

Due to a 2016 audit adjustment to our reserves we are amending the following schedules: Page 7 - NOTESPR and Page 7 - NOTES



QUARTERLY STATEMENT

AS OF MARCH 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

GRANGE LIFE INSURANCE COMPANY

NAIC Group Code 00267 , 00267 NAIC Company Code 71218 Employer's ID Number 31-0739286
(Current Period) (Prior Period)

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

Country of Domicile United States

Incorporated/Organized 03/05/1968 Commenced Business 07/01/1968

Statutory Home Office 671 South High Street , Columbus, OH, US 43206-1066
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 671 South High Street Columbus, OH, US 43206-1066 614-445-2900
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 1218 , Columbus, OH, US 43216-1212
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 671 South High Street Columbus, OH, US 43206-1066 614-445-2900
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.grangeinsurance.com

Statutory Statement Contact Jeffrey Paul Siefker 614-593-4014
(Name) (Area Code) (Telephone Number) (Extension)

siefkerj@grangeinsurance.com 614-542-6043
(E-mail Address) (FAX Number)

OFFICERS

Name	Title	Name	Title
<u>Theresa Marie Mason</u>	<u>President</u>	<u>Teresa Jean Dalenta</u>	<u>EVP & CFO</u>
<u>LaVawn Dee Coleman</u>	<u>EVP & Secretary</u>	<u>Milliman</u>	<u>Actuary</u>

OTHER OFFICERS

DIRECTORS OR TRUSTEES

<u>JOHN (NMN) AMMENDOLA</u>	<u>MARK LEWIS BOXER</u>	<u>DOUGLAS PAUL BUTH</u>	<u>GLENN EUGENE CORLETT</u>
<u>TERESA JEAN DALENTA</u>	<u>MICHAEL DESMOND FRAIZER</u>	<u>ROBERT ENLOW HOYT</u>	<u>MARY MARNETTE PERRY</u>
<u>THOMAS SIMRALL STEWART</u>	<u>DAVID CHARLES WETMORE</u>	<u>CHRISTIANNA (NMN) WOOD</u>	

State of ss
 County of

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.

Theresa Marie Mason Teresa Jean Dalenta LaVawn Dee Coleman
 President EVP & CFO EVP & Secretary

- a. Is this an original filing? Yes [] No [X]
- b. If no:
 1. State the amendment number 2
 2. Date filed 06/20/2017
 3. Number of pages attached _____

Subscribed and sworn to before me this
11th day of May, 2017

 Teresa J. Burchwell, Notary Public
 04/28/2022

1) Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Grange Life Insurance Company (Company) have been prepared in conformity with the *Accounting Practices and Procedures Manual* of the National Association of Insurance Commissioners (NAIC) and accounting practices prescribed or permitted by The Ohio Department of Insurance (Department).

The Net Income and Surplus amounts were as follows for the period ended March 31, 2017 and December 31, 2016, respectively. Failure of the amounts to add to totals is due to rounding or truncation.

<u>NET INCOME</u>	<u>State of Domicile</u>	<u>2017</u>	<u>2016</u>
(1) Company state basis (Pg 4, Line 35, Columns 1 & 3)	.....OH	\$.....(328,134.00)	\$..(37,381,445.00)
(4) NAIC SAP (1-2-3=4)	.....OH	\$.....(328,134.00)	...(37,381,445.00)
 <u>SURPLUS</u>			
(5) Company state basis (Pg 3, Line 38, Columns 1 & 2)	.....OH	\$.....71,381,103.00	\$...71,346,081.00
(8) NAIC SAP (5-6-7=8)	.....OH	\$.....71,381,103.00	\$...71,346,081.00

2) Accounting Changes and Correction of Errors

The Company had no material changes in accounting principles or corrections of errors.

3) Business Combinations and Goodwill

NONE

4) Discontinued Operations

NONE

5) Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

NONE

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. All securities during 2017 with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:
NONE
3. Securities with a recognized other-than-temporary impairment currently held by the Company, where the present value of cash flows expected to be collected is less than the amortized cost basis of securities:
NONE
4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.	The aggregate amount of unrealized loss:		
	1.	Less than 12 Months	\$ (3,281,551)
	2.	12 Months or Longer	\$ (41,683)
b.	The aggregate related fair value of securities with unrealized losses:		
	1.	Less than 12 Months	\$ 94,750,278
	2.	12 Months or Longer	\$ 2,678,429

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

	<u>Amortized Cost</u>	<u>FAIR VALUE</u>
Securities Lending		
(a) Open		
(b) 30 Days or Less	\$.....2,556,005.00	\$.....2,556,007.00
(c) 31 to 60 Days	\$.....134,973.00	\$.....134,973.00
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(I) 2-3 Year		
(j) Greater Than 3 Years		
(k) Sub-Total	\$.....2,690,978.00	\$.....2,690,980.00
(l) Securities Received		
(m) Total Collateral Reinvested	<u>\$.....2,690,978.00</u>	<u>\$.....2,690,980.00</u>

6) Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

7) Investment Income

No significant change.

8) Derivative Instruments

NONE

9) Income Taxes

\$3.9 million of the federal income tax liability recorded as of December 31, 2016 was returned to the Company as part of the dissolution of GLRE in March 2017. See note 21 for more information.

10) Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

No significant change.

11) Debt

NONE

12) Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

14) Contingencies

No significant change.

15) Leases

NONE

16) Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

NONE

17) Sale, 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

No significant change.

C. Wash Sales

NONE

18) Gain or Loss to the Reporting Entity from Uninsured 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. For assets and liabilities that are measured and reported at fair value in the statement of financial position after initial recognition, the valuation techniques and the inputs used to develop those measurements and for fair value measurements in the statement of financial position determined using significant unobservable inputs (Level 3), the effect of the measurements on earnings (or changes in net assets) for the period.

(1) Fair Value Measurement at Reporting Date

NONE

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

Description	Beginning Balance at 01/01/2017	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 3/31/2017
a. Assets:										
Common Stock	12,087,891	0	0	0	11,181,366	0	0	0	0	906,525
Total Assets	12,087,891	0	0	0	11,181,366	0	0	0	0	906,525

(3) The reporting entity's policy is to recognize transfers in and out as of the end of the reporting period.

(4) As of March 31, 2017, 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 thru 5 are reported at amortized cost. Securities with a rating of NAIC 6 are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of March 31, 2017, the Company did not have any bonds rated NAIC 6 and therefore did not report any securities at fair value.

Parent, Subsidiaries, and Affiliates—The Company's investment in one subsidiary is measured and reported at fair value as of March 31, 2017 totaling \$9 million. 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 policyholder claims and benefits. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

(5) The Company does not have derivative assets or liabilities.

B. The Company is not required to combine the fair value information disclosed under SSAP No. 100, since it is not practicable.

C. Fair values for these types of financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 364,700,893	\$ 360,165,753	\$ 23,778,360	\$ 340,922,532	\$	\$
Common Stock	\$907,306	\$906,525	\$	\$	\$906,525	\$781
Money Market	\$0	\$0	\$0	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Common Stock	\$781	N/A.....	N/A.....	Stock represents ownership of an insurance agency valued at original cost and reported as a subsidiary of the entity

21) Other Items

A. Extraordinary items

NONE

B. Troubled Debt Restructuring: Debtors

NONE

C. Other Disclosures

On November 1, 2016, the Company's universal life with secondary guarantees and term life business was recaptured from its wholly-owned subsidiary, GLRE, under the provisions of the coinsurance reinsurance agreement. GLRE was subsequently approved for dissolution on March 3, 2017 by the Vermont Department of Financial Regulation.

D. Uncollectible Assets

NONE

E. Business Interruption Insurance Recoveries

NONE

F. State Transferable and Non-Transferable Tax Credits

NONE

G. Subprime Mortgage Related Risk Exposure

NONE

H. Retained Assets

NONE

22) Events Subsequent

The remaining assets in GLRE in the form of cash were returned to the Company in April 2017, as the result of finalizing the dissolution of GLRE.

23) Reinsurance

No significant change.

24) Retrospectively Rated Contracts & Contracts Subject to Redetermination

NONE

25) Change in Incurred Losses and Loss Adjustment Expenses

NONE

26) Intercompany Pooling Arrangements

NONE

27) Structured Settlements

NONE

28) Health Care Receivables

NONE

29) Participating Policies

No significant change.

30) Premium Deficiency Reserves

NONE

31) Reserves for Life Contracts and Annuity Contracts

No significant change.

32) Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics

	Amount	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment					
(2) At book value less current surrender charge of 5% or more	\$ 24,177.00			\$ 24,177.00	.04
(3) At fair value					
(4) Total with adjustment or at fair value (total of 1 through 3)	\$ 24,177.00			\$ 24,177.00	.04
(5) At book value without adjustment (minimal or no charge or adjustment)	\$56,109,893.00			\$56,109,893.00	99.96
B. Not subject to discretionary withdrawal					
C. Total (gross: direct + assumed)	\$56,134,070.00			\$56,134,070.00	100.00
D. Reinsurance ceded					
E. Total (net) * (C) - (D)	\$56,134,070.00			\$56,134,070.00	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F.

Amount

Life & Accident & Health Annual Statement

Exhibit 5, Annuities Section, Total (net): \$55,826,574.00
Exhibit 5, Supplementary Contracts With Life Contingencies
Section, Total (net):

Exhibit 7, Deposit-Type Contracts, Line 14, Column 1: \$307,497.00

Subtotal: \$56,134,071.00

Separate Accounts Annual Statement:

Exhibit 3, Line 0299999, Column 2:
Exhibit 3, Line 0399999, Column 2:
Policyholder dividend and coupon accumulations
Policyholder premiums
Guaranteed interest contracts
Other contract deposit funds
Subtotal:

Combined Total: \$56,134,071.00

33) Premium and Annuity Considerations Deferred and Uncollected

No significant change.

34) Separate Accounts

NONE

35) Loss/Claim Adjustment Expenses

NONE