



ANNUAL STATEMENT
For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

GRANGE INSURANCE COMPANY OF MICHIGAN

NAIC Group Code	00267	00267	NAIC Company Code	11136	Employer's ID Number	31-1769414
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States					
Incorporated/Organized	04/23/2001			Commenced Business		07/26/2001
Statutory Home Office	671 South High Street			Columbus, OH, US 43206-1014		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	671 South High Street			Columbus, OH, US 43206-1014		614-445-2900
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Mail Address	671 South High Street, P.O. Box 1218			Columbus, OH, US 43216-1218		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	671 South High Street			Columbus, OH, US 43206-1014		614-445-2900
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann			614-445-2900		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	ackermannd@grangeinsurance.com			614-449-3757		
	(E-Mail Address)			(Fax Number)		

OFFICERS

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

OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS		
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DIRECTORS OR TRUSTEES

MARK LEWIS BOXER #	DOUGLAS PAUL BUTH	GLENN EUGENE CORLETT	ELWOOD GORDON GEE
ROBERT ENLOW HOYT	JOHN PAUL MCCAFFREY	MARY MARNETTE PERRY	MELVIN GEORGE PYE JR
THOMAS SIMRALL STEWART	THOMAS HOWARD WELCH	DAVID CHARLES WETMORE	CHRISTIANNA (NMN) WOOD #

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

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

THOMAS HOWARD WELCH PRESIDENT & CEO	LAVAWN DEE COLEMAN VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
Subscribed and sworn to before me this 24th day of February, 2014		a. Is this an original filing? Yes [X] No [] b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached
Teresa J. Burchwell, Notary Public April 28, 2017		

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	51,975,583		51,975,583	48,580,823
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$919,533 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	919,533		919,533	539,951
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	52,895,116	0	52,895,116	49,120,774
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	534,509		534,509	457,286
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,441,675	29,670	5,412,005	4,876,168
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$9,020 earned but unbilled premiums).....	9,351	331	9,020	(5,584)
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	4,013,564		4,013,564	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.....	1,045,729	7,816	1,037,913	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			0	1,542,220
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	13,376	0	13,376	13,110
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	63,953,320	37,817	63,915,503	58,520,879
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	63,953,320	37,817	63,915,503	58,520,879
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities in Pools.....	13,376		13,376	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)	13,376	0	13,376	13,110

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	10,502,732	9,754,440
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	3,138,442	2,920,368
4. Commissions payable, contingent commissions and other similar charges	509,833	355,306
5. Other expenses (excluding taxes, licenses and fees)	961,221	821,374
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	348,400	318,757
7.1 Current federal and foreign income taxes (including \$24,707 on realized capital gains (losses))	1,114,718	986,919
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$42,038,539 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)	11,211,433	10,355,094
10. Advance premium	302,975	0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	24,877	22,491
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	354,646	0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	28,469,276	25,534,749
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	28,469,276	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
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	9,000,000	9,000,000
35. Unassigned funds (surplus)	25,446,227	22,986,130
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	35,446,227	32,986,130
38. Totals (Page 2, Line 28, Col. 3)	63,915,503	58,520,879
DETAILS OF WRITE-INS		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	27,638,891	25,867,040
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	15,235,859	15,006,270
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	3,267,896	2,843,925
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	9,138,806	8,329,867
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	27,642,561	26,180,063
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(3,671)	(313,023)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,748,091	1,632,681
10. Net realized capital gains (losses) less capital gains tax of \$24,707 (Exhibit of Capital Gains (Losses)).....	45,883	87,827
11. Net investment gain (loss) (Lines 9 + 10)	1,793,974	1,720,508
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$3,146 amount charged off \$142,233)	(139,087)	(125,849)
13. Finance and service charges not included in premiums	1,833,016	2,073,577
14. Aggregate write-ins for miscellaneous income	62,696	26,420
15. Total other income (Lines 12 through 14)	1,756,625	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)	3,546,928	3,381,634
17. Dividends to policyholders	80,985	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)	3,465,943	3,302,915
19. Federal and foreign income taxes incurred	1,090,011	939,627
20. Net income (Line 18 minus Line 19) (to Line 22)	2,375,932	2,363,288
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	32,986,130	30,631,948
22. Net income (from Line 20)	2,375,932	2,363,288
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	87,636	(18,756)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(3,471)	9,650
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in		0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	2,460,097	2,354,182
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	35,446,227	32,986,130
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Miscellaneous Income.....	62,696	26,420
1402.		0
1403.		0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	62,696	26,420
3701.		0
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	28,252,108	26,168,755
2. Net investment income	2,075,348	1,943,611
3. Miscellaneous income	1,756,625	1,974,148
4. Total (Lines 1 through 3)	32,084,081	30,086,514
5. Benefit and loss related payments	16,942,319	14,031,206
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	11,864,611	10,808,159
8. Dividends paid to policyholders	78,599	75,570
9. Federal and foreign income taxes paid (recovered) net of \$ 24,707 tax on capital gains (losses)	986,919	964,203
10. Total (Lines 5 through 9)	29,872,448	25,879,138
11. Net cash from operations (Line 4 minus Line 10)	2,211,633	4,207,376
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,763,389	8,803,550
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,763,389	8,803,550
13. Cost of investments acquired (long-term only):		
13.1 Bonds	9,492,039	13,486,144
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,492,039	13,486,144
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(3,728,650)	(4,682,594)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	1,896,599	58,540
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,896,599	58,540
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	379,582	(416,678)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	539,951	956,629
19.2 End of year (Line 18 plus Line 19.1)	919,533	539,951

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	.380,837	.201,021	.216,280	.365,577
2.	Allied lines .....	.211,142	.112,503	.120,781	.202,864
3.	Farmowners multiple peril .....	.493,908	.229,597	.252,234	.471,271
4.	Homeowners multiple peril .....	.6,216,437	.3,269,085	.3,516,780	.5,968,743
5.	Commercial multiple peril .....	.2,696,025	.1,240,949	.1,330,594	.2,606,381
6.	Mortgage guaranty .....	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0
9.	Inland marine .....	.203,727	.112,300	.111,100	.204,927
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 .....	.59,719	.34,733	.33,935	.60,518
13.	Group accident and health .....	.2,428	.0	.0	.2,428
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	.0	.0
16.	Workers' compensation .....	.958,522	.394,910	.386,882	.966,550
17.1	Other liability - occurrence .....	.448,289	.249,104	.239,343	.458,050
17.2	Other liability - claims-made .....	.149	.41	.40	.150
17.3	Excess workers' compensation.....	.0	.0	.0	.0
18.1	Products liability-occurrence .....	.1,403	.506	.577	.1,332
18.2	Products liability-claims-made .....	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability .....	.8,016,695	.1,990,165	.2,065,712	.7,941,148
19.3,19.4	Commercial auto liability .....	.2,157,663	.794,427	.1,034,540	.1,917,550
21.	Auto physical damage .....	.6,647,374	.1,725,375	.1,902,425	.6,470,325
22.	Aircraft (all perils) .....	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0
26.	Burglary and theft .....	.912	.377	.209	.1,079
27.	Boiler and machinery .....	.0	.0	.0	.0
28.	Credit .....	.0	.0	.0	.0
29.	International .....	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0
31.	Reinsurance-nonproportional assumed property .....	.0	.0	.0	.0
32.	Reinsurance-nonproportional assumed liability .....	.0	.0	.0	.0
33.	Reinsurance-nonproportional assumed financial lines .....	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0
35.	TOTALS	28,495,229	10,355,094	11,211,433	27,638,891
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	.0	.0	.0	.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	216,280				216,280
2.	Allied lines	120,781				120,781
3.	Farmowners multiple peril	252,234				252,234
4.	Homeowners multiple peril	3,516,780				3,516,780
5.	Commercial multiple peril	1,330,594				1,330,594
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	111,100				111,100
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	33,935				33,935
13.	Group accident and health					0
14.	Credit accident and health (group and individual) ...					0
15.	Other accident and health					0
16.	Workers' compensation	386,882				386,882
17.1	Other liability-occurrence	239,343				239,343
17.2	Other liability-claims-made	40				40
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	577				577
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	2,065,712				2,065,712
19.3,19.4	Commercial auto liability	1,034,540				1,034,540
21.	Auto physical damage	1,902,425				1,902,425
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	209				209
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance-nonproportional assumed property					0
32.	Reinsurance-nonproportional assumed liability					0
33.	Reinsurance-nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	11,211,433	0	0	0	11,211,433
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					11,211,433
DETAILS OF WRITE-INS						
3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	792,242	380,837		734,285	57,957	380,837
2. Allied lines	469,600	211,142		434,257	35,343	211,142
3. Farmowners multiple peril	466,192	493,908		453,246	12,946	493,908
4. Homeowners multiple peril	27,689,702	6,216,437		25,890,800	1,798,901	6,216,437
5. Commercial multiple peril	10,256,850	2,696,025		9,099,029	1,157,821	2,696,025
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	637,083	203,727		586,317	50,766	203,727
10. Financial guaranty						0
11.1 Medical professional liability-occurrence						0
11.2 Medical professional liability-claims-made						0
12. Earthquake	5,997	59,719		5,467	530	59,719
13. Group accident and health		2,428				2,428
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	1,887,386	958,522	151,967	1,941,066	98,287	958,522
17.1 Other liability-occurrence	760,821	448,289		626,816	134,005	448,289
17.2 Other liability-claims-made	300	149		300		149
17.3 Excess workers' compensation						0
18.1 Products liability-occurrence	(191)	1,403		(191)	0	1,403
18.2 Products liability-claims-made						0
19.1,19.2 Private passenger auto liability	36,637,252	8,016,695		27,880,540	8,756,713	8,016,695
19.3,19.4 Commercial auto liability	7,741,645	2,157,663		6,448,364	1,293,281	2,157,663
21. Auto physical damage	23,311,751	6,647,374		23,041,469	270,282	6,647,374
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety						0
26. Burglary and theft	442	912		442		912
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance-nonproportional assumed property	XXX					0
32. Reinsurance-nonproportional assumed liability	XXX					0
33. Reinsurance-nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	110,657,070	28,495,229	151,967	97,142,207	13,666,831	28,495,229
DETAILS OF WRITE-INS						
3401.						0
3402.						0
3403.						0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	143,396	172,642	143,396	172,642	31,325	24,813	179,155	49.0
2.	Allied lines	179,385	53,403	179,385	53,403	20,181	20,800	52,784	26.0
3.	Farmowners multiple peril	520,461	248,120	520,461	248,120	89,853	99,853	237,860	50.5
4.	Homeowners multiple peril	17,144,765	3,159,847	17,144,765	3,159,847	765,180	709,683	3,215,344	53.9
5.	Commercial multiple peril	6,968,093	1,234,881	6,968,093	1,234,881	1,611,703	1,639,290	1,207,294	46.3
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	349,218	76,681	349,218	76,681	26,244	21,913	81,012	39.5
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence				0	0	0	0	0.0
11.2	Medical professional liability-claims-made				0	0	0	0	0.0
12.	Earthquake				0	0	0	0	0.0
13.	Group accident and health		3,935		3,935	16,028	15,463	4,500	185.4
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation	669,357	502,997	707,064	465,291	938,680	891,419	512,552	53.0
17.1	Other liability-occurrence	1,212	186,528	1,212	186,528	490,761	310,307	366,983	80.1
17.2	Other liability-claims-made		(3,480)		(3,480)	7,302	7,343	(3,521)	(2,349.5)
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence		132		132	1,295	1,422	6	0.4
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	19,399,649	4,377,798	19,399,649	4,377,798	4,773,343	4,706,503	4,444,637	56.0
19.3,19.4	Commercial auto liability	1,105,554	808,696	1,105,554	808,696	1,737,630	1,354,717	1,191,609	62.1
21.	Auto physical damage	13,786,936	3,703,093	13,786,936	3,703,093	(7,282)	(49,831)	3,745,641	57.9
22.	Aircraft (all perils)				0	11	11	0	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	732	732	0	0.0
26.	Burglary and theft				0	6	4	2	0.2
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	60,268,025	14,525,274	60,305,732	14,487,567	10,502,732	9,754,440	15,235,859	55.1
DETAILS OF WRITE-INS									
3401.	.....				0	0	0	0	0.0
3402.	.....				0	0	0	0	0.0
3403.	.....				0	0	0	0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	2,149	15,458	2,149	15,458	30,280	15,867	30,280	31,325	16,911
2.	Allied lines	14,802	11,375	14,802	11,375	17,706	8,806	17,706	20,181	10,987
3.	Farmowners multiple peril	(4,869)	61,767	(4,869)	61,767	22,535	27,826	22,535	89,593	31,174
4.	Homeowners multiple peril	2,860,293	500,986	2,860,293	500,986	1,445,495	264,194	1,445,495	765,180	308,811
5.	Commercial multiple peril	2,625,503	808,170	2,625,503	808,170	1,913,577	803,532	1,913,577	1,611,703	897,707
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	505,580	22,332	505,580	22,332	12,655	3,912	12,655	26,244	6,146
10.	Financial guaranty				0				0	
11.1	Medical professional liability-occurrence				0				0	
11.2	Medical professional liability-claims-made				0				0	
12.	Earthquake				0		0		0	145
13.	Group accident and health		16,028		16,028				(a) 16,028	55
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation	926,708	628,590	986,514	568,784	939,693	480,399	1,050,196	938,680	175,538
17.1	Other liability-occurrence	14,993	318,759	14,993	318,759	453,251	172,002	453,251	490,761	20,281
17.2	Other liability-claims-made		7,232		7,232	141	71	141	7,302	118
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence		680		680	45	615	45	1,295	679
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability	331,544,273	3,484,877	331,544,273	3,484,877	6,227,494	1,288,465	6,227,494	4,773,343	1,177,282
19.3,19.4	Commercial auto liability	3,925,842	1,003,178	3,925,842	1,003,178	1,576,075	734,452	1,576,075	1,737,630	257,410
21.	Auto physical damage	(295,178)	(197,371)	(295,178)	(197,371)	736,995	190,089	736,995	(7,282)	235,195
22.	Aircraft (all perils)		11		11				11	
23.	Fidelity				0				0	
24.	Surety		732		732				732	
26.	Burglary and theft				0	3	6	3	6	2
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance-nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance-nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	342,120,097	6,682,804	342,179,903	6,622,998	13,375,946	3,990,236	13,486,449	10,502,732	3,138,442
DETAILS OF WRITE-INS										
3401.	.....				0				0	
3402.	.....				0				0	
3403.	.....				0				0	
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	4,269,618			4,269,618
1.2 Reinsurance assumed	827,481			827,481
1.3 Reinsurance ceded	4,269,618			4,269,618
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	827,481	0	0	827,481
2. Commission and brokerage:				
2.1 Direct, excluding contingent		14,569,334		14,569,334
2.2 Reinsurance assumed, excluding contingent		4,283,399		4,283,399
2.3 Reinsurance ceded, excluding contingent		14,569,334		14,569,334
2.4 Contingent-direct		1,681,000		1,681,000
2.5 Contingent-reinsurance assumed		513,244		513,244
2.6 Contingent-reinsurance ceded		1,681,000		1,681,000
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	4,796,643	0	4,796,643
3. Allowances to manager and agents	394	65,203		65,596
4. Advertising	313	57,817		58,130
5. Boards, bureaus and associations	24,974	52,000	152	77,126
6. Surveys and underwriting reports		298,022		298,022
7. Audit of assureds' records		10,626		10,626
8. Salary and related items:				
8.1 Salaries	1,293,403	1,553,639	25,372	2,872,414
8.2 Payroll taxes	86,168	126,918	2,907	215,992
9. Employee relations and welfare	416,790	570,548	16,006	1,003,344
10. Insurance	17,778	22,305	3,020	43,103
11. Directors' fees	13,879	23,725	450	38,054
12. Travel and travel items	60,066	60,923	1,010	121,999
13. Rent and rent items	66,957	15,120	132,154	214,231
14. Equipment	62,082	97,000		159,082
15. Cost or depreciation of EDP equipment and software	19,071	31,730		50,801
16. Printing and stationery	9,699	27,577	362	37,638
17. Postage, telephone and telegraph, exchange and express	59,263	191,790	5,456	256,509
18. Legal and auditing	9,013	23,259	212	32,484
19. Totals (Lines 3 to 18)	2,139,849	3,228,203	187,100	5,555,152
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		596,314		596,314
20.2 Insurance department licenses and fees		39,933		39,933
20.3 Gross guaranty association assessments		9,663		9,663
20.4 All other (excluding federal and foreign income and real estate)		9,159		9,159
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	655,069	0	655,069
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	300,567	458,891	49,382	808,839
25. Total expenses incurred	3,267,896	9,138,806	236,482	(a) 12,643,184
26. Less unpaid expenses-current year	3,138,442	1,816,879	2,575	4,957,896
27. Add unpaid expenses-prior year	2,920,368	1,492,862	2,575	4,415,805
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	3,049,822	8,814,789	236,482	12,101,093
DETAILS OF WRITE-INS				
2401. Software Expense.....	119,803	152,168	6,775	278,746
2402. Miscellaneous Expense.....	78,914	153,966	38,649	271,529
2403. Donations.....	8,263	9,977	237	18,477
2498. Summary of remaining write-ins for Line 24 from overflow page	93,586	142,779	3,721	240,087
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	300,567	458,891	49,382	808,839

(a) Includes management fees of \$ 6,363,991 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....283,683	.....278,693
1.1	Bonds exempt from U.S. tax	(a).....576,780	.....654,273
1.2	Other bonds (unaffiliated)	(a).....1,046,663	.....1,051,382
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....164	.....164
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....60	.....60
10.	Total gross investment income	1,907,350	1,984,573
11.	Investment expenses		(g).....236,482
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....236,482
17.	Net investment income (Line 10 minus Line 16)		1,748,091
DETAILS OF WRITE-INS			
0901.	Miscellaneous Investment Income.....	.....60	.....60
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	60	60
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$43,229 accrual of discount less \$447,709 amortization of premium and less \$66,433 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax .....	.....50,688		.....50,688		
1.2	Other bonds (unaffiliated) .....	.....19,902		.....19,902		
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....			.....0		
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	70,590	0	70,590	0	0
DETAILS OF WRITE-INS						
0901.	.....			.....0		
0902.	.....			.....0		
0903.	.....			.....0		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	29,670	35,190	5,520
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	331	(844)	(1,175)
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	7,816	0	(7,816)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	37,817	34,346	(3,471)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	37,817	34,346	(3,471)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.		0	0
2502.		0	0
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

A. Accounting Practices

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

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

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

C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

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

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS
NONE

3. BUSINESS COMBINATIONS AND GOODWILL
NONE

4. DISCONTINUED OPERATIONS
NONE

5. INVESTMENTS

A. MORTGAGE LOANS
NONE

B.DEBT RESTRUCTURING
NONE

C. REVERSE MORTGAGES
NONE

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NOTES TO FINANCIAL STATEMENTS

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) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (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	(126,791)
2	Greater than 12 Months	(44,884)

b.

The aggregate related fair value of securities with unrealized losses:		
1	Less than 12 Months	4,240,806
2	Greater than 12 Months	602,864

- 5) According to SSAP 43R, the best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

- E. REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS
NONE
- F. REAL ESTATE
NONE
- G. LOW INCOME HOUSING TAX CREDITS
NONE

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H. RESTRICTED ASSETS

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending agreements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale										
i. On deposit with states	775,047				775,047	783,389	(8,342)	775,047	1.2%	1.2%
j. On deposit with other regulatory bodies										
k. Pledged as collateral not captured in other categories										
l. Other restricted assets										
m. Total Restricted Assets	775,047				775,047	783,389	(8,342)	775,047	1.2%	1.2%

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
NONE

7. INVESTMENT INCOME
NONE EXCLUDED

8. DERIVATIVE INSTRUMENTS
NONE

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
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NOTES TO FINANCIAL STATEMENTS

9. FEDERAL INCOME TAX

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

1.

12/31/2013		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

(a)	Gross Deferred Tax Assets	\$.....1,107,182	\$0	\$ 1,107,182
(b)	Statutory Valuation Allowance Adjustments	\$..... 0	\$0	\$0
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....1,107,182	\$0	\$ 1,107,182
(d)	Deferred Tax Assets Nonadmitted	\$..... 7,816	\$0	\$ 7,816
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$.....1,099,366	\$0	\$ 1,099,366
(f)	Deferred Tax Liabilities	\$..... 61,453	\$0	\$ 61,453
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....1,037,913	\$0	\$ 1,037,913

12/31/2012		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

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

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

(a)	Gross Deferred Tax Assets	\$..... 48,702	\$0	\$48,702
(b)	Statutory Valuation Allowance Adjustments	\$..... 0	\$0	\$0
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$..... 48,702	\$0	\$48,702
(d)	Deferred Tax Assets Nonadmitted	\$..... 7,816	\$0	\$ 7,816
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$..... 40,886	\$0	\$40,886
(f)	Deferred Tax Liabilities	\$.....(38,934)	\$0	\$ (38,934)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$..... 79,820	\$0	\$ 79,820

2.

12/31/2013		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....978,083	\$0	\$ 978,083
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$..... 59,830	\$0	\$ 59,830
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$..... 59,830	\$0	\$ 59,830
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	<u>XXX</u>	<u>XXX</u>	\$ 5,163,701
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$..... 61,453	\$0	\$ 61,453
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total	(2(a) + 2(b) + 2(c))	\$.....1,099,366	\$0	\$ 1,099,366

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NOTES TO FINANCIAL STATEMENTS

12/31/2012		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....912,049	\$0	\$ 912,049
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$..... 93,189	\$0	\$ 93,189
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$..... 93,189	\$0	\$ 93,189
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$ 4,797,670
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$..... 53,241	\$0	\$ 53,241
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$.....1,058,479	\$0	\$ 1,058,479

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

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$..... 66,034	\$0	\$ 66,034
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$..... (33,359)	\$0	\$ (33,359)
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$..... (33,359)	\$0	\$ (33,359)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$ 366,031
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$..... 8,212	\$0	\$ 8,212
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$..... 40,887	\$0	\$ 40,887

3.		2013	2012
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	.....1,972.500	..... 1,742.100
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$.....35,446,227	\$32,986,130

4.		12/31/2013	
		(1)	(2)
		Ordinary	Capital

Impact of Tax-Planning Strategies

(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	..... 1,107,182	..... 0
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	.....0	..... 0
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	..... 1,099,366	..... 0
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	.....0	..... 0

12/31/2012	
(3)	(4)
Ordinary	Capital

(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.	..... 1,058,480	..... 0
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	.....0	..... 0
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	..... 1,058,480	..... 0
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....0	..... 0

NOTES TO FINANCIAL STATEMENTS

Change	
(5)	(6)
(Col 1-3)	(Col 2-4)
Ordinary	Capital

(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.	48,702	0
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	0	0
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	40,886	0
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	0	0
(b)	Does the Company's tax-planning strategies include the use of reinsurance?	Yes	No X

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

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

(1)	(2)	(3)
12/31/2013	12/31/2012	(Col 1-2) Change

1. Current Income Tax

(a) Federal	\$.....1,090,108	\$.....939,468	\$.....150,640
(b) Foreign	\$.....0	\$.....0	\$.....0
(c) Subtotal	\$.....1,090,108	\$.....939,468	\$.....150,640
(d) Federal income tax on net capital gains	\$.....24,707	\$.....47,292	\$.....(22,585)
(e) Utilization of capital loss carry-forwards	\$.....0	\$.....0	\$.....0
(f) Other	\$.....(98)	\$.....159	\$.....(257)
(g) Federal and foreign income taxes incurred	\$.....1,114,717	\$.....986,919	\$.....127,798

2. Deferred Tax Assets:

(a) Ordinary

(1)	Discounting of unpaid losses	\$.....288,897	\$323,430	\$(34,533)
(2)	Unearned premium reserve	\$.....806,008	\$722,773	\$83,235
(3)	Policyholder reserves	\$.....0	\$0	\$0
(4)	Investments	\$.....0	\$0	\$0
(5)	Deferred acquisition costs	\$.....0	\$0	\$0
(6)	Policyholder dividends accrual	\$.....0	\$0	\$0
(7)	Fixed assets	\$.....0	\$0	\$0
(8)	Compensation and benefits accrual	\$.....0	\$0	\$0
(9)	Pension accrual	\$.....0	\$0	\$0
(10)	Receivables - nonadmitted	\$.....12,277	\$12,277	\$0
(11)	Net operating loss carry-forward	\$.....0	\$0	\$0
(12)	Tax credit carry-forward	\$.....0	\$0	\$0
(13)	Other (including items <5% of total ordinary tax assets)	\$.....0	\$0	\$0
(99)	Subtotal	\$.....1,107,182	\$1,058,480	\$48,702

(b) Statutory valuation allowance adjustment	\$ 0	\$ 0	\$ 0
(c) Nonadmitted	\$ 7,816	\$ 0	\$ 7,816

(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$.....1,099,366	\$.....1,058,480	\$.....40,886
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(e) Capital:

(1) Investments	\$.....0	\$.....0	\$.....0
(2) Net capital loss carry-forward	\$.....0	\$.....0	\$.....0
(3) Real estate	\$.....0	\$.....0	\$.....0
(4) Other (including items <5% of total capital tax assets)	\$.....0	\$.....0	\$.....0
(99) Subtotal	\$.....0	\$.....0	\$.....0

(f) Statutory valuation allowance adjustment	\$.....0	\$.....0	\$.....0
(g) Nonadmitted	\$.....0	\$.....0	\$.....0

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g) \$.....0 \$.....0 \$.....0

(i)	Admitted deferred tax assets (2d + 2h)	\$ 1,099,366	\$ 1,058,480	\$ 40,886
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3. Deferred Tax Liabilities:

(a) Ordinary

(1) Investments	\$..... 51,553	\$ 88,326	\$ (36,773)
(2) Fixed assets	\$..... 0	\$ 0	\$ 0
(3) Deferred and uncollected premium	\$..... 0	\$ 0	\$ 0
(4) Policyholder reserves	\$..... 9,900	\$ 12,061	\$ (2,161)
(5) Other (including items<5% of total ordinary tax liabilities)	\$..... 0	\$ 0	\$ 0
(99) Subtotal	\$..... 61,453	\$ 100,387	\$ (38,934)

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NOTES TO FINANCIAL STATEMENTS

(b)	Capital:			
(1)	Investments	\$.....0	\$.....0	\$.....0
(2)	Real estate	\$.....0	\$.....0	\$.....0
(3)	Other (including items <5% of total capital tax liabilities)	\$.....0	\$.....0	\$.....0
	(99) Subtotal	\$.....0	\$.....0	\$.....0
(c)	Deferred tax liabilities (3a99 + 3b99)	\$.....61,453	\$.....100,387	\$.....(38,934)
4.	Net deferred tax assets/liabilities (2i - 3c)	\$.....1,037,913	\$.....958,093	\$.....79,820
D.	Reconciliation of federal income tax rate to actual effective rate:			

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

	Amount	Tax Effect	Effective Tax Rate
1. Description:			
(a) Income Before Taxes	\$.....3,490,650	\$.....1,221,728	35.00%
(b) Tax-Exempt Interest	\$.....(654,273)	\$.....(228,996)	(6.56%)
(c) Dividends Received Deduction	\$.....0	\$.....0	0.00%
(d) Proration	\$.....98,141	\$.....34,349	0.98%
(e) Meals & Entertainment	\$.....0	\$.....0	0.00%
(f) Statutory Valuation Allowance	\$.....0	\$.....0	0.00%
(g) Foreign Taxes	\$.....0	\$.....0	0.00%
(h) Other, Including Prior Year True-up	\$.....0	\$.....0	0.00%
Total	\$.....2,934,518	\$.....1,027,081	29.42%
2. Description:			
(a) Federal Income Tax Incurred [Expense/(Benefit)]		\$.....1,090,011	31.23%
(b) Tax on Capital Gains/(Losses)		\$.....24,707	0.71%
(c) Change in Net Deferred Income Tax [Charge/(Benefit)]		\$.....(87,636)	(2.51%)
Total		\$.....1,027,081	29.42%

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

1.	At December 31, 2013, the Company had net operating loss carry forwards of:	\$0		
	At December 31, 2013, the Company had capital loss carry forwards of:	\$0		
	At December 31, 2013, the Company had AMT credit carry forwards, which do not expire, in the amount of:	\$0		
2.	The following is income tax expense that is available for recoupment in the event of future net losses:			
	Year	Ordinary	Capital	Total
	2011	\$.....0	\$0	\$0
	2012	\$.....939,371	\$47,292	\$986,663
	2013	\$.....1,090,108	\$24,707	\$1,114,815
	Total	\$.....2,029,479	\$71,998	\$2,101,478

3.	Deposits admitted under IRC S6603:	
	NONE	
F.	The Company’s federal income tax return is consolidated with the following entities:	
1.	Grange Mutual Casualty Company	
2.	The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate company basis with current credit for losses.	

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES	
A.	Relationship with Parent, Subsidiaries and Affiliates The Company is a 100% owned subsidiary of Grange Mutual Casualty Company (GMCC), an insurance company domiciled in the State of Ohio, and a member of the Grange Mutual Casualty Group.
B.	Descriptions of transactions with Parent, Subsidiaries and Affiliates NONE
C.	Amounts of transactions with Parent, Subsidiaries and Affiliates NONE
D.	Amounts due from or to related parties At December 31, 2013, the Company reported \$0.4 million as amounts due from GMCC. The terms of the settlement require that these amounts be settled within 45 days.
E.	Guarantees or Contingencies for Related Parties NONE
F.	Description of material management or service contracts The Company maintains a service agreement with GMCC, whereby GMCC provides service for the Company and makes available all services necessary to support its business operations. These services include all necessary financial, actuarial, audit, accounting, tax, information technology, records management and legal and compliance services, other than those provided by third party service providers.

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NOTES TO FINANCIAL STATEMENTS

- G. Nature of the control relationship
The Company participates in a pooling reinsurance agreement detailed in Note 26.
- H. Amount Deducted for Investment in Upstream Company
NONE
- I. Investments in Affiliates Greater than 10% of Admitted Assets
NONE
- J. The Company did not recognize any impairment write down for investments in Subsidiary, Controlled or Affiliated Companies during the period.
- K. The Company does not have investments in a foreign insurance subsidiary.
- L. The Company does not have an investment in a downstream noninsurance company.

11. DEBT
NONE

12. RETIREMENT PLANS AND DEFERRED COMPENSATION

All employees are employed by GMCC and participate in the pension and other benefit plans of GMCC. Annual costs are shared via the pooling arrangement.

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

- 1. The Company has 1,000 shares authorized, 1,000 shares issued and 1,000 shares outstanding. All shares are Class A shares.
- 2. The Company has no preferred stock outstanding.
- 3. The Company doesn’t pay dividends to its policyholders. Dividends recorded in these financial statements were paid by other companies within the Grange Mutual Casualty Group.
- 4. No dividends were paid by the Company.
- 5. The Company doesn’t pay dividends to its policyholders.
- 6. There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- 7. No advances to surplus were made.
- 8. No amounts of stock were held by the Company.
- 9. No special surplus funds are held.
- 10. The Company has no unrealized gains.
- 11. The Company has no surplus notes.
- 12. There has not been any restatements due to prior quasi-reorganizations
- 13. There has been no quasi-reorganization in the past 10 years.

14. CONTINGENCIES

- A. Contingent Commitments
NONE
- B. Assessments
Guaranty Fund Assessments are recorded by the parent, Grange Mutual Casualty Company.
- C. Gain Contingencies
NONE
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits
NONE
- E. Product Warranties
NONE
- F. All Other Contingencies
Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. LEASES
NONE

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

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

- A. NONE
- B. Transfer and Servicing of Financial Assets
 - 1) None
 - 2) The Company participates in a securities lending program with JPMorgan Chase Bank as lending agent. The Company had no securities on loan at December 31, 2013. Collateral received from lending activities is maintained in accordance to the securities lending agreement, whereby the collateral requirement shall be an amount equal to 102% of the then current market value of the relevant loaned securities where securities and collateral are denominated in the same currency, and 105% for all other securities. The Company’s lending agent, JPMorgan Chase Bank, reinvests the cash collateral according to investment guidelines outlined in the securities lending agreement and is reported on-balance sheet. Collateral received in the form of securities are restricted and off-balance sheet. The Company is not able to sell or reinvest the securities received as collateral and according to the MLSA, the borrower bears all the risk associated with said securities.
- C. NONE

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.
NONE

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS
NONE

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NOTES TO FINANCIAL STATEMENTS

20. FAIR VALUE MEASUREMENTS

- A. All assets and liabilities of the Company are measured and reported at cost or amortized cost in accordance with footnote 1 above.

1. NONE

2. None

3. The Company’s policy is to recognize transfers in and out as of the end of the reporting period.

4. As of December 31, 2013, the reported fair value of the Company’s investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows: According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of December 31, 2013, the Company did not own bonds rated NAIC 3 thru 6 and therefore did not report any securities at fair value.
- C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	53,509,082	51,975,583	7,097,350	46,411,732	0	0
Common Stock	0	0	0	0	0	0
Perpetual Preferred	0	0	0	0	0	0
Other Invested Asset	0	0	0	0	0	0
Money Market	0	0	0	0	0	0
TOTAL	53,509,082	51,975,583	7,097,350	46,411,732	0	0

- D. Not Practicable to Estimate Fair Value
- NONE

21. OTHER ITEMS

- A. Extraordinary Items
- NONE
- B. Troubled Debt Restructuring
- NONE
- C. Other Disclosures
- NONE
- D. Business Interruption Insurance Recoveries
- NONE
- E. State Transferable and Non-transferable Tax Credits
- NONE
- F. Subprime-Mortgage-Related Risk Exposure

1. Management’s Definition of Exposure to Subprime Mortgage Related Risk

Management defines “subprime” mortgage loans as mortgage loans that are originated with an inherently higher risk profile or have a loan structure that is distinctly different from that of traditional mortgage loans. Management considers the following factors in determining whether or not a mortgage represents a subprime risk: borrowers with low credit ratings (FICO score); unconventionally high initial loan-to-value ratios (LTVs); unconventionally structured loans (option pay adjustable rate mortgages or negative amortizing loans); unconventionally high interest rates; and less than conventional documentation of the borrower’s income and/or assets.

2. The Company has no direct exposure through investments in subprime mortgage loans

3. Estimated Direct Exposure to Subprime Mortgage Risk Through Other Investments

Management considers the Company's holdings in securities with underlying subprime exposure to be minimal. The majority of residential mortgage backed securities (RMBS) in the portfolio are issued by government-sponsored enterprises (GSEs). The Company did not own securities with collateral that contain subprime characteristics based on low credit (FICO scores less than 620) and/or high LTVs. The Company's bond portfolio does not include any positions in collateralized debt obligations (CDOs) on a direct basis. On a quarterly basis, management reviews all loan-backed and structured securities with an unrealized loss position according to SSAP 43-R. The best estimate of future cash flows using the appropriate discount rate is calculated for each affected security. To assist in this effort, a brokerage firm provides forward-looking assumptions for default rates, voluntary prepayment speeds, and loss severities on a majority of the securities governed by SSAP 43R. The outcomes of this process assure that anticipated cash flows will not be less than the carrying value subsequent to other-than-temporary impairments. As of December 31, 2013, management estimates there were no unrealized losses present due to subprime mortgage exposure.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	0	0	0	0
b. Commercial mortgage-backed securities	0	0	0	0
c. Collateralized debt obligations	0	0	0	0
d. Structured securities	0	0	0	0
e. Equity investment in SCAs *	0	0	0	0
f. Other assets	0	0	0	0
g. Total	0	0	0	0

4. The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage.

22. EVENTS SUBSEQUENT

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

23. REINSURANCE

A. UNSECURED REINSURANCE RECOVERABLES
None exceed 3% of Surplus

B. REINSURANCE RECOVERABLE IN DISPUTE
NONE

C. REINSURANCE ASSUMED AND CEDED

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium	Commission	Premium	Commission	Premium	Commission
		Reserve	Equity	Reserve	Equity	Reserve	Equity
a.	Affiliates	11,211,433	2,018,058	39,097,229	7,037,501	(27,885,796)	(5,019,443)
b.	All Other	40,015	7,203	2,941,310	529,436	(2,901,295)	(522,233)
c.	TOTAL	11,251,447	2,025,261	42,038,539	7,566,937	(30,787,091)	(5,541,676)

d. Direct Unearned Premium Reserve 41,998,524

	Direct	Assumed	Ceded	Net
2. Contingent Commission	1,681,000	513,244	1,681,000	513,244

D. UNCOLLECTIBLE REINSURANCE
NONE

E. COMMUTATION OF CEDED REINSURANCE
NONE

F. RETROACTIVE REINSURANCE
NONE

G. REINSURANCE ACCOUNTED FOR AS A DEPOSIT
NONE

H. DISCLOSURES FOR THE TRANSFER OF PROPERTY AND CASUALTY RUN-OFF AGREEMENTS
NONE

I. CERTIFIED REINSURER RATING DOWNGRADED OR STATUS SUBJECT TO REVOCATION
NONE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
NONE

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by (\$0.558) million from \$20.059 million in 2012 to \$19.501 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	2013	2012
BALANCE JANUARY 1	20,058,574	19,166,249
LESS REINSURANCE RECOVERABLES	7,383,766	6,475,547
NET BALANCE JANUARY 1	12,674,808	12,690,702
INCURRED RELATED TO:		
CURRENT YEAR	19,061,580	18,937,369
PRIOR YEAR	(557,825)	(1,087,174)
TOTAL INCURRED	18,503,755	17,850,195
PAID RELATED TO:		
CURRENT YEAR	11,858,555	12,442,333
PRIOR YEAR	5,678,834	5,423,756
TOTAL PAID	17,537,389	17,866,089
NET BALANCE AT DECEMBER 31	13,641,174	12,674,808
PLUS REINSURANCE RECOVERABLES	8,847,891	7,383,766
BALANCE AT DECEMBER 31	22,489,065	20,058,574

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
GRANGE INSURANCE COMPANY OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

26. INTERCOMPANY POOLING AGREEMENTS

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

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

27. STRUCTURED SETTLEMENTS
NONE

28. HEALTH CARE RECEIVABLES
NONE

29. PARTICIPATING POLICIES
NONE

30. PREMIUM DEFICIENCY RESERVES
A. Liability carried for Premium Deficiency Reserves is zero.
B. Date of the most recent evaluation of this liability was 12/31/2013.
C. Anticipated investment income was not utilized in this calculation.

31. HIGH DEDUCTIBLES
NONE

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

33. ASBESTOS/ENVIRONMENTAL RESERVES
NONE

34. SUBSCRIBER SAVINGS ACCOUNTS
NOT APPLICABLE

35. MULTIPLE PERIL CROP INSURANCE
NONE

36. FINANCIAL GUARANTY INSURANCE
NONE

37. CATASTROPHIC PLANNING
The Company utilizes a variety of catastrophe mitigation techniques including exposure management, catastrophe modeling, transfer of risk via reinsurance and claims staff preparation. Exposure management includes active management of exposures and loss potentials such as monitoring of changes in insured values, peril avoidance, pricing actions and/or agency realignments. The Company primarily relies on two probabilistic catastrophe models to identify PML and TVaR estimates on an annual basis. A deterministic model augments this effort. The Company has a comprehensive catastrophic reinsurance program in place and we currently purchase coverage well in excess of our 250+ year event outcome. The Company places an emphasis on settlement of claims by Company personnel and these associates receive ongoing training on property claims practices.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Ohio.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☒ No ☐
- 2.2

If yes, date of change:

.....07/25/2013
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2009
- 3.2

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

.....12/31/2009
- 3.3

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

.....10/25/2010
- 3.4

By what department or departments? Ohio.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes ☐ No ☒
- 4.12 renewals?

Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes ☐ No ☒
- 4.22 renewals?

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

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

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers LLP, Columbus, Ohio.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kenneth Lin, FCAS, MAAA, Officer of the Reporting Entity.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? 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.

14.11 If the response to 14.1 is no, please explain:

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

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

GENERAL INTERROGATORIES

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

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

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....775,047
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	51,975,583	53,339,699	1,364,116
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	51,975,583	53,339,699	1,364,116

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

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

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

- 34.1 Amount of payments for legal expenses, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only

\$.....0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$.....

1.31

Reason for excluding

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....0

1.62

Total incurred claims

\$.....0

1.63

Number of covered lives

.....0

All years prior to most current three years:

1.64

Total premium earned

\$.....0

1.65

Total incurred claims

\$.....0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

\$

0

2.2

Premium Denominator

\$

27,638,891

\$

25,867,040

2.3

Premium Ratio (2.1/2.2)

.....

0.000

.....

0.000

2.4

Reserve Numerator

\$

16,083

\$

15,518

2.5

Reserve Denominator

\$

24,852,606

\$

23,029,902

2.6

Reserve Ratio (2.4/2.5)

.....

0.001

.....

0.001

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies.....

\$.....

3.22

Non-participating policies.....

\$.....

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

Does the reporting entity issue assessable policies?.....

Yes [] No [X]

4.2

Does the reporting entity issue non-assessable policies?.....

Yes [X] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?.....

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$.....

5.

For Reciprocal Exchanges Only:

5.1

Does the exchange appoint local agents?.....

Yes [] No [X]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A [X]

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A [X]

5.3

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

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?.....

Yes [] No [X]

5.5

If yes, give full information

.....

16

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
Purchased workers' compensation reinsurance.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Notes to Financial Statement Number 37.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
See Notes to Financial Statement Number 37.....

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?.....

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophe loss
.....

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?.....

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.....

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

8.1

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

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.....

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or,

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes

[X]

No

[]

16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [] No [X]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [] No [X] N/A []

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

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

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$2,000,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

1

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [X] No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
See Notes to Financial Statement Number 26. Catastrophe Excess Loss Agreement allocated based on percentage of participation

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [X] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE GRANGE INSURANCE COMPANY OF MICHIGAN

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.					
	1 2013	2 2012	3 2011	4 2010	5 2009
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	58,761,900	57,733,398	58,372,681	61,929,778	53,413,345
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	32,720,825	31,586,891	33,176,805	38,441,111	35,834,577
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	47,819,113	43,488,943	38,691,103	38,503,066	35,455,084
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,428	2,753	2,643	3,452	4,795
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	139,304,267	132,811,985	130,243,232	138,877,407	124,707,801
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	11,582,721	10,924,255	10,739,717	11,669,716	11,671,111
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,503,711	6,912,116	6,901,459	7,670,521	8,053,674
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	9,406,370	8,611,077	8,067,244	8,318,035	8,296,612
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,428	2,753	2,643	3,452	4,795
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	28,495,229	26,450,201	25,711,064	27,661,724	28,026,192
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(3,671)	(313,023)	(456,248)	(981,188)	(1,343,788)
14. Net investment gain (loss) (Line 11)	1,793,974	1,720,508	1,563,024	1,334,536	1,506,538
15. Total other income (Line 15)	1,756,625	1,974,148	2,403,947	2,810,781	2,061,769
16. Dividends to policyholders (Line 17)	80,985	78,719	76,345	80,891	73,978
17. Federal and foreign income taxes incurred (Line 19)	1,090,011	939,627	1,010,183	729,884	889,426
18. Net income (Line 20)	2,375,932	2,363,288	2,424,195	2,353,354	1,261,115
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	63,915,503	58,520,879	55,302,292	53,558,551	51,468,333
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	5,412,005	4,876,168	4,593,104	4,861,399	5,127,290
20.2 Deferred and not yet due (Line 15.2)	9,020	(5,584)	(4,698)	(6,349)	2,683
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	28,469,276	25,534,749	24,670,344	25,300,087	25,460,619
22. Losses (Page 3, Line 1)	10,502,732	9,754,440	9,867,043	10,104,426	9,988,810
23. Loss adjustment expenses (Page 3, Line 3)	3,138,442	2,920,368	2,823,659	3,045,448	3,062,008
24. Unearned premiums (Page 3, Line 9)	11,211,433	10,355,094	9,771,933	10,148,345	10,497,400
25. Capital paid up (Page 3, Lines 30 & 31)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	35,446,227	32,986,130	30,631,948	28,258,464	26,007,714
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	2,211,633	4,207,376	1,504,136	2,768,276	3,454,200
Risk-Based Capital Analysis					
28. Total adjusted capital	35,446,227	32,986,130	30,631,948	28,258,464	26,007,714
29. Authorized control level risk-based capital	2,080,873	1,895,776	1,899,682	2,048,323	2,156,454
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	98.3	98.9	97.9	98.8	98.4
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	1.7	1.1	2.1	1.2	1.6
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	XXX
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2013	2012	2011	2010	2009
(Continued)					
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	0	0	0	0	0
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	2,460,097	2,354,182	2,373,484	2,250,750	1,533,873
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	27,048,444	25,971,001	28,213,772	28,540,315	23,655,983
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	18,464,753	19,244,943	23,076,369	24,117,093	22,320,833
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	29,276,167	24,256,558	25,736,635	24,684,522	24,148,260
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	3,935	4,980	4,623	4,809	5,716
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	74,793,299	69,477,483	77,031,399	77,346,739	70,130,792
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,834,966	5,679,090	6,268,395	6,836,724	6,575,659
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	4,005,819	3,893,219	4,216,613	4,363,451	4,500,105
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,642,848	5,541,584	5,424,006	5,805,558	5,580,493
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	3,935	4,980	4,623	4,809	5,716
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	14,487,567	15,118,873	15,913,636	17,010,542	16,661,973
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	55.1	58.0	60.1	61.1	61.6
68. Loss expenses incurred (Line 3)	11.8	11.0	10.4	10.6	10.4
69. Other underwriting expenses incurred (Line 4)	33.1	32.2	31.3	31.8	32.9
70. Net underwriting gain (loss) (Line 8)	0.0	(1.2)	(1.7)	(3.5)	(4.9)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	25.9	24.0	22.4	22.0	24.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	66.9	69.0	70.5	71.7	72.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	80.4	80.2	83.9	97.9	107.8
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(126)	(682)	(1,131)	(727)	(356)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.4)	(2.2)	(4.0)	(2.8)	(1.5)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(653)	(1,300)	(1,288)	(729)	(1,139)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(2.1)	(4.6)	(5.0)	(3.0)	(5.2)

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

If no, please explain

.....

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	36	25	20	4	1	0	6	27	XXX
2. 2004	25,881	867	25,014	12,789	182	645	5	1,952	1	729	15,199	XXX
3. 2005	26,266	958	25,307	12,470	125	581	16	1,919	0	725	14,829	XXX
4. 2006	27,337	1,133	26,204	14,184	642	527	2	2,228	0	722	16,295	XXX
5. 2007	28,399	968	27,431	15,639	636	538	4	2,116	1	845	17,651	XXX
6. 2008	28,061	1,297	26,764	17,728	2,009	558	26	2,284	1	797	18,534	XXX
7. 2009	28,917	1,459	27,459	16,864	482	472	2	2,287	0	864	19,138	XXX
8. 2010	29,435	1,425	28,011	16,912	525	440	0	2,409	0	966	19,236	XXX
9. 2011	27,656	1,569	26,087	17,039	2,317	372	10	2,340	0	839	17,423	XXX
10. 2012	27,318	1,451	25,867	13,794	702	189	3	2,140	1	730	15,418	XXX
11. 2013	28,983	1,344	27,639	9,959	148	73	1	1,976	0	451	11,859	XXX
12. Totals	XXX	XXX	XXX	147,414	7,793	4,414	73	21,653	4	7,675	165,610	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1.	1,113	1,029	.4	.0	.1	.5	.0	.0	.9	.0	.0	.93	xxx
2.	2,183	2,153	.2	.0	.0	.0	.8	.0	.5	.0	.2	.44	xxx
3. ....	.258	.217	.1	.0	.0	.0	.12	.0	.3	.0	.4	.56	xxx
4. ....	.476	.425	.2	.0	.0	.0	.18	.0	.3	.0	.6	.74	xxx
5.	1,336	1,274	.5	.0	.0	.0	.28	.0	.7	.0	.10	.102	xxx
6. ....	.318	.168	.8	.0	.0	.0	.42	.0	.16	.0	.16	.216	xxx
7. ....	.628	.439	.32	.0	.0	.0	.82	.0	.19	.0	.27	.322	xxx
8.	1,488	.954	.70	.9	.0	.0	.160	.0	.43	.0	.43	.799	xxx
9.	2,294	1,229	.246	.20	.0	.0	.309	.0	.97	.0	.81	1,697	xxx
10.	2,225	.642	.765	.31	.0	.0	.539	.0	.178	.0	.146	3,034	xxx
11.	3,757	.194	2,139	.63	.2	.0	.631	.0	.931	.0	.396	7,203	xxx
12.	16,077	8,725	3,274	.123	.3	.5	1,829	.0	1,312	.0	.729	13,641	xxx

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	.88	.5
2.	17,584	2,341	15,243	.67.9	270.0	.60.9	.0	.0	2.5	.31	.13
3.	15,244	.358	14,886	.58.0	37.3	.58.8	.0	.0	2.5	.42	.14
4.	17,438	1,069	16,369	.63.8	94.4	.62.5	.0	.0	2.5	.53	.21
5.	19,669	1,915	17,754	.69.3	197.8	.64.7	.0	.0	2.5	.67	.35
6.	20,954	2,204	18,750	.74.7	169.9	.70.1	.0	.0	2.5	.159	.58
7.	20,384	.923	19,461	.70.5	63.3	.70.9	.0	.0	2.5	.221	.101
8.	21,524	1,489	20,035	.73.1	104.5	.71.5	.0	.0	2.5	.595	.203
9.	22,696	3,577	19,120	.82.1	228.0	.73.3	.0	.0	2.5	1,291	.406
10.	19,831	1,378	18,453	.72.6	95.0	.71.3	.0	.0	2.5	2,317	.717
11.	19,467	.406	19,062	.67.2	30.2	.69.0	.0	.0	2.5	5,639	1,564
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	10,503	3,138

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior	4,581	4,975	4,792	4,792	4,718	4,692	4,651	4,679	4,697	4,713	16	33
2. 2004	14,117	13,699	13,534	13,392	13,326	13,308	13,289	13,276	13,281	13,286	6	11
3. 2005	XXX	13,709	13,538	13,289	13,136	13,028	12,966	12,977	12,972	12,964	(7)	(13)
4. 2006	XXX	XXX	15,129	14,551	14,390	14,244	14,178	14,150	14,148	14,138	(10)	(12)
5. 2007	XXX	XXX	XXX	16,195	15,975	15,807	15,699	15,645	15,682	15,632	(51)	(13)
6. 2008	XXX	XXX	XXX	XXX	16,623	16,732	16,656	16,429	16,465	16,451	(14)	22
7. 2009	XXX	XXX	XXX	XXX	XXX	17,814	17,459	17,182	17,178	17,155	(23)	(27)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	18,348	17,778	17,525	17,583	58	(195)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,142	16,628	16,683	55	(459)
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,290	16,135	(155)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,154	XXX	XXX
12. Totals											(126)	(653)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior	000	2,200	3,379	4,000	4,306	4,424	4,513	4,550	4,602	4,629	XXX	XXX
2. 2004	8,315	10,987	11,984	12,615	12,909	13,102	13,181	13,214	13,238	13,247	XXX	XXX
3. 2005	XXX	8,009	10,470	11,708	12,409	12,695	12,793	12,867	12,886	12,911	XXX	XXX
4. 2006	XXX	XXX	9,065	11,881	13,040	13,646	13,908	14,023	14,056	14,067	XXX	XXX
5. 2007	XXX	XXX	XXX	10,191	13,076	14,358	15,121	15,322	15,457	15,536	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	10,754	14,064	15,150	15,801	16,031	16,251	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	11,427	14,811	15,902	16,506	16,852	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	11,803	14,892	16,020	16,827	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,141	13,976	15,083	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,617	13,279	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,883	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior	1,730	1,226	280	314	179	112	43	14	9	4
2. 2004	3,100	1,386	386	302	159	84	35	18	11	9
3. 2005	XXX	2,659	928	638	301	144	57	29	23	12
4. 2006	XXX	XXX	2,273	1,330	627	259	109	51	40	20
5. 2007	XXX	XXX	XXX	2,827	1,357	594	245	105	74	33
6. 2008	XXX	XXX	XXX	XXX	2,735	1,247	523	216	124	50
7. 2009	XXX	XXX	XXX	XXX	XXX	2,926	1,312	518	205	114
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	3,034	1,195	524	221
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,743	1,088	535
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,708	1,273
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,707

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories										
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9	
		2	3							
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)	
1. Alabama	AL	N	.0	.0	.0	.0	.0	.0	.0	
2. Alaska	AK	N	.0	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ	N	.0	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR	N	.0	.0	.0	.0	.0	.0	.0	
5. California	CA	N	.0	.0	.0	.0	.0	.0	.0	
6. Colorado	CO	N	.0	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT	N	.0	.0	.0	.0	.0	.0	.0	
8. Delaware	DE	N	.0	.0	.0	.0	.0	.0	.0	
9. Dist. Columbia	DC	N	.0	.0	.0	.0	.0	.0	.0	
10. Florida	FL	N	.0	.0	.0	.0	.0	.0	.0	
11. Georgia	GA	N	.0	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI	N	.0	.0	.0	.0	.0	.0	.0	
13. Idaho	ID	N	.0	.0	.0	.0	.0	.0	.0	
14. Illinois	IL	N	.0	.0	.0	.0	.0	.0	.0	
15. Indiana	IN	N	.0	.0	.0	.0	.0	.0	.0	
16. Iowa	IA	N	.0	.0	.0	.0	.0	.0	.0	
17. Kansas	KS	N	.0	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY	N	.0	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA	N	.0	.0	.0	.0	.0	.0	.0	
20. Maine	ME	N	.0	.0	.0	.0	.0	.0	.0	
21. Maryland	MD	N	.0	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA	N	.0	.0	.0	.0	.0	.0	.0	
23. Michigan	MI	L	110,657,070	107,626,054	.0	60,268,025	122,140,038	355,496,043	1,833,016	
24. Minnesota	MN	N	.0	.0	.0	.0	.0	.0	.0	
25. Mississippi	MS	N	.0	.0	.0	.0	.0	.0	.0	
26. Missouri	MO	N	.0	.0	.0	.0	.0	.0	.0	
27. Montana	MT	N	.0	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE	N	.0	.0	.0	.0	.0	.0	.0	
29. Nevada	NV	N	.0	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH	N	.0	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ	N	.0	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM	N	.0	.0	.0	.0	.0	.0	.0	
33. New York	NY	N	.0	.0	.0	.0	.0	.0	.0	
34. No. Carolina	NC	N	.0	.0	.0	.0	.0	.0	.0	
35. No. Dakota	ND	N	.0	.0	.0	.0	.0	.0	.0	
36. Ohio	OH	L	.0	.0	.0	.0	.0	.0	.0	
37. Oklahoma	OK	N	.0	.0	.0	.0	.0	.0	.0	
38. Oregon	OR	N	.0	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA	N	.0	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI	N	.0	.0	.0	.0	.0	.0	.0	
41. So. Carolina	SC	N	.0	.0	.0	.0	.0	.0	.0	
42. So. Dakota	SD	N	.0	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN	N	.0	.0	.0	.0	.0	.0	.0	
44. Texas	TX	N	.0	.0	.0	.0	.0	.0	.0	
45. Utah	UT	N	.0	.0	.0	.0	.0	.0	.0	
46. Vermont	VT	N	.0	.0	.0	.0	.0	.0	.0	
47. Virginia	VA	N	.0	.0	.0	.0	.0	.0	.0	
48. Washington	WA	N	.0	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV	N	.0	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI	N	.0	.0	.0	.0	.0	.0	.0	
51. Wyoming	WY	N	.0	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU	N	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR	N	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI	N	.0	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	.0	
57. Canada	CAN	N	.0	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Totals	(a) 2		110,657,070	107,626,054	.0	60,268,025	122,140,038	355,496,043	1,833,016	.0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0

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

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

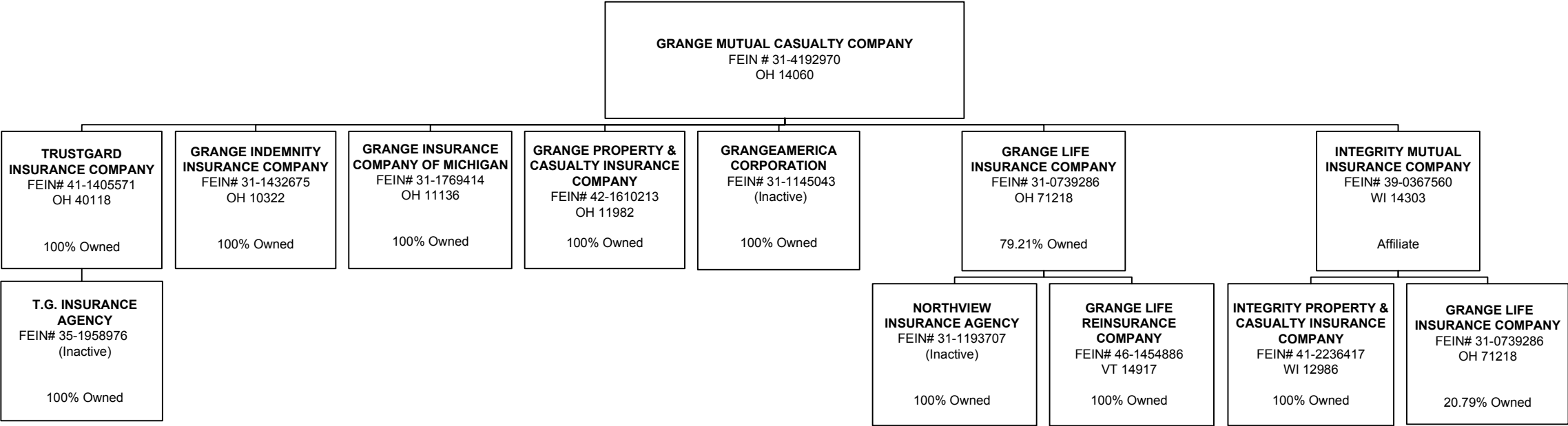
Location of the risk.

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

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

PART 1 – ORGANIZATIONAL CHART

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