



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF MARCH 31, 2013  
OF THE CONDITION AND AFFAIRS OF THE

## GRANGE INDEMNITY INSURANCE COMPANY

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	10322	Employer's ID Number	31-1432675
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	03/10/1995		Commenced Business	08/03/1995		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)			
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH, US 43216-1218 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)		614-449-3757 (Fax Number)	
	ackermannnd@grangeinsurance.com (E-mail Address)					

### OFFICERS

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

### OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS
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### DIRECTORS OR TRUSTEES

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

State of ..... Ohio .....

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

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

THOMAS HOWARD WELCH PRESIDENT & CEO	LAVAWN DEE COLEMAN VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
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a. Is this an original filing? Yes [X] No [ ]

b. If no:

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

Teresa J. Burchwell, Notary Public  
April 28, 2017

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	69,686,381		69,686,381	68,676,267
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....0 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....872,339) .....	872,339		872,339	1,123,813
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....	2,284		2,284	0
10. Securities lending reinvested collateral assets .....	3,745,278		3,745,278	4,088,245
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	74,306,282	.0	74,306,282	73,888,325
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	958,144		958,144	767,356
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	8,254,109	.46,442	8,207,667	7,801,868
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....1,620 earned but unbilled premiums) .....	1,620		1,620	(8,934)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	1,507,981		1,507,981	1,481,504
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 .....	104,709		104,709	1,020,873
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	.20,186	.0	20,186	.20,976
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	85,153,031	46,442	85,106,589	84,971,968
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	85,153,031	46,442	85,106,589	84,971,968
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Equities in Pools .....	.20,186		20,186	.20,976
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) .....	20,186	0	20,186	20,976

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 2,604,407 )	15,453,435	15,607,103
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	4,549,749	4,672,588
4. Commissions payable, contingent commissions and other similar charges	133,118	568,490
5. Other expenses (excluding taxes, licenses and fees)	1,099,411	1,313,943
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	619,537	510,011
7.1 Current federal and foreign income taxes (including \$ 664 on realized capital gains (losses))	497,609	820,959
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 19,778,229 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)	17,092,391	16,568,151
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	32,384	35,985
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	3,745,278	4,088,245
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	43,222,912	44,185,475
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	43,222,912	44,185,475
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,000,000	2,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	5,000,000	5,000,000
35. Unassigned funds (surplus)	34,883,677	33,786,493
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	41,883,677	40,786,493
38. Totals (Page 2, Line 28, Col. 3)	85,106,589	84,971,968
<b>DETAILS OF WRITE-INS</b>		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 13,545,335 )	10,149,622	8,931,795	36,993,222
1.2 Assumed (written \$ 11,141,886 )	10,617,322	10,155,996	41,391,853
1.3 Ceded (written \$ 13,547,074 )	10,151,037	8,932,669	36,997,811
1.4 Net (written \$ 11,140,147 )	10,615,907	10,155,122	41,387,264
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 5,204,799 ):			
2.1 Direct	4,585,515	4,440,267	19,993,556
2.2 Assumed	5,314,011	5,717,929	24,020,036
2.3 Ceded	4,587,553	4,441,298	20,003,560
2.4 Net	5,311,973	5,716,898	24,010,032
3. Loss adjustment expenses incurred	1,189,481	1,107,804	4,550,280
4. Other underwriting expenses incurred	3,494,724	3,218,166	13,327,788
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	9,996,178	10,042,868	41,888,100
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	619,729	112,254	(500,836)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	656,463	614,734	2,583,060
10. Net realized capital gains (losses) less capital gains tax of \$ 664	1,234	348	107,146
11. Net investment gain (loss) (Lines 9 + 10)	657,697	615,082	2,690,206
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 921 amount charged off \$ 51,456 )	(50,535)	(57,126)	(201,358)
13. Finance and service charges not included in premiums	310,658	314,573	1,313,732
14. Aggregate write-ins for miscellaneous income	49,345	25,387	122,079
15. Total other income (Lines 12 through 14)	309,468	282,834	1,234,453
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,586,894	1,010,170	3,423,823
17. Dividends to policyholders	27,755	31,946	125,951
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,559,139	978,224	3,297,872
19. Federal and foreign income taxes incurred	496,945	270,248	763,265
20. Net income (Line 18 minus Line 19)(to Line 22)	1,062,194	707,976	2,534,607
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	40,786,493	38,312,366	38,312,366
22. Net income (from Line 20)	1,062,194	707,976	2,534,607
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	26,477	1,475	(61,650)
27. Change in nonadmitted assets	8,513	4,567	1,171
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,097,184	714,018	2,474,128
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	41,883,677	39,026,384	40,786,493
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	49,345	25,387	122,079
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	49,345	25,387	122,079
3701.		0	0
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	10,732,307	10,226,258	41,870,008
2. Net investment income.....	560,829	533,198	2,906,787
3. Miscellaneous income.....	309,468	282,834	1,234,453
4. Total (Lines 1 to 3).....	11,602,604	11,042,290	46,011,248
5. Benefit and loss related payments.....	5,465,641	5,696,362	24,190,197
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	5,347,422	4,743,167	17,293,055
8. Dividends paid to policyholders.....	31,356	27,362	120,913
9. Federal and foreign income taxes paid (recovered) net of \$ .664 tax on capital gains (losses).....	820,959	636,817	636,817
10. Total (Lines 5 through 9).....	11,665,379	11,103,708	42,240,982
11. Net cash from operations (Line 4 minus Line 10).....	(62,774)	(61,418)	3,770,266
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,922,927	3,581,108	10,272,342
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	291,884	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,922,927	3,872,992	10,272,342
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	3,026,297	4,950,194	13,981,587
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	2,284	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,028,581	4,950,194	13,981,587
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(1,105,654)	(1,077,202)	(3,709,245)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	916,954	1,494,313	424,844
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	916,954	1,494,313	424,844
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(251,474)	355,693	485,865
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,123,813	637,948	637,948
19.2 End of period (Line 18 plus Line 19.1).....	872,339	993,641	1,123,813

**STATEMENT AS OF MARCH 31, 2013 OF THE  
GRANGE INDEMNITY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

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

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

NO CHANGE

**3. BUSINESS COMBINATIONS AND GOODWILL**

NONE

**4. DISCONTINUED OPERATIONS**

NO CHANGE

**5. INVESTMENTS**

D. LOAN-BACKED SECURITIES

- 1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.
- 2) NONE
- 3) NONE
- 4) Impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.

Aggregate Amount of Unrealized Losses:

1	Less than 12 Months	(19,855)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	1,374,137
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/or Securities Lending Transactions

b) Collateral Received

	Fair Value
The fair value of that collateral and of the portion of that collateral that it has sold or re-pledged	3,745,240

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

NO CHANGE

**7. INVESTMENT INCOME**

NO CHANGE

**8. DERIVATIVE INSTRUMENTS**

NONE

**9. FEDERAL INCOME**

A. The components of the net deferred tax assets at March 31, 2013 and December 31, 2012 are as follows:

	March 31, 2013	December 31, 2012
Gross Deferred Tax Assets	\$ 1,731,235	\$ 1,701,685
Gross Deferred Tax Liabilities	223,254	220,181
Net Deferred Tax Asset (Liability)	1,507,981	1,481,504
Nonadmitted Deferred Tax Assets	-	-
Admitted Deferred Tax Asset	<u>1,507,981</u>	<u>1,481,504</u>
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ -	\$ -

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

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

	March 31, 2013	December 31, 2012
Current Income Tax Expense	\$ 496,945	\$ 763,265
Tax on Capital Gains/(Losses)	664	57,694
Prior Year Under Accrual (Over Accrual)	-	0
Federal Income Taxes Incurred	<u>\$ 497,609</u>	<u>\$ 820,959</u>

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

NO CHANGE

**11. DEBT**

NONE

**STATEMENT AS OF MARCH 31, 2013 OF THE  
GRANGE INDEMNITY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREE BENEFIT PLANS  
No Pension, Postretirement or Postemployment and Compensated Absence Benefit Plans

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS  
NO CHANGE

14. CONTINGENCIES  
NO CHANGE

15. LEASES  
NO CHANGE

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.  
NONE

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

B. Transfer and Servicing of Financial Assets

- 2. For all servicing assets and servicing liabilities:
  - b) None
- 4. For securitizations, asset-backed financing arrangements and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the Accounting Practices and Procedures Manual) with the transferred financial assets:
  - a) None
  - b) None

C. Wash Sales

None

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

NONE

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

NONE

20. FAIR VALUE MEASUREMENTS

A.

- 1. NONE
- 2. NONE
- 3. The Company's policy is to recognize transfers in and out as of the end of the reporting period.
- 4. As of March 31, 2013, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:  
According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of March 31, 2013, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.

B. Not Required

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	75,947,741	69,686,382	5,881,559	70,066,182	0	0
Common Stock	0	0	0	0	0	0
Perpetual Preferred	0	0	0	0	0	0
Mortgage Loans	0	0	0	0	0	0
Money Market	872,339	872,339	872,339	0	0	0
Total	76,820,080	70,558,721	6,753,898	70,066,182	0	0

D. NONE

21. OTHER ITEMS

NO CHANGE

22. EVENTS SUBSEQUENT

NO CHANGE

23. REINSURANCE

NO CHANGE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

NONE

**STATEMENT AS OF MARCH 31, 2013 OF THE  
GRANGE INDEMNITY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

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

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by \$(0.094) million from \$32.094 million in 2012 to \$32.000 million in 2013 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	March 31, 2013	December 31, 2012
BALANCE JANUARY 1	32,093,716	30,665,999
LESS REINSURANCE RECOVERABLES	11,814,025	10,360,876
NET BALANCE JANUARY 1	<u>20,279,691</u>	<u>20,305,123</u>
 INCURRED RELATED TO:		
CURRENT YEAR	6,595,944	30,299,791
PRIOR YEAR	(94,490)	(1,739,479)
TOTAL INCURRED	<u>6,501,454</u>	<u>28,560,312</u>
 PAID RELATED TO:		
CURRENT YEAR	3,224,756	19,907,732
PRIOR YEAR	3,553,206	8,678,012
TOTAL PAID	<u>6,777,962</u>	<u>28,585,744</u>
 NET BALANCE AT DECEMBER 31	20,003,184	20,279,691
PLUS REINSURANCE RECOVERABLES	14,271,738	11,814,025
BALANCE AT DECEMBER 31	<u>34,274,923</u>	<u>32,093,716</u>

**26. INTERCOMPANY POOLING AGREEMENTS**  
NO CHANGE

**27. STRUCTURED SETTLEMENTS**  
NO CHANGE.

**28. HEALTH CARE RECEIVABLES**  
NONE

**29. PARTICIPATING POLICIES**  
NONE

**30. PREMIUM DEFICIENCY RESERVES**  
NO CHANGE

**31. HIGH DEDUCTIBLES**  
NONE

**32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**  
NONE

**33. ASBESTOS/ENVIRONMENTAL RESERVES**  
NONE

**34. SUBSCRIBER SAVINGS ACCOUNTS**  
NOT APPLICABLE

**35. MULTIPLE PERIL CROP INSURANCE**  
NONE

**36. FINANCIAL GUARANTY INSURANCE**  
No Financial Guaranty Insurance

**37. CATASTROPHIC PLANNING**  
NO CHANGE

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY****GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES  
GENERAL**

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

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

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

2.2 If yes, date of change: ..... 01/01/3000

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

3.2 If the response to 3.1 is yes, provide a brief description of those changes.  
.....

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....  
If yes, attach an explanation.

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

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2009

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 10/25/2010

6.4 By what department or departments?  
Ohio.....

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

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

7.2 If yes, give full information:  
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY****GENERAL INTERROGATORIES**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  Yes [X]  No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.

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

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

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

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

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

**FINANCIAL**

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

- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 104,709

**INVESTMENT**

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

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

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

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

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

- 14.2 If yes, please complete the following:

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

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

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

If no, attach a description with this statement.

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- |  |                  |
|--|------------------|
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2                   | \$.....3,745,411 |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$.....3,745,278 |
| 16.3 Total payable for securities lending reported on the liability page                                       | \$.....3,745,278 |

17. 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 [ ]

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

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

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

- 17.4 If yes, give full and complete information relating thereto:

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

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

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

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

Yes [X] No [ ]

- 18.2 If no, list exceptions:

.....

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

# **GENERAL INTERROGATORIES**

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

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

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

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

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

- 4.2 If yes, complete the following schedule:

- ## 5. Operating Percentages:

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

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

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

## **SCHEDULE F - CEDED REINSURANCE**

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

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL. N.		0		0		0
2. Alaska	AK. N.		0		0		0
3. Arizona	AZ. N.		0		0		0
4. Arkansas	AR. N.		0		0		0
5. California	CA. N.		0		0		0
6. Colorado	CO. N.		0		0		0
7. Connecticut	CT. N.		0		0		0
8. Delaware	DE. N.		0		0		0
9. Dist. Columbia	DC. N.		0		0		0
10. Florida	FL. N.		0		0		0
11. Georgia	GA. L.	1,447,974	553,172	366,551	128,613	1,362,499	.865,396
12. Hawaii	HI. N.		0		0		0
13. Idaho	ID. N.		0		0		0
14. Illinois	IL. L.	3,110,174	1,341,577	.575,647	.519,098	3,207,005	3,452,714
15. Indiana	IN. L.	2,811,206	2,786,003	1,125,425	1,342,653	3,633,942	3,160,896
16. Iowa	IA. L.		0		0		0
17. Kansas	KS. L.		0		0		0
18. Kentucky	KY. L.	1,422,335	1,242,706	449,460	917,740	1,200,464	2,126,545
19. Louisiana	LA. N.		0		0		0
20. Maine	ME. N.		0		0		0
21. Maryland	MD. N.		0		0		0
22. Massachusetts	MA. N.		0		0		0
23. Michigan	MI. N.		0		0		0
24. Minnesota	MN. L.		0		0		0
25. Mississippi	MS. N.		0		0		0
26. Missouri	MO. L.		0		0		0
27. Montana	MT. N.		0		0		0
28. Nebraska	NE. N.		0		0		0
29. Nevada	NV. N.		0		0		0
30. New Hampshire	NH. N.		0		0		0
31. New Jersey	NJ. N.		0		0		0
32. New Mexico	NM. N.		0		0		0
33. New York	NY. N.		0		0		0
34. No. Carolina	NC. N.		0		0		0
35. No. Dakota	ND. N.		0		0		0
36. Ohio	OH. L.	2,426,396	2,346,947	1,829,607	901,346	4,453,382	5,210,315
37. Oklahoma	OK. N.		0		0		0
38. Oregon	OR. N.		0		0		0
39. Pennsylvania	PA. L.	892,287	634,569	182,634	338,955	862,148	1,185,169
40. Rhode Island	RI. N.		0		0		0
41. So. Carolina	SC. N.		0		0		0
42. So. Dakota	SD. N.		0		0		0
43. Tennessee	TN. L.	1,434,963	886,377	465,049	333,706	880,393	.783,031
44. Texas	TX. N.		0		0		0
45. Utah	UT. N.		0		0		0
46. Vermont	VT. N.		0		0		0
47. Virginia	VA. N.		0		0		0
48. Washington	WA. N.		0		0		0
49. West Virginia	WV. N.		0		0		0
50. Wisconsin	WI. L.		0		0		0
51. Wyoming	WY. N.		0		0		0
52. American Samoa	AS. N.		0		0		0
53. Guam	GU. N.		0		0		0
54. Puerto Rico	PR. N.		0		0		0
55. U.S. Virgin Islands	VI. N.		0		0		0
56. Northern Mariana Islands	MP. N.		0		0		0
57. Canada	CAN. N.		0		0		0
58. Aggregate Other Alien	OT. XXX	0	0	0	0	0	0
59. Totals	(a) 12	13,545,335	9,791,351	4,994,373	4,482,111	15,599,833	16,784,066
<b>DETAILS OF WRITE-INS</b>							
58001.	XXX.						
58002.	XXX.						
58003.	XXX.						
58998.	Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0

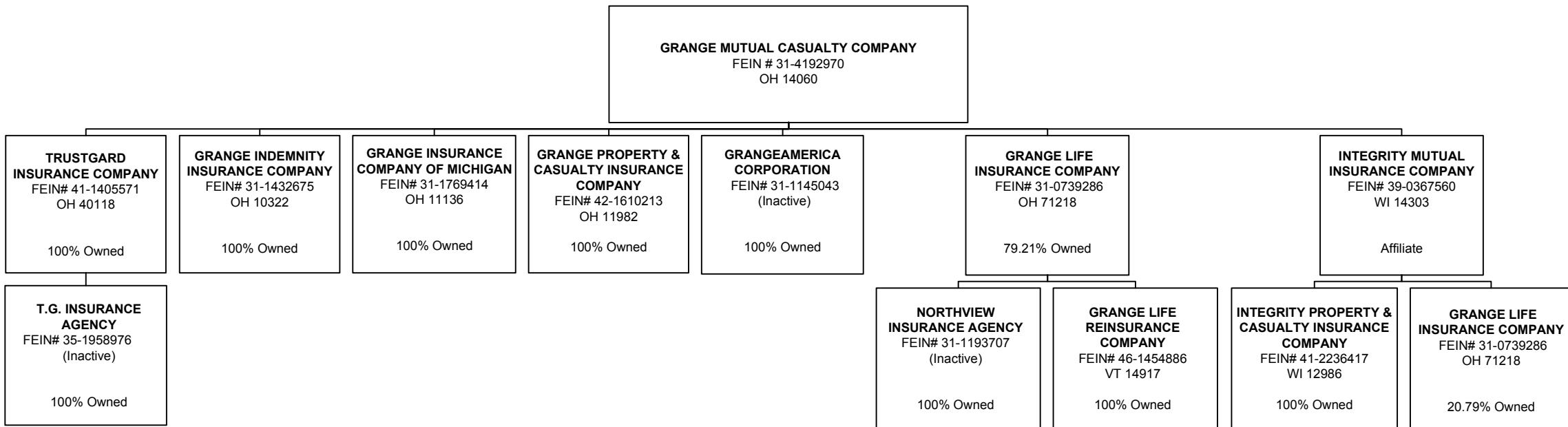
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

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

**PART 1 – ORGANIZATIONAL CHART**



## STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

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

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/ Person(s)	15 *
00267	GRANGE MUTUAL CASUALTY GROUP	14060	31-4192970				GRANGE MUTUAL CASUALTY COMPANY	OH	UDP	GRANGE MUTUAL CASUALTY COMPANY	BOARD	0.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	71218	31-0739286				GRANGE LIFE INSURANCE COMPANY	OH	IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	79.2	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	71218	31-0739286				GRANGE LIFE INSURANCE COMPANY	OH	IA	INTEGRITY MUTUAL INSURANCE COMPANY	OWNERSHIP	20.8	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	40118	41-1405571				TRUSTGARD INSURANCE COMPANY	OH	IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	10322	31-1432675				GRANGE INDEMNITY INSURANCE COMPANY	OH	OTH	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	1
00267	GRANGE MUTUAL CASUALTY GROUP	11136	31-1769414				GRANGE INSURANCE COMPANY OF MICHIGAN	OH	IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	14303	39-0367560				INTEGRITY MUTUAL INSURANCE COMPANY	WI	IA	GRANGE MUTUAL CASUALTY COMPANY	BOARD	0.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	11982	42-1610213				GRANGE PROPERTY & CASUALTY INSURANCE COMPANY	OH	IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	12986	41-2236417				INTEGRITY PROPERTY & CASUALTY INSURANCE COMPANY	WI	IA	INTEGRITY MUTUAL INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	14917	46-1454886				GRANGE LIFE REINSURANCE COMPANY	VT	IA	GRANGE LIFE INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
		00000	31-1145043				GRANGEAMERICA	OH	NIA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
		00000	31-1193707				NORTHVIEW INSURANCE AGENCY	OH	NIA	GRANGE LIFE INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
		00000	35-1958976				T.G. INSURANCE AGENCY	OH	NIA	TRUSTGARD INSURANCE COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0

Asterisk	Explanation
1	Reporting Entity.

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
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			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence			0.0	0.0
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	3,206,938	1,525,544	47.6	43.4
19.3,19.4 Commercial auto liability	8,951,586	1,572,030	39.8	55.9
21. Auto physical damage	2,991,098	1,487,941	49.7	52.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
<b>TOTALS</b>	<b>10,149,622</b>	<b>4,585,515</b>	<b>45.2</b>	<b>49.7</b>
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
				1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	0		0	0		0
2. Allied lines	0		0	0		0
3. Farmowners multiple peril	0		0	0		0
4. Homeowners multiple peril	0		0	0		0
5. Commercial multiple peril	0		0	0		0
6. Mortgage guaranty	0		0	0		0
8. Ocean marine	0		0	0		0
9. Inland marine	0		0	0		0
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	0		0	0		0
13. Group accident and health	0		0	0		0
14. Credit accident and health	0		0	0		0
15. Other accident and health	0		0	0		0
16. Workers' compensation	0		0	0		0
17.1 Other liability occurrence	0		0	0		0
17.2 Other liability-claims made	0		0	0		0
17.3 Excess Workers' Compensation	0		0	0		0
18.1 Products liability-occurrence	0		0	0		0
18.2 Products liability-claims made	0		0	0		0
19.1,19.2 Private passenger auto liability	3,399,790	3,399,790	3,592,098			
19.3,19.4 Commercial auto liability	6,351,912	6,351,912	3,236,681			
21. Auto physical damage	3,793,633	3,793,633	2,962,572			
22. Aircraft (all perils)	0		0			
23. Fidelity	0		0			
24. Surety	0		0			
26. Burglary and theft	0		0			
27. Boiler and machinery	0		0			
28. Credit	0		0			
29. International	0		0			
30. Warranty	0		0			
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX			
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX			
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX			
34. Aggregate write-ins for other lines of business	0	0	0			
<b>TOTALS</b>	<b>13,545,335</b>	<b>13,545,335</b>	<b>9,791,351</b>			
<b>DETAILS OF WRITE-INS</b>						
3401.			0			0
3402.			0			0
3403.			0			0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0			0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

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

## **LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2013 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2013 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2013 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)	
1. 2010 + Prior	3,428	1,935	5,363	781	168	949	3,097	.38	1,254	4,389	450	(475)	(25)	
2. 2011	2,502	2,023	4,525	421	41	462	2,193	.16	1,832	4,042	112	(133)	(21)	
3. Subtotals 2011 + prior	5,930	3,958	9,888	1,202	209	1,411	5,290	.54	3,086	8,431	562	(608)	(46)	
4. 2012	4,743	5,649	10,392	1,743	400	2,142	3,534	.188	4,479	8,201	533	(581)	(48)	
5. Subtotals 2012 + prior	10,673	9,606	20,280	2,945	609	3,553	8,824	.242	7,566	16,632	1,095	(1,190)	(94)	
6. 2013	XXX	XXX	XXX	XXX	3,225	3,225	XXX	.1,723	1,648	3,371	XXX	XXX	XXX	
7. Totals	10,673	9,606	20,280	2,945	3,833	6,778	8,824	1,965	9,214	20,003	1,095	(1,190)	(94)	
Prior Year-End 8. Surplus As Regards Policy- holders		40,786									Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7	
											1.	10.3	2.	(12.4)
											3.	(0.5)		Col. 13, Line 7
											4.	(0.2)		Line 8

## STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

### Response

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

### **Explanation:**

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

### **Bar Code:**

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

**OVERFLOW PAGE FOR WRITE-INS**

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**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

**SCHEDULE A – VERIFICATION**

**Real Estate**

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

**NONE**

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

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

**SCHEDULE BA – VERIFICATION**

**Other Long-Term Invested Assets**

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

**NONE**

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	68,676,267	65,162,148
2. Cost of bonds and stocks acquired.....	3,026,297	13,981,587
3. Accrual of discount.....	11,426	80,747
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	1,898	164,840
6. Deduct consideration for bonds and stocks disposed of.....	1,922,927	10,272,342
7. Deduct amortization of premium.....	106,579	440,713
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9).....	69,686,382	68,676,267
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	69,686,382	68,676,267

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	57,657,555	2,961,194	2,354,818	78,091	.58,342,022	0	0	.57,657,555
2. Class 2 (a).....	12,142,525	247,418		(173,244)	12,216,698	0	0	12,142,525
3. Class 3 (a).....	0				0	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds.....	69,800,079	3,208,612	2,354,818	(95,153)	70,558,720	0	0	69,800,079
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	69,800,079	3,208,612	2,354,818	(95,153)	70,558,720	0	0	69,800,079

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....872,339 ; NAIC 2 \$ ..... ;

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

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

**SCHEDULE DA - PART 1**

**Short-Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	872,339	XXX	872,339	72	0

**SCHEDULE DA - VERIFICATION**

**Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,123,812	637,948
2. Cost of short-term investments acquired .....	182,314	3,944,105
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	433,788	3,458,241
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	872,338	1,123,812
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	872,338	1,123,812

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**SCHEDULE D - PART 3**

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
235219-DY-5.....	Dallas, TX Call 5.000% 02/15/25.....		.02/20/2013.....	Morgan Stanley.....		306,710	250,000	.347	.1FE
770077-Z7-3.....	Roanoke, VA Call 5.000% 07/15/25.....		.02/13/2013.....	Raymond James & Associates.....		251,936	200,000		.1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
<b>Bonds - U.S. Special Revenue</b>									
240523-UK-4.....	DeKalb County, GA Call 5.250% 10/01/32.....		.03/13/2013.....	Stephens Inc.....		618,720	500,000	.12,177	.1FE
3136AA-CD-5.....	FNR 2012-131DZ 2.500% 05/25/41.....		.01/08/2013.....	Sterne, Agee & Leach.....		198,074	198,198	.138	.1FE
56045R-BU-2.....	Maine State Call 5.000% 11/01/31.....		.01/30/2013.....	Stephens Inc.....		296,875	250,000	.3,229	.1FE
645791-HV-9.....	New Jersey Environmental-Pre 5.000% 09.....		.01/21/2013.....	Tax Free Exchange.....		15,687	15,000	.294	.1FE
645791-JG-0.....	New Jersey Environmental Call 5.000% 0.....		.01/21/2013.....	Tax Free Exchange.....		493,557	480,000	.9,400	.1FE
662903-NC-3.....	North Texas Muni Wtr Call 5.000% 09/01.....		.03/05/2013.....	Morgan Stanley.....		597,320	500,000	.486	.1FE
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions</b>									
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
626717-AD-4.....	Murphy Oil Corp Call 4.000% 06/01/22.....		.01/29/2013.....	Stifel Nicolaus & Co.....		247,418	250,000	.1,667	.2FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
<b>8399997 - Subtotals- Bonds - Part 3</b>									
<b>8399999 - Subtotals - Bonds</b>									
<b>9999999 Totals</b>									
(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....									

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

**SCHEDULE D - PART 4**

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

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
<b>Bonds - U.S. Governments</b>																							
38374F-W6-7...	GNR 2004-21 PC 5.000% 04/20/33...		03/01/2013	Paydown.....		45,093	45,093	.44,487	.44,845		.249		.249			.45,093			.0		.376	.04/20/2033	.1
38378D-VT-9...	GNR 2012-36 MA 3.000% 06/20/39...		03/01/2013	Paydown.....		6,517	6,517	.6,936	.6,872		.(355)		.(355)			.6,517			.0		.33	.06/20/2039	.1
<b>0599999 - Bonds - U.S. Governments</b>				51,610	51,610	51,424	51,716	0	(106)	0	(106)	0	51,610	0	0	0	0	0	0	409	XXX	XXX	
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																							
484873-EW-0...	Kansas City, MO Call 5.000% 02/01/24...		03/05/2013	Huntington Investment Co.		520,575	500,000	.521,295	.518,916		.(239)		.(239)			.518,677			.1,898	.1,898	.15,069	.02/01/2024	.1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>				520,575	500,000	521,295	518,916	0	(239)	0	(239)	0	518,677	0	0	1,898	1,898	15,069	XXX	XXX			
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																							
3136AA-CD-5...	FNR 2012-131DZ 2.500% 05/25/41...		03/01/2013	Paydown.....		33,913	.33,913	.33,891		.21		.21		.33,913			.0		.106	.05/25/2041	.1FE		
3137AG-CA-6...	FNR 3947 BC 2.500% 10/15/26...		03/01/2013	Paydown.....		16,565	.16,565	.17,132	.16,905		.(341)		.(341)		.16,565			.0		.69	.10/15/2026	.1	
3137AN-JP-1...	FNR 4013 WY 3.701% 11/15/40...		03/01/2013	Paydown.....		10,049	.10,049	.10,332	.10,308		.(259)		.(259)		.10,049			.0		.65	.11/15/2040	.1	
3138M8-CJ-0...	FN AP4572 3.000% 09/01/27...		03/01/2013	Paydown.....		16,254	.16,254	.17,351	.17,334		.(1,080)		.(1,080)		.16,254			.0		.84	.09/01/2027	.1	
31392E-SX-9...	FNR 2002-59 B 5.500% 09/25/17...		03/01/2013	Paydown.....		4,087	.4,087	.4,160	.4,093		.(6)		.(6)		.4,087			.0		.35	.09/25/2017	.1	
31393A-GG-6...	FNR 2003-28 GA 4.000% 10/25/32...		03/01/2013	Paydown.....		3,791	.3,791	.3,770	.3,779		.12		.12		.3,791			.0		.27	.10/25/2032	.1	
31393B-QC-2...	FNR 2003-37 QD 5.000% 05/25/32...		03/01/2013	Paydown.....		20,264	.20,264	.20,150	.20,194		.70		.70		.20,264			.0		.172	.05/25/2032	.1	
31394L-PM-8...	FNR 269A BA 5.000% 11/15/32...		03/01/2013	Paydown.....		2,907	.2,907	.2,900	.2,901		.6		.6		.2,907			.0		.17	.11/15/2032	.1	
31395J-5E-2...	FNR 2881 AG 4.500% 08/15/34...		03/01/2013	Paydown.....		5,522	.5,522	.5,508	.5,511		.11		.11		.5,522			.0		.41	.08/15/2034	.1	
31395W-4L-8...	FNR 3003 LD 5.000% 12/15/34...		03/01/2013	Paydown.....		41,584	.41,584	.43,663	.42,629		.(1,045)		.(1,045)		.41,584			.0		.337	.12/15/2034	.1	
31397L-D0-9...	FNR 2008-24 AV 5.000% 03/25/19...		03/01/2013	Paydown.....		11,062	.11,062	.11,062	.11,062		.0		.0		.11,062			.0		.92	.03/25/2019	.1	
31397S-ZF-4...	FNR 2011-42 VA 4.500% 06/25/22...		03/01/2013	Paydown.....		4,754	.4,754	.5,032	.4,799		.(45)		.(45)		.4,754			.0		.36	.06/25/2022	.1	
31398L-NU-8...	FNR 3606 A 4.000% 07/15/23...		03/01/2013	Paydown.....		51,043	.51,043	.53,570	.51,811		.(768)		.(768)		.51,043			.0		.335	.07/15/2023	.1	
31398S-SG-9...	FNR 2010-130 BA 3.500% 12/25/30...		03/01/2013	Paydown.....		16,606	.16,606	.17,192	.16,992		.(385)		.(385)		.16,606			.0		.95	.12/25/2030	.1	
31402C-4H-2...	FNMA Pool 725424 5.500% 04/01/34...		03/01/2013	Paydown.....		14,888	.14,888	.14,729	.14,733		.155		.155		.14,888			.0		.133	.04/01/2034	.1	
31403B-4M-2...	FNMA Pool 744328 5.000% 09/01/33...		03/01/2013	Paydown.....		19,552	.19,552	.18,779	.18,807		.745		.745		.19,552			.0		.143	.09/01/2033	.1	
31403D-GZ-6...	FNMA Pool 745516 5.500% 05/01/36...		03/01/2013	Paydown.....		7,369	.7,369	.7,359	.7,359		.10		.10		.7,369			.0		.67	.05/01/2036	.1	
31418A-KN-7...	FN MA1200 3.000% 10/01/32...		03/01/2013	Paydown.....		11,240	.11,240	.11,960	.11,951		.(711)		.(711)		.11,240			.0		.60	.10/01/2032	.1	
31419F-EB-8...	FN AE4629 4.000% 10/01/40...		03/01/2013	Paydown.....		50,048	.50,048	.52,488	.52,441		.(2,393)		.(2,393)		.50,048			.0		.372	.10/01/2040	.1	
645788-Y9-5...	New Jersey Environmental Call 5.000% 0...		01/21/2013	Tax Free Exchange.....		509,245	.495,000	.518,568	.509,456		.(212)		.(212)		.509,245			.0		.9,694	.09/01/2021	.1FE	
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>				850,742	836,498	869,597	823,066	0	(6,215)	0	(6,215)	0	850,742	0	0	0	0	0	11,980	XXX	XXX		
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																							
097023-AT-2...	Boeing Co. NC 5.125% 02/15/13...		02/15/2013	Maturity		500,000	.500,000	.497,290	.499,958		.42		.42		.500,000			.0		.12,813	.02/15/2013	.1FE	
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>				500,000	500,000	497,290	499,958	0	42	0	42	0	500,000	0	0	0	0	0	0	12,813	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4				1,922,927	1,888,108	1,939,605	1,893,657	0	(6,518)	0	(6,518)	0	1,921,030	0	0	1,898	1,898	40,271	XXX	XXX			
8399999 - Subtotals - Bonds				1,922,927	1,888,108	1,939,605	1,893,657	0	(6,518)	0	(6,518)	0	1,921,030	0	0	1,898	1,898	40,271	XXX	XXX			
9999999 Totals				1,922,927	XXX	1,939,605	1,893,657	0	(6,518)	0	(6,518)	0	1,921,030	0	0	1,898	1,898	40,271	XXX	XXX			

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

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY

**SCHEDULE DL - PART 1**  
**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation/Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						
000000-00-0.	Barclays Capital.....	RR	1FE	100,157	100,157	04/01/2013.....
09248U-61-9.	Blackrock Tempfund.....	0	1FE	449,924	449,924	04/01/2013.....
000000-00-0.	Citigroup Global Markets Inc.....	RR	2FE	363,102	363,102	04/01/2013.....
000000-00-0.	Commonwealth BK Australia SYD C.....	0	1FE	145,241	145,241	06/06/2013.....
25155B-QV-0.	Deutsche Bank NY.....	0	1FE	72,654	72,620	09/05/2013.....
25155B-SM-8.	Deutsche Bank NY.....	0	1FE	72,642	72,620	09/13/2013.....
000000-00-0.	Macquarie Bank Ltd.....	0	1FE	72,615	72,603	04/30/2013.....
000000-00-0.	Mizuho Corporate Bank Ltd SYD.....	0	1FE	108,924	108,910	04/24/2013.....
000000-00-0.	Mizuho Securities USA Inc.....	RR	1FE	181,551	181,551	04/01/2013.....
000000-00-0.	ML Pierce Fenner & Smith Inc.....	RR	1FE	726,203	726,203	04/01/2013.....
6117P4-TC-4.	Mont Blanc.....	0	1FE	108,884	108,867	06/12/2013.....
000000-00-0.	Natixus Financial Products Inc.....	RR	1FE	290,481	290,481	04/01/2013.....
65602N-EB-6.	Norinchukin Bank NY.....	0	1FE	72,635	72,624	04/16/2013.....
000000-00-0.	Pershing LLC.....	RR	1FE	36,310	36,310	04/01/2013.....
82487A-PT-8.	Shizuoka New York.....	0	1FE	145,245	145,241	04/08/2013.....
83369T-MD-6.	Societe Generale NY.....	0	1FE	145,246	145,241	04/02/2013.....
25152X-PE-4.	Deutsche Bank NY.....	0	1FE	108,945	108,930	07/25/2013.....
000000-00-0.	JPMorgan Securities LLC.....	RR	1FE	363,102	363,102	03/03/2013.....
000000-00-0.	Natixus Financial Products LLC.....	0	1FE	181,551	181,551	04/01/2013.....
1899999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S.						
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						
6199999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						
6599999 - Bonds - Total Bonds - Subtotals - Total Bonds						
9999999 Totals						
				3,745,411	3,745,278	XXX

General Interrogatories:

1. Total activity for the year to date ..... Fair Value \$ ..... 3,745,411 Book/Adjusted Carrying Value \$ ..... 3,745,278
2. Average balance for the year to date ..... Fair Value \$ ..... 3,086,936 Book/Adjusted Carrying Value \$ ..... 3,086,843
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
NAIC 1 \$ 3,382,176 ..... NAIC 2 \$ 363,102 ..... NAIC 3 \$ ..... NAIC 4 \$ ..... NAIC 5 \$ ..... NAIC 6 \$ .....

**STATEMENT AS OF MARCH 31, 2013 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

### General Interrogatories:

1. Total activity for the year to date..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ .....  
 2. Average balance for the year to date..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ .....

Schedule E - Part 1  
**NONE**

Schedule E - Part 2  
**NONE**