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PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT

For the Year Ended December 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

GRANGE MUTUAL CASUALTY COMPANY

NAIC Group Code 00267 (Current Period), 00267 (Prior Period) NAIC Company Code 14060 Employer's ID Number 31-4192970

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Incorporated/Organized 03/25/1935 Commenced Business 04/20/1935

Statutory Home Office 671 South High Street (Street and Number), Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)

Main Administrative Office 671 South High Street (Street and Number) Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code) 614-445-2900 (Area Code) (Telephone Number)

Mail Address 671 South High Street (Street and Number or P.O. Box), Columbus, OH, US 43206-1014 (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)

ackermannd@grangeinsurance.com (E-Mail Address) 614-449-3757 (Fax Number)

OFFICERS

Name	Title	Name	Title
JOHN (NMN) AMMENDOLA	PRESIDENT & CEO	LAVAWN DEE COLEMAN	EVP & SECRETARY
JOHN PAUL MCCAFFREY	EVP & CFO		

OTHER OFFICERS

MICHELLE RENEE BENZ	EVP - CHIEF SALES, MARKETING, & STRATEGY OFFICER	DOREEN YVONNE DELANEY	EVP - CHIEF OPERATIONS OFFICER
JOHN HOAGLAND NORTH #	EVP - PRESIDENT - PERSONAL LINES	LINDA MARKO ROUBINEK #	EVP - CHIEF CUSTOMER INTERACTIONS OFFICER
MICHAEL ANTHONY WINNER	EVP - PRESIDENT - COMMERCIAL LINES		

DIRECTORS OR TRUSTEES

JOHN (NMN) AMMENDOLA	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	DAVID CHARLES WETMORE	CHRISTIANNA (NMN) WOOD	

State of Ohio
ss
County of Franklin

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.

JOHN (NMN) AMMENDOLA	LAVAWN DEE COLEMAN	JOHN PAUL MCCAFFREY
PRESIDENT & CEO	EVP & SECRETARY	EVP & CFO

Subscribed and sworn to before me this 22nd day of February, 2016

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

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)	1,046,813,528		1,046,813,528	1,076,599,869
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	14,368,467		14,368,467	5,838,446
	2.2 Common stocks	568,928,607	2,000	568,926,607	479,933,991
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	2,834,507		2,834,507	3,238,716
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)	94,146,024		94,146,024	99,259,310
	4.2 Properties held for the production of income (less $ .... encumbrances)	11,203,722		11,203,722	11,534,431
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ 35,347,552 , Schedule E-Part 1), cash equivalents ($ 0 , Schedule E-Part 2) and short-term investments ($ 0 , Schedule DA)	35,347,552		35,347,552	46,978,856
6.	Contract loans (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)	0		0	0
8.	Other invested assets (Schedule BA)	107,495,941		107,495,941	114,928,173
9.	Receivables for securities	715,781		715,781	0
10.	Securities lending reinvested collateral assets (Schedule DL)	31,573,941		31,573,941	31,082,217
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	1,913,428,070	2,000	1,913,426,070	1,869,394,009
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	10,338,966		10,338,966	11,927,480
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	200,437,864	1,189,964	199,247,900	199,815,304
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 622,507 earned but unbilled premiums)	653,647	31,140	622,507	433,299
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)			0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	(5,937)		(5,937)	344,700
	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	18,368,991		18,368,991	6,897,865
18.2	Net deferred tax asset	41,662,390		41,662,390	27,036,925
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software	14,521,282	11,774,814	2,746,468	1,946,855
21.	Furniture and equipment, including health care delivery assets ($ ....)	4,909,273	4,909,273	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	5,047,525		5,047,525	2,285,289
24.	Health care ($ ....) and other amounts receivable			0	0
25.	Aggregate write-ins for other-than-invested assets	28,290,759	27,540,891	749,868	499,046
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,237,652,830	45,448,082	2,192,204,748	2,120,580,772
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	2,237,652,830	45,448,082	2,192,204,748	2,120,580,772
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.	Prepaid Pension Expense	24,904,776	24,904,776	0	0
2502.	Overfunded Plan Asset	(4,904,776)	(4,904,776)	0	0
2503.	Personal Loans	7,540,891	7,540,891	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	749,868	0	749,868	499,046
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	28,290,759	27,540,891	749,868	499,046

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	445,598,265	387,073,373
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		(24,201)
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	120,585,657	109,646,489
4. Commissions payable, contingent commissions and other similar charges	17,025,860	15,622,142
5. Other expenses (excluding taxes, licenses and fees)	30,747,965	31,840,950
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	11,212,294	11,765,450
7.1 Current federal and foreign income taxes (including $ 12,817,568 on realized capital gains (losses))		0
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 $ 78,523,859 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)	402,980,209	405,451,936
10. Advance premium	2,642,898	2,881,521
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	1,679,332	1,125,741
12. Ceded reinsurance premiums payable (net of ceding commissions)	3,063,768	3,608,763
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	138,676	106,123
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	849,144	(74,459)
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives	0	0
21. Payable for securities		2,804,898
22. Payable for securities lending	31,573,941	31,082,217
23. Liability for amounts held under uninsured plans		0
24. Capital notes $ .... and interest thereon $		0
25. Aggregate write-ins for liabilities	56,022,000	70,371,809
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,124,120,009	1,073,282,751
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	1,124,120,009	1,073,282,751
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock		0
31. Preferred capital stock		0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes	35,000,000	35,000,000
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	1,033,084,739	1,012,298,021
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)	1,068,084,739	1,047,298,021
38. Totals (Page 2, Line 28, Col. 3)	2,192,204,748	2,120,580,772
DETAILS OF WRITE-INS		
2501. Reserve for checks written off	2,142,996	1,846,667
2502. Deferred compensation	20,658,974	23,780,205
2503. Liability for Benefit Plans	31,829,978	43,340,128
2598. Summary of remaining write-ins for Line 25 from overflow page	1,390,052	1,404,809
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	56,022,000	70,371,809
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)	1,029,284,216	992,486,169
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	589,664,488	570,546,707
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	121,982,320	113,615,579
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	314,572,883	310,019,643
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	1,026,219,691	994,181,928
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	3,064,525	(1,695,760)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	31,996,018	31,512,545
10. Net realized capital gains (losses) less capital gains tax of $ 12,817,568 (Exhibit of Capital Gains (Losses))	23,804,054	10,368,320
11. Net investment gain (loss) (Lines 9 + 10)	55,800,072	41,880,865
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered $ 88,518 amount charged off $ 6,082,586)	(5,994,068)	(5,460,178)
13. Finance and service charges not included in premiums	9,245,824	10,262,797
14. Aggregate write-ins for miscellaneous income	357,202	965,819
15. Total other income (Lines 12 through 14)	3,608,958	5,768,438
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	62,473,555	45,953,543
17. Dividends to policyholders	2,770,955	2,763,600
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)	59,702,600	43,189,943
19. Federal and foreign income taxes incurred	2,530,328	10,079,976
20. Net income (Line 18 minus Line 19) (to Line 22)	57,172,272	33,109,967
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,047,298,021	1,010,246,766
22. Net income (from Line 20)	57,172,272	33,109,967
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ (20,087,047)	(32,736,643)	22,946,610
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	(5,461,582)	14,277,366
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(19,162,032)	(3,052,480)
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	20,974,703	(30,230,208)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	20,786,718	37,051,255
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,068,084,739	1,047,298,021
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	357,202	965,819
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)	357,202	965,819
3701. Change in Minimum Pension Liability		0
3702. Transition Liability for Benefit Plans	(4,492,622)	(4,492,622)
3703. Change in Funded Status - Benefit Plans	16,530,727	(32,095,560)
3798. Summary of remaining write-ins for Line 37 from overflow page	8,936,598	6,357,974
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	20,974,703	(30,230,208)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,026,742,625	1,000,623,743
2. Net investment income	49,068,720	45,432,866
3. Miscellaneous income	3,608,958	5,768,438
4. Total (Lines 1 through 3)	1,079,420,303	1,051,825,047
5. Benefit and loss related payments	530,764,757	536,271,233
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	425,775,932	425,122,384
8. Dividends paid to policyholders	2,217,364	2,473,715
9. Federal and foreign income taxes paid (recovered) net of $ 12,817,568 tax on capital gains (losses)	26,819,022	15,693,656
10. Total (Lines 5 through 9)	985,577,076	979,560,989
11. Net cash from operations (Line 4 minus Line 10)	93,843,228	72,264,058
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	276,460,444	300,636,631
12.2 Stocks	114,413,632	69,224,164
12.3 Mortgage loans	439,357	351,229
12.4 Real estate	0	147,719
12.5 Other invested assets	12,538,400	586,845
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(30,866)	(148)
12.7 Miscellaneous proceeds	0	4,168,116
12.8 Total investment proceeds (Lines 12.1 to 12.7)	403,820,967	375,114,556
13. Cost of investments acquired (long-term only):		
13.1 Bonds	261,497,654	366,854,552
13.2 Stocks	220,931,051	53,153,779
13.3 Mortgage loans	0	0
13.4 Real estate	616,904	610,921
13.5 Other invested assets	7,000,000	5,000,000
13.6 Miscellaneous applications	3,520,679	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	493,566,288	425,619,252
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)	(89,745,321)	(50,504,696)
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
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(15,729,211)	2,052,762
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(15,729,211)	2,052,762
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)	(11,631,304)	23,812,123
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	46,978,856	23,166,732
19.2 End of year (Line 18 plus Line 19.1)	35,347,552	46,978,856

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	14,569,793	8,003,972	7,999,601	14,574,165
2.	Allied lines	7,757,874	4,349,310	4,288,127	7,819,057
3.	Farmowners multiple peril	16,019,920	8,646,633	8,086,308	16,580,246
4.	Homeowners multiple peril	227,138,409	124,912,434	124,360,796	227,690,046
5.	Commercial multiple peril	101,909,980	49,181,133	49,448,329	101,642,784
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	6,992,286	3,700,351	3,706,425	6,986,212
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	1,886,646	1,091,449	1,026,359	1,951,736
13.	Group accident and health	26,538	0	0	26,538
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	31,580,916	13,529,795	13,311,163	31,799,548
17.1	Other liability-occurrence	12,992,131	8,181,807	7,648,594	13,525,345
17.2	Other liability-claims-made	248,707	1,047	82,232	167,522
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability-occurrence	15,498	23,034	9,939	28,592
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	277,238,483	71,728,736	74,733,965	274,233,253
19.3,19.4	Commercial auto liability	79,539,389	42,557,386	35,065,564	87,031,212
21.	Auto physical damage	248,882,002	69,539,180	73,208,033	245,213,148
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	1,071	0	0	1,071
26.	Burglary and theft	12,848	5,668	4,775	13,742
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	1,026,812,489	405,451,936	402,980,209	1,029,284,216
DETAILS OF WRITE-INS					
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
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	7,999,601				7,999,601
2.	Allied lines	4,288,127				4,288,127
3.	Farmowners multiple peril	8,086,308				8,086,308
4.	Homeowners multiple peril	124,360,796				124,360,796
5.	Commercial multiple peril	49,448,329				49,448,329
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	3,706,425				3,706,425
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	1,026,359				1,026,359
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	13,311,163				13,311,163
17.1	Other liability-occurrence	7,648,594				7,648,594
17.2	Other liability-claims-made	82,232				82,232
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	9,939				9,939
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	74,733,965				74,733,965
19.3,19.4	Commercial auto liability	35,065,564				35,065,564
21.	Auto physical damage	73,208,033				73,208,033
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	4,775				4,775
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	402,980,209	0	0	0	402,980,209
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					402,980,209
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 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1.	Fire	12,546,203	5,218,428	186,605	2,775,199	606,244	14,569,793
2.	Allied lines	6,223,504	3,243,536	73,752	1,477,690	305,228	7,757,874
3.	Farmowners multiple peril	19,192,904	459,428		3,051,413	580,998	16,019,920
4.	Homeowners multiple peril	96,698,832	177,632,106	459,545	43,264,459	4,387,616	227,138,409
5.	Commercial multiple peril	98,091,005	32,522,098		19,411,425	9,291,698	101,909,980
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	3,893,211	4,648,984		1,331,864	218,045	6,992,286
10.	Financial guaranty						0
11.1	Medical professional liability-occurrence						0
11.2	Medical professional liability-claims-made						0
12.	Earthquake	1,333,661	992,295		359,361	79,949	1,886,646
13.	Group accident and health	31,592			5,055		26,538
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	6,660,365	31,195,864	258,676	6,015,413	518,577	31,580,916
17.1	Other liability-occurrence	12,226,953	6,792,359		2,474,692	3,552,489	12,992,131
17.2	Other liability-claims-made	283,392	77,720		47,373	65,032	248,707
17.3	Excess workers' compensation						0
18.1	Products liability-occurrence	28,650	(10,071)		2,952	130	15,498
18.2	Products liability-claims-made						0
19.1,19.2	Private passenger auto liability	112,249,141	218,133,847		52,807,330	337,176	277,238,483
19.3,19.4	Commercial auto liability	30,137,420	64,994,714	78,282	15,150,360	520,666	79,539,389
21.	Auto physical damage	107,887,057	189,405,134	650	47,406,096	1,004,744	248,882,002
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety			1,276	204		1,071
26.	Burglary and theft	4,510	10,785		2,447		12,848
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	507,488,402	735,317,228	1,058,785	195,583,331	21,468,594	1,026,812,489
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 $ ....

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	3,722,201	2,846,749	1,051,032	5,517,918	1,033,673	1,016,977	5,534,615	38.0
2.	Allied lines	1,391,568	882,126	363,791	1,909,903	958,803	1,338,040	1,530,666	19.6
3.	Farmowners multiple peril	5,277,658	1,598,167	1,100,132	5,775,693	2,919,585	2,539,127	6,156,151	37.1
4.	Homeowners multiple peril	30,573,963	84,746,597	18,738,423	96,582,137	23,201,048	25,410,521	94,372,663	41.4
5.	Commercial multiple peril	49,003,814	10,886,206	11,970,407	47,919,613	66,812,790	67,834,693	46,897,711	46.1
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	1,439,326	2,017,880	553,153	2,904,052	683,482	1,071,676	2,515,858	36.0
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	1	4	(3)	0.0
13.	Group accident and health	11,452		1,832	9,620	16,800	633,803	(607,384)	(2,288.8)
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	4,154,582	13,198,679	2,951,873	14,401,388	30,880,276	30,734,354	14,547,310	45.7
17.1	Other liability-occurrence	10,663,919	2,642,391	5,440,923	7,865,386	19,478,519	16,285,755	11,058,150	81.8
17.2	Other liability-claims-made	4,580	(29,769)	210,170	(235,359)	331,156	221,470	(125,673)	(75.0)
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence	6,200	1,175	1,180	6,195	41,484	55,031	(7,352)	(25.7)
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	68,520,342	126,491,814	31,201,945	163,810,211	177,295,049	161,633,230	179,472,030	65.4
19.3,19.4	Commercial auto liability	19,154,719	35,427,870	8,733,214	45,849,374	121,858,917	78,232,807	89,475,484	102.8
21.	Auto physical damage	53,909,591	111,356,332	26,442,548	138,823,376	84,931	64,168	138,844,138	56.6
22.	Aircraft (all perils)		105	17	88	420	428	80	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	565	700	(134)	(12.5)
26.	Burglary and theft				0	765	590	175	1.3
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	247,833,915	392,066,320	108,760,640	531,139,595	445,598,265	387,073,373	589,664,488	57.3
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

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	523,703	56,985	92,910	487,778	414,939	234,936	103,980	1,033,673	468,223
2.	Allied lines	653,764	139,097	126,858	666,003	206,929	141,643	55,772	958,803	312,779
3.	Farmowners multiple peril	1,922,646	179,552	336,352	1,765,847	1,350,077	23,422	219,760	2,919,585	957,461
4.	Homeowners multiple peril	4,202,158	13,651,515	2,856,588	14,997,085	3,009,806	6,756,816	1,562,659	23,201,048	9,260,176
5.	Commercial multiple peril	38,874,456	6,271,410	12,260,899	32,884,966	31,014,987	9,375,280	6,462,443	66,812,790	34,052,810
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	45,196	574,168	99,098	520,266	82,419	111,886	31,089	683,482	192,555
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	1		0	1	(587)
13.	Group accident and health	20,000		3,200	16,800				(a) 16,800	1,846
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation	10,640,612	15,393,089	8,771,112	17,262,589	4,044,233	12,167,299	2,593,845	30,880,276	6,144,668
17.1	Other liability-occurrence	12,417,075	3,571,631	6,762,393	9,226,313	17,700,918	4,179,885	11,628,597	19,478,519	909,043
17.2	Other liability-claims-made	286,444	16,501	58,971	243,974	73,332	30,457	16,606	331,156	67,252
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence	9,581	22,204	5,086	26,699	16,305	1,297	2,816	41,484	19,537
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability	44,749,773	104,845,600	23,935,260	125,660,113	20,228,386	41,241,776	9,835,226	177,295,049	44,626,557
19.3,19.4	Commercial auto liability	32,188,906	44,479,132	12,401,286	64,266,752	21,864,308	46,697,793	10,969,936	121,858,917	17,039,201
21.	Auto physical damage	(3,475,709)	(5,362,456)	(1,414,106)	(7,424,058)	3,126,418	5,812,854	1,430,284	84,931	6,534,045
22.	Aircraft (all perils)		500	80	420				420	
23.	Fidelity				0				0	
24.	Surety		673	108	565				565	
26.	Burglary and theft				0	202	709	146	765	92
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	143,058,606	183,839,601	66,296,094	260,602,113	103,133,259	126,776,052	44,913,158	445,598,265	120,585,657
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 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	18,639,916			18,639,916
1.2 Reinsurance assumed	29,706,637			29,706,637
1.3 Reinsurance ceded	7,735,448			7,735,448
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	40,611,104	0	0	40,611,104
2. Commission and brokerage:				
2.1 Direct, excluding contingent		79,530,405		79,530,405
2.2 Reinsurance assumed, excluding contingent		102,726,164		102,726,164
2.3 Reinsurance ceded, excluding contingent		30,216,904		30,216,904
2.4 Contingent-direct		8,685,709		8,685,709
2.5 Contingent-reinsurance assumed		12,189,826		12,189,826
2.6 Contingent-reinsurance ceded		3,340,086		3,340,086
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	169,575,114	0	169,575,114
3. Allowances to manager and agents	15,530	2,808,346		2,823,876
4. Advertising	8,332	1,692,264		1,700,596
5. Boards, bureaus and associations	747,234	1,869,844	4,431	2,621,509
6. Surveys and underwriting reports		8,934,061		8,934,061
7. Audit of assureds' records		397,257		397,257
8. Salary and related items:				
8.1 Salaries	44,493,697	53,219,156	851,461	98,564,313
8.2 Payroll taxes	3,054,339	4,180,018	96,761	7,331,117
9. Employee relations and welfare	13,279,067	14,959,277	438,960	28,677,303
10. Insurance	686,148	717,752	105,182	1,509,082
11. Directors' fees	479,458	678,088	13,097	1,170,643
12. Travel and travel items	1,937,127	2,063,702	34,396	4,035,225
13. Rent and rent items	2,057,137	459,287	4,401,693	6,918,117
14. Equipment	2,030,170	3,558,709		5,588,879
15. Cost or depreciation of EDP equipment and software	848,734	2,488,797		3,337,532
16. Printing and stationery	335,361	892,458	12,317	1,240,137
17. Postage, telephone and telegraph, exchange and express	1,991,607	6,529,562	166,937	8,688,105
18. Legal and auditing	284,771	693,518	7,412	985,701
19. Totals (Lines 3 to 18)	72,248,712	106,142,096	6,132,645	184,523,453
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $		21,788,578		21,788,578
20.2 Insurance department licenses and fees		1,336,962		1,336,962
20.3 Gross guaranty association assessments		46,577		46,577
20.4 All other (excluding federal and foreign income and real estate)		262,648		262,648
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	23,434,765	0	23,434,765
21. Real estate expenses			5,256,597	5,256,597
22. Real estate taxes			2,383,500	2,383,500
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	9,122,504	15,420,907	1,850,149	26,393,560
25. Total expenses incurred	121,982,320	314,572,883	15,622,891	(a) 452,178,094
26. Less unpaid expenses-current year	120,585,657	55,205,232	3,780,887	179,571,776
27. Add unpaid expenses-prior year	109,646,489	55,365,129	3,863,412	168,875,030
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)	111,043,153	314,732,779	15,705,416	441,481,348
DETAILS OF WRITE-INS				
2401. Software Expense	3,805,408	5,785,355	248,554	9,839,317
2402. Miscellaneous Expense	3,017,388	6,464,211	1,520,812	11,002,411
2403. Donations	416,345	525,618	10,140	952,102
2498. Summary of remaining write-ins for Line 24 from overflow page	1,883,364	2,645,722	70,644	4,599,730
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	9,122,504	15,420,907	1,850,149	26,393,560

(a) Includes management fees of $ .... to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 1,147,343	1,010,323
1.1	Bonds exempt from U.S. tax	(a) 11,451,136	10,778,542
1.2	Other bonds (unaffiliated)	(a) 24,480,060	23,709,061
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 596,043	667,593
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	8,991,670	8,935,266
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c) 131,409	130,516
4.	Real estate	(d) 7,746,791	7,746,791
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) (176,045)	(198,200)
7.	Derivative instruments	(f)	
8.	Other invested assets	2,171,492	2,171,492
9.	Aggregate write-ins for investment income	229,466	229,466
10.	Total gross investment income	56,769,365	55,180,850
11.	Investment expenses		(g) 15,622,891
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 1,501,042
14.	Depreciation on real estate and other invested assets		(i) 6,060,899
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		23,184,832
17.	Net investment income (Line 10 minus Line 16)		31,996,018
	DETAILS OF WRITE-INS		
0901.	Securities Lending Income	160,930	160,930
0902.	Miscellaneous Investment Income	68,536	68,536
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)	229,466	229,466
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 $ 1,218,628 accrual of discount less $ 10,737,088 amortization of premium and less $ 866,818 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 $ 12,647 accrual of discount less $ 0 amortization of premium and less $ paid for accrued interest on purchases.
(d) Includes $ 5,100,000 for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ accrual of discount less $ 260,274 amortization of premium and less $ 16,207 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 $ 1,501,042 interest on surplus notes and $ interest on capital notes.
(i) Includes $ 6,060,899 depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	501,228		501,228	47,094	
1.1	Bonds exempt from U.S. tax	465,761		465,761		
1.2	Other bonds (unaffiliated)	(1,174,759)	(1,796,223)	(2,970,982)	(3,348,192)	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	848,198	0	848,198	(231,496)	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	30,885,626	0	30,885,626	(45,064,980)	0
2.21	Common stocks of affiliates	0	0	0	4,567,871	0
3.	Mortgage loans	22,501	0	22,501	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(30,865)		(30,865)	0	0
7.	Derivative instruments			0		
8.	Other invested assets	6,900,155	0	6,900,155	(8,793,987)	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	38,417,845	(1,796,223)	36,621,622	(52,823,690)	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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 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	2,000	2,000	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)	2,000	2,000	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	1,189,964	1,537,715	347,751
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	31,140	18,947	(12,193)
15.3 Accrued retrospective premiums and contracts subject to redetermination	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	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	11,774,814	9,574,658	(2,200,156)
21. Furniture and equipment, including health care delivery assets	4,909,273	6,250,461	1,341,188
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	27,540,891	8,902,269	(18,638,622)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	45,448,082	26,286,050	(19,162,032)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	45,448,082	26,286,050	(19,162,032)
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. Prepaid Pension Expense	24,904,776	13,841,374	(11,063,402)
2502. Personal Loans	7,540,891	8,902,269	1,361,378
2503. Overfunded Plan Asset	(4,904,776)	(13,841,374)	(8,936,598)
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)	27,540,891	8,902,269	(18,638,622)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Accounting Practices:

Grange Mutual Casualty Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by The Ohio Department of Insurance (the Department). The Department requires that insurance companies domiciled in the State of Ohio 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 Department. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures Manual.

A reconciliation of the Company's net income and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below.

		State of Domicile	2015	2014
NET INCOME				
(1)	Grange Mutual Casualty Company state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	$ 57,172,272	$ 33,109,967
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(4)	NAIC SAP (1-2-3=4)	Ohio	$ 57,172,272	$ 33,109,967
SURPLUS				
(5)	Grange Mutual Casualty Company state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	$1,068,084,739	$1,047,298,021
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	0	0
(8)	NAIC SAP (5-6-7=8)	Ohio	$1,068,084,739	$1,047,298,021

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 scientific method.
3. Common stocks, other than investments in stocks of subsidiaries, are stated at fair value.
4. Preferred stocks are stated at cost.
5. Mortgage loans on real estate are stated at the remaining principal due to the Company, net of the remaining unamortized discount from when the loans were purchased.
6. Loan-backed securities are stated at either amortized cost or the lower or 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, those are valued using the prospective method.
7. Investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the statutory equity basis.
8. The Company has minor ownership interests in joint ventures. The Company carries these interests based on the underlying audited GAAP equity of the investee.
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 is continually reviewed and any adjustments are reflected in the period determined.
12. The Company modified its capitalization policy in 2014, in conjunction with new regulations introduced by the Internal Revenue Service during 2014 for the deduction and capitalization of expenditures related to tangible property. The Company increased the capitalization cost threshold in 2014 from a unit cost of $1,000 to $2,500. The increase in the capitalization threshold had an immaterial impact on the 2014 financial statements. No changes occurred in 2015.
13. The Company does not have pharmaceutical rebate receivables.

D. Going Concern: None

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS: NONE

3. BUSINESS COMBINATIONS AND GOODWILL: NONE

4. DISCONTINUED OPERATIONS: NONE

NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS:

A. Mortgage Loans, including Mezzanine Real Estate Loans:

1. The Company did not originate any new loans during 2015. The Company did not purchase new loans in 2015.
2. The Company did not reduce interest rates of any outstanding mortgage loans during 2015.
3. The Company did not originate any new loans in 2015.
4. Age analysis of mortgage loans. As the Company only owns residential mortgage loans, all other loan types are omitted from the tables below.

	Residential All Other	Total
a. Current Year		
1. Recorded Investment (All)		
(a) Current	3,134,507	3,134,507
(b) 30 – 59 Days Past Due	0	0
(c) 60 – 89 Days Past Due	0	0
(d) 90 – 179 Days Past Due	0	0
(e) 180+ Days Past Due	0	0
2. Accruing interest 90 – 179 Days Past Due		
(a) Recorded Investment	0	0
(b) Interest Accrued	0	0
3. Accruing interest 180+ Days Past Due		
(a) Recorded Investment	0	0
(b) Interest Accrued	0	0
4. Interest Reduced		
(a) Recorded Investment	0	0
(b) Number of Loans	0	0
(c) Percent Reduced	0	0

	Residential All Other	Total
b. Prior Year		
1. Recorded Investment (All)		
(a) Current	3,538,716	3,538,716
(b) 30 – 59 Days Past Due	0	0
(c) 60 – 89 Days Past Due	0	0
(d) 90 – 179 Days Past Due	0	0
(e) 180+ Days Past Due	0	0
2. Accruing interest 90 – 179 Days Past Due		
(a) Recorded Investment	0	0
(b) Interest Accrued	0	0
3. Accruing interest 180+ Days Past Due		
(a) Recorded Investment	0	0
(b) Interest Accrued	0	0
4. Interest Reduced		
(a) Recorded Investment	0	0
(b) Number of Loans	0	0
(c) Percent Reduced	0	0

5. Disclosure for investment in impaired loans aggregated by type

	Residential All Other	Total
a. Current Year		
1. With allowance for credit losses	0	0
2. No allowance for credit losses	0	0
b. Prior Year		
1. With allowance for credit losses	0	0
2. No allowance for credit losses	0	0

6. Disclosure for impaired loans

	Residential All Other	Total
a. Current Year		
1. Average recorded investment	0	0
2. Interest income recognized	0	0
3. Recorded invest. In nonaccrual status	0	0
4. Amount of interest income recognized using a cash basis method of accounting	0	0
b. Prior Year		
1. Average recorded investment	0	0
2. Interest income recognized	0	0
3. Recorded invest. In nonaccrual status	0	0
4. Amount of interest income recognized using a cash basis method of accounting	0	0

NOTES TO FINANCIAL STATEMENTS

7. Activity in the allowance for credit losses account

	Current Year	Prior Year
a. Balance at beginning of each period	300,000	300,000
b. Additions charged to operations	0	0
c. Direct write-downs charged against the allowance	0	0
d. Recoveries of amounts previously charged off	0	0
e. Balance at end of each period	300,000	300,000

8. Mortgage Loans Derecognized as a Result of Foreclosure

	Current Year	Prior Year
a. Balance at beginning of each period	0	0
b. Additions charged to operations	0	0
c. Direct write-downs charged against the allowance	0	0
d. Recoveries of amounts previously charged off	0	0
e. Balance at end of each period	0	0

B. Debt Restructuring: None

C. Reverse Mortgages: None

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. The Company has not recognized any other than temporary impairments on its loan-backed securities.
3. The Company has not recognized any other than temporary impairments on its loan-backed securities.
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	(438,449)
2. 12 Months or Longer	(347,517)

b. The Aggregate Related Fair Value of Securities with Unrealized Losses:

1. Less than 12 Months	49,096,390
2. 12 Months or Longer	7,219,030

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 held with an intent to sell were other-than-temporarily impaired to current fair value. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

E. Repurchase Agreements and/or Securities Lending Transactions:

1. For securities lending agreements, the Company requires a minimum of 102% and 105% of the fair value of the domestic and foreign securities loaned at the outset of the contract as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in Collateral From Lending Activities. The fair value of the collateral at December 31, 2015 is $31,573,888.
2. The Company has no pledged assets as collateral for securities lending transactions.
3. Collateral Received
   a. Aggregate Amount Collateral Received
      1. The Company has no repurchase agreements as collateral.
      2. Securities lending collateral received:

	Fair Value
Open	31,573,935
30 Days or Less	0
31 to 60 Days	0
61 to 90 Days	0
Greater than 90 Days	0
Sub-Total	31,573,935
Securities Received	0
Total Collateral Received	31,573,935

      3. The Company has no dollar repurchase agreements as collateral received.
   b. The Company has not sold or re-pledged any collateral.
   c. Securities lending sources and uses of that collateral: The Company receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral into higher yielding short term securities than the collateral received.
4. The Company has no "one-line" reported collateral.
5. Collateral Reinvestment
   a. Aggregate Amount Collateral Reinvested
      1. The Company has no repurchase agreements as collateral.
      2. Securities Lending

	Amortized Cost	Fair Value
Open	0	0
30 Days or Less	21,387,430	21,387,430
31 to 60 Days	9,507,418	9,507,419
61 to 90 Days	679,093	679,039
Greater than 90 Days	0	0
Sub-Total	31,573,941	31,573,888
Securities Received	0	0
Total Collateral Reinvested	31,573,941	31,573,888

      3. The Company has no dollar repurchase agreements as collateral.
   b. The maturity dates of the liabilities matches the invested assets.
6. The Company has no collateral that is not permitted by contract.
7. The Company has no collateral that extends beyond one year from December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

F. Real Estate: None

G. Low Income Housing Tax Credits: None

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	31,573,941				31,573,941	31,082,217	491,724	31,573,941	1.4%	1.4%
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 – excluding FHLB capital stock										
i. FHLB capital stock	3,051,900				3,051,900	3,051,900	0	3,051,900	0.1%	0.1%
j. On deposit with states	2,781,774				2,781,774	2,802,197	(20,423)	2,781,774	0.1%	0.1%
k. On deposit with other regulatory bodies										
l. Pledged collateral to FHLB (including assets backing funding agreements)	55,169,478				55,169,478	60,175,740	(5,006,262)	55,169,478	2.5%	2.5%
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	92,577,093				92,577,093	97,112,054	(4,534,961)	92,577,093	4.1%	4.1%

I. Working Capital Finance Investments: None

J. Offsetting and Netting of Assets and Liabilities: None

NOTES TO FINANCIAL STATEMENTS

K. Structured Notes:

Structured notes as defined per the Purposes and Procedures Manual of the NAIC Investment Analysis Office at December 31, 2015:

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Referenced Security (YES/NO)
3136G15V7	1,787,500	1,939,660	1,847,612	No
337358BH7	2,030,000	2,504,500	2,069,630	No
912810FQ6	2,335,244	2,209,776	2,284,258	No
912810FR4	10,020,740	9,399,968	9,810,867	No
912810FS2	7,867,638	7,579,115	7,858,560	No
912810PV4	5,365,594	5,199,592	5,425,138	No
912810PZ5	8,549,118	7,541,504	8,345,278	No
912810QF8	1,987,426	2,108,304	2,049,162	No
912810QV3	6,704,801	6,057,855	6,799,444	No
912810RF7	7,592,047	7,009,973	7,584,627	No
912828B25	11,290,860	10,977,171	11,352,152	No
912828GD6	2,207,971	2,132,816	2,148,268	No
912828GX2	4,298,658	4,085,925	4,127,986	No
912828HN3	11,300,200	10,956,478	11,097,855	No
912828JE1	3,385,926	3,322,000	3,372,818	No
912828LA6	6,651,544	6,475,165	6,558,888	No
912828MF4	8,413,633	7,909,146	8,209,783	No
912828PP9	13,601,395	12,963,571	13,411,357	No
912828SA9	6,390,504	6,301,308	6,454,843	No
912828TE0	5,550,912	5,343,850	5,586,939	No
912828UH1	5,877,746	5,768,299	5,947,694	No
912828XL9	2,672,367	2,647,703	2,665,376	No
TOTAL	**135,881,824**	**130,433,679**	**135,008,534**	

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES:

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. INVESTMENT INCOME: NONE

8. DERIVATIVE INSTRUMENTS: NONE

9. FEDERAL INCOME TAXES:

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

1.

	12/31/2015 (1) Ordinary	12/31/2015 (2) Capital	12/31/2015 (3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	$ 72,321,107	$ 11,463,739	$ 83,784,846
(b) Statutory Valuation Allowance Adjustments	$	$	$
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$ 72,321,107	$ 11,463,739	$ 83,784,846
(d) Deferred Tax Assets Nonadmitted	$	$	$
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ 72,321,107	$ 11,463,739	$ 83,784,846
(f) Deferred Tax Liabilities	$ 10,631,127	$ 31,491,329	$ 42,122,456
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 61,689,980	$ (20,027,590)	$ 41,662,390

	12/31/2014 (4) Ordinary	12/31/2014 (5) Capital	12/31/2014 (6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 77,862,657	$ 11,997,522	$ 89,860,179
(b) Statutory Valuation Allowance Adjustments	$	$	$
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$ 77,862,657	$ 11,997,522	$ 89,860,179
(d) Deferred Tax Assets Nonadmitted	$	$	$
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ 77,862,657	$ 11,997,522	$ 89,860,179
(f) Deferred Tax Liabilities	$ 11,139,878	$ 51,683,376	$ 62,823,254
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 66,722,779	$ (39,685,854)	$ 27,036,925

NOTES TO FINANCIAL STATEMENTS

		Change		
		(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Gross Deferred Tax Assets	$...........(5,541,550)	$..............(533,783)	$...........(6,075,333)
(b)	Statutory Valuation Allowance Adjustments	$............................	$............................	$............................
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	$...........(5,541,550)	$..............(533,783)	$...........(6,075,333)
(d)	Deferred Tax Assets Nonadmitted	$............................	$............................	$............................
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$...........(5,541,550)	$..............(533,783)	$...........(6,075,333)
(f)	Deferred Tax Liabilities	$..............(508,751)	$.........(20,192,047)	$.........(20,700,798)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$...........(5,032,799)	$........... 19,658,264	$............14,625,465

2.

		12/31/2015		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
	Admission Calculation Components SSAP No. 101			
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$........... 29,028,189	$............................	$............29,028,189
(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)	$........... 18,188,949	$............................	$............18,188,949
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$........... 18,188,949	$............................	$............18,188,949
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$..........150,150,060
(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.	$........... 25,103,969	$........... 11,463,739	$............36,567,708
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$........... 72,321,107	$........... 11,463,739	$............83,784,846

		12/31/2014		
		(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$........... 31,154,976	$............................	$............31,154,976
(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)	$........... 16,460,683	$............................	$............16,460,683
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$........... 16,460,683	$............................	$............16,460,683
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$..........153,363,640
(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.	$........... 30,246,998	$........... 11,997,522	$............42,244,520
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$........... 77,862,657	$........... 11,997,522	$............89,860,179

NOTES TO FINANCIAL STATEMENTS

	Change (7) (Col 1-4) Ordinary	Change (8) (Col 2-5) Capital	Change (9) (Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$ (2,126,787)	$	$ (2,126,787)
(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)	$ 1,728,266	$	$ 1,728,266
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$ 1,728,266	$	$ 1,728,266
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ (3,213,580)
(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.	$ (5,143,029)	$ (533,783)	$ (5,676,812)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ (5,541,550)	$ (533,783)	$ (6,075,333)

3.

	2015	2014
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	1,011.000	1,089.700
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	$ 1,001,000,402.000	$ 1,022,424,264.000

4.

Impact of Tax-Planning Strategies

	12/31/2015 (1) Ordinary	12/31/2015 (2) Capital
(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)	72,321,107	11,463,739
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies		
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	72,321,107	11,463,739
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies		

	12/31/2014 (3) Ordinary	12/31/2014 (4) Capital
(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)	77,862,657	11,997,522
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies		
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	77,862,657	11,997,522
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies		

	Change (5) (Col 1-3) Ordinary	Change (6) (Col 2-4) Capital
(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)	(5,541,550)	(533,783)
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies		
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	(5,541,550)	(533,783)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies		

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ______ No X

NOTES TO FINANCIAL STATEMENTS

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

	(1) 12/31/2015	(2) 12/31/2014	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ 2,616,687	$ 9,965,939	$ (7,349,252)
(b) Foreign	$	$	$
(c) Subtotal	$ 2,616,687	$ 9,965,939	$ (7,349,252)
(d) Federal income tax on net capital gains	$ 12,817,568	$ 5,582,941	$ 7,234,627
(e) Utilization of capital loss carry-forwards	$	$	$
(f) Other	$ (86,359)	$ 114,037	$ (200,396)
(g) Federal and foreign income taxes incurred	$ 15,347,896	$ 15,662,917	$ (315,021)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 6,529,183	$ 6,862,535	$ (333,352)
(2) Unearned premium reserve	$ 28,393,618	$ 28,583,342	$ (189,724)
(3) Policyholder reserves	$	$	$
(4) Investments	$	$	$
(5) Deferred acquisition costs	$	$	$
(6) Policyholder dividends accrual	$	$	$
(7) Fixed assets	$	$	$
(8) Compensation and benefits accrual	$ 15,826,795	$ 17,495,009	$ (1,668,214)
(9) Pension accrual	$ 14,358,351	$ 15,699,621	$ (1,341,270)
(10) Receivables - nonadmitted	$ 7,190,157	$ 9,200,118	$ (2,009,961)
(11) Net operating loss carry-forward	$	$	$
(12) Tax credit carry-forward	$	$	$
(13) Other (including items <5% of total ordinary tax assets)	$ 23,003	$ 22,032	$ 971
(99) Subtotal	$ 72,321,107	$ 77,862,657	$ (5,541,550)
(b) Statutory valuation allowance adjustment	$	$	$
(c) Nonadmitted	$	$	$
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 72,321,107	$ 77,862,657	$ (5,541,550)
(e) Capital:			
(1) Investments	$ 11,463,739	$ 11,997,522	$ (533,783)
(2) Net capital loss carry-forward	$	$	$
(3) Real estate	$	$	$
(4) Other (including items <5% of total capital tax assets)	$	$	$
(99) Subtotal	$ 11,463,739	$ 11,997,522	$ (533,783)
(f) Statutory valuation allowance adjustment	$	$	$
(g) Nonadmitted	$	$	$
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ 11,463,739	$ 11,997,522	$ (533,783)
(i) Admitted deferred tax assets (2d + 2h)	$ 83,784,846	$ 89,860,179	$ (6,075,333)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	$ 1,895,087	$ 1,500,785	$ 394,302
(2) Fixed assets	$ 5,374,747	$ 5,343,304	$ 31,443
(3) Deferred and uncollected premium	$ 761,250	$ 1,712,306	$ (951,056)
(4) Policyholder reserves	$ 196,876	$ 228,752	$ (31,876)
(5) Other (including items<5% of total ordinary tax liabilities)	$ 2,403,167	$ 2,354,731	$ 48,436
(99) Subtotal	$ 10,631,127	$ 11,139,878	$ (508,751)
(b) Capital:			
(1) Investments	$	$	$
(2) Real estate	$	$	$
(3) Other (including items <5% of total capital tax liabilities)	$ 31,491,329	$ 51,683,376	$ (20,192,047)
(99) Subtotal	$ 31,491,329	$ 51,683,376	$ (20,192,047)
(c) Deferred tax liabilities (3a99 + 3b99)	$ 42,122,456	$ 62,823,254	$ (20,700,798)
4. Net deferred tax assets/liabilities (2i - 3c)	$ 41,662,390	$ 27,036,925	$ 14,625,465

NOTES TO FINANCIAL STATEMENTS

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	$	72,520,168	$	25,382,059	35.00%
(b) Tax-Exempt Interest	$	(10,778,542)	$	(3,772,490)	-5.20%
(c) Dividends Received Deduction	$	(4,076,237)	$	(1,426,683)	-1.97%
(d) Proration	$	2,228,217	$	779,876	1.08%
(e) Meals & Entertainment	$	1,400,000	$	490,000	0.68%
(f) Statutory Valuation Allowance	$	-	$	-	0.00%
(g) Pension (unfunded liability and prepaid)	$	(8,192,668)	$	(2,867,434)	-3.95%
(h) Change in Nonadmitted Assets	$	5,742,744	$	2,009,960	2.77%
(i) Other, Including Prior Year True-up	$	611,971	$	214,190	0.30%
Total	$	59,455,652	$	20,809,478	28.69%
2. Description:					
(a) Federal Income Tax Incurred [Expense/(Benefit)]			$	2,530,328	3.49%
(b) Tax on Capital Gains/(Losses)			$	12,817,568	17.67%
(c) Change in Net Deferred Income Tax [Charge/(Benefit)]			$	5,461,582	7.53%
Total			$	20,809,478	28.69%

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

1. At December 31, 2015, the Company had net operating loss carry forwards of: $........................... 0

   At December 31, 2015, the Company had capital loss carry forwards of: $........................... 0

   At December 31, 2015, 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
2013	$	0	$	13,492,159	$	13,492,159
2014	$	6,299,632	$	9,418,244	$	15,717,876
2015	$	4,249,624	$	11,044,633	$	15,294,255
Total	$	10,549,256	$	33,955,034	$	44,504,290

3. Deposits admitted under IRC S6603:
   NONE

F. The Company's federal income tax return is consolidated with the following entities:

1. Trustgard Insurance Company
   Grange Indemnity Insurance Company
   Grange Insurance Company of Michigan
   Grange Property & Casualty Insurance Company
   GrangeAmerica Corporation
   T.G. Insurance Agency, Inc.

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.

G. Federal or foreign income tax loss contingencies:
The Company has assessed uncertain tax positions and has recorded a liability. The Company does not expect the liability to significantly increase within next 12 months.

10. INFORMATION CONCERNNING PARENT, SUBSIDIARIES AND AFFILIATES:

A. Relationship with Parent, Subsidiaries and Affiliates:

1. The Company owns 100% of the common stock of Grange Indemnity Insurance Company, Trustgard Insurance Company, Grange Insurance Company of Michigan and Grange Property & Casualty Insurance Company. The Company, domiciled in the State of Ohio, is a member of the Grange Mutual Casualty Group.
2. The Company owns approximately 79.21% of the common stock of Grange Life Insurance Company (GLIC). GLIC is domiciled in the State of Ohio. GLIC has a wholly owned insurance subsidiary, Grange Life Reinsurance Company, domiciled in the State of Vermont.
3. The Company owns 100% of the common stock of GrangeAmerica Corporation, a noninsurance subsidiary discussed in L. below.
4. The Company is affiliated with Integrity Mutual Insurance Company (IMICO). IMICO has a 100% wholly-owned subsidiary, Integrity Property & Casualty Insurance Company. IMICO owns approximately 20.79% of the common stock of GLIC. The companies, domiciled in the State of Wisconsin, are members 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

NOTES TO FINANCIAL STATEMENTS

D. Amounts Due From or To Related Parties:

At December 31, 2015, the Company reported $5.0 million as amounts receivable from its Subsidiaries and Affiliates. The terms of the settlement require that these amounts be settled within 45 days. GLIC reimburses the parent company GMCC for salaries, F.I.C.A., employee relations and welfare, directors' fees, travel, rent, equipment, and printing and stationery monthly. Subsidiaries, Trustgard Insurance Company, Grange Insurance Company of Michigan, Grange Property & Casualty Insurance Company, and Grange Indemnity Insurance Company reimburse the parent company, GMCC, for salaries, F.I.C.A., and employee relations and welfare monthly. Other expenses and Intercompany receivable and/or payable balances are reimbursed quarterly on an as made basis.

E. Guarantees or Contingencies for Related Parties: None

F. Description of material management or service contracts:

The Company maintains a service agreement with its subsidiaries, whereby GMCC provides service for the affiliates 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.

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: No Affiliate exceeds 10% of admitted assets.

J. The Company did not recognize any impairment write down for investments in Subsidiary, Controlled or Affiliated Companies during the periods reported.

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.

As stated above, the Company owns 100% of GrangeAmerica Corporation, a noninsurance subsidiary. This company has had no activity during the periods covered by these financial statements and as a result, the carrying value of $2,000 has been non-admitted.

11. DEBT:

A. The Company has no debt, including capital notes.

B. Federal Home Loan Bank Agreements:

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company participated in the Cash Management Advance Program (CMAP) in 2015 and 2014. In 2015 and 2014, the Company did not access the CMAP for a cash advance. It is the Company’s strategy to utilize cash advances for backup liquidity and any funds obtained from the FHLB of Cincinnati for backup liquidity would be accounted for consistent with SSAP No.15, Debt and Holding Company Obligations as borrowed money. The Company has determined the actual maximum borrowing capacity as $49,185,255. The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

   The table below indicates the amount of FHLB of Cincinnati stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLB of Cincinnati.

2. FHLB Capital Stock

a. Aggregate Totals

		Total 2+3	2 General Account	3 Separate Accounts
1.	Current Year			
(a)	Membership Stock - Class A	0	0	0
(b)	Membership Stock - Class B	2,544,696	2,544,696	0
(c)	Activity Stock	43,306	43,306	0
(d)	Excess Stock	463,898	463,898	0
(e)	Aggregate Total (a+b+c+d)	3,051,900	3,051,900	0
(f)	Actual or estimated Borrowing Capacity as Determined by the Insurer	49,185,255		0
2.	Prior Year-end			
(a)	Membership Stock - Class A	0	0	0
(b)	Membership Stock - Class B	3,017,630	3,017,630	0
(c)	Activity Stock	34,270	34,270	0
(d)	Excess Stock	0	0	0
(e)	Aggregate Total (a+b+c+d)	3,051,900	3,051,900	0
(f)	Actual or estimated Borrowing Capacity as Determined by the Insurer	55,400,815		0

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

			Eligible for Redemption		
Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	3 Less Than 6 Months	4 1 to Less Than 3 Years	5 3 to 5 Years
1. Class A	0	0	0	0	0
2. Class B	2,544,696	2,544,696	0	0	0

NOTES TO FINANCIAL STATEMENTS

3. Collateral Pledged to FHLB
   a. Amount Pledged as of Reporting Date

	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	56,067,357	55,169,478	0
2. Current Year General Account Total Collateral Pledged	56,067,357	55,169,478	0
3. Current Year Protected Cell Accounts Total Collateral Pledged	0	0	0
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	61,950,836	61,950,836	0

   b. Maximum Amount Pledged During Reporting Period

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged	70,528,879	68,953,614	0
2. Current Year General Account Maximum Collateral Pledged	70,528,879	68,953,614	0
3. Current Year Separate Accounts Maximum Collateral Pledged	0	0	0
4. Prior Year-end Total General and Separate Accounts Maximum Collateral Pledged	63,867,488	63,867,488	0

4. Borrowing from FHLB

   During the years ended December 31, 2015 and 2014, the Company had no borrowings from the FHLB.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS:

The Company offers a defined benefit pension plan (Plan), amended and restated, to its full time employees that were hired on or before December 31, 2006. Under the terms of the Plan, participants are eligible to receive normal retirement benefits upon reaching age 65. A participant may elect an early retirement date at a reduced benefit upon reaching age 55 and completing 5 years of credited service. The normal form of benefits is a life annuity for single participants and a 50% joint and survivor pension for married participants. Optional forms of benefit payments are available at the election of the participant. Under the provisions of the Plan, benefits are determined by applying factors specified in the Plan to a participant's defined average monthly compensation. As of December 31, 2011 all participants in the Plan had completed 5 years of credited service and were 100% vested. The Company's contributions to the Plan are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The Company uses a December 31 measurement date for the Plan. As of December 31, 2015, there was accrued, in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization, amounts representing the present value of future benefit obligations.

As a supplement to the benefits provided under the Plan, the Company sponsors an additional nonqualified defined benefit pension plan (Supplemental Plan) for highly compensated employees (as defined). Under the terms of the Supplemental Plan, a participant's benefit is equal to the benefit which would have been earned under the Plan, if the provisions of the Plan were administered without regard to the annual compensation limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, reduced by the benefits earned under the Plan. Participants are eligible to receive benefits under the Supplemental Plan as of the date in which benefit payments begin under the Plan. Benefits from the Supplemental Plan are paid in one lump sum payment.

In addition to the Plan, the Company sponsors a defined benefit plan (Postretirement Plan) that provides postretirement health care and life insurance benefits to participants upon reaching age 55 and completing 10 years of credited service. The Postretirement Plan covers employees that were hired on or before December 31, 2005. The Postretirement Plan is contributory, with retiree contributions adjusted annually, and contains other cost-sharing features, such as deductibles and coinsurance. The Postretirement Plan was amended effective July 31, 2013. For participants that retire on or after January 1, 2015, the Company's financial contribution toward this benefit will be capped and the Company will no longer share in any future cost increases. The Company's policy is to pay the cost of benefits with cash flows from current operations; therefore, there were no Postretirement Plan assets as of December 31, 2015 or 2014. The Company uses a December 31 measurement date for the Postretirement Plan.

The Company also offers a defined benefit pension plan (Board Plan), amended and restated, for non-employee members of the Board who were first elected to the Board on or before January 1, 1996. Under the terms of the Board Plan, participants are eligible to receive retirement benefits upon reaching age 60 and completing 5 years of credited service. Under the provisions of the Board Plan, benefits are fixed at $60,000 per year and continue for the lifetime of the participant.

The Plan was amended during 2015 to allow terminated vested participants the limited-time option to commence their pension benefit as a lump sum. There were no other amendments to the Plan, Supplemental Plan, Postretirement Plan or Board Plan during the years ended December 31, 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS

A summary of assets, obligations and assumptions of the Pension, Nonqualified and Other Postretirement Benefit Plans is as follows at December 31, 2015 and 2014:

A. Defined Benefit Plan

(1) Change in benefit obligation

a. Pension Benefits

		Overfunded		Underfunded	
		2015	2014	2015	2014
1.	Benefit obligation at beginning of year	$ 0	$ 0	$ 180,695,562	$ 150,166,465
2.	Service cost	$	$ 0	$ 7,653,402	$ 6,674,339
3.	Interest cost	$	$ 0	$ 7,302,937	$ 7,310,080
4.	Contribution by plan participants	$	$ 0	$ 0	$ 0
5.	Actuarial gain (loss)	$	$ 0	$ (8,364,211)	$ 24,628,929
6.	Foreign currency exchange rate changes	$	$ 0	$ 0	$ 0
7.	Benefits paid	$	$ 0	$ (2,272,805)	$ (2,020,970)
8.	Plan amendments	$	$ 0	$ 0	$ 0
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits	$	$ 0	$ (10,323,859)	$ (6,063,281)
10.	Benefit obligation at end of year	$ 0	$ 0	$ 174,691,026	$ 180,695,562

b. Postretirement Benefits

		Overfunded		Underfunded	
		2015	2014	2015	2014
1.	Benefit obligation at beginning of year	$ 0	$ 0	$ 36,810,173	$ 36,843,553
2.	Adjustment for nonvested PBO	$ 0	$ 0	$ 0	$ 0
3.	Service Cost	$ 0	$ 0	$ 554,306	$ 611,060
4.	Interest cost	$ 0	$ 0	$ 1,459,218	$ 1,760,002
5.	Contribution by plan participants	$ 0	$ 0	$ 0	$ 0
6.	Actuarial gain (loss)	$ 0	$ 0	$ (8,885,960)	$ (1,225,048)
7.	Foreign currency exchange rate changes	$ 0	$ 0	$ 0	$ 0
8.	Benefits paid	$ 0	$ 0	$ (1,503,960)	$ (1,179,394)
9.	Plan amendments	$ 0	$ 0	$ 0	$ 0
10.	Business combinations, divestitures, curtailments, settlements and special termination benefits	$ 0	$ 0	$ 0	$ 0
11.	Benefit obligation at end of year	$ 0	$ 0	$ 28,433,777	$ 36,810,173

c. Special or Contractual Benefits per SSAP No. 11

		Overfunded		Underfunded	
		2015	2014	2015	2014
1.	Benefit obligation at beginning of year	$ 0	$ 0	$ 7,494,776	$ 7,070,811
2.	Service cost	$ 0	$ 0	$ 77,570	$ 177,628
3.	Interest cost	$ 0	$ 0	$ 239,614	$ 303,133
4.	Contribution by plan participants	$ 0	$ 0	$ 0	$ 0
5.	Actuarial gain (loss)	$ 0	$ 0	$ (113,270)	$ 318,942
6.	Foreign currency exchange rate changes	$ 0	$ 0	$ 0	$ 0
7.	Benefits paid	$ 0	$ 0	$ (375,738)	$ (375,738)
8.	Plan amendments	$ 0	$ 0	$ 0	$ 0
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits	$ 0	$ 0	$ (963,979)	$ 0
10.	Benefit obligation at end of year	$ 0	$ 0	$ 6,358,973	$ 7,494,776

(2) Change in plan assets

		Pension Benefits		Postretirement Benefits		Postemployment	
		2015	2014	2015	2014	2015	2014
a.	Fair value of plan assets at beginning of year	$ 128,757,142	$ 127,919,727	$ 0	$ 0	$ 0	$ 0
b.	Actual return on plan assets	$ (2,493,312)	$ 8,921,666	$ 0	$ 0	$ 0	$ 0
c.	Foreign currency exchange rate changes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
d.	Reporting entity contribution	$ 20,000,000	$ 0	$ 1,503,960	$ 1,179,394	$ 1,339,717	$ 375,738
e.	Plan participants' contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
f.	Benefits paid	$ (2,272,805)	$ (2,020,970)	$ (1,503,960)	$ (1,179,394)	$ (375,738)	$ (375,738)
g.	Business combinations, divestitures and settlements	$ (10,323,859)	$ (6,063,281)	$ 0	$ 0	$ (963,979)	$ 0
h.	Fair value of plan assets at end of year	$ 133,667,166	$ 128,757,142	$ 0	$ 0	$ 0	$ 0

NOTES TO FINANCIAL STATEMENTS

(3) Funded status

	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$............24,904,786	$...........13,841,384	$...........................0	$...........................0
2. Overfunded plan assets	$.........(24,904,786)	$.........(13,841,384)	$...........................0	$...........................0
3. Total assets (nonadmitted)	$........................... 0	$...........................0	$...........................0	$...........................0
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$........................... 0	$...........................0	$...........42,178,560	$...........42,508,788
2. Liability for pension benefits	$............41,023,860	$...........43,894,594	$..........(7,385,810)	$.............1,453,594
3. Total liabilities recognized	$............41,023,860	$...........43,894,594	$...........34,792,750	$...........43,962,382
c. Unrecognized liabilities	$........................... 0	$.............8,043,826	$...........................0	$................342,567
d. Funded Status	$............41,023,860	$............51,938,420	$............34,792,750	$............44,304,949

(4) Components of net periodic benefit cost

	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014	Nonqualified 2015	Nonqualified 2014
a. Service cost	$ 7,653,402	$......... 6,674,339	$ 554,306	$ 611,060	$.............77,570	$ 177,628
b. Interest cost	$ 7,302,937	$......... 7,310,080	$ 1,459,218	$ 1,760,002	$............239,614	$ 303,133
c. Expected return on plan assets	$ ......(9,779,104)	$.......(9,720,953)	$ 0	$ 0	$.......................0	$ 0
d. Amortization of transition (obligation)/asset	$ ....(24,939)	$........... (63,963)	$ 0	$ 0	$.......................0	$ 0
e. Amount of recognized (gains) and losses	$ 3,784,302,	$......... 2,158,471	$ ....(137,823)	$ ....(45,593)	$............ 128,657	$ 138,083
f. Amount of prior service cost or (credit) recognized	$ 0	$.......................0	$ ....(108,692)	$ 512,708	$........... (75,661)	$ .... (75,661)
g. Gain or loss recognized due to a settlement or curtailment	$ 0	$.......................0	$ 0	$ 0	$............ 376,260	$ 0
h. Total net periodic benefit cost	$ 8,936,598	$......... 6,357,974	$ 1,767,009	$ 2,838,177	$............ 746,440	$ 543,183

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014
a. Items not yet recognized as a component of net periodic cost - prior year	$.........(65,779,804)	$......... (42,446,096)	$...........(1,796,161)	$...........(3,231,804)
b. Net transition asset or obligation recognized	$................(24,939)	$................(63,963)	$...........................0	$...........................0
c. Net prior service cost or credit arising during the period	$........................... 0	$...........................0	$...........................0	$...........................0
d. Net prior service cost or credit recognized	$........................... 0	$...........................0	$............. (184,353)	$................437,047
e. Net gain and loss arising during the period	$...........(3,908,205)	$.........(25,428,216)	$.............8,999,229	$................906,106
f. Net gain and loss recognized	$.............3,784,302	$.............2,158,471	$................367,094	$..................92,490
g. Items not yet recognized as a component of net periodic cost - current year	$.........(65,928,646)	$.........(65,779,804)	$.............7,385,810	$...........(1,796,161)

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014
a. Net transition asset or obligation	$........................... 0	$................(24,939)	$...........................0	$...........................0
b. Net prior service cost or credit	$........................... 0	$...........................0	$...............(75,661)	$.............(184,353)
c. Net recognized gains and losses	$.............3,903,620	$.............3,784,302	$................110,065	$....................3,268

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014
a. Net transition (obligation)/asset	$........................... 0	$..................24,939	$...........................0	$...........................0
b. Net prior service cost or credit	$........................... 0	$...........................0	$..........(4,574,446)	$...........(4,570,093)
c. Net recognized gains and losses	$.........(65,928,646)	$.........(65,804,743)	$...........12,140,256	$.............2,773,932
d. Total amounts in unassigned funds (surplus)	$..........(65,928,646)	$..........(65,779,804)	$.............7,385,810	$...........(1,796,161)

(8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31

	2015	2014
a. Weighted-average discount rate	.... 4.100	.....................4.950
b. Expected long-term rate of return on plan assets	.... 7.750	.....................7.750
c. Rate of compensation increase	.... 3.610	.....................3.740

Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:

	2015	2014
d. Weighted-average discount rate	.... 4.420	.....................4.100
e. Rate of compensation increase	.... 3.750	.....................3.610

NOTES TO FINANCIAL STATEMENTS

For measurement purposes, a 7.00% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2016. The rate is assumed to decrease to 6.75% for 2017, then decrease gradually to 5.00% for 2021, and remain at that level thereafter.

The measurement date (annual valuation) used to determine other postretirement benefit measurements for postretirement benefit plans that make up at least the majority of plan assets and benefit obligation is January 1. The fair market value of assets is measured and updated as of December 31.

(9) The amount of the accumulated benefit obligation for the Plan was $132,672,975 and $137,599,764 at December 31, 2015 and 2014, respectively. The amount of the accumulated benefit obligation for the Supplemental Plan and Board Plan (nonqualified plans) combined was $5,817,436 and $6,797,838 at December 31, 2015 and 2014, respectively.

(10) In addition to pension benefits, the Company provides certain health care and life insurance benefits for retired employees and eligible dependents.

(11) Due to the caps in the Company's postretirement health care plan, assumed health care cost trend rates have a limited effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates, including the effects of Medicare Part D subsidies, would have the following effects:

		1 Percentage Point Increase	1 Percentage Point Decrease
a.	Effect on total of service and interest cost components	$................(94,445)	$...................80,126
b.	Effect on postretirement benefit obligation	$...........(1,484,600)	$.............1,241,619

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated for all plans sponsored by the Company:

	Year(s)	Amount
a.	2016	$.............8,433,569
b.	2017	$.............8,310,997
c.	2018	$.............8,527,248
d.	2019	$.............9,748,210
e.	2020	$............11,557,475
f.	Thereafter Total	$............62,278,526

(13) The Company does intend to make contributions into the Plan during 2016 of approximately $6,000,000. In addition, there are no contributions required by funding regulations or laws for 2016.

(14) Securities, Insurance Contracts, and other Employer Transactions.

NOT APPLICABLE

(15) Prior service cost is amortized on a straight-line basis over participants' average future service, not on a weighted average basis.

(16) Substantive commitment used as basis for accounting for the benefit obligation.

NOT APPLICABLE.

(17) Cost of providing special or contractual termination benefits recognized during the period.

NOT APPLICABLE

(18) Explanation of significant change in the benefit obligation or plan assets not otherwise apparent.

In 2014, a change was made for the mortality table assumption in consideration of a new set of mortality tables released by the Society of Actuaries in October 2014. Effective December 31, 2014, the RP-2014 No Collar, Generational Period table with MP-2014 Scale projection was used. In 2015, the projection scale was updated to MP-2015.

GMCC amended the Plan during 2015 by adding a one-time election period that allowed lump sum payments to be made to participants that had a vested benefit in the Plan, but who are no longer employed by GMCC. These participants were offered a one-time, voluntary opportunity to receive their vested benefit in-full in the form of a lump sum. Approximately 85 participants elected to receive a lump sum in 2015, resulting in payments of approximately $4,500,000.

(19) The amount and timing of plan assets expected to be returned in the next twelve months.

NONE

(20) The following provides the status of the Company's pension and other postretirement plans as of December 31, 2012 and at the transition date, January 1, 2013:

	Pension Benefits		Postretirement Benefits		Nonqualified	
	12/31/2012	1/1/2013	12/31/2012	1/1/2013	12/31/2012	1/1/2013
Accumulated Benefit Obligation	$ ..(121,205,789)	$...(121,205,789)	$.......................0	$ 0	$.......(5,324,801)	$...... (5,324,801)
Projected Benefit Obligation	$ ..(161,158,188)	$...(161,158,188)	$.... (39,330,841)	$ ....(39,330,841)	$.......(6,284,295)	$...... (6,284,295)
Plus: Non-vested liability	$...................... 0	$.......................0	$.......................0	$ ....(24,969,177)	$.......................0	$.......................0
Total Projected Benefit Obligation	$ ..(161,158,188)	$...(161,158,188)	$.... (39,330,841)	$ ....(64,300,018)	$.......(6,284,295)	$...... (6,284,295)
Plan assets at fair value	$.....117,471,258	$..... 117,471,258	$.......................0	$...................... 0	$.......................0	$.......................0
Funded status	$ ....(43,686,930)	$.....(43,686,930)	$.... (39,330,841)	$ ....(64,300,018)	$.......(6,284,295)	$...... (6,284,295)

NOTES TO FINANCIAL STATEMENTS

(21) On January 1, 2013, the Company adopted SSAP No. 92, Accounting for Postretirement Benefits Other Than Pensions - A Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions - A Replacement of SSAP No. 89. The standards require insurers to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability and include non-vested employees in determining the plan obligations. In addition, a sponsor's fiscal year end will be used as the measurement date for estimating the fair value of postretirement benefit assets and liabilities. The guidance contains a transition provision that gives insurers the option to recognize the initial impact to surplus over a period not to exceed 10 years.

Minimum Transition Liability for 2013 – greater of:	Pension Benefits	Postretirement Benefits	Nonqualified	Total
10% of calculated surplus impact	$ 4,368,693	$ 3,285,272	$ 142,716	
Annual amortization of unrecognized items	$ 4,402,261	$ 1,506,825	$ 15,612	
Difference between ABO and accrued benefits	$ 3,734,531	$ N/A	$ 523,554	
Minimum Transition Liability at 1/1/2013	$ 4,402,261	$ 3,285,272	$ 613,915	$ 8,301,448
Additional minimum liability recognized in surplus at 12/31/2012				$ (4,258,085)
Surplus decrease at 1/1/2013				$ 4,043,363
Tax impact				$ (1,415,177)
Net surplus decrease at 1/1/2013				$ 2,628,186

Minimum Transition Liability for 2015 – greater of:	Pension Benefits	Postretirement Benefits	Nonqualified	Total
10% of calculated surplus impact	$ 4,368,693	$ N/A	$ 90,361	
Annual amortization of unrecognized items	$ 3,759,363	$ N/A	$ 404,254	
Difference between ABO and accrued benefits	$ N/A	$ N/A	$ N/A	
Minimum Transition Liability during 2015	$ 4,368,693	$ 0	$ 342,567	$ 4,711,260
Tax impact				$ (1,648,941)
Net surplus decrease during 2015				$ 3,062,319

During the 1st quarter of 2015, the Supplemental Plan incurred settlement accounting. The settlement charge fully recognized the remaining transition liability in the Supplementary Plan. The Company also fully recognized the remaining transition liability for the Plan during 2015. Below is the recap activity since 2013.

	Pension Benefits	Postretirement Benefits	Nonqualified	Total
Transition liability at 1/1/2013	$ 43,686,930	$ 32,852,724	$ 1,427,160	$ 77,966,814
Transition liability recognized at adoption	$ (4,402,261)	$ (3,285,272)	$ (613,915)	$ (8,301,448)
Unrecorded transition liability at 1/1/2013	$ 39,284,669	$ 29,567,452	$ 813,245	$ 69,665,366
Required offset due to actuarial gains	$ (26,838,582)	$ (29,567,452)	$ 0	$ (56,406,034)
Unrecorded transition liability at 12/31/2013	$ 12,446,087	$ 0	$ 813,245	$ 13,259,332
Transition liability recognized during 2014	$ 4,402,261	$ 0	$ 90,361	$ 4,492,622
Required offset due to actuarial gains	$ 0	$ 0	$ 380,317	$ 380,317
Unrecorded transition liability at 12/31/2014	$ 8,043,826	$ 0	$ 342,567	$ 8,386,393
Transition liability recognized during 2015	$ 8,043,826	$ 0	$ 342,567	$ 8,386,393
Required offset due to actuarial gains	$ 0	$ 0	$ 0	$ 0
Unrecorded transition liability at 12/31/2015	$ 0	$ 0	$ 0	$ 0

B.

The asset allocation for the Plan as of the measurement dates, December 31, 2015 and 2014 and the target asset allocation, presented as a percentage of total plan assets were as follows:

		2015	2014	Target Allocation
a.	Bonds	24.0%	25.0%	24.0%
b.	Equities	64.0%	63.0%	65.0 %
c.	Hedge Funds	5.0%	4.0%	5.0 %
d.	Commodities	5.0%	4.0%	5.0 %
d.	Cash and Cash Equivalents	2.0%	4.0%	1.0%
e.	Total	100.0%	100.0%	100.0%

The assets of the Plan are managed to maximize total investment returns and provide sufficient funding for present and anticipated future benefit obligations within the constraints of a prudent level of portfolio risk and asset diversification.

C.

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Bonds	$ 0	$ 31,697,092	$ 0	$ 31,697,092
Equities	$ 86,161,050	$ 0	$ 0	$ 86,161,050
Hedge Funds	$ 0	$ 0	$ 6,290,702	$ 6,290,702
Commodities	$ 6,398,060	$ 0	$ 0	$ 6,398,060
Cash and Cash Equivalents	$ 3,120,262	$ 0	$ 0	$ 3,120,262
Total Plan Assets	$ 95,679,372	$ 31,697,092	$ 6,290,702	$ 133,667,166

NOTES TO FINANCIAL STATEMENTS

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy

Description	Beginning Balance at 01/01/2015	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
Hedge Funds	$ 5,246,343	$ 0	$ 0	$ 44,359	$ 0	$1,000,000	$ 0	$ 0	$ 0	$ 6,290,702
Total Plan Assets	$ 5,246,343	$ 0	$ 0	$ 44,359	$ 0	$1,000,000	$ 0	$ 0	$ 0	$ 6,290,702

D. To develop the expected long-term rate of return on assets assumption, the Company considered the historical compound rates of return realized on Plan assets and the future expectations for returns by each asset class, as well as the target asset allocation of the overall portfolio. Evaluation of these factors resulted in the selection of the 7.75% long-term rate of return assumption that was used to calculate the net periodic pension cost for the Plan. The expected long-term rate of return on assets is a long-term assumption and generally does not change annually.

E. Defined Contribution Plans

In addition to the defined benefit plans described in the preceding sections, the Company offers a defined contribution plan that covers all full time employees (Grange DC Plan) in which newly hired employees who have not made an election whether to participate or not are automatically enrolled with a 6% of base pay contribution rate following thirty days of employment. New employees may opt out of the automatic enrollment process. A participant may authorize payroll deductions ranging from 1% to 50% of their base salary (in 1% increments) utilizing one or more of the following contribution options available within the Plan: 1) basic contributions (before-tax contributions); 2) Roth contributions; 3) after-tax contributions; and 4) catch-up contributions, if the participant is age 50 or older. The total dollar amount that may be contributed by a participant each calendar year is subject to certain limitations, as defined by the Plan. In addition, the total percentage deducted as basic, Roth, and after-tax contributions may not exceed 50% of a participant's base salary. The Company contributes a 50% match of each participant's basic and Roth contributions that does not exceed 6% of compensation. Such contributions made by the Company were approximately $2,716,000 and $2,830,000 in 2015 and 2014, respectively.

The Grange DC Plan also provides that additional employer contributions (as defined) may be made in such amounts as determined by the Board. Only participants who have made basic or Roth contributions during an accounting year (as defined) and have a basic or Roth contribution account on the last day of such accounting year are eligible to receive the additional employer contribution. Additional employer contributions were approximately $225,000 and $800,000 in 2015 and 2014, respectively.

All employee contributions to the Grange DC Plan are 100% vested at all times. All employer matching and additional employer contributions are 100% vested after a participant has completed 2 years of service with the Company.

There were no amendments to the Grange DC Plan during the years ended December 31, 2015 and 2014.

In addition to the Grange DC Plan described in the preceding paragraphs, the Company offers a defined contribution plan, referred to as Retirement Accumulation Accounts (RA Accounts), to employees of the Company who are hired on or after January 1, 2007, as they are not eligible to participate in the Plan. The Company makes a RA Account contribution to each participant who is in the active employment of the Company as of the last day of the RA Account plan year (December 31). The amount of the Company's contribution to each participant is determined based on a formula that takes into account an employee's salary, age and years of credited service.

Employer contributions to the RA Accounts become 100% vested upon the employee completing three years of credited service. The Company contributed approximately $1,455,000 and $1,230,000 to the eligible participants' RA Accounts in 2015 and 2014, respectively.

F. Multiemployer Plans

NOT APPLICABLE

G. Consolidating/Holding Company Plans

NOT APPLICABLE

H. Postemployment Benefits and Compensated Absences

The Company has an accrued liability of $3,830,000 and $3,650,000 at December 31, 2015 and 2014, respectively, related to its paid time off (PTO) program.

NOTES TO FINANCIAL STATEMENTS

II. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

(1) Recognition of the existence of the Act

NOT APPLICABLE

(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost

NOT APPLICABLE

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was signed into law in December of 2003. The Act includes the following two new features to Medicare Part D that could affect the measurement of the accumulated postretirement benefit obligation (APBO) and net periodic postretirement cost for the Postretirement Plan:

- A federal subsidy (based on 28% of an individual beneficiary's annual prescription drug costs between $250 and $5,000) to sponsors of retiree healthcare benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D; and
- The opportunity for a retiree to obtain a prescription drug benefit under Medicare.

(3) Disclosures of Gross Benefits

Future gross benefits payments are estimated to be at approximately the same level as 2015.

	2015	2014
Subsidy received during calendar year	$ 125,723	$ 142,449
Expected subsidy receivable	$ 155,988	$ 220,567

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

1. The Company has no common stock outstanding.
2. The Company has no preferred stock outstanding.
3. Dividend Restrictions:

   The Company doesn't pay dividends to its policyholders. Dividends recorded in these financial statements were paid by other companies within the intercompany pooling agreement discussed in Footnote 26 below.
4. Dividend Payment Dates:

   No dividends were paid by the Company. See item 3 above.
5. Portion of the Company's Profits That May Be Paid as Ordinary Dividends:

   The Company doesn't pay dividends to its policyholders. See item 3 above.
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 portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is $277,441,708.
11. Surplus Notes:

Description	Date Issued	Interest Rate	Par Value (Face amount of Notes)	Carrying Value of Notes	Interest and/or Principal Paid Current Year	Total Interest and/or Principal Paid	Unapproved Interest and/or Principal	Date of Maturity
I-Preferred Term Securities III, LTD	October 29, 2003	3-Month LIBOR + 3.95%	$15,000,000	$15,000,000	$640,971	$10,640,383	$0	October 29, 2033
I-Preferred Term Securities III, LTD	October 29, 2003	3-Month LIBOR + 3.95%	$20,000,000	$20,000,000	$854,627	$14,180,016	$0	October 29, 2033
			$35,000,000	$35,000,000	$1,495,598	$24,820,398	$0	

The Surplus Notes listed above are held by U.S. Bank, N.A.

No affiliate holds a portion of the Surplus Notes.

The Surplus Notes have the following repayment conditions and restrictions: All payments of interest on and repayment of principal of these Surplus Notes may only be made with the prior approval of The Ohio Department of Insurance (Department). There are no specific limitations on the extent of the Department's discretion in determining whether the financial condition of the Company warrants the making of such payments.

The Surplus Notes have the following subordination terms: In the event of the rehabilitation, liquidation, conservation, dissolution, reorganization or receivership of the Company, the claims under the Surplus Notes shall be paid out of any assets remaining after payment of all Policy Claims and all Senior Indebtedness of the Company. Provided however that the claims of any holder of a Surplus Note shall not be subordinated to the claim of any other holder of a Surplus Note. The payment by the Company of the principal of, and premium, if any, and interest on all Surplus Notes shall, to the extent and in the manner

NOTES TO FINANCIAL STATEMENTS

hereinafter set forth, be subordinated and junior in right of payment to the prior payment in full of all Policy Claims an Senior Indebtedness of the Company, whether outstanding at the date of this Indenture or thereafter incurred.

Liquidation preference to the reporting entity's common and preferred shareholders: Not Applicable

12. There has not been a restatement due to prior quasi-reorganizations.

13. There has been no quasi-reorganization in the past 10 years.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS:

A. Contingent Commitments: None

B. Assessments:

In the ordinary course of business, the Company receives notification of potential assessments as a result of the insolvency of insurance companies. It is expected that the insolvencies will result in a retrospective-based guaranty fund assessment against the Company. As of December 31, 2015, the Company has recorded a liability for these guaranty fund assessments in the amount of $1,485,000. Included in this amount are the insolvencies of Legion Insurance Company in the amount of approximately $291,000, Home Insurance in the amount of approximately $264,000 and LMG Insurance in the amount of approximately $187,000. The remaining amount includes nearly 20 separate insolvencies. This amount includes assessments against all companies discussed in Footnote 1C above. The Company does not record premium tax offsets as an asset, since these amounts would be non-admitted, given the lengthy nature of insolvency assessments.

C. Gain Contingencies: None

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits: None

E. Product Warranties: None

F. Joint and Several Liabilities: None

G. 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:

A. Lessee Operating Lease:

1.
   a. Excluding the sale-leaseback noted in #3 immediately below, the Company's leases are limited to claims branch offices and certain operating leases for office equipment, which are immaterial.
   b. There are no contingent rental payments under these agreements, nor are there any restrictions (for example, on the ability to pay dividends) placed on the Company arising from these agreements.

2. Related to the sale-leaseback in 3 immediately below, as of December 31, 2015, the Company's future minimum rental payments for each of the next five years are approximately:

Year ending December 31:	Operating Leases
2016	$1,086,000
2017	$1,086,000
2018	$1,086,000
2019	$1,086,000
Total	$4,344,000

3. On December 26, 2012, the Company executed a sale-leaseback agreement with Key Equipment Finance, Inc. whereby the Company sold certain software assets and began a 7 year operating lease related to that software on January 1, 2013. The operating lease provides for a fixed payment schedule and obligates the Company to annual lease payments of approximately $1,086,000 per year. At the end of this operating lease, a balloon payment of approximately $2,242,000 will be due.

B. Lessor Leasing Arrangements:

The Company is the lessor for various office buildings to third parties. These leases are typical for office leasing. The Company considers these leases to be immaterial.

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

17. TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES:

A. Transfers of Receivables Reported as Sales: None

B. Transfer and Servicing of Financial Assets

1. Loaned Securities:
   The Company participates in a securities lending program with JPMorgan Chase Bank as lending agent. Securities on loan as of 12/31/2015 were fixed income bonds, totaling $30.9 . 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.
2. Servicing Assets and Servicing Liabilities: None
3. Servicing Assets and Servicing Liabilities Measured at Fair Value: None

NOTES TO FINANCIAL STATEMENTS

4. Securitizations, Asset-backed Financing Agreements and Similar Transfers with Continued Involvement: None
5. Assets Accounted for as Secured Borrowing: None
6. Receivables with Recourse: None
7. Securities Underlying Repurchase and Reverse Repurchase Agreements: None

C. Wash Sales: None

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

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

20. FAIR VALUE MEASUREMENTS:

A.
1. Fair Value Measurements as of December 31, 2015:

Description	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Perpetual Preferred Stock				
Industrial & Misc	12,243,897	0	0	12,243,897
Parent, Subs, & Affiliates	0	0	0	0
Total Perpetual Preferred Stock	12,243,897	0	0	12,243,897
Bonds				
US Governments	0	0	0	0
US States, Territories, & Possessions	0	0	0	0
US Political Subdivisions	0	0	0	0
US Special Rev & Assessment	0	0	0	0
Industrial & Misc	34,428,380	70,892,252	0	105,320,632
Parent, Subs, & Affiliates	0	0	0	0
Total Bonds	34,428,380	70,892,252	0	105,320,632
Common Stock				
Industrial & Misc	340,186,957	3,092,525	0	343,279,482
Parent, Subs, & Affiliates	0	0	225,649,126	225,649,126
Total Common Stock	340,186,957	3,092,525	225,649,126	568,928,608
Other Invested Assets				
Hedge Funds	0	7,389,683	42,177,008	49,566,691
Floating Rate Loans	0	57,929,250	0	57,929,250
Total Other Invested	0	65,318,934	42,177,008	107,495,941
Total Assets at Fair Value	386,859,234	139,303,710	267,826,134	793,989,078
b. Liabilities at Fair Value				
Derivative liabilities	0	0	0	0
Total Derivative Liabilities	0	0	0	0
Total Liabilities at Fair Value	0	0	0	0

2. Fair Value Measurements in Level 3 of the Fair Value:

	Balance at 01/01/2015	Transfers in to Level 3	Transfers out Level 3	Total G/(L) included in Net Income	Total G/(L) included in Surplus	Purchases,	Issuances	Sales	Settlements	Balance at 12/31/2015
Common Stock	221,081,255	0	0	0	4,567,871	0	0	0	0	225,649,126
Other Invested Assets	49,077,867	0	0	4,579,142	(3,480,002)	0	0	8,000,000	0	42,177,008
	270,159,122	0	0	4,579,142	1,087,869	0	0	8,000,000	0	267,826,134

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, 2015 the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:

   Bonds - 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. Therefore, The Company reported $105.3 million of bonds with non-investment grade ratings at fair value on the statement of financial position as of December 31, 2015. At the end of every quarter and at year-end, The Company utilizes fair values provided by the Securities Valuation Office (SVO) of the National Association of Insurance Commissioners (NAIC). The SVO is responsible for the credit quality assessment and valuation of securities owned by state regulated insurance companies. Fair value is determined by evaluations based on observable market information rather than market quotes. Inputs to the evaluations include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, credit spreads, interest rate yield curves, and other market-observable information. Thus, fixed income securities measured and reported at fair value are included in the amounts disclosed in Level 2 of the hierarchy.

NOTES TO FINANCIAL STATEMENTS

Common Stocks, Industrial & Miscellaneous– According to statutory accounting rules, common stocks are reported at fair value. The Company holds two positions not actively traded. One represents membership in NAMIC (National Association of Mutual Insurance Cos.) and is valued by the SVO. The other represents membership with FHLB of Cincinnati. Therefore these securities are included in level 2.

Parent, Subsidiaries, and Affiliates – The Company's investments in six subsidiaries are measured and reported at fair value as of December 31, 2015 for each respective entity totaling $225.6 million in aggregate. Fair value measurement is determined by the individual entity's surplus at the end of a period, or the amount by which assets exceed liabilities. Each subsidiary is in the insurance industry, whereby its assets are largely comprised of fixed income securities carried at amortized cost and its liabilities represent reserves for underwriting losses. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

Other Invested Assets - Included in other invested assets are four limited partnerships, one of which is considered a private equity fund that invests in equity securities and debt or other securities providing equity like returns. The private equity fund is reported at its most recently available fair value provided by the Managing Member of the Fund, net any contributions or distributions since said report, totaling $0.3 million as of December 31, 2015. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Managing Member is required to make significant judgments that impact the reported fair value of investments. Fair value is determined using valuation methodologies after giving consideration to a range of factors including, but not limited to, the price at which the investment was acquired, the nature of the investment, relevant market conditions, trading values on public exchanges for comparable securities discounted accordingly for size, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. A financial instrument's categorization within the fair value hierarchy is based on the lowest level of input that is significant to its fair value measurement. As of December 31, 2015 all investments related to the private equity funds are classified as Level 3 assets.

The other three limited partnerships, totaling $49.3 million as of December 31, 2015 are considered hedge funds. Fair value reported on the statement of financial position represents the most recently available valuation provided by the fund manager, usually the previous month from the reporting date due to the timing for receipt of the monthly statement. One hedge fund, with a fair value of $7.4 million, has underlying assets consisting of cash and marketable equity securities. The Company's investment in the fund is valued at the proportionate interest in the net asset value of the marketable securities held by the partnership. Some investments are quoted prices in markets that are not considered to be active for identical assets or liabilities, quoted prices in active markets for similar assets or liabilities and inputs other than quoted prices that are directly observable or indirectly through corroboration with observable market data. As of December 31, 2015, the partnership is classified as Level 2 assets. The remaining two hedge funds, valued at $41.9 million, report fair value based on values provided to a trustee by the fund manager. The Company's investment in each is valued at the proportionate interest in the net asset value of the partnership. There are no unfunded commitments related to the hedge funds and units are redeemable at net asset value with the appropriate prior written notice. Inputs are unobservable and result in disclosure at Level 3 of the fair value hierarchy.

During 2015 and 2014, the Company made contributions to the Eaton Vance Institutional Senior Loan Fund. The Fund is a limited liability corporation incorporated under the laws of the Cayman Islands. The Fund's investment objective is to provide as high a level of current income as is consistent with the preservation of capital, by investing in a portfolio primarily of senior floating-rate loans. Eaton Vance uses an independent pricing service to value most loans and other debt securities at their market value. In certain situations, Eaton Vance may use the fair value of a security if market prices are unavailable or deemed unreliable. As of December 31, 2015, the fund is classified as Level 2 assets totaling $57.9 million.

B. Other Fair Value Disclosures: None

C. Fair Values for All Financial Instruments by levels 1, 2 and 3:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
						0
Bonds	1,074,040,977	1,046,813,528	181,821,653	892,219,324	0	0
Common Stock	568,928,608	568,928,608	340,186,957	3,092,525	225,647,126	2,000
Perpetual Preferred	14,761,475	14,368,467	14,761,475	0	0	0
Other Invested Asset	107,495,941	107,495,941	0	65,318,934	42,177,008	0
TOTAL	1,765,227,001	1,737,606,544	536,770,085	960,630,783	267,824,134	2,000

D. Not Practicable to Estimate Fair Value:

Type of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Common Stock	2,000	N/A	N/A	Non-insurance Subsidiary
TOTAL	2,000			

21. OTHER ITEMS:

A. Unusual or Infrequent Items: None

B. Troubled Debt Restructuring: None

C. Other Disclosures:

The Company is a co-borrower with Grange Life Reinsurance Company (GLRE), which is a wholly-owned subsidiary of Grange Life Insurance Company (GLIC), under a $100,000,000 conditional letter of credit facility (the LOC) that was executed in December 2012 and expires in December 2016. The LOC is utilized as security to enable GLIC to secure statutory reserve credit for the reinsurance ceded to GLRE under its reinsurance agreements. The total amount outstanding under the LOC was $44,132,000 and $38,820,000 as of December 31, 2015 and 2014, respectively.

D. Business Interruption Insurance Recoveries: None

E. State Transferable and Non-transferable Tax Credits: None

F. Subprime Mortgage Related Risk Exposure

1. Management 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

NOTES TO FINANCIAL STATEMENTS

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.

The overall characteristics of the Company's residential mortgage loan portfolio (the "Portfolio") are positive and indicate that the Portfolio, as a whole, does not have significant exposure to subprime mortgage related risk. At origination, the Portfolio had an average FICO score of greater than 700 and an original LTV of less than 80%. There are no option pay adjustable rate mortgages and no negatively amortizing loans in the Portfolio. Additionally, the majority of the Portfolio was originated with conventional documentation to support borrower income and/or assets.

On a loan-by-loan basis, management recognizes that the Portfolio does contain individual mortgage loans that exhibit characteristics the industry commonly associates with subprime. Management considers individual loans to have higher exposure to subprime mortgage risk at origination if the credit (FICO score) of the borrower was less than 620 or if the LTV was greater than 95%. Although individual loans with such characteristics exist within the Portfolio, there are significant mitigating factors in place to reduce the Company's exposure to subprime mortgage risk and reduce the likelihood of a loss on these loans. As of December 31, 2015, there was only one mortgage loan with an LTV greater than 95% (direct exposure of $123,496 of outstanding principal) which has private mortgage insurance (PMI) to guarantee the payment of outstanding principal in case of default. There were two borrowers with a FICO score less than 620.

The Company purchased the Portfolio on June 30, 2007 and management has no plans to originate new mortgage loans. As such, the Company considers the Portfolio to be a "closed block" of loans that are in run-off. Management mitigates the Company's subprime mortgage risk exposure by monitoring individual mortgage loans in the Portfolio for signs of distress on a monthly basis through mortgage loan delinquency reports and other methods, as appropriate. On a quarterly basis, management analyzes the Portfolio for potential write-downs, which includes an evaluation of exposure to unrealized losses due to a decline in home values, as well as realized losses resulting from delinquent payments or instances of foreclosure where it is more likely than not a home will be sold for less than the amount of outstanding principal and interest due to the Company.

2. Estimated Direct Exposure Through Investments in Subprime Mortgage Loans:

	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other Than Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	0	0	0	0	0
b. Mortgages in good standing	202,054	284,000	284,000	0	0
c. Mortgages with restructure terms	0	0	0	0	0
d. Total	202,054	284,000	284,000	0	0

3. 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). Securities with collateral that contain subprime characteristics based on low credit (FICO scores less than 620) and/or high LTVs represent less than 1% of the Company's invested assets. In addition, these securities were issued prior to 2006. 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 assures that anticipated cash flows will not be less than the carrying value subsequent to other-than-temporary impairments. As of December 31, 2015, management estimates there were no unrealized losses present due to subprime mortgage exposure.

   The Company has no estimated direct exposure to subprime mortgage risk through other investments.

4. The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage, nor does it write any other lines of insurance with underwriting exposure to subprime mortgage risk.

G. Insurance Linked Securities: None

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.

Assessments relating to Section 9010 of the Federal Affordable Care Act: Policies written by the Company are not subject to Section 9010 of the Federal Affordable Care Act. As of December 1, 2015, The Company no longer writes Accident and Health insurance policies.

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:

1.		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	285,490,295	51,388,253	76,758,135	13,816,464	208,732,159	37,571,789
b.	All Other	485,843	87,452	1,765,724	317,830	(1,279,881)	(230,379)
c.	TOTAL	285,976,137	51,475,705	78,523,859	14,134,295	207,452,278	37,341,410

d. Direct unearned Premium Reserve 195,527,931

		Direct	Assumed	Ceded	Net
2.	Contingent Commission	8,685,709	12,189,826	3,340,086	17,535,450

3. Protected Cells: None

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

A. Methods used to estimate accrued retrospective premium adjustments: Not Applicable

B. Method used to record accrued retrospective premium adjustments: Not Applicable

C. Amount of net premiums written attributable to retrospective rating features: Not applicable

D. Medical loss rebates: Not Applicable

E. Nonadmitted retrospective premium: Not Applicable

F. Risk Sharing Provisions of the Affordable Care Act (ACA):

1) Did the Company write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions: Yes

Grange Mutual Casualty Company has written a minor amount of Accident and Health insurance. At December 31, 2015 and 2014, there were 0 and 4 policies in-force, respectively. The Company also provides group medical insurance as an employment benefit. This coverage is self insured by the Company. The tables below include amounts for both coverage types as indicated. Both of these policy types are subject to the Transitional ACA Reinsurance Program, but not the Permanent ACA Risk Adjustment Program or the Temporary ACA Risk Corridors Program.

NOTES TO FINANCIAL STATEMENTS

2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year.

			Amount
a.	Permanent ACA Risk Adjustment Program		
	Assets		
	1.	Premium adjustments receivable due to ACA Risk Adjustment	0
	Liabilities		
	2.	Risk adjustment user fees payable for ACA Risk Adjustment	0
	3.	Premium adjustments payable due to ACA Risk Adjustment	0
	Operations (Revenue & Expense)		
	4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	0
	5.	Reported in expenses as ACA risk adjustment user fees (incurred/paid)	0
b.	Transitional ACA Reinsurance Program		
	Assets		
	1.	Amounts recoverable for claims paid due to ACA Reinsurance	0
	2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	0
	3.	Amounts receivable relating to uninsured plans for contributions For ACA Reinsurance	0
	Liabilities		
	4.	Liabilities for contributions payable due to ACA Reinsurance – Not reported as ceded premium	0
	5.	Ceded reinsurance premiums payable due to ACA Reinsurance	0
	6.	Liabilities for amounts held under uninsured plans contribution For ACA Reinsurance	0
	Operations (Revenue & Expense)		
	7.	Ceded Reinsurance premiums due to ACA Reinsurance	0
	8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	0
	9.	ACA Reinsurance contributions – not reported as ceded premium	101,966
c.	Temporary ACA Risk Corridors Program		
	Assets		
	1.	Accrued retrospective premium due to ACA Risk Corridors	0
	Liabilities		
	2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	0
	Operations (Revenue & Expense)		
	3.	Effect of ACA Corridors on net premium income (paid/received)	0
	4.	Effect of ACA Risk Corridors on change in reserves for rate credits	0

NOTES TO FINANCIAL STATEMENTS

3)

	Accrued During the Prior year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 – 3)	Prior year Accrued Less Payments (Col 2 – 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 + 7)	Cumulative Balance from Prior years (Col 2 – 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	0	0	0	0	0	0	0	0		0	0
2. Premium adjustments (payable)	0	0	0	0	0	0	0	0		0	0
3. Subtotal ACA Permanent Risk Adjustment Program	0	0	0	0	0	0	0	0		0	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	0	0	0	0	0	0	0	0		0	0
2. Amounts recoverable for claims unpaid (contra liability)	0	0	0	0	0	0	0	0		0	0
3. Amounts receivable relating to uninsured plans	0	0	0	0	0	0	0	0		0	0
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded	0	0	0	0	0	0	0	0		0	0
5. Ceded reinsurance premiums payable	0	0	0	0	0	0	0	0		0	0
6. Liability for amounts held under uninsured plans	0	0	0	0	0	0	0	0		0	0
7. Subtotal ACA Transitional Reinsurance Program	0	0	0	0	0	0	0	0		0	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	0	0	0	0	0	0	0	0		0	0
2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0		0	0
3. Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d. Total for ACA Risk Sharing Provisions	0	0	0	0	0	0	0	0		0	0

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 $(0.941) million from $758.711 million in 2014 to $757.770 million in 2015 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	2015	2014
BALANCE JANUARY 1	758,710,802	755,632,552
LESS REINSURANCE RECOVERABLES	261,990,939	297,289,124
NET BALANCE JANUARY 1	496,719,863	458,343,428
INCURRED RELATED TO:		
CURRENT YEAR	712,587,896	693,712,978
PRIOR YEAR	(941,088)	(9,550,692)
TOTAL INCURRED	711,646,808	684,162,287
PAID RELATED TO:		
CURRENT YEAR	420,900,816	439,563,496
PRIOR YEAR	221,281,933	206,222,356
TOTAL PAID	642,182,749	645,785,852
NET BALANCE AT DECEMBER 31	566,183,922	496,719,863
PLUS REINSURANCE RECOVERABLES	239,893,034	261,990,939
BALANCE AT DECEMBER 31	806,076,956	758,710,802

NOTES TO FINANCIAL STATEMENTS

26. INTERCOMPANY POOLING AGREEMENTS:

		Pool	
		NAIC #	**Share**
Lead Company:	Grange Mutual Casualty Company	**14060**	**84.0%**
Affiliates:	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 and the reinsurance schedules of the other participants.

27. STRUCTURED SETTLEMENTS:

All unassigned structure settlements where the claimant is the payee have amortized values, by company, less than 1% of the Company's surplus.

28. HEALTH CARE RECEIVABLES: NONE

29. PARTICIPATING POLICIES: NONE

30. PREMIUM DEFICIENCY RESERVES:

1. Liability carried for Premium Deficiency Reserves is zero.
2. Date of the most recent evaluation of this liability was 12/31/2015.
3. 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 [X] 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 [X] 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 [X] No [ ]

2.2 If yes, date of change: 09/30/2015

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014

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. 12/31/2014

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). 11/24/2015

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 [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]

4.12 renewals? Yes [ ] No [X]

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 [X]

4.22 renewals? Yes [ ] No [X]

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

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 [X]

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 [X]

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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 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 18A 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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 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 [X] No [ ]

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)

See Notes to Financial Statement Number 17.

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 [X] No [ ] NA [ ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $31,573,941

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 $31,573,888
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $31,573,941
- 24.103 Total payable for securities lending reported on the liability page $31,573,941

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	Placed under option agreements	$
25.26	Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	$
25.27	FHLB Capital Stock	$ 3,051,900
25.28	On deposit with states	$ 2,781,774
25.29	On deposit with other regulatory bodies	$
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$ 55,169,612
25.32	Other	$

25.3 For category (25.26) 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? If no, attach a description with this statement. Yes [ ] No [ ] N/A [X]

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.	4 Chase Metrotech Center, Floor 16, Brooklyn, NY 11245
Federal Home Loan Bank of Cincinnati	221 E. 4th St., 1000 Atrium 2, Cincinnati, OH 45202

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

GENERAL INTERROGATORIES

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
111242	SSGA Funds Management, Inc.	State Street Financial Center, One Lincoln St., Boston, MA 02111
109875	Asset Allocation & Management Company	30 West Monroe St., 3rd Floor, Chicago, IL 60603-2405
105726	Thompson, Siegel & Walmsley, Inc.	6806 Paragon Place, Suite 300, Richmond, VA 23230
153966	Crescent Capital Group LP	11100 Santa Monica Blvd., Suite 2000, Los Angeles, CA 90025

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)])? Yes [X] No [ ]

29.2 If yes, complete the following schedule:

	1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001.	362013-45-0	GMO INTL Developed Equity Allocation	85,367,176
29.2002.	893509-22-4	Transamerica INTL Equity	78,278,381
29.2999 TOTAL			163,645,557

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
GMO INTL Developed Equity Allocation	AstraZeneca PLC	2,561,015	12/31/2015
Transamerica INTL Equity	Teva Pharmaceutical Industries, Ltd, ADR	1,628,190	12/31/2015

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	1,046,813,531	1,074,040,977	27,227,446
30.2 Preferred Stocks	14,368,467	14,761,475	393,008
30.3 Totals	1,061,181,998	1,088,802,452	27,620,454

30.4 Describe the sources or methods utilized in determining the fair values:

Fair Values obtained primarily from Hub Data Inc., 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? Yes [X] No [ ]

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? Yes [X] No [ ]

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:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 2,821,421

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
Insurance Services Offices, Inc.	$ 902,653

34.1 Amount of payments for legal expenses, if any? $ 582,284

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
Vorys, Sater, Seymour & Pease	$ 278,781

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	$ 1,029,284,216	$ 992,486,169
2.3	Premium Ratio (2.1/2.2)	0.000	0.000
2.4	Reserve Numerator	$ 18,646	$ 635,650
2.5	Reserve Denominator	$ 969,164,131	$ 902,147,596
2.6	Reserve Ratio (2.4/2.5)	0.000	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

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 statutory 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? Yes [X] No [ ]

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 unreinsured catastrophic 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)? Yes [ ] No [X]

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)? Yes [ ] No [ ]

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? Yes [ ] No [X]

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. Yes [ ] No [X]

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. Yes [ ] No [X]

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? Yes [ ] No [X]

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, Yes [ ] No [X]

(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 Yes [ ] No [X]

(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. Yes [ ] No [X]

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 [ ] N/A [ ]

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 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	$ 0	$ 0	$ 0	$ 0	$ 0
16.12 Products	$ 0	$ 0	$ 0	$ 0	$ 0
16.13 Automobile	$ 0	$ 0	$ 0	$ 0	$ 0
16.14 Other*	$ 0	$ 0	$ 0	$ 0	$ 0

* 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. $

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2015	2 2014	3 2013	4 2012	5 2011
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)	483,107,313	493,121,890	467,010,681	439,634,989	437,873,381
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	335,668,315	324,751,905	304,475,736	281,682,275	281,340,263
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	425,055,918	420,976,071	393,806,639	364,530,704	341,886,423
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	32,868	72,862	97,103	110,133	105,732
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	1,243,864,415	1,238,922,728	1,165,390,158	1,085,958,101	1,061,205,798
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)	401,615,123	410,647,064	389,179,415	367,054,975	360,854,489
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	280,101,448	270,356,042	252,124,682	232,247,084	231,889,029
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	345,068,309	340,169,654	316,054,033	289,332,194	271,059,405
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	27,609	61,204	81,566	92,512	88,815
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	1,026,812,489	1,021,233,965	957,439,698	888,726,765	863,891,738
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	3,064,525	(1,695,760)	(123,338)	(10,517,556)	(15,329,926)
14. Net investment gain (loss) (Line 11)	55,800,072	41,880,865	52,719,794	41,555,197	32,477,162
15. Total other income (Line 15)	3,608,958	5,768,438	7,984,725	9,450,574	9,053,871
16. Dividends to policyholders (Line 17)	2,770,955	2,763,600	2,721,110	2,644,957	2,565,191
17. Federal and foreign income taxes incurred (Line 19)	2,530,328	10,079,976	10,469,482	117,671	(1,518,464)
18. Net income (Line 20)	57,172,272	33,109,967	47,390,589	37,725,587	25,154,380
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,192,204,748	2,120,580,772	2,011,753,004	1,858,634,685	1,716,471,578
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	199,247,900	199,815,304	181,843,362	163,839,236	154,328,300
20.2 Deferred and not yet due (Line 15.2)	622,507	433,299	303,092	(187,622)	(157,852)
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,124,120,009	1,073,282,751	1,001,506,238	943,311,485	877,881,168
22. Losses (Page 3, Line 1)	445,598,265	387,073,373	352,891,784	327,749,173	331,532,635
23. Loss adjustment expenses (Page 3, Line 3)	120,585,657	109,646,489	105,451,643	98,124,356	94,874,948
24. Unearned premiums (Page 3, Line 9)	402,980,209	405,451,936	376,704,139	347,931,163	328,336,940
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	1,068,084,739	1,047,298,021	1,010,246,766	915,323,200	838,590,410
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	93,843,228	72,264,058	72,318,844	64,348,448	6,619,416
Risk-Based Capital Analysis					
28. Total adjusted capital	1,070,806,835	1,049,956,083	1,010,246,766	917,383,310	839,580,522
29. Authorized control level risk-based capital	112,574,614	99,853,307	97,262,753	85,991,491	84,907,322
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)	54.7	57.6	56.8	56.4	56.8
31. Stocks (Lines 2.1 & 2.2)	30.5	26.0	26.1	25.5	26.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.1	0.2	0.2	0.3	0.4
33. Real estate (Lines 4.1, 4.2 & 4.3)	5.5	5.9	6.5	7.4	8.5
34. Cash, cash equivalents and short-term investments (Line 5)	1.8	2.5	1.3	2.5	1.0
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	0.0
37. Other invested assets (Line 8)	5.6	6.1	6.0	3.4	3.4
38. Receivables for securities (Line 9)	0.0	0.0	0.1	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	1.7	1.7	3.0	4.6	3.4
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)	225,649,125	221,081,255	202,926,892	188,056,560	170,929,069
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
47. All other affiliated		0	0	0	0
48. Total of above Lines 42 to 47	225,649,125	221,081,255	202,926,892	188,056,560	170,929,069
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)	21.1	21.1	20.1	20.5	20.4

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(32,736,643)	22,946,610	43,041,497	33,298,690	7,195,753
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	20,786,718	37,051,255	94,923,565	76,732,791	21,827,675
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)	280,236,501	267,994,457	257,997,147	227,930,819	257,893,978
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	177,565,773	176,445,740	160,674,076	158,301,113	175,297,267
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	182,086,510	206,806,907	193,920,545	247,031,991	259,465,166
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	11,452	66,597	157,403	199,208	184,912
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	639,900,235	651,313,701	612,749,171	633,463,131	692,841,322
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)	231,697,195	218,719,565	196,054,847	190,817,415	210,618,072
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	149,155,249	148,211,942	134,595,503	130,812,154	141,678,186
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	150,277,531	169,377,671	155,999,697	186,197,238	182,246,599
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	9,620	55,941	132,219	167,335	155,326
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	531,139,595	536,365,119	486,782,265	507,994,142	534,698,183
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)	57.3	57.5	55.1	58.0	60.1
68. Loss expenses incurred (Line 3)	11.9	11.4	11.8	11.0	10.4
69. Other underwriting expenses incurred (Line 4)	30.6	31.2	33.1	32.2	31.3
70. Net underwriting gain (loss) (Line 8)	0.3	(0.2)	0.0	(1.2)	(1.7)
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)	30.3	29.8	31.2	30.4	30.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	69.1	68.9	66.9	69.0	70.5
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)	96.1	97.5	94.8	97.1	103.0
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)	17,345	9,841	(4,223)	(22,910)	(38,011)
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)	1.7	1.0	(0.5)	(2.7)	(4.7)
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)	18,294	7,327	(21,933)	(43,652)	(43,266)
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)	1.8	0.8	(2.6)	(5.3)	(5.5)

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	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	2,119	1,339	726	241	33	0	282	1,297	XXX
2. 2006	918,516	38,072	880,444	477,560	21,709	18,068	71	74,901	8	24,457	548,742	XXX
3. 2007	954,215	32,524	921,691	527,769	21,998	18,509	155	71,144	20	28,557	595,249	XXX
4. 2008	942,869	43,591	899,278	599,028	68,013	20,333	893	76,845	51	27,168	627,249	XXX
5. 2009	971,628	49,012	922,616	570,783	16,191	18,219	67	76,974	3	30,041	649,715	XXX
6. 2010	989,029	47,867	941,162	584,325	17,768	18,980	15	81,334	8	33,157	666,849	XXX
7. 2011	929,246	52,707	876,539	608,892	79,739	20,746	339	79,454	14	29,708	628,999	XXX
8. 2012	917,892	48,760	869,133	523,586	24,889	16,773	229	73,936	22	27,871	589,155	XXX
9. 2013	973,834	45,167	928,667	477,915	12,435	13,729	256	78,150	22	27,994	557,080	XXX
10. 2014	1,035,313	42,827	992,486	466,697	4,205	8,320	33	82,893	65	29,039	553,607	XXX
11. 2015	1,068,044	38,759	1,029,284	349,509	2,711	3,295	8	70,922	107	17,284	420,901	XXX
12. Totals	XXX	XXX	XXX	5,188,184	270,998	157,700	2,307	766,586	321	275,560	5,838,843	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	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1.	97,719	95,314	342	0	48	112	0	0	121	0	0	2,804	XXX
2.	11,629	10,558	263	0	0	0	478	0	84	0	76	1,898	XXX
3.	30,683	29,952	307	0	0	0	715	0	75	0	147	1,828	XXX
4.	6,949	4,582	360	0	0	0	914	0	152	0	233	3,794	XXX
5.	3,271	910	514	0	0	0	1,431	0	263	0	366	4,569	XXX
6.	27,417	23,867	1,037	0	0	0	2,148	0	287	0	535	7,023	XXX
7.	28,285	18,190	2,403	0	0	0	3,498	0	562	0	798	16,558	XXX
8.	34,630	18,575	5,493	673	0	0	6,713	0	1,115	0	1,253	28,703	XXX
9.	57,469	14,770	16,355	1,462	2	0	12,377	0	2,893	0	2,237	72,864	XXX
10.	70,569	4,188	43,975	2,798	4	0	21,047	0	5,847	0	4,568	134,457	XXX
11.	148,667	9,773	97,152	4,283	55	0	28,627	0	31,241	0	15,796	291,687	XXX
12.	517,289	230,678	168,202	9,215	108	112	77,948	0	42,641	0	26,009	566,184	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,747	57
2.	582,984	32,345	550,639	63.5	85.0	62.5	0	0	84.0	1,335	563
3.	649,203	52,125	597,077	68.0	160.3	64.8	0	0	84.0	1,038	790
4.	704,583	73,540	631,043	74.7	168.7	70.2	0	0	84.0	2,727	1,067
5.	671,454	17,171	654,284	69.1	35.0	70.9	0	0	84.0	2,876	1,693
6.	715,529	41,657	673,872	72.3	87.0	71.6	0	0	84.0	4,587	2,435
7.	743,840	98,282	645,558	80.0	186.5	73.6	0	0	84.0	12,499	4,060
8.	662,246	44,389	617,858	72.1	91.0	71.1	0	0	84.0	20,874	7,828
9.	658,889	28,945	629,944	67.7	64.1	67.8	0	0	84.0	57,593	15,271
10.	699,353	11,289	688,064	67.5	26.4	69.3	0	0	84.0	107,559	26,898
11.	729,469	16,881	712,588	68.3	43.6	69.2	0	0	84.0	231,764	59,923
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	445,598	120,586

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior	202,639	189,502	179,632	174,560	170,484	171,327	171,929	172,394	173,830	174,107	277	1,713
2. 2006	508,320	488,928	483,490	478,608	476,395	475,441	475,358	475,021	475,096	475,662	566	641
3. 2007	XXX	544,152	536,774	531,126	527,470	525,675	526,931	525,230	525,629	525,879	250	649
4. 2008	XXX	XXX	558,540	562,190	559,628	552,012	553,225	552,759	554,083	554,096	13	1,337
5. 2009	XXX	XXX	XXX	598,548	586,637	577,311	577,177	576,404	575,910	577,051	1,140	647
6. 2010	XXX	XXX	XXX	XXX	616,507	597,343	588,849	590,785	592,459	592,258	(201)	1,473
7. 2011	XXX	XXX	XXX	XXX	XXX	575,970	558,701	560,554	564,962	565,556	595	5,003
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	547,333	542,133	544,860	542,828	(2,031)	695
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	542,787	541,078	548,923	7,845	6,136
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	590,497	599,389	8,891	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	610,531	XXX	XXX
										12. Totals	17,345	18,294

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior	000	83,675	127,364	147,434	156,404	161,203	164,437	166,455	170,160	171,424	XXX	XXX
2. 2006	304,590	399,210	438,150	458,510	467,309	471,157	472,283	472,659	473,682	473,849	XXX	XXX
3. 2007	XXX	342,420	439,342	482,425	508,066	514,827	519,344	522,023	523,611	524,125	XXX	XXX
4. 2008	XXX	XXX	361,342	472,547	509,056	530,916	538,641	546,032	548,457	550,455	XXX	XXX
5. 2009	XXX	XXX	XXX	383,950	497,664	534,300	554,601	566,212	570,051	572,744	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	396,591	500,359	538,262	565,386	580,653	585,523	XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	374,348	469,591	506,798	535,993	549,560	XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	356,737	446,166	485,390	515,241	XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	332,062	429,172	478,952	XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	367,882	470,779	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	350,085	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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior	53,575	42,132	21,480	11,420	4,526	2,018	1,429	854	482	342
2. 2006	76,382	44,689	21,074	8,687	3,646	1,718	1,358	669	599	741
3. 2007	XXX	94,996	45,595	19,959	8,217	3,522	2,484	1,123	977	1,022
4. 2008	XXX	XXX	91,910	41,887	17,558	7,266	4,164	1,679	1,404	1,275
5. 2009	XXX	XXX	XXX	98,299	44,095	17,391	6,895	3,833	2,344	1,945
6. 2010	XXX	XXX	XXX	XXX	101,958	40,155	17,591	7,442	4,796	3,185
7. 2011	XXX	XXX	XXX	XXX	XXX	92,148	36,560	17,961	9,736	5,901
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	90,984	42,766	22,269	11,533
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90,970	47,505	27,270
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	103,983	62,224
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	121,497

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, etc.	Active Status	2 Direct Premiums Written	3 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	L	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	10,245	(39,755)	0	0	
11. Georgia GA	L	39,635,924	39,999,655	0	14,129,085	24,589,227	28,689,656	545,525	
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	L	24,753,476	26,263,774	0	10,462,475	13,483,714	28,501,704	291,978	
15. Indiana IN	L	19,068,985	19,817,794	0	8,550,789	9,843,213	14,731,547	267,000	
16. Iowa IA	L	0	0	0	0	0	0	0	
17. Kansas KS	L	0	0	0	0	0	0	0	
18. Kentucky KY	L	31,386,255	32,635,372	0	18,558,538	25,405,045	23,902,941	418,865	
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	N	0	0	0	0	0	0	0	
24. Minnesota MN	L	0	0	0	0	0	0	0	
25. Mississippi MS	N	0	0	0	0	0	0	0	
26. Missouri MO	L	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	334,893,388	342,206,696	0	162,550,384	168,926,186	118,240,437	6,761,955	
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	L	11,915,243	11,146,292	0	10,315,043	9,186,874	9,454,710	113,583	
40. Rhode Island RI	N	0	0	0	0	0	0	0	
41. So. Carolina SC	L	4,963,177	4,915,126	0	3,855,722	4,352,376	2,002,175	234,275	
42. So. Dakota SD	N	0	0	0	0	0	0	0	
43. Tennessee TN	L	36,443,932	36,912,216	0	16,791,837	18,784,154	19,520,232	456,860	
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	L	4,428,021	4,346,801	0	2,609,797	3,046,354	1,148,463	155,783	
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	L	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) 15	507,488,402	518,243,726	0	247,833,915	277,577,390	246,191,865	9,245,824	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
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	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.

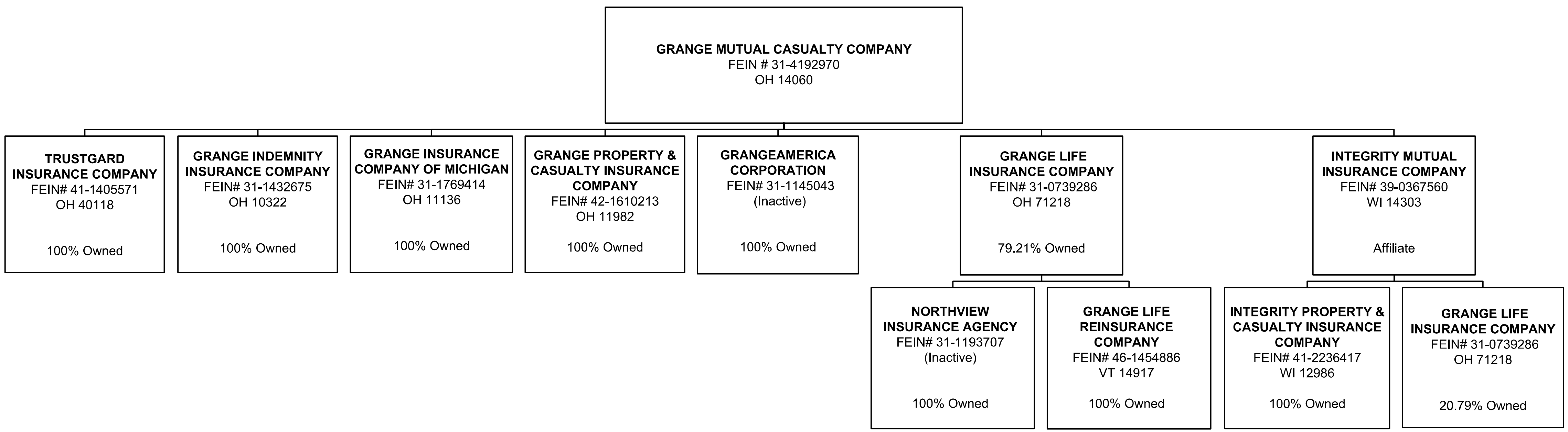
Explanation of basis of allocation of premiums by states, etc.

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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