

Correction to Page 4, line 1.2 inset amount, Assumed Premium Written.



**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE INDEMNITY INSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 40,706,082 )	32,289,196	22,041,934	50,025,468
1.2 Assumed (written \$ 24,585,266 )	23,055,808	21,583,242	44,235,341
1.3 Ceded (written \$ 40,721,399 )	32,300,339	22,045,823	50,038,584
1.4 Net (written \$ 24,569,949 )	23,044,665	21,579,353	44,222,225
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 13,022,047 ):			
2.1 Direct	20,762,353	11,912,829	29,519,513
2.2 Assumed	13,357,242	11,088,565	24,385,059
2.3 Ceded	20,770,268	11,916,373	29,527,197
2.4 Net	13,349,327	11,085,021	24,377,375
3. Loss adjustment expenses incurred	2,625,965	2,544,065	5,228,633
4. Other underwriting expenses incurred	7,334,890	7,409,394	14,622,090
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	23,310,182	21,038,480	44,228,098
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(265,517)	540,873	(5,873)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,355,779	1,305,679	2,686,069
10. Net realized capital gains (losses) less capital gains tax of \$ (5,984)	(11,114)	22,206	91,007
11. Net investment gain (loss) (Lines 9 + 10)	1,344,665	1,327,885	2,777,076
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 2,121 amount charged off \$ 132,064 )	(129,943)	(102,139)	(222,539)
13. Finance and service charges not included in premiums	707,557	674,124	1,375,221
14. Aggregate write-ins for miscellaneous income	135,179	110,137	208,918
15. Total other income (Lines 12 through 14)	712,793	682,122	1,361,600
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,791,941	2,550,880	4,132,803
17. Dividends to policyholders	67,000	52,805	129,577
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,724,941	2,498,075	4,003,226
19. Federal and foreign income taxes incurred	548,391	807,515	1,191,868
20. Net income (Line 18 minus Line 19)(to Line 22)	1,176,550	1,690,560	2,811,358
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	43,733,314	40,786,493	40,786,493
22. Net income (from Line 20)	1,176,550	1,690,560	2,811,358
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0	0
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	103,489	92,682	128,511
27. Change in nonadmitted assets	(7,173)	(11,921)	6,952
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,272,866	1,771,321	2,946,821
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	45,006,180	42,557,814	43,733,314
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	135,179	110,137	208,918
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	135,179	110,137	208,918
3701.		0	0
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0