



## PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

## QUARTERLY STATEMENT

**AS OF JUNE 30, 2014  
OF THE CONDITION AND AFFAIRS OF THE**

# GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	11982	Employer's ID Number	42-1610213
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	04/01/2004		Commenced Business	05/21/2004		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)	
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH, US 43216-1218 (City or Town, State, Country and Zip Code)		Columbus, OH, US 43216-1218 (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)			
	ackermannnd@grangeinsurance.com (E-Mail Address)		614-449-3757 (Fax Number)			

## OFFICERS

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

## OTHER OFFICERS

JOHN CHRISTOPHER  
MONTGOMERY, VP - INVESTMENTS

## **DIRECTORS OR TRUSTEES**

MARK LEWIS BOXER      DOUGLAS PAUL BUTH      GLENN EUGENE CORLETT      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 of ..... Ohio .....

County of Franklin ss

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

THOMAS HOWARD WELCH  
PRESIDENT & CEO

LAVAWN DEE COLEMAN  
VP & SECRETARY

JOHN PAUL MCCAFFREY  
VP & CFO

a. Is this an original filing?

Yes [X] No [ ]

b. If no:

**1. State the amendment number**

2. Date filed

3. Number of pages attached

Teresa J. Burchwell, Notary Public  
April 28, 2017

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	46,691,039		46,691,039	45,676,126
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... 1,255,715 ), cash equivalents (\$ ..... 0 ) and short-term investments (\$ ..... 0 ) .....	1,255,715		1,255,715	940,539
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....	2,063		2,063	2,063
10. Securities lending reinvested collateral assets .....	2,328,572		2,328,572	1,049,348
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	50,277,389	.0	50,277,389	47,668,076
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	481,699		481,699	465,952
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	4,990,109	27,182	4,962,927	4,329,604
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... 8,482 earned but unbilled premiums) .....	.8,887	405	.8,482	.7,216
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	991,814	109,118	882,696	826,918
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	1,186,308		1,186,308	1,064,920
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other-than-invested assets .....	.12,804	.0	.12,804	.10,700
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	57,949,010	136,705	57,812,305	54,373,386
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	57,949,010	136,705	57,812,305	54,373,386
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Equities in Pools .....	.12,804		.12,804	.10,700
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) .....	12,804	0	12,804	.10,700

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 2,566,431 )	8,560,401	8,402,185
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	2,487,244	2,510,753
4. Commissions payable, contingent commissions and other similar charges	159,980	407,866
5. Other expenses (excluding taxes, licenses and fees)	657,755	769,139
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	232,764	278,721
7.1 Current federal and foreign income taxes (including \$ 7,423 on realized capital gains (losses))	932,304	1,723,070
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 73,606,863 and including warranty reserves of \$ for medical loss ratio rebate per the Public Health Service Act)	9,731,788	8,969,146
10. Advance premium	1,670,443	1,030,265
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	22,326	19,901
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	2,328,572	1,049,348
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	26,783,577	25,160,395
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	26,783,577	25,160,395
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,000,000	2,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	13,000,000	13,000,000
35. Unassigned funds (surplus)	16,028,728	14,212,991
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	31,028,728	29,212,991
38. Totals (Page 2, Line 28, Col. 3)	57,812,305	54,373,386
<b>DETAILS OF WRITE-INS</b>		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY 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 \$ 106,000,540 )	98,747,621	74,884,318	164,080,439
1.2 Assumed (written \$ 12,457,612 )	11,679,179	10,918,597	22,387,540
1.3 Ceded (written \$ 106,173,177 )	98,904,468	75,013,239	164,356,867
1.4 Net (written \$ 12,284,975 )	11,522,332	10,789,676	22,111,112
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 6,511,024 ):			
2.1 Direct	59,438,618	38,782,468	98,129,454
2.2 Assumed	6,768,476	5,628,217	12,359,958
2.3 Ceded	59,532,430	38,868,175	98,300,725
2.4 Net	6,674,664	5,542,510	12,188,688
3. Loss adjustment expenses incurred	1,312,982	1,272,032	2,614,317
4. Other underwriting expenses incurred	3,667,445	3,704,697	7,311,045
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	11,655,091	10,519,239	22,114,049
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(132,759)	270,437	(2,937)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	734,243	667,941	1,408,166
10. Net realized capital gains (losses) less capital gains tax of \$ 7,423	13,785	30,230	42,500
11. Net investment gain (loss) (Lines 9 + 10)	748,028	698,171	1,450,666
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,060 amount charged off \$ 66,032 )	(64,972)	(51,070)	(111,270)
13. Finance and service charges not included in premiums	2,134,691	1,757,192	3,812,772
14. Aggregate write-ins for miscellaneous income	36,937	27,130	59,614
15. Total other income (Lines 12 through 14)	2,106,656	1,733,252	3,761,116
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,721,925	2,701,860	5,208,846
17. Dividends to policyholders	33,500	26,403	64,788
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,688,425	2,675,457	5,144,058
19. Federal and foreign income taxes incurred	924,881	876,717	1,700,186
20. Net income (Line 18 minus Line 19)(to Line 22)	1,763,544	1,798,740	3,443,872
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	29,212,991	25,720,918	25,720,918
22. Net income (from Line 20)	1,763,544	1,798,740	3,443,872
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	.95,209	48,391	114,414
27. Change in nonadmitted assets	(43,017)	(5,961)	(66,212)
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)	1,815,736	1,841,170	3,492,074
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	31,028,728	27,562,088	29,212,991
<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	36,937	27,130	59,614
1402.			
1403.			
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)	36,937	27,130	59,614
3701.		0	0
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	12,286,977	12,113,755	23,389,571
2. Net investment income.....	905,724	762,664	1,602,231
3. Miscellaneous income.....	2,106,656	1,733,252	3,761,116
4. Total (Lines 1 to 3).....	15,299,357	14,609,671	28,752,919
5. Benefit and loss related payments.....	6,516,448	5,738,118	11,590,054
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	5,409,163	4,985,937	9,491,688
8. Dividends paid to policyholders.....	31,075	29,611	62,880
9. Federal and foreign income taxes paid (recovered) net of \$ 7,423 tax on capital gains (losses).....	1,723,070	1,192,376	1,192,376
10. Total (Lines 5 through 9).....	13,679,757	11,946,042	22,336,998
11. Net cash from operations (Line 4 minus Line 10).....	1,619,600	2,663,629	6,415,920
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	4,384,786	4,302,732	6,548,132
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	4,384,786	4,302,732	6,548,132
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	5,565,719	6,055,595	12,900,350
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	5,565,719	6,055,595	12,900,350
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(1,180,933)	(1,752,863)	(6,352,218)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(123,491)	(1,030,950)	163,754
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(123,491)	(1,030,950)	163,754
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	315,176	(120,184)	227,456
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	940,539	713,083	713,083
19.2 End of period (Line 18 plus Line 19.1).....	1,255,715	592,899	940,539

**STATEMENT AS OF JUNE 30, 2014 OF THE  
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

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

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

NONE

**3. BUSINESS COMBINATIONS AND GOODWILL**

NONE

**4. DISCONTINUED OPERATIONS**

NO CHANGE

**5. INVESTMENTS**

D. **LOAN-BACKED SECURITIES**

1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.

2) NONE

3) NONE

4) Impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.

Aggregate Amount of Unrealized Losses:

1	Less than 12 Months	(310)
2	Greater than 12 Months	(51,741)

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	159,385
2	Greater than 12 Months	975,314

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed for impairment. 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**

3. **COLLATERAL RECEIVED**

The fair value of that collateral and of the portion of that collateral that it has sold or repledged.

	Fair Value
Open	2,328,550
30 Days or Less	0
31 to 60 Days	0
61 to 90 Days	0
Greater than 90 Days	0
Sub-Total	<u>2,328,550</u>
Securities Received	0
Total Collateral Received	<u>2,328,550</u>

**I. WORKING CAPITAL FINANCE INVESTMENTS**

The Company has no working capital finance investments.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**  
NO CHANGE

**7. INVESTMENT INCOME**  
NO CHANGE

**8. DERIVATIVE INSTRUMENTS**  
NONE

**STATEMENT AS OF JUNE 30, 2014 OF THE  
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**9. FEDERAL INCOME TAXES**

A. The components of the net deferred tax assets at June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014	December 31, 2013
Gross Deferred Tax Assets	\$ 1,037,503	\$ 936,490
Gross Deferred Tax Liabilities	45,689	39,884
Net Deferred Tax Asset (Liability)	991,814	896,606
Nonadmitted Deferred Tax Assets	<u>109,118</u>	<u>69,688</u>
Admitted Deferred Tax Asset	<u>882,696</u>	<u>826,918</u>
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ (39,430)	\$ (69,688)

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

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

	June 30, 2014	December 31, 2013
Current Income Tax Expense	\$ 924,881	\$ 1,710,424
Tax on Capital Gains/(Losses)	7,423	22,884
Prior Year Under Accrual (Over Accrual)	0	(10,238)
Federal Income Taxes Incurred	<u>\$ 932,304</u>	<u>\$ 1,192,376</u>

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

NO CHANGE

**11. DEBT**

B. FHLB  
NONE

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

No Pension, Postretirement or Postemployment and Compensated Absence Benefit Plans

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

NO CHANGE

**14. CONTINGENCIES**

NO CHANGE

**15. LEASES**

NO CHANGE

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.**

NONE

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

B. Transfer and Servicing of Financial Assets

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

C. Wash Sales  
None

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

NONE

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

NONE

**STATEMENT AS OF JUNE 30, 2014 OF THE  
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**20. FAIR VALUE MEASUREMENTS**

A.

1. NONE
2. NONE
3. The Company's policy is to recognize transfers in and out as of the end of the reporting period.
4. As of June 30, 2014, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:

According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of June 30, 2014, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.

B. Not Required

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	48,876,153	46,691,039	6,421,699	42,454,454	0	0
Common Stock	0	0	0	0	0	0
Perpetual Preferred	0	0	0	0	0	0
Mortgage Loans	0	0	0	0	0	0
Money Market	0	0	0	0	0	0
Total	<u>48,876,153</u>	<u>46,691,039</u>	<u>6,421,699</u>	<u>42,454,454</u>	<u>0</u>	<u>0</u>

D. NONE

**21. OTHER ITEMS**

G. Offsetting and Netting of Assets and Liabilities  
NONE

I. Risk Sharing Provisions of the Affordable Care Act (ACA)  
NONE

**22. EVENTS SUBSEQUENT**

NO CHANGE

**23. REINSURANCE**

NO CHANGE

**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 \$(0.078) million from \$17,991 million in 2013 to \$17,913 million in 2014 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on private passenger auto liability and homeowners lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Included in this increase (decrease), the Company experienced \$0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact on surplus.

LOSSES AND LAE	June 30, 2014	December 31, 2013
BALANCE JANUARY 1	17,991,251	16,046,858
LESS REINSURANCE RECOVERABLES	<u>7,078,313</u>	<u>5,907,012</u>
NET BALANCE JANUARY 1	<u>10,912,938</u>	<u>10,139,846</u>
<b>INCURRED RELATED TO:</b>		
CURRENT YEAR	8,065,723	15,249,265
PRIOR YEAR	<u>(78,077)</u>	<u>(446,260)</u>
TOTAL INCURRED	<u>7,987,646</u>	<u>14,803,005</u>
<b>PAID RELATED TO:</b>		
CURRENT YEAR	4,753,609	9,486,841
PRIOR YEAR	<u>3,099,330</u>	<u>4,543,072</u>
TOTAL PAID	<u>7,852,940</u>	<u>14,029,913</u>
NET BALANCE AT DECEMBER 31	11,047,645	10,912,938
PLUS REINSURANCE RECOVERABLES	<u>7,173,555</u>	<u>7,078,313</u>
BALANCE AT DECEMBER 31	<u>18,221,200</u>	<u>17,991,251</u>

**26. INTERCOMPANY POOLING AGREEMENTS**

NO CHANGE

**27. STRUCTURED SETTLEMENTS**

NO CHANGE.

**28. HEALTH CARE RECEIVABLES**

NONE

**29. PARTICIPATING POLICIES**

NONE

**30. PREMIUM DEFICIENCY RESERVES**

NO CHANGE

**STATEMENT AS OF JUNE 30, 2014 OF THE  
GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

- 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  
NO CHANGE

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY****GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES  
GENERAL**

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

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

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

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

3.1 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 [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

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

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

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]  
If yes, attach an explanation.

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

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

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

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

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

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

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

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

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

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

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

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

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

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY****GENERAL INTERROGATORIES**

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  Yes [X]  No [ ]

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

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

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

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

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

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

**FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 1,186,308

**INVESTMENT**

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

If no, attach a description with this statement.

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY****GENERAL INTERROGATORIES**

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....2,328,599
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....2,328,572
16.3 Total payable for securities lending reported on the liability page	\$.....2,328,572

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

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

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

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [X] No [ ]

18.2 If no, list exceptions:  
.....

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]  
 If yes, attach an explanation.

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

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT			DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR
TOTAL			0	0	0	0	0	0	0

5. Operating Percentages:

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

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

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

## **SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL.	N.	0	0	0	0	0
2. Alaska	AK.	N.	0	0	0	0	0
3. Arizona	AZ.	N.	0	0	0	0	0
4. Arkansas	AR.	N.	0	0	0	0	0
5. California	CA.	N.	0	0	0	0	0
6. Colorado	CO.	N.	0	0	0	0	0
7. Connecticut	CT.	N.	0	0	0	0	0
8. Delaware	DE.	N.	0	0	0	0	0
9. Dist. Columbia	DC.	N.	0	0	0	0	0
10. Florida	FL.	N.	0	0	0	0	0
11. Georgia	GA.	L.	13,197,873	11,118,667	7,796,499	5,968,566	7,309,031
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	L.	0	0	0	0	0
15. Indiana	IN.	L.	0	0	0	0	0
16. Iowa	IA.	N.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	L.	13,536,462	12,990,224	7,698,958	6,706,494	9,070,614
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	N.	0	0	0	0	0
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. No. Carolina	NC.	N.	0	0	0	0	0
35. No. Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L.	79,266,205	59,465,934	40,917,838	25,454,743	22,544,210
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. So. Carolina	SC.	N.	0	0	0	0	0
42. So. Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	L.	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CAN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX.	0	0	0	0	0
59. Totals	(a)	6	106,000,540	83,574,825	56,413,295	38,129,803	38,923,855
<b>DETAILS OF WRITE-INS</b>		XXX.					
58001.		XXX.					
58002.		XXX.					
58003.		XXX.					
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0

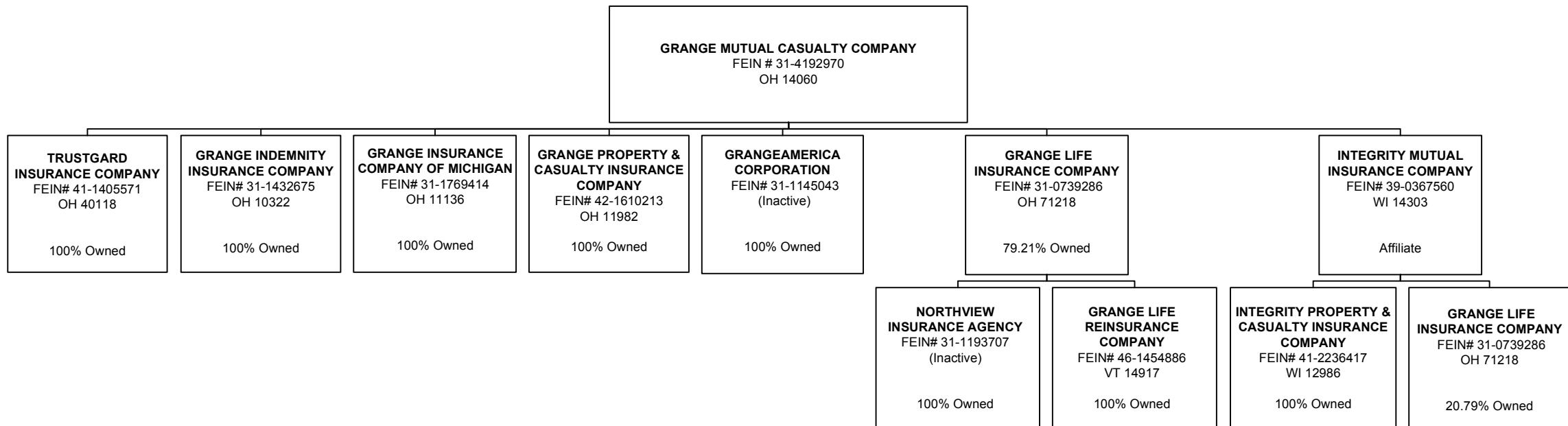
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

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

**PART 1 – ORGANIZATIONAL CHART**



**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

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

Asterisk	Explanation

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	33,408,296	17,613,112	52.7	48.1
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	1,031,560	343,349	33.3	34.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	251,428	5,601	2.2	2.7
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence	896,079	629,187	70.2	(2.0)
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	36,587,908	23,372,074	63.9	51.2
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage	26,572,350	17,475,296	65.8	62.1
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
<b>TOTALS</b>	<b>98,747,621</b>	<b>59,438,618</b>	<b>60.2</b>	<b>51.8</b>
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
				1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	0		0	0		0
2. Allied lines	0		0	0		0
3. Farmowners multiple peril	0		0	0		0
4. Homeowners multiple peril	19,280,999	36,066,833	30,858,757	0		0
5. Commercial multiple peril	0		0	0		0
6. Mortgage guaranty	0		0	0		0
8. Ocean marine	0		0	0		0
9. Inland marine	647,599	1,152,396	1,029,893	0		0
10. Financial guaranty	0		0	0		0
11.1 Medical professional liability-occurrence	0		0	0		0
11.2 Medical professional liability-claims made	0		0	0		0
12. Earthquake	141,166	260,260	223,319	0		0
13. Group accident and health	0		0	0		0
14. Credit accident and health	0		0	0		0
15. Other accident and health	0		0	0		0
16. Workers' compensation	0		0	0		0
17.1 Other liability occurrence	492,123	953,380	852,564	0		0
17.2 Other liability-claims made	0		0	0		0
17.3 Excess Workers' Compensation	0		0	0		0
18.1 Products liability-occurrence	0		0	0		0
18.2 Products liability-claims made	0		0	0		0
19.1,19.2 Private passenger auto liability	19,353,319	38,901,840	29,983,837	0		0
19.3,19.4 Commercial auto liability	0		0	0		0
21. Auto physical damage	14,364,894	28,665,831	20,626,455	0		0
22. Aircraft (all perils)	0		0	0		0
23. Fidelity	0		0	0		0
24. Surety	0		0	0		0
26. Burglary and theft	0		0	0		0
27. Boiler and machinery	0		0	0		0
28. Credit	0		0	0		0
29. International	0		0	0		0
30. Warranty	0		0	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	0		0
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	0		0
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	0		0
34. Aggregate write-ins for other lines of business	0	0	0	0		0
<b>TOTALS</b>	<b>54,280,101</b>	<b>106,000,540</b>	<b>83,574,825</b>			
<b>DETAILS OF WRITE-INS</b>						
3401.			0			0
3402.			0			0
3403.			0			0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0			0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>			0

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

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

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

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2014 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2011 + Prior	1,762	.961	.2,723	.732	.37	.769	1,307	.18	.638	1,964	.277	-(267)	10
2. 2012	1,267	1,161	2,428	504	.40	.544	948	.22	.895	1,865	.185	(204)	(19)
3. Subtotals 2012 + prior	3,029	2,121	5,151	1,236	.77	1,313	2,255	.40	1,533	3,829	.462	(471)	(9)
4. 2013	2,851	2,911	5,762	1,477	.310	1,786	1,909	.104	1,894	3,907	.534	(603)	(69)
5. Subtotals 2013 + prior	5,880	5,033	10,913	2,712	.387	3,099	4,164	.144	3,428	7,736	.996	(1,074)	(78)
6. 2014	XXX	XXX	XXX	XXX	4,754	4,754	XXX	1,617	1,695	3,312	XXX	XXX	XXX
7. Totals	5,880	5,033	10,913	2,712	5,140	7,853	4,164	1,761	5,123	11,048	996	(1,074)	(78)
Prior Year-End Surplus As Regards Policy-holders		29,213									Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 16.9	2. (21.3)	3. (0.7)
											Col. 13, Line 7 Line 8		
											4. (0.3)		

# STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

### Response

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

### **Explanation:**

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

### **Bar Code:**

1.   
1 1 9 8 2 2 0 1 4 4 9 0 0 0 0 2
2.   
1 1 9 8 2 2 0 1 4 4 5 5 0 0 0 0 2
3.   
1 1 9 8 2 2 0 1 4 3 6 5 0 0 0 0 2
4.   
1 1 9 8 2 2 0 1 4 5 0 5 0 0 0 0 2

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**SCHEDULE A – VERIFICATION**

Real Estate

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

**NONE**

**SCHEDULE B – VERIFICATION**

Mortgage Loans

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

**NONE**

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

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

**NONE**

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	45,676,126	39,519,405
2. Cost of bonds and stocks acquired.....	5,565,719	12,900,350
3. Accrual of discount.....	16,358	29,715
4. Unrealized valuation increase (decrease).....	21,208	65,384
5. Total gain (loss) on disposals.....	4,384,786	6,548,132
6. Deduct consideration for bonds and stocks disposed of.....	203,586	290,596
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	46,691,039	45,676,126
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	46,691,039	45,676,126

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	41,643,212	1,590,691	2,388,096	869,195	41,643,212	41,715,003	0	40,846,297
2. NAIC 2 (a).....	5,480,645		496,452	(8,157)	5,480,645	4,976,036	0	4,829,829
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds.....	47,123,857	1,590,691	2,884,548	861,038	47,123,857	46,691,039	0	45,676,126
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	47,123,857	1,590,691	2,884,548	861,038	47,123,857	46,691,039	0	45,676,126

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

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

S102

**SCHEDULE DA - PART 1**

## Short-Term Investments

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

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	713,083
2. Cost of short-term investments acquired .....		5,106,276
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....		5,819,359
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY

**SCHEDULE D - PART 3**

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
<b>Bonds - U.S. Governments</b>									
3130A1-LQ-9.....	Federal Home Loan Bank Call 2.000% 04/.....		04/02/2014.....	FTN Financial.....		250,000	250,000		1.....
313380-XL-6.....	FHLB Call 2.250% 10/22/27.....		05/27/2014.....	FTN Financial.....	458,125	500,000		1,188	1.....
313382-VN-0.....	Federal Home Loan Bank Call 1.250% 04/.....		06/04/2014.....	FTN Financial.....	477,969	500,000		712	1.....
3136G0-RF-0.....	FNMA Call 2.000% 07/23/32.....		06/27/2014.....	Davidson, D.A., Co., Inc.....	488,000	500,000		4,361	1FE.....
3136G1-AF-6.....	FNMA Call 2.000% 01/11/28.....		06/27/2014.....	Cantor Fitz.....	482,750	500,000		4,694	1FE.....
<b>0599999 - Bonds - U.S. Governments</b>						2,156,844	2,250,000		10,955
<b>Bonds - U.S. Special Revenue</b>									
3136AA-CD-5.....	FNR 2012-131DZ 2.500% 05/25/41.....		06/01/2014.....	Interest Capitalization.....		.705	.705		1.....
88283L-JE-7.....	Texas State Transportation, Call 5.000.....		06/10/2014.....	Huntington Investment Co.....	403,893	350,000		3,451	1FE.....
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						404,598	350,705		3,451
<b>8399997 - Subtotals - Bonds - Part 3</b>						2,561,441	2,600,705		14,406
<b>8399999 - Subtotals - Bonds</b>						2,561,441	2,600,705		14,406
<b>9999999 Totals</b>						2,561,441	XXX		14,406
(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....									

E04

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

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

**SCHEDULE D - PART 4**

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

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)			
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.										
<b>Bonds - U.S. Governments</b>																								
36202F-UC-8...	GNMA G2 5072 3.500%		06/20/26...			..06/01/2014..	Paydown.....		19,650	19,650	20,792	20,774	(1,124)		(1,124)		19,650			0	.297	06/20/2026...	.1...	
38376W-AM-7...	GNR 2010-14 DC 4.500%		07/20/37...			..06/01/2014..	Paydown.....		9,945	9,945	10,229	10,063	(118)		(118)		9,945			0	.224	07/20/2037...	.1...	
38378C-RT-6...	GNR 2012-13 EG 2.000%		10/20/40...			..06/01/2014..	Paydown.....		15,006	15,006	15,177	15,148	(142)		(142)		15,006			0	.124	10/20/2040...	.1...	
38378D-VT-9...	GNR 2012-36 MA 3.000%		06/20/39...			..06/01/2014..	Paydown.....		10,755	10,755	11,448	11,378	(623)		(623)		10,755			0	.135	06/20/2039...	.1...	
38378V-XZ-3...	GNR 2013-119 TV 3.000%		08/20/43...			..06/01/2014..	Paydown.....		3,978	3,978	4,057	4,052	(75)		(75)		3,978			0	.50	08/20/2043...	.1...	
912828-CJ-7...	United States Treasury Note - OH/WI 4...		05/15/2014..			Maturity.....			1,600,000	1,600,000	1,599,795	205			205		1,600,000			0	.38,000	05/15/2014...	.1...	
<b>0599999 - Bonds - U.S. Governments</b>																								
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																								
312962-03-1...	FG B10455 5.000%		10/01/18...			..06/01/2014..	Paydown.....		48,041	48,041	51,524	50,548	(2,507)		(2,507)		48,041			0	.981	10/01/2018...	.1...	
313464-LK-2...	FHLMC Call 2.500%		12/05/23...			..06/05/2014..	Call 100.0000.....		500,000	500,000	499,750	500,173	(173)		(173)		500,000			0	.6,250	12/05/2023...	.1...	
3136A7-ZY-7...	FNR 2012-83 BA 3.500%		03/25/41...			..06/01/2014..	Paydown.....		10,481	10,481	10,750	10,736	(255)		(255)		10,481			0	.176	03/25/2041...	.1...	
31371M-VC-8...	FNMA Pool 256311 6.000%		07/01/26...			..06/01/2014..	Paydown.....		12,985	12,985	12,941	12,940	.45		.45		12,985			0	.314	07/01/2026...	.1...	
3137A3-PN-3...	FHR 3762 GM 3.500%		08/15/28...			..06/01/2014..	Paydown.....		9,579	9,579	9,878	9,794	(215)		(215)		9,579			0	.140	08/15/2028...	.1...	
3137A5-WW-0...	FHR 3786 WA 4.000%		12/15/28...			..06/01/2014..	Paydown.....		37,352	37,352	38,393	38,195	(843)		(843)		37,352			0	.625	12/15/2028...	.1...	
3137AG-CA-6...	FHR 3947 BC 2.500%		10/15/26...			..06/01/2014..	Paydown.....		8,184	8,184	8,464	8,406	(222)		(222)		8,184			0	.86	10/15/2026...	.1...	
3137AN-JP-1...	FHR 4013 WY 3.201%		11/15/40...			..06/01/2014..	Paydown.....		5,327	5,327	5,477	5,441	(114)		(114)		5,327			0	.73	11/15/2040...	.1...	
31393Y-GQ-8...	FHR 2626 EM 4.500%		06/15/18...			..06/01/2014..	Paydown.....		16,888	16,888	18,223	17,453	(566)		(566)		16,888			0	.317	06/15/2018...	.1...	
31395B-D7-5...	FNR 2006-22 CE 4.500%		08/25/23...			..06/01/2014..	Paydown.....		14,471	14,471	14,859	14,644	(173)		(173)		14,471			0	.270	08/25/2023...	.1...	
31395W-4L-8...	FNR 3003 LD 5.000%		12/15/34...			..06/01/2014..	Paydown.....		6,350	6,350	6,668	6,526	(175)		(175)		6,350			0	.136	12/15/2034...	.1...	
31398L-NU-8...	FHR 3606 A 4.000%		07/15/23...			..06/01/2014..	Paydown.....		13,978	13,978	14,670	14,338	(360)		(360)		13,978			0	.228	07/15/2023...	.1...	
31398N-3X-0...	FNR 2010-130 CA 4.500%		05/25/38...			..06/01/2014..	Paydown.....		23,153	23,153	25,266	(2,113)	(2,113)		(2,113)	23,153			0	.173	05/25/2038...	.1...		
31402C-4H-2...	FNMA Pool 725242 5.500%		04/01/34...			..06/01/2014..	Paydown.....		4,775	4,775	4,724	4,726	.49		.49		4,775			0	.109	04/01/2034...	.1...	
31403B-4M-2...	FNMA Pool 744328 5.000%		09/01/33...			..06/01/2014..	Paydown.....		5,728	5,728	5,502	5,510	218		218		5,728			0	.126	09/01/2033...	.1...	
31403D-GZ-6...	FNMA Pool 745516 5.500%		05/01/36...			..06/01/2014..	Paydown.....		2,049	2,049	2,047	2,046	.3		.3		2,049			0	.46	05/01/2036...	.1...	
000000-00-0...									2,049	2,049	2,047	2,046	0		0		2,049			0				
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																								
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																								
620076-BB-4...	Motorola Solutions Inc NC 3.750% 05/15...		06/03/2014..			Stifel Nicolaus & Co.....			247,220	250,000	246,328		125		125		246,452			768	.768	.5,234	05/15/2022...	.2FE...
256853-AA-0...	NC 5.888% 06/1...	F	06/15/2014..			Redemption 100.0000.....			9,420	9,420	9,444	9,435	(15)		(15)		9,420			0	.277	06/15/2019...	.1FE...	
378272-AA-6...	Glencore Funding LLC 144A-NC 6.000% 04...	F	04/15/2014..			Maturity.....			250,000	250,000	255,000	250,366	(366)		(366)		250,000			0	.7,500	04/15/2014...	.2FE...	
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																								
<b>8399997 - Subtotals - Bonds - Part 4</b>																								
<b>8399999 - Subtotals - Bonds</b>																								
<b>9999999 Totals</b>																								

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

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

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

**Reinvested Collateral Assets Owned Current Statement Date**

### General Interrogatories:

1. Total activity for the year to date ..... Fair Value \$ ..... 2,328,599 Book/Adjusted Carrying Value \$ ..... 2,328,572  
 2. Average balance for the year to date ..... Fair Value \$ ..... 1,739,387 Book/Adjusted Carrying Value \$ ..... 1,739,425  
 3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
 NAIC 1 \$ 2,328,572 ..... NAIC 2 \$ ..... NAIC 3 \$ ..... NAIC 4 \$ ..... NAIC 5 \$ ..... NAIC 6 \$ .....

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

### General Interrogatories:

General Interrogatories:

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

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

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

## SCHEDULE E - PART 1 - CASH

Month End Depository Balances								
1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
JP MORGAN CHASE BANK, N.A. ....COLUMBUS, OHIO.....			0.000	0	0	618,109	2,050,336	1,255,715
0199998 Deposits in ..... depositaries that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						
0199999 Total Open Depositories	XXX	XXX	0	0	618,109	2,050,336	1,255,715	
0399999 Total Cash on Deposit	XXX	XXX	0	0	618,109	2,050,336	1,255,715	
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				
0599999 Total	XXX	XXX	0	0	618,109	2,050,336	1,255,715	

**STATEMENT AS OF JUNE 30, 2014 OF THE GRANGE PROPERTY & CASUALTY INSURANCE COMPANY**

## **SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

**NONE**

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