyholder dividends accrual	\$ 0	\$ 0	\$ 0
(7) Fixed assets	\$ 0	\$ 0	\$ 0
(8) Compensation and benefits accrual	\$ 0	\$ 0	\$ 0
(9) Pension accrual	\$ 0	\$ 0	\$ 0
(10) Receivables - nonadmitted	\$ 12,277	\$ 12,277	\$ 0
(11) Net operating loss carry-forward	\$ 0	\$ 0	\$ 0
(12) Tax credit carry-forward	\$ 0	\$ 0	\$ 0
(13) Other (including items <5% of total ordinary tax assets)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 1,058,480	\$ 1,021,423	\$ 37,057
(b) Statutory valuation allowance adjustment	\$ 0	\$ 0	\$ 0
(c) Nonadmitted	\$ 0	\$ 8,918	\$ (8,918)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 1,058,480	\$ 1,012,505	\$ 45,975
(e) Capital:			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Net capital loss carry-forward	\$ 0	\$ 0	\$ 0
(3) Real estate	\$ 0	\$ 0	\$ 0
(4) Other (including items <5% of total capital tax assets)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 0	\$ 0	\$ 0
(f) Statutory valuation allowance adjustment	\$ 0	\$ 0	\$ 0
(g) Nonadmitted	\$ 0	\$ 0	\$ 0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 0	\$ 0	\$ 0
(i) Admitted deferred tax assets (2d + 2h)	\$ 1,058,480	\$ 1,012,505	\$ 45,975
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 88,326	\$ 31,667	\$ 56,659
(2) Fixed assets	\$ 0	\$ 0	\$ 0
(3) Deferred and uncollected premium	\$ 0	\$ 0	\$ 0
(4) Policyholder reserves	\$ 12,061	\$ 12,907	\$ (846)
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 100,387	\$ 44,574	\$ 55,813
(b) Capital:			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Real estate	\$ 0	\$ 0	\$ 0
(3) Other (including items <5% of total capital tax liabilities)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 0	\$ 0	\$ 0
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 100,387	\$ 44,574	\$ 55,813
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 958,093	\$ 967,931	\$ (9,838)

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NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of federal income tax rate to actual effective rate:

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

	Amount	Tax Effect	Effective Tax Rate
1. Description:			
(a) Income Before Taxes	\$ 3,350,207	\$ 1,172,572	35.00%
(b) Tax-Exempt Interest	\$ (561,535)	\$ (196,537)	(5.87%)
(c) Dividends Received Deduction	\$ 0	\$ 0	0.00%
(d) Proration	\$ 84,230	\$ 29,481	0.88%
(e) Meals & Entertainment	\$ 0	\$ 0	0.00%
(f) Statutory Valuation Allowance	\$ 0	\$ 0	0.00%
(g) Foreign Taxes	\$ 0	\$ 0	0.00%
(h) Other, Including Prior Year True-up	\$ 453	\$ 159	0.01%
Total	\$ 2,873,355	\$ 1,005,674	30.02%
2. Description:			
(a) Federal Income Tax Incurred [Expense/(Benefit)]		\$ 939,627	28.05%
(b) Tax on Capital Gains/(Losses)		\$ 47,292	1.41%
(c) Change in Net Deferred Income Tax [Charge/(Benefit)]		\$ 18,759	0.56%
Total		\$ 1,005,674	30.02%

E. Carryforwards, recoverable taxes, and IRC S6603 deposits:

1. At December 31, 2012, the Company had net operating loss carry forwards of:	\$ 0
At December 31, 2012, the Company had capital loss carry forwards of:	\$ 0
At December 31, 2012, the Company had AMT credit carry forwards, which do not expire, in the amount of:	\$ 0

2. The following is income tax expense for 2010, 2011, and 2012 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2010	\$ 0	\$ 0	\$ 0
2011	\$ 1,020,804	\$ (44,785)	\$ 976,018
2012	\$ 939,469	\$ 47,292	\$ 986,760
Total	\$ 1,960,272	\$ 2,506	\$ 1,962,779

3. Deposits admitted under IRC S6603:
NONE

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

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

G. Income tax loss contingencies:
NONE

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- NONE
- NONE
- NONE
- At December 31, 2012, the Company reported \$1,542,220 as amounts due from the Parent Company, Grange Mutual Casualty Company. The terms of the settlement require that these amounts be settled within 45 days.
- NONE
- NONE
- All outstanding shares of The Company are owned by the Parent Company, Grange Mutual Casualty Company, an insurance holding company domiciled in the State of Ohio.
- NONE
- NONE
- NONE
- NONE
- NONE

11. DEBT

NONE

12. RETIREMENT PLANS AND DEFERRED COMPENSATION

All employees are employed by Grange Mutual Casualty Company, and participate currently in the pension and benefit plans of Grange Mutual. Annual costs are shared via the pooling arrangement.

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NOTES TO FINANCIAL STATEMENTS

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS

1. The Company has 1,000 shares authorized, 1,000 shares issued and 1,000 shares outstanding. All shares are Class A shares.
2. The Company has no preferred stock outstanding.
3. NONE
4. NONE
5. NONE
6. NONE
7. NONE
8. NONE
9. NONE
10. NONE
11. NONE
12. NONE
13. NONE

14. CONTINGENCIES

- A. NONE
- B. Guaranty Fund Assessments are recorded by the parent, Grange Mutual Casualty Company.
- C. NONE
- D. NONE

15. LEASES

NONE

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

- A. NONE
- B. Transfer and Servicing of Financial Assets
 - 1) None
 - 2) The Company participates in a securities lending program with JPMorgan Chase Bank as lending agent. The Company had no securities on loan at December 31, 2012. Collateral received from lending activities is maintained in accordance to the securities lending agreement, whereby the collateral requirement shall be an amount equal to 102% of the then current market value of the relevant loaned securities where securities and collateral are denominated in the same currency, and 105% for all other securities. The Company's lending agent, JPMorgan Chase Bank, reinvests the cash collateral according to investment guidelines outlined in the securities lending agreement and is reported on-balance sheet. Collateral received in the form of securities are restricted and off-balance sheet. The Company is not able to sell or reinvest the securities received as collateral and according to the MLSA, the borrower bears all the risk associated with said securities.
- C. NONE

18. GAIN 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. All assets and liabilities of The Company are measured and reported at cost or amortized cost in accordance with footnote 1 above.
 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 December 31, 2012, the reported fair value of The Company'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 December 31, 2012, The Company did not own bonds rated NAIC 3 thru 6 and therefore did not report any securities at fair value.

21. OTHER ITEMS

- A. NONE
- B. NONE
- C. NONE
- D. NONE
- E. NONE
- F. NONE
- G. NONE

22. EVENTS SUBSEQUENT

There have been no events, which have occurred subsequent to the filing of this statement, which have a material effect upon the financial condition of the Company.

23. REINSURANCE

- A. UNSECURED REINSURANCE RECOVERABLES
NONE
- B. REINSURANCE RECOVERABLE IN DISPUTE
NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE
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NOTES TO FINANCIAL STATEMENTS

C. REINSURANCE ASSUMED AND CEDED

1.		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium	Commission	Premium	Commission	Premium	Commission
		Reserve	Equity	Reserve	Equity	Reserve	Equity
a.	Affiliates	10,355,094	1,863,917	35,964,258	6,473,566	(25,609,163)	(4,609,649)
b.	All Other	19,972	3,595	3,023,223	544,180	(3,003,251)	(540,585)
c.	TOTAL	10,375,066	1,867,512	38,987,480	7,017,746	(28,612,414)	(5,150,235)

d. Direct Unearned Premium Reserve 38,967,508

	Direct	Assumed	Ceded	Net
2. Contingent Commission	766,737	280,784	766,737	280,784

D. UNCOLLECTIBLE REINSURANCE
NONE

E. COMMUTATION OF CEDED REINSURANCE
NONE

F. RETROACTIVE REINSURANCE
NONE

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 (\$1.087) million from \$19.166 million in 2011 to \$18.079 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	2012	2011
BALANCE JANUARY 1	19,166,249	17,589,025
LESS REINSURANCE RECOVERABLES	6,475,547	4,439,151
NET BALANCE JANUARY 1	12,690,702	13,149,874
INCURRED RELATED TO:		
CURRENT YEAR	18,937,369	19,932,511
PRIOR YEAR	(1,087,174)	(1,542,568)
TOTAL INCURRED	17,850,195	18,389,943
PAID RELATED TO:		
CURRENT YEAR	12,442,333	13,154,939
PRIOR YEAR	5,423,756	5,694,176
TOTAL PAID	17,866,089	18,849,115
NET BALANCE AT DECEMBER 31	12,674,808	12,690,702
PLUS REINSURANCE RECOVERABLES	7,383,766	6,475,547
BALANCE AT DECEMBER 31	20,058,574	19,166,249

26. INTERCOMPANY POOLING AGREEMENTS

		Pool	
		NAIC#	Share
Lead Company:	Grange Mutual Casualty Company	14060	84.0%
Affiliate:	Trustgard Insurance Company	40118	3.5%
	Grange Indemnity Insurance Company	10322	4.0%
	Grange Insurance Company of Michigan	11136	2.5%
	Grange Property & Casualty Insurance Company	11982	2.0%
	Integrity Mutual Insurance Company	14303	3.3%
	Integrity Property & Casualty Insurance Company	12986	0.7%

All lines of business are subject to the pooling agreement, with no exceptions. All members of the pool are parties to all reinsurance treaties entered into by the group with non-affiliated reinsurers. There are no discrepancies between the reinsurance schedules of the lead company's and the reinsurance schedules of the other participants.

27. STRUCTURED SETTLEMENTS
NONE

28. HEALTH CARE RECEIVABLES
NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE
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NOTES TO FINANCIAL STATEMENTS

29. PARTICIPATING POLICIES
NONE

30. PREMIUM DEFICIENCY RESERVES
A. Liability carried for Premium Deficiency Reserves is zero.
B. Date of the most recent evaluation of this liability was 12/31/2012.
C. Anticipated investment income was not utilized in this calculation.

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

The Company uses a deterministic model, which returns period losses estimated using probabilities associated with a comprehensive set of earthquake scenarios. We run this model at least once each year and analyze return periods in excess of 250 years and adjust our catastrophe protection accordingly. The exposures analyzed are aggregated at the zip code level. The Company's highest concentration of exposure is in western Kentucky. The Company has a comprehensive catastrophic reinsurance program in place, developed by AON Benfield. We currently buy coverage well in excess of our 250+ year event outcome for this exposure. We also use modeling to analyze our potential losses from our windstorm exposure.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:10/04/2012
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).10/25/2010
- 3.4 By what department or departments? Ohio.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 PricewaterhouseCoopers LLP, Columbus, Ohio.....
 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:
 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
 10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Kenneth Lin, FCAS, MAAA, Officer of the Reporting Entity.....
 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$.....
 12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....
.....
.....

BOARD OF DIRECTORS

- 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
- 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
- 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.11 To directors or other officers \$.....0
 - 20.12 To stockholders not officers \$.....0
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.21 To directors or other officers \$.....0
 - 20.22 To stockholders not officers \$.....0
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
 - 21.21 Rented from others \$.....0
 - 21.22 Borrowed from others \$.....0
 - 21.23 Leased from others \$.....0
 - 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
 - 22.21 Amount paid as losses or risk adjustment \$.....0
 - 22.22 Amount paid as expenses \$.....0
 - 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....1,542,220

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto
On deposit in custodial account.....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Grange Insurance Company of Michigan did not have securities on loan.....
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] NA []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] NA []
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] NA []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 - 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
 - 24.103 Total payable for securities lending reported on the liability page \$.....0

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

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

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....783,389
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

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

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes [] No [] N/A [X]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

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

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

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

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....
.....

GENERAL INTERROGATORIES

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

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	49,120,775	53,282,039	4,161,264
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	49,120,775	53,282,039	4,161,264

- 30.4 Describe the sources or methods utilized in determining the fair values:
 Fair values obtained primarily from Hub data, otherwise fair values from custodian statements are used.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

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

34.1 Amount of payments for legal expenses, if any? \$0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

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

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
 1.2 If yes, indicate premium earned on U. S. business only \$0
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$0
 1.62 Total incurred claims \$0
 1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned \$0
 1.65 Total incurred claims \$0
 1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$0
 1.72 Total incurred claims \$0
 1.73 Number of covered lives

All years prior to most current three years:

1.74 Total premium earned \$0
 1.75 Total incurred claims \$0
 1.76 Number of covered lives

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$25,867,040	\$	.....26,087,476
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$15,518	\$	.....16,036
2.5	Reserve Denominator	\$23,029,902	\$	.....22,462,635
2.6	Reserve Ratio (2.4/2.5)	.....0.001		.....0.001

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]
 3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$
 3.22 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies?..... Yes [] No [X]
 4.2 Does the reporting entity issue non-assessable policies?..... Yes [X] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?..... %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents?..... Yes [] No [X]
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A [X]
 5.22 As a direct expense of the exchange..... Yes [] No [] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [] No [X]
 5.5 If yes, give full information

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
 Purchased statutory workers' compensation reinsurance.....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 See Notes to Financial Statement Number 37.....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
 See Notes to Financial Statement Number 37.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?..... Yes No
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?..... Yes No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes No
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?..... Yes No
- 8.2 If yes, give full information

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes No
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract..... Yes No
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?..... Yes No
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes No
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes No
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes No
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes No N/A

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force:..... Yes [] No [X]
 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.11 Unpaid losses..... \$0
 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$0
 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?..... \$0
 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
 12.41 From..... 0.0 %
 12.42 To..... 0.0 %
 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
 12.6 If yes, state the amount thereof at December 31 of current year:
 12.61 Letters of Credit..... \$
 12.62 Collateral and other funds..... \$
 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$2,000,000
 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.1
 14.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [X] No []
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
 See Notes to Financial Statement Number 26. Catastrophe Excess Loss Agreement allocated based on percentage of participation.....
 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [X] No []
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [] No []
 14.5 If the answer to 14.4 is no, please explain:

 15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
 15.2 If yes, give full information
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$0	\$0	\$0	\$0	\$0
16.12 Products	\$0	\$0	\$0	\$0	\$0
16.13 Automobile	\$0	\$0	\$0	\$0	\$0
16.14 Other*	\$0	\$0	\$0	\$0	\$0

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....	\$.....0
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....0
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....0
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....0
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....0

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18.....	\$.....0
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....0
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....0
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....0
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....0

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	57,733,398	58,372,681	61,929,778	53,413,345	49,499,223
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	31,586,891	33,176,805	38,441,111	35,834,577	36,232,689
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	43,488,943	38,691,103	38,503,066	35,455,084	33,823,167
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,753	2,643	3,452	4,795	4,600
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	132,811,985	130,243,232	138,877,407	124,707,801	119,559,679
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	10,924,255	10,739,717	11,669,716	11,671,111	10,973,905
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,912,116	6,901,459	7,670,521	8,053,674	7,775,837
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	8,611,077	8,067,244	8,318,035	8,296,612	8,001,927
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,753	2,643	3,452	4,795	4,600
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	26,450,201	25,711,064	27,661,724	28,026,192	26,756,269
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(313,023)	(456,248)	(981,188)	(1,343,788)	57,805
14. Net investment gain (loss) (Line 11)	1,720,508	1,563,024	1,334,536	1,506,538	1,730,387
15. Total other income (Line 15)	1,974,148	2,403,947	2,810,781	2,061,769	2,120,125
16. Dividends to policyholders (Line 17)	78,719	76,345	80,891	73,978	76,167
17. Federal and foreign income taxes incurred (Line 19)	939,627	1,010,183	729,884	889,426	1,326,737
18. Net income (Line 20)	2,363,288	2,424,195	2,353,354	1,261,115	2,505,413
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	58,520,879	55,302,292	53,558,551	51,468,333	49,691,895
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	4,876,168	4,593,104	4,861,399	5,127,290	4,890,160
20.2 Deferred and not yet due (Line 15.2)	(5,584)	(4,698)	(6,349)	2,683	12,137
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	25,534,749	24,670,344	25,300,087	25,460,619	25,218,054
22. Losses (Page 3, Line 1)	9,754,440	9,867,043	10,104,426	9,988,810	9,729,979
23. Loss adjustment expenses (Page 3, Line 3)	2,920,368	2,823,659	3,045,448	3,062,008	3,086,498
24. Unearned premiums (Page 3, Line 9)	10,355,094	9,771,933	10,148,345	10,497,400	9,930,012
25. Capital paid up (Page 3, Lines 30 & 31)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	32,986,130	30,631,948	28,258,464	26,007,714	24,473,841
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	4,207,376	1,504,136	2,768,276	3,454,200	837,386
Risk-Based Capital Analysis					
28. Total adjusted capital	32,986,130	30,631,948	28,258,464	26,007,714	24,473,841
29. Authorized control level risk-based capital	1,895,776	1,899,682	2,048,323	2,156,454	2,037,908
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	98.9	97.9	98.8	98.4	94.4
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	1.1	2.1	1.2	1.6	5.6
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	XXX	XXX
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	0	0	0	0	0
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	2,354,182	2,373,484	2,250,750	1,533,873	2,523,908
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	25,971,001	28,213,772	28,540,315	23,655,983	23,871,417
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	19,244,943	23,076,369	24,117,093	22,320,833	25,936,152
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	24,256,558	25,736,635	24,684,522	24,148,260	24,517,519
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	4,980	4,623	4,809	5,716	9,085
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	69,477,483	77,031,399	77,346,739	70,130,792	74,334,173
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,679,090	6,268,395	6,836,724	6,575,659	6,293,492
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,893,219	4,216,613	4,363,451	4,500,105	4,391,145
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,541,584	5,424,006	5,805,558	5,580,493	4,802,763
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	4,980	4,623	4,809	5,716	9,085
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	15,118,873	15,913,636	17,010,542	16,661,973	15,496,485
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	58.0	60.1	61.1	61.6	57.4
68. Loss expenses incurred (Line 3)	11.0	10.4	10.6	10.4	10.4
69. Other underwriting expenses incurred (Line 4)	32.2	31.3	31.8	32.9	32.0
70. Net underwriting gain (loss) (Line 8)	(1.2)	(1.7)	(3.5)	(4.9)	0.2
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	24.0	22.4	22.0	24.8	24.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	69.0	70.5	71.7	72.0	67.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	80.2	83.9	97.9	107.8	109.3
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(682)	(1,131)	(727)	(356)	(675)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(2.2)	(4.0)	(2.8)	(1.5)	(3.1)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(1,300)	(1,288)	(729)	(1,139)	(1,424)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(4.6)	(5.0)	(3.0)	(5.2)	(7.4)

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

Yes [] No []

If no, please explain

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	20	6	13	1	1	0	6	27	XXX
2. 2003	24,375	916	23,460	14,583	932	683	17	1,814	1	697	16,130	XXX
3. 2004	25,881	867	25,014	12,783	180	639	5	1,952	1	727	15,190	XXX
4. 2005	26,266	958	25,307	12,447	121	576	15	1,918	0	722	14,804	XXX
5. 2006	27,337	1,133	26,204	14,177	640	521	2	2,227	0	717	16,283	XXX
6. 2007	28,399	968	27,431	15,541	597	517	4	2,114	1	841	17,570	XXX
7. 2008	28,061	1,297	26,764	17,320	1,777	513	25	2,281	1	786	18,311	XXX
8. 2009	28,917	1,459	27,459	16,560	447	394	1	2,279	0	846	18,785	XXX
9. 2010	29,435	1,425	28,011	15,901	171	290	0	2,394	0	929	18,413	XXX
10. 2011	27,656	1,569	26,087	16,075	2,282	191	9	2,299	0	767	16,275	XXX
11. 2012	27,318	1,451	25,867	11,114	571	75	1	1,826	0	462	12,442	XXX
12. Totals	XXX	XXX	XXX	146,522	7,724	4,412	80	21,105	5	7,500	164,230	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	384	314	3	0	1	5	0	0	7	0	0	76	XXX
2.	707	687	0	0	0	0	6	0	3	0	2	29	XXX
3.	2,146	2,114	2	0	0	0	9	0	6	0	4	49	XXX
4.	283	220	6	0	0	0	17	0	4	0	7	90	XXX
5.	428	376	11	0	0	0	29	0	5	0	12	97	XXX
6.	1,462	1,310	20	0	0	0	54	0	19	0	20	245	XXX
7.	536	226	35	0	0	0	89	0	24	0	29	458	XXX
8.	637	171	46	0	0	0	159	0	39	0	50	711	XXX
9.	2,561	1,579	213	0	0	0	311	0	92	0	91	1,597	XXX
10.	1,719	155	641	0	0	0	447	0	176	0	146	2,828	XXX
11.	3,121	158	2,179	73	2	0	602	0	823	0	407	6,495	XXX
12.	13,984	7,311	3,155	73	3	5	1,724	0	1,198	0	769	12,675	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	73	3
2.	17,796	1,637	16,159	73.0	178.8	68.9	0	0	2.5	20	9
3.	17,537	2,299	15,238	67.8	265.3	60.9	0	0	2.5	33	15
4.	15,251	356	14,894	58.1	37.2	58.9	0	0	2.5	68	22
5.	17,399	1,019	16,380	63.6	89.9	62.5	0	0	2.5	62	35
6.	19,725	1,911	17,814	69.5	197.4	64.9	0	0	2.5	172	72
7.	20,798	2,029	18,769	74.1	156.4	70.1	0	0	2.5	345	112
8.	20,116	619	19,496	69.6	42.5	71.0	0	0	2.5	512	199
9.	21,761	1,750	20,011	73.9	122.8	71.4	0	0	2.5	1,195	403
10.	21,549	2,447	19,103	77.9	156.0	73.2	0	0	2.5	2,205	623
11.	19,742	805	18,937	72.3	55.4	73.2	0	0	2.5	5,068	1,427
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	9,754	2,920

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year	
1. Prior	4,463	4,441	4,711	4,600	4,659	4,640	4,614	4,588	4,389	4,614	225	26	
2. 2003	14,914	14,400	14,524	14,452	14,393	14,338	14,339	14,323	14,550	14,343	(207)	20	
3. 2004	XXX	14,117	13,699	13,534	13,392	13,326	13,308	13,289	13,276	13,281	5	(8)	
4. 2005	XXX	XXX	13,709	13,538	13,289	13,136	13,028	12,966	12,977	12,972	(5)	5	
5. 2006	XXX	XXX	XXX	15,129	14,551	14,390	14,244	14,178	14,150	14,148	(2)	(31)	
6. 2007	XXX	XXX	XXX	XXX	16,195	15,975	15,807	15,699	15,645	15,682	37	(16)	
7. 2008	XXX	XXX	XXX	XXX	XXX	16,623	16,732	16,656	16,429	16,465	36	(191)	
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	17,814	17,459	17,182	17,178	(4)	(282)	
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,348	17,778	17,525	(253)	(823)	
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,142	16,628	(514)	XXX	
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,290	XXX	XXX	
											12. Totals	(682)	(1,300)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	2,316	3,408	3,961	4,243	4,403	4,464	4,509	4,519	4,545	XXX	XXX
2. 2003	9,239	11,944	13,052	13,678	14,017	14,163	14,220	14,265	14,291	14,318	XXX	XXX
3. 2004	XXX	8,315	10,987	11,984	12,615	12,909	13,102	13,181	13,214	13,238	XXX	XXX
4. 2005	XXX	XXX	8,009	10,470	11,708	12,409	12,695	12,793	12,867	12,886	XXX	XXX
5. 2006	XXX	XXX	XXX	9,065	11,881	13,040	13,646	13,908	14,023	14,056	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	10,191	13,076	14,358	15,121	15,322	15,457	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	10,754	14,064	15,150	15,801	16,031	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	11,427	14,811	15,902	16,506	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,803	14,892	16,020	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,141	13,976	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,617	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior	954	671	553	130	157	93	62	22	3	3
2. 2003	2,283	1,059	673	150	157	86	51	21	11	6
3. 2004	XXX	3,100	1,386	386	302	159	84	35	18	11
4. 2005	XXX	XXX	2,659	928	638	301	144	57	29	23
5. 2006	XXX	XXX	XXX	2,273	1,330	627	259	109	51	40
6. 2007	XXX	XXX	XXX	XXX	2,827	1,357	594	245	105	74
7. 2008	XXX	XXX	XXX	XXX	XXX	2,735	1,247	523	216	124
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	2,926	1,312	518	205
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,034	1,195	524
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,743	1,088
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,708

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0
9. Dist. Columbia	DC	N	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0
23. Michigan	MI	L	106,299,208	103,972,458	54,338,493	102,146,207	293,624,030	2,073,577	0
24. Minnesota	MN	N	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0	0	0
36. Ohio	OH	L	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals	(a) 2		106,299,208	103,972,458	54,338,493	102,146,207	293,624,030	2,073,577	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX		0	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.

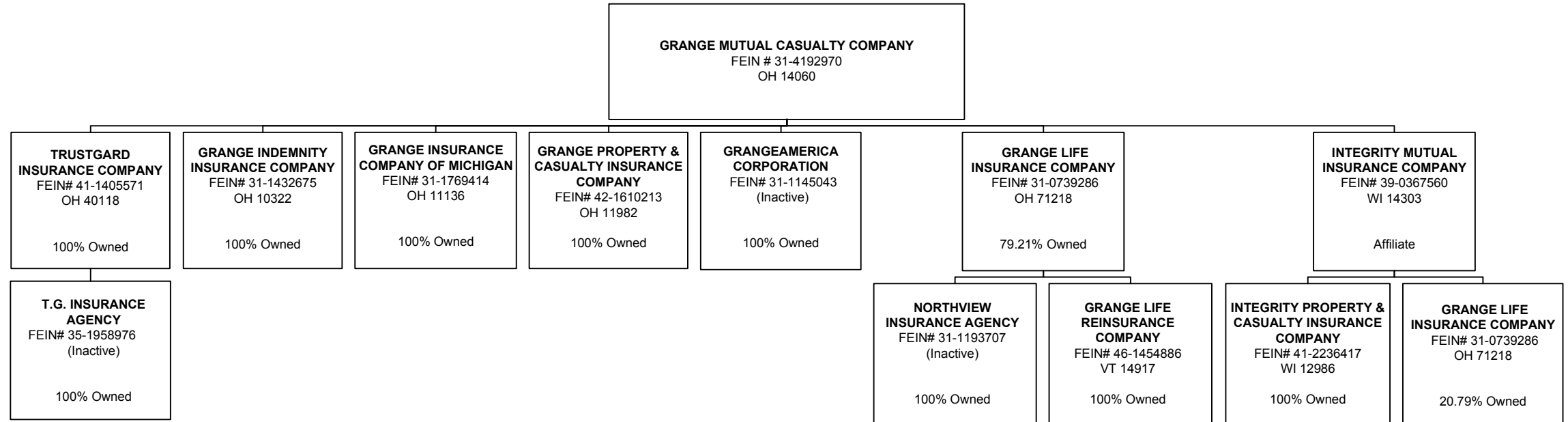
Explanation of basis of allocation of premiums by states, etc.

Location of the risk.

(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



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