



STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**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 .....	49,815,910		.49,815,910	48,580,823
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 (\$ .....1,034,802 ) .....		1,034,802	1,034,802	539,951
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	50,850,712	.0	50,850,712	49,120,774
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	495,893		495,893	457,286
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	5,758,410	.41,758	5,716,652	4,876,168
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....2,368 earned but unbilled premiums) .....	2,408	40	2,368	(5,584)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,554,200		2,554,200	1,558,812
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 .....	1,020,043		1,020,043	958,093
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 .....	453,013		453,013	1,542,220
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	.13,774	.0	13,774	13,110
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	61,148,453	41,798	61,106,655	58,520,879
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	61,148,453	41,798	61,106,655	58,520,879
<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 .....	.13,774		13,774	13,110
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) .....	13,774	0	13,774	13,110

STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 3,044,973 )	9,509,931	9,754,440
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	2,994,557	2,920,368
4. Commissions payable, contingent commissions and other similar charges	260,002	355,306
5. Other expenses (excluding taxes, licenses and fees)	848,395	821,374
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	301,145	318,757
7.1 Current federal and foreign income taxes (including \$ 17,567 on realized capital gains (losses))	695,818	986,919
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 \$ 41,825,908 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)	11,304,825	10,355,094
10. Advance premium	492,725	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	18,481	22,491
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	264,170	0
22. Payable for securities lending	0	0
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)	26,690,049	25,534,749
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	26,690,049	25,534,749
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	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	9,000,000	9,000,000
35. Unassigned funds (surplus)	24,416,606	22,986,130
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)	34,416,606	32,986,130
38. Totals (Page 2, Line 28, Col. 3)	61,106,655	58,520,879
<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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**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 \$ 55,579,732 )	52,741,702	51,076,557	103,972,458
1.2 Assumed (written \$ 14,474,043 )	13,523,914	12,756,609	25,925,163
1.3 Ceded (written \$ 55,616,949 )	52,778,521	51,088,799	104,030,581
1.4 Net (written \$ 14,436,826 )	13,487,095	12,744,367	25,867,040
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 6,903,060 ):			
2.1 Direct	94,239,265	112,954,781	102,146,207
2.2 Assumed	6,941,483	7,795,454	15,044,777
2.3 Ceded	94,252,610	112,963,384	102,184,714
2.4 Net	6,928,138	7,786,851	15,006,270
3. Loss adjustment expenses incurred	1,590,040	1,350,591	2,843,925
4. Other underwriting expenses incurred	4,630,872	4,182,808	8,329,867
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	13,149,050	13,320,250	26,180,062
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	338,045	(575,883)	(313,022)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	838,653	803,149	1,632,681
10. Net realized capital gains (losses) less capital gains tax of \$ 17,567	32,625	15,550	87,827
11. Net investment gain (loss) (Lines 9 + 10)	871,278	818,699	1,720,508
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,467 amount charged off \$ 65,304 )	(63,837)	(60,816)	(125,849)
13. Finance and service charges not included in premiums	922,470	1,041,449	2,073,577
14. Aggregate write-ins for miscellaneous income	19,275	11,820	26,420
15. Total other income (Lines 12 through 14)	877,908	992,453	1,974,148
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,087,231	1,235,269	3,381,634
17. Dividends to policyholders	33,003	36,439	78,719
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,054,228	1,198,830	3,302,915
19. Federal and foreign income taxes incurred	678,251	384,416	939,627
20. Net income (Line 18 minus Line 19)(to Line 22)	1,375,977	814,414	2,363,288
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	32,986,130	30,631,948	30,631,948
22. Net income (from Line 20)	1,375,977	814,414	2,363,288
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	61,950	53,669	(18,756)
27. Change in nonadmitted assets	(7,451)	2,732	9,650
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)	1,430,476	870,815	2,354,182
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	34,416,606	31,502,763	32,986,130
<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	19,275	11,820	26,420
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)	19,275	11,820	26,420
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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**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.....	14,073,664	13,030,072	26,168,755
2. Net investment income.....	1,015,705	969,736	1,943,611
3. Miscellaneous income.....	877,908	992,453	1,974,148
4. Total (Lines 1 to 3).....	15,967,277	14,992,261	30,086,514
5. Benefit and loss related payments.....	8,168,035	6,829,288	14,031,206
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	6,232,618	5,575,771	10,808,159
8. Dividends paid to policyholders.....	37,013	36,814	75,570
9. Federal and foreign income taxes paid (recovered) net of \$ 17,567 tax on capital gains (losses).....	986,919	964,203	964,203
10. Total (Lines 5 through 9).....	15,424,584	13,406,076	25,879,138
11. Net cash from operations (Line 4 minus Line 10).....	542,692	1,586,185	4,207,376
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	3,630,517	4,536,911	8,803,550
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.....	264,170	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,894,687	4,536,911	8,803,550
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	5,031,070	6,585,907	13,486,144
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	5,031,070	6,585,907	13,486,144
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).....	(1,136,383)	(2,048,996)	(4,682,594)
<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).....	1,088,541	198,044	58,540
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	1,088,541	198,044	58,540
<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).....	494,850	(264,767)	(416,678)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	539,951	956,629	956,629
19.2 End of period (Line 18 plus Line 19.1).....	1,034,802	691,862	539,951

**STATEMENT AS OF JUNE 30, 2013 OF THE  
GRANGE INSURANCE COMPANY OF MICHIGAN**

**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	(85,673)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	3,964,357
2	Greater than 12 Months	0

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on September 30, 2009. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

E. Repurchase Agreements and/or Securities Lending Transactions

b) Collateral Received

None

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

NO CHANGE

**7. INVESTMENT INCOME**

NO CHANGE

**8. DERIVATIVE INSTRUMENTS**

NONE

**9. FEDERAL INCOME TAXES**

A. The components of the net deferred tax assets at June 30, 2013 and December 31, 2012 are as follows:

	March 31, 2013	December 31, 2012
Gross Deferred Tax Assets	\$ 1,122,691	\$ 1,058,480
Gross Deferred Tax Liabilities	102,648	100,387
Net Deferred Tax Asset (Liability)	1,020,043	958,093
Nonadmitted Deferred Tax Assets	-	-
Admitted Deferred Tax Asset	1,020,043	958,093
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ -	\$ 8,918

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

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

	June 30, 2013	December 31, 2012
Current Income Tax Expense	\$ 678,251	\$ 939,468
Tax on Capital Gains/(Losses)	17,567	47,292
Prior Year Under Accrual (Over Accrual)	-	159
Federal Income Taxes Incurred	\$ 695,818	\$ 986,919

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

NO CHANGE

**11. DEBT**

NONE

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREE BENEFIT PLANS**

No Pension, Postretirement or Postemployment and Compensated Absence Benefit Plans

**STATEMENT AS OF JUNE 30, 2013 OF THE  
GRANGE INSURANCE COMPANY OF MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

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	51,899,729	49,815,910	7,243,816	44,655,914	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	1,034,802	1,034,802	1,034,802	0	0	0
Total	<u>52,934,531</u>	<u>50,850,712</u>	<u>8,278,617</u>	<u>44,655,914</u>	<u>0</u>	<u>0</u>

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 JUNE 30, 2013 OF THE  
GRANGE INSURANCE COMPANY OF MICHIGAN**

**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 \$(0.159) million from \$20.059 million in 2012 to \$19.900 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	June 30, 2013	December 31, 2012
BALANCE JANUARY 1	20,058,574	19,166,249
LESS REINSURANCE RECOVERABLES	7,383,766	6,475,547
NET BALANCE JANUARY 1	<u>12,674,808</u>	<u>12,690,702</u>
 INCURRED RELATED TO:		
CURRENT YEAR	8,677,243	18,937,369
PRIOR YEAR	(159,065)	(1,087,174)
TOTAL INCURRED	<u>8,518,178</u>	<u>17,850,195</u>
 PAID RELATED TO:		
CURRENT YEAR	4,236,226	12,442,333
PRIOR YEAR	4,452,272	5,423,756
TOTAL PAID	<u>8,688,498</u>	<u>17,866,089</u>
NET BALANCE AT DECEMBER 31	12,504,488	12,674,808
PLUS REINSURANCE RECOVERABLES	8,926,438	7,383,766
BALANCE AT DECEMBER 31	<u>21,430,926</u>	<u>20,058,574</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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN****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 [ ]

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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN****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: ..... \$ 453,013

**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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN****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 \$.....0  
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0  
16.3 Total payable for securities lending reported on the liability page \$.....0

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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

# **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 [ ]

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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

## **SCHEDULE F - CEDED REINSURANCE**

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

STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL.	N.	0	0	0	0	0
2. Alaska	AK.	N.	0	0	0	0	0
3. Arizona	AZ.	N.	0	0	0	0	0
4. Arkansas	AR.	N.	0	0	0	0	0
5. California	CA.	N.	0	0	0	0	0
6. Colorado	CO.	N.	0	0	0	0	0
7. Connecticut	CT.	N.	0	0	0	0	0
8. Delaware	DE.	N.	0	0	0	0	0
9. Dist. Columbia	DC.	N.	0	0	0	0	0
10. Florida	FL.	N.	0	0	0	0	0
11. Georgia	GA.	N.	0	0	0	0	0
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	N.	0	0	0	0	0
15. Indiana	IN.	N.	0	0	0	0	0
16. Iowa	IA.	N.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	N.	0	0	0	0	0
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	L.	55,579,732	52,646,993	31,410,002	28,057,803	356,453,293
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. No. Carolina	NC.	N.	0	0	0	0	0
35. No. Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L.	0	0	0	0	0
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. So. Carolina	SC.	N.	0	0	0	0	0
42. So. Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	N.	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CAN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX.	0	0	0	0	0
59. Totals	(a)	2	55,579,732	52,646,993	31,410,002	28,057,803	356,453,293
<b>DETAILS OF WRITE-INS</b>		XXX.					
58001.		XXX.					
58002.		XXX.					
58003.		XXX.					
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0

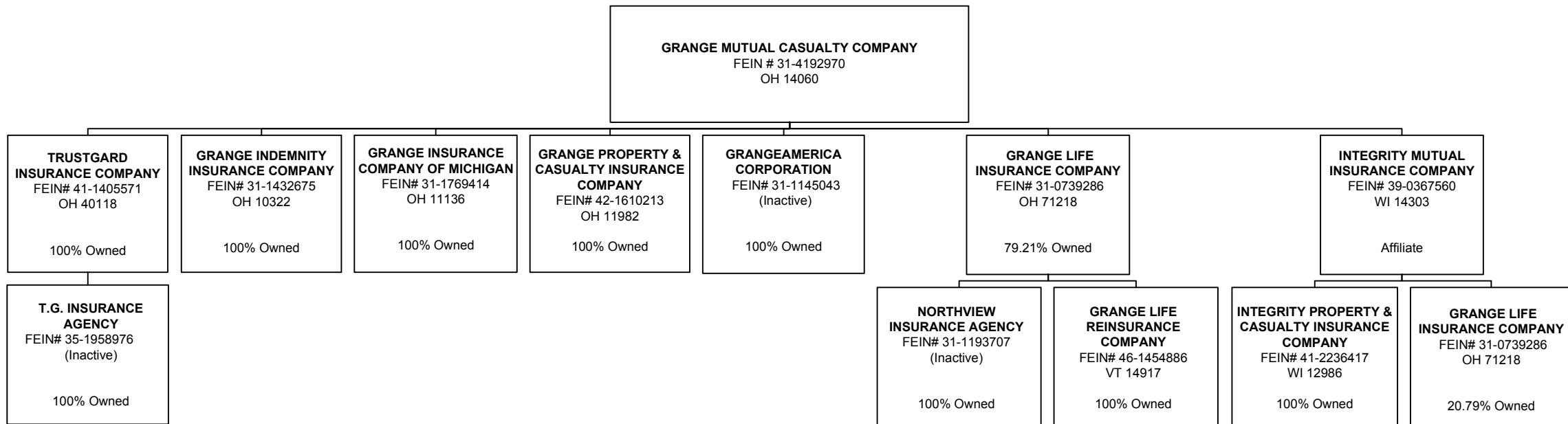
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

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

**PART 1 – ORGANIZATIONAL CHART**



## STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**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	IA	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	0
00267	GRANGE MUTUAL CASUALTY GROUP	11136	31-1769414				GRANGE INSURANCE COMPANY OF MICHIGAN	OH	OTH	GRANGE MUTUAL CASUALTY COMPANY	OWNERSHIP	100.0	GRANGE MUTUAL CASUALTY COMPANY	1
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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**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	387,735	43,685	11.3	69.5
2. Allied lines	233,847	2,074	0.9	49.2
3. Farmowners multiple peril	205,825	11,142	5.4	20.2
4. Homeowners multiple peril	13,153,060	10,510,426	79.9	55.9
5. Commercial multiple peril	4,190,703	6,307,459	150.5	58.8
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	340,837	185,974	54.6	50.1
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	3,770		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	964,926	630,497	65.3	62.7
17.1 Other liability occurrence	397,542	20,845	5.2	8.6
17.2 Other liability-claims made	149	23	15.4	18.1
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence	.56	(86)	(153.6)	34.7
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	19,100,424	68,827,897	360.3	477.4
19.3,19.4 Commercial auto liability	2,465,662	787,063	31.9	50.7
21. Auto physical damage	11,296,947	6,912,267	61.2	64.3
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft	219	(1)	(0.5)	2.3
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>52,741,702</b>	<b>94,239,265</b>	<b>178.7</b>	<b>221.1</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. Fire	188,859	377,916	367,284	
2. Allied lines	113,506	224,003	214,510	
3. Farmowners multiple peril	156,823	216,725	176,629	
4. Homeowners multiple peril	7,082,595	12,679,697	12,216,882	
5. Commercial multiple peril	2,755,372	5,390,059	4,290,219	
6. Mortgage guaranty	0		0	
8. Ocean marine	0		0	
9. Inland marine	188,189	321,382	345,081	
10. Financial guaranty	0		0	
11.1 Medical professional liability-occurrence	0		0	
11.2 Medical professional liability-claims made	0		0	
12. Earthquake	1,627	3,139	2,702	
13. Group accident and health	0		0	
14. Credit accident and health	0		0	
15. Other accident and health	0		0	
16. Workers' compensation	336,112	913,681	1,229,922	
17.1 Other liability occurrence	196,603	429,944	442,160	
17.2 Other liability-claims made	0		0	
17.3 Excess Workers' Compensation	0		0	
18.1 Products liability-occurrence	.5	(190)	(297)	
18.2 Products liability-claims made	0		0	
19.1,19.2 Private passenger auto liability	9,877,377	19,010,705	19,865,072	
19.3,19.4 Commercial auto liability	2,106,171	3,919,161	2,008,995	
21. Auto physical damage	6,292,949	12,093,410	11,487,734	
22. Aircraft (all perils)	0		0	
23. Fidelity	0		0	
24. Surety	0		0	
26. Burglary and theft	100	100	100	
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>29,296,288</b>	<b>55,579,732</b>	<b>52,646,993</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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

### **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	2,142	1,209	3,352	1,254	144	1,398	1,497	134	322	1,953	609	(610)	(1)
2. 2011	1,564	1,264	2,828	536	51	587	1,169	23	988	2,180	141	(203)	(62)
3. Subtotals 2011 + prior	3,706	2,474	6,180	1,790	195	1,984	2,666	157	1,309	4,133	749	(812)	(63)
4. 2012	2,965	3,530	6,495	1,615	416	2,031	1,797	131	2,440	4,368	447	(544)	(96)
5. Subtotals 2012 + prior	6,671	6,004	12,675	3,404	611	4,015	4,463	288	3,749	8,501	1,197	(1,356)	(159)
6. 2013	XXX	XXX	XXX	XXX	4,673	4,673	XXX	1,878	2,126	4,004	XXX	XXX	XXX
7. Totals	6,671	6,004	12,675	3,404	5,284	8,688	4,463	2,166	5,875	12,504	1,197	(1,356)	(159)
Prior Year-End 8. Surplus As Regards Policy- holders	32,986										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.	17.9	2. (22.6) 3. (1.3)
											Col. 13, Line 7 Line 8		
											4. (0.5)		

# STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

## 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? .....YES.....

### **Explanation:**

- 1.
- 2.
- 3.

### **Bar Code:**

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

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STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE A – VERIFICATION**

Real Estate

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

**NONE**

**SCHEDULE B – VERIFICATION**

Mortgage Loans

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

**NONE**

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

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

**NONE**

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	48,580,823	44,139,395
2. Cost of bonds and stocks acquired.....	5,031,070	13,486,144
3. Accrual of discount.....	6,924	45,639
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	50,192	135,119
6. Deduct consideration for bonds and stocks disposed of.....	3,630,517	8,803,550
7. Deduct amortization of premium.....	222,583	421,924
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).....	49,815,909	48,580,823
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	49,815,909	48,580,823

STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**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).....	44,294,217	2,858,475	2,073,720	606,109	44,294,217	45,685,082	0	43,404,727
2. Class 2 (a).....	5,700,269	200,342	.511,265	-(223,715)	5,700,269	5,165,631	0	5,716,048
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.....	49,994,486	3,058,817	2,584,985	382,394	49,994,486	50,850,712	0	49,120,775
<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.....	49,994,486	3,058,817	2,584,985	382,394	49,994,486	50,850,712	0	49,120,775

(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 \$ .....1,034,802 ; NAIC 2 \$ ..... ;

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

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**SCHEDULE DA - PART 1**

## Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	1,034,802	XXX	1,034,802	81	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.....	539,950	956,629
2. Cost of short-term investments acquired .....	842,507	4,520,939
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	347,656	4,937,618
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).....	1,034,801	539,950
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,034,801	539,950

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**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. States, Territories and Possessions</b>									
70914P-TU-6	Pennsylvania State Call 5.000% 04/01/2...		04/24/2013	Morgan Stanley.....		316,675	250,000	.625	.1FE
880541-SU-2	Tennessee State Call 5.000% 08/01/27...		05/28/2013	Huntington Investment Co.		305,723	250,000	.4,167	.1FE
93974C-8D-5	Washington State Call 5.000% 07/01/25...		04/15/2013	Huntington Investment Co.		312,355	250,000	.2,535	.1FE
<b>1799999 - Bonds - U.S. States, Territories and Possessions</b>						934,753	750,000	7,326	XXX
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
.280455-EA-0	Edgewood, OH Call 5.000% 12/01/28...		.06/26/2013	Huntington Investment Co.		264,170	250,000		.1FE
592112-NG-7	Metro Govt Nashville-Davidson Call 5.0...		05/23/2013	Morgan Stanley.....		303,703	250,000	.694	.1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>						567,873	500,000	694	XXX
<b>Bonds - U.S. Special Revenue</b>									
.313661-PB-9	FNMA Call 1.250% 06/27/28...		.06/19/2013	Stifel Nicolaus & Co...		498,750	500,000		.1
.574218-GC-1	Maryland St Hlth & Hgr Ed-Call 5.000%...		.05/10/2013	Stephens Inc.....		582,350	500,000	.9,306	.1FE
.67756A-3A-8	Ohio State Call 3.000% 01/01/23...		.04/29/2013	Stifel Nicolaus & Co...		236,864	225,000	.2,269	.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>						1,317,964	1,225,000	11,574	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
.790849-AJ-2	St. Jude Medical Inc Call 3.250% 04/15...		.05/23/2013	Piper Jaffray.....		200,342	200,000	.1,029	.1FE
.85771P-AK-8	Statoil ASA NC 2.650% 01/15/24...	F	.06/20/2013	Stephens Inc.....		186,066	200,000	.589	.1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						386,408	400,000	1,618	XXX
<b>8399997 - Subtotals- Bonds - Part 3</b>						3,206,997	2,875,000	21,213	XXX
<b>8399999 - Subtotals - Bonds</b>						3,206,997	2,875,000	21,213	XXX
<b>9999999 Totals</b>						3,206,997	XXX	21,213	XXX

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

**STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**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...	..06/01/2013..	Paydown.....			48,950	48,950	48,293	48,681			270		270		48,950			0		1,026	..04/20/2033..	1FE.....	
38378C-RT-6...	GNR 2012-13 EG 2.000% 10/20/40...	..06/01/2013..	Paydown.....			10,957	10,957	11,082	11,052			(95)		(95)		10,957			0		82	..10/20/2040..	1FE.....	
38378D-VT-9...	GNR 2012-36 MA 3.000% 06/20/39...	..06/01/2013..	Paydown.....			7,438	7,438	7,916	7,842			(405)		(405)		7,438			0		94	..06/20/2039..	1FE.....	
<b>0599999 - Bonds - U.S. Governments</b>										67,345	67,345	67,291	67,575	0	(230)	0	67,345	0	0	0	1,211	XXX	XXX	
<b>Bonds - U.S. States, Territories and Possessions</b>																								
93974B-GG-1...	Washington State Call 5.000% 07/01/24...	..04/11/2013..	Huntington Investment Co. ....			274,880	250,000	266,633	257,270			(812)		(812)		256,458			18,422		18,422	9,896	..07/01/2024..	1FE.....
<b>1799999 - Bonds - U.S. States, Territories and Possessions</b>										274,880	250,000	266,633	257,270	0	(812)	0	256,458	0	18,422	18,422	9,896	XXX	XXX	
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																								
199491-XS-5...	Columbus, OH GO Unitd Call 5.000% 12/1/...	..04/16/2013..	Huntington Investment Co. ....			289,750	250,000	266,805	258,045			(561)		(561)		257,485			32,265		32,265	4,306	..12/15/2022..	1FE.....
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>										289,750	250,000	266,805	258,045	0	(561)	0	257,485	0	32,265	32,265	4,306	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>																								
3128P7-RY-1...	FG C91403 3.500% 03/01/32...	..06/01/2013..	Paydown.....			23,400	23,400	25,192	25,164			(1,764)		(1,764)		23,400			0		343	..03/01/2032..	1FE.....	
31292H-NB-6...	FGLMC Pool #C01286 6.000% 01/01/32...	..06/01/2013..	Paydown.....			1,898	1,898	1,872	1,874			25		25		1,898			0		48	..01/01/2032..	1FE.....	
312962-06-1...	FG B10455 5.000% 10/01/18...	..06/01/2013..	Paydown.....			97,299	97,299	104,353	103,354			(6,055)		(6,055)		97,299			0		2,163	..10/01/2018..	1FE.....	
313380-5V-5...	FHLB Call 1.000% 08/09/22...	..05/09/2013..	Call 100,0000.....			500,000	500,000	500,000	500,000			0		0		500,000			0		3,750	..08/09/2022..	1FE.....	
313660-KW-0...	FNMA Call 2.000% 05/24/32...	..05/24/2013..	Call 100,0000.....			500,000	500,000	500,000	500,000			0		0		500,000			0		5,000	..05/24/2032..	1FE.....	
3137A5-WW-0...	FHR 378 WA 4.000% 12/15/28...	..06/01/2013..	Paydown.....			68,096	68,096	69,993	68,803			(706)		(706)		68,096			0		1,140	..12/15/2028..	1FE.....	
3137AG-CA-6...	FHR 3947 BC 2.500% 10/15/26...	..06/01/2013..	Paydown.....			14,548	14,548	15,046	14,847			(299)		(299)		14,548			0		147	..10/15/2026..	1FE.....	
3137AN-JP-1...	FHR 4013 WY 3.602% 11/15/40...	..06/01/2013..	Paydown.....			15,971	15,971	16,420	16,382			(411)		(411)		15,971			0		247	..11/15/2040..	1FE.....	
3138M8-CJ-0...	FN AP4572 3.000% 09/01/27...	..06/01/2013..	Paydown.....			16,164	16,164	17,255	17,238			(1,074)		(1,074)		16,164			0		202	..09/01/2027..	1FE.....	
31392E-SX-9...	FNR 2002-59 B 5.500% 09/25/17...	..06/01/2013..	Paydown.....			4,737	4,737	4,821	4,744			(7)		(7)		4,737			0		107	..09/25/2017..	1FE.....	
31392W-U0-1...	FNR 2510 NM 5.000% 03/15/32...	..06/01/2013..	Paydown.....			9,623	9,623	9,853	9,623			0		0		9,623			0		199	..03/15/2032..	1FE.....	
31393A-GG-6...	FNR 2003-28 GA 4.000% 10/25/32...	..06/01/2013..	Paydown.....			1,970	1,970	1,959	1,964			6		6		1,970			0		32	..10/25/2032..	1FE.....	
31394L-PW-8...	FNR 2698 BA 5.000% 11/15/32...	..06/01/2013..	Paydown.....			2,440	2,440	2,434	2,435			5		5		2,440			0		53	..11/15/2032..	1FE.....	
31397S-ZF-4...	FNR 2011-42 VA 4.500% 06/25/22...	..06/01/2013..	Paydown.....			4,808	4,808	5,089	4,854			(46)		(46)		4,808			0		90	..06/25/2022..	1FE.....	
31398S-SG-9...	FNR 2010-130 BA 3.500% 12/25/30...	..06/01/2013..	Paydown.....			14,677	14,677	15,194	15,017			(341)		(341)		14,677			0		212	..12/25/2030..	1FE.....	
314043D-GZ-6...	FN MA1200 3.000% 05/01/36...	..06/01/2013..	Paydown.....			6,261	6,261	6,253	6,253			8		8		6,261			0		144	..05/01/2036..	1FE.....	
31418A-KN-7...	FN AE4629 4.000% 10/01/32...	..06/01/2013..	Paydown.....			14,458	14,458	15,384	15,372			(915)		(915)		14,458			0		185	..10/01/2032..	1FE.....	
31419F-EB-8...	FN AE4629 4.000% 10/01/40...	..06/01/2013..	Paydown.....			47,346	47,346	49,654	49,609			(2,264)		(2,264)		47,346			0		725	..10/01/2040..	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>										1,343,695	1,343,695	1,360,772	1,357,532	0	(13,837)	0	1,343,695	0	0	0	14,787	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																								
055630-AA-8...	Bank of New York 144A - Callable 7.780% CVS Corp. PT-NC 6.943% 01/10/30...	..06/14/2013..	Call 101,5560.....			507,780	500,000	525,000	518,965			(11,185)		(11,185)		507,780			0		20,855	..12/01/2026..	2FE.....	
126650-BQ-2...	EJM Airport LLC NC 6.271% 05/15/20...	..06/10/2013..	Redemption 100,0000.....			3,485	3,485	3,555	3,546			(61)		(61)		3,485			0		101	..12/10/2029..	2FE.....	
26854P-AA-4...		..05/15/2013..	Redempt 100,0000.....			27,826	27,826	30,608	30,010			(2,184)		(2,184)		27,826			0		872	..05/15/2020..	1...	

STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

**SCHEDULE D - PART 4**

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

1 CUSIP Identification	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.									
256853-AA-0...	Dolphin Energy LTD 144A-NC 5.888% 06/1...	F	06/15/2013	Redemption	100,000.00		13,500	13,500	13,534	13,524		(24)		(24)		13,500		0	0	0	06/15/2019	1FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)							552,591	544,811	572,697	566,045	0	(13,454)	0	(13,454)	0	552,591	0	0	0	0	22,226	XXX	XXX
8399997 - Subtotals - Bonds - Part 4							2,528,261	2,455,851	2,534,198	2,506,467	0	(28,894)	0	(28,894)	0	2,477,574	0	50,688	50,688	50,688	52,426	XXX	XXX
8399999 - Subtotals - Bonds							2,528,261	2,455,851	2,534,198	2,506,467	0	(28,894)	0	(28,894)	0	2,477,574	0	50,688	50,688	50,688	52,426	XXX	XXX
99999999 Totals							2,528,261	XXX	2,534,198	2,506,467	0	(28,894)	0	(28,894)	0	2,477,574	0	50,688	50,688	50,688	52,426	XXX	XXX

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

E05.1

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 JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

# **SCHEDULE DL - PART 1**

## **SECURITIES LENDING COLLATERAL ASSETS**

**Reinvested Collateral Assets Owned Current Statement Date**

### General Interrogatories:

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

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

3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:

NAIC 1 \$.....NAIC 2 \$.....NAIC 3 \$.....NAIC 4 \$.....NAIC 5 \$.....NAIC 6 \$.....

**STATEMENT AS OF JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

**Reinvested Collateral Assets Owned Current Statement Date**

### General Interrogatories:

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

Schedule E - Part 1  
**NONE**

Schedule E - Part 2  
**NONE**



**SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN**

**DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT**

Year To Date For The Period Ended 2013

NAIC Group Code 00267

NAIC Company Code 11136

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 0	\$ 149	\$ 23

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [ ] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [ ] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ .....

2.32 Amount estimated using reasonable assumptions: \$ .....

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ .....